



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 JUNE 2014**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-14 RM'000	Preceding Quarter Ended 30-Jun-13 RM'000	Current Quarter To date 30-Jun-14 RM'000	Preceding Quarter To date 30-Jun-13 RM'000
Revenue	100,756	81,143	188,168	171,226
Cost of sales	(59,648)	(58,774)	(104,981)	(110,704)
Gross profit	41,108	22,369	83,187	60,522
Other items of income				
Interest income	5,116	121	9,840	2,042
Other income	1,158	926	2,126	3,588
Other items of expense				
Distribution costs	(1,530)	(1,464)	(2,738)	(3,334)
Administration expenses	(20,079)	(22,738)	(42,366)	(41,548)
Other expenses	(5,718)	(3,329)	(10,801)	(6,050)
Finance costs	(40)	(18)	(70)	(36)
Profit before tax	20,015	(4,133)	39,178	15,184
Income tax expenses	(5,140)	(1,499)	(10,658)	(6,482)
Profit for the period, net of tax	14,875	(5,632)	28,520	8,702
Other comprehensive income :				
Available for sale investments' fair value movement	-	7	(1)	(10)
Net loss of remeasurement of defined benefit liability	13	-	(16)	-
Revaluation of land, buildings, plant & machinery and plantation development expenditure	-	-	(247)	-
Foreign currency translation	(420)	500	(1,845)	447
Other comprehensive income/(loss) for the period, net of tax	(407)	507	(2,109)	437
Total comprehensive income for the period	14,468	(5,125)	26,411	9,139



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Quarter	Quarter	Quarter
	Ended	Ended	To date	To date
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Owner of the parent	15,336	(5,421)	29,208	8,774
Non-controlling interest	(461)	(211)	(688)	(72)
	14,875	(5,632)	28,520	8,702
Total comprehensive income attributable to:				
Owner of the parent	14,929	(4,914)	27,099	9,211
Non-controlling interest	(461)	(211)	(688)	(72)
	14,468	(5,125)	26,411	9,139
Earnings per share (sen):				
Basic (Note 28)	1.04	(0.37)	1.97	0.59

(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 30 JUNE 2014**

	Unaudited As at 30-Jun-14 RM'000	Audited As at 31-Dec-13 RM'000 Restated
Assets		
Non-current assets		
Property, plant & equipment	786,193	741,347
Biological assets	620,757	600,861
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	204,290	204,290
Investment securities	84	85
Deferred tax assets	8,835	9,415
Interest receivable	13,280	4,210
	<u>1,654,398</u>	<u>1,581,167</u>
Current assets		
Inventories	36,449	36,721
Trade and other receivables	56,462	49,738
Prepayments	1,352	1,755
Tax recoverable	1,860	2,144
Cash and bank balances	87,041	101,224
	<u>183,164</u>	<u>191,582</u>
Total assets	<u>1,837,562</u>	<u>1,772,749</u>
Current liabilities		
Borrowings	6,778	1,147
Trade and other payables	147,022	136,383
Tax payable	11,653	8,549
	<u>165,453</u>	<u>146,079</u>
Net current assets	<u>17,711</u>	<u>45,503</u>
Non-current liabilities		
Retirement benefit obligations	3,219	3,046
Borrowings	292,282	273,410
Deferred tax liabilities	97,284	97,301
	<u>392,785</u>	<u>373,757</u>
Total liabilities	<u>558,238</u>	<u>519,836</u>
Net assets	<u>1,279,324</u>	<u>1,252,913</u>



TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Unaudited As at 30-Jun-14 RM'000	Audited As at 31-Dec-13 RM'000 Restated
Equity attributable to owners of the parent		
Share capital	296,332	296,332
Share premium	33,064	33,064
Retained earnings	444,830	415,638
Other reserves	499,014	501,107
	<u>1,273,240</u>	<u>1,246,141</u>
Non-controlling interests	6,084	6,772
Total equity	<u>1,279,324</u>	<u>1,252,913</u>
Total equity and liabilities	<u>1,837,562</u>	<u>1,772,749</u>
Net assets per share (RM)	0.86	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)

TDM BERHAD (Company No 6265-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2014

	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 translation reserve	Share option 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	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	28,520	29,208	-	-	29,208	-	-	-	-	-	-	(688)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(1)	(1)	-	-	-	(1)	-	-	-	(1)	-	-
Foreign currency translation	(1,845)	(1,845)	-	-	-	(1,845)	-	(1,845)	-	-	-	-
Net surplus on revaluation of land, buildings, and plant and machinery	(247)	(247)	-	-	-	(247)	(247)	-	-	-	-	-
Net loss on remeasurement of define benefit liability	(16)	(16)	-	-	(16)	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	(2,109)	(2,109)	-	-	(16)	(2,093)	(247)	(1,845)	-	(1)	-	-
Total comprehensive income for the year	26,411	27,099	-	-	29,192	(2,093)	(247)	(1,845)	-	(1)	-	(688)
Closing balance at 30 June 2014	1,279,324	1,273,240	296,332	33,064	444,830	499,014	516,723	(17,666)	-	(12)	(31)	6,084
Opening balance at 1 January 2013	1,254,461	1,229,270	245,767	80,908	419,539	483,056	497,150	(14,752)	677	(19)	-	25,191
Profit for the year	9,139	9,211	-	-	8,774	437	-	447	-	(10)	-	(72)
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 minority interest	(12,716)	-	-	-	-	-	-	-	-	-	-	(12,716)
Dividends paid on ordinary shares	(54,328)	(54,328)	-	-	(54,328)	-	-	-	-	-	-	-
Total transactions with owners	(65,000)	(52,284)	50,565	(47,844)	(54,328)	(677)	-	-	(677)	-	-	(12,716)
Closing balance at 30 June 2013	1,198,600	1,186,197	296,332	33,064	373,985	482,816	497,150	(14,305)	-	(29)	-	12,403

(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)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2014**

	Period Ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000
Cash flows from operating activities		
Profit before tax	39,178	15,184
Profit before tax from discontinued operation	-	-
Adjustments for:		
Interest expense	70	18
Depreciation of property, plant and equipment	16,688	14,500
Property, plant and equipment written off	70	139
Impairment loss on trade and other receivables	762	378
Payables written back	-	(1,568)
Dividend income	(4)	(4)
Gain on disposal of property, plant and equipment	(27)	-
Interest income	(9,840)	(1,769)
Provision for short term accumulating compensated absences	21	-
Provision for retirement benefit obligations	158	-
Other receivables written off	-	625
Share options lapsed under ESOS	-	(67)
Total adjustments	<u>7,898</u>	<u>12,252</u>
Operating cash flows before changes in working capital	<u>47,076</u>	<u>27,436</u>
<u>Changes in working capital</u>		
Decrease in inventories	272	(2,212)
(Increased)/decrease in receivables	(16,188)	32,481
Increased/(decrease) in payables	9,583	(16,631)
Total changes in working capital	<u>(6,333)</u>	<u>13,638</u>
Cash flows from operations	40,743	41,074
Interest paid	(70)	(18)
Interest received	9,840	1,769
Taxes paid	(6,191)	(14,905)
Retirement benefits paid	-	(16)
Net cash flows from operating activities	<u>44,322</u>	<u>27,904</u>



TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2014 (CONT'D.)**

	Period Ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(61,434)	(47,863)
Addition of plantation development expenditure	(9,590)	(26,550)
Dividend received	4	4
Acquisition of ownership in subsidiary	-	(12,653)
Nett cash inflow on disposal of a subsidiary	-	2,000
Proceeds from disposal of property plant and equipment	27	-
Net cash flows used in investing activities	<u>(70,993)</u>	<u>(85,062)</u>
Cash flows from financing activities		
Drawdown of term loan	18,789	12,911
Drawdown of hire purchase facilities	6,152	-
Proceeds from issuance of ordinary shares	-	2,111
Repayments of term loans	(127)	(94)
Repayments of hire purchase facilities	(324)	(183)
Dividend paid	-	(54,328)
Net cash flows from financing activities	<u>24,490</u>	<u>(39,583)</u>
Net increase in cash and cash equivalents	(2,181)	(96,741)
Cash and cash equivalents at 1 January	91,067	212,297
Effect of foreign exchange rate changes	(1,845)	257
Cash and cash equivalents at 31 December	<u>87,041</u>	<u>115,813</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	38,859	21,883
Deposits with licensed banks	48,182	93,930
Cash and cash equivalents	<u>87,041</u>	<u>115,813</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-based 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 30 June 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

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, and was approved by the shareholders of the Company at the 49th Annual General Meeting held on 3 June 2014. The dividends has been paid to shareholders on 2 July 2014.

9. Segmental reporting

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
3 months ended 30 June 2014				
Revenue				
Total revenue	92,358	33,821	-	126,179
Intersegment-revenue	(23,702)	(1,721)	-	(25,423)
External revenue	<u>68,656</u>	<u>32,100</u>	-	<u>100,756</u>
Segment result (external)	16,860	3,154	1	<u>20,015</u>
Profit before taxation				<u>20,015</u>

**3 months ended
30 June 2013**

Revenue

Total revenue	60,184	30,768	-	90,952
Intersegment-revenue	(8,298)	(1,511)	-	(9,809)
External revenue	<u>51,886</u>	<u>29,257</u>	-	<u>81,143</u>
Segment result (external)	(7,418)	3,285	-	<u>(4,133)</u>
Profit before taxation				<u>(4,133)</u>

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
6 months ended 30 June 2014				
Revenue				
Total revenue	157,380	68,289	-	225,669
Intersegment-revenue	(33,938)	(3,563)	-	(37,501)
External revenue	<u>123,442</u>	<u>64,726</u>	-	<u>188,168</u>
Segment result (external)	31,719	7,455	4	<u>39,178</u>
Profit before taxation				<u>39,178</u>

**6 months ended
30 June 2013**

Revenue

Total revenue	133,546	60,328	-	193,874
Intersegment-revenue	(19,477)	(3,171)	-	(22,648)
External revenue	<u>114,069</u>	<u>57,157</u>	-	<u>171,226</u>
Segment result (external)	7,430	7,754	-	<u>15,184</u>
Profit before taxation				<u>15,184</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				
30 June 2014	1,600,786	234,289	2,487	1,837,562
31 December 2013	1,545,789	224,474	2,486	1,772,749
Total liabilities				
30 June 2014	444,684	112,112	1,442	558,238
31 December 2013	388,668	129,728	1,440	519,836

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 30 June 2014 are as follows:

	RM '000
Authorised by the Directors and contracted	64,309
Authorised by the Directors but not contracted	223,453
	<u>287,762</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 - Q2 2014 versus Q2 2013

	Q2 2014	Q2 2013	Variance
	RM'000	RM'000	
Revenue			
Plantation	68,656	51,886	32%
Healthcare	32,100	29,257	10%
Total	100,756	81,143	24%
Profit Before Tax ("PBT")			
Plantation	16,861	(7,418)	327%
Healthcare	3,154	3,285	-4%
Total	20,015	(4,133)	584%

For the 2nd quarter ended 30 June 2014, the Group's revenue increased 24% to RM100.8 million, while profit before tax ("PBT") rose 584% to RM20.0 million, compared to the previous corresponding quarter.

Plantation Division

During the quarter, the Plantation Division registered higher revenue and PBT by 32% and 327% respectively compared to the same period last year mainly due to:

- a) Higher CPO and PK prices by 15% and 60% respectively;

Average Price	Q2 2014	Q2 2013	Variance
	RM/mt	RM/mt	%
CPO	2,723	2,358	15%
PK	1,949	1,219	60%

- b) Higher CPO and PK productions by 13% and 4% respectively; and
c) Higher interest income by RM4.6 million;

During the quarter, we have sold 12,538.06 mt of Certified Sustainable Palm Oil ("CSPO") at premium of RM99/mt and RM66/mt for segregated and mass balance respectively.

However, the quarter also saw immature area expenses (from our replanting programme) increased by RM1.8 million compared to the same period last year.

Healthcare Division

During the quarter, the healthcare division increased its sales by 10% compared to the previous corresponding quarter due to increase in number of inpatient days by 14% from improved hospital case-mix. Profit before tax lowered by 4% to RM3.1 million, compared to the same period last year due to pre-operating expenses of new Kuantan Medical Centre which is expected to commence operation in Q4 2014.

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.)

1H 2014 versus 1H 2013

	1H 2014	1H 2013	Variance
	RM'000	RM'000	
Revenue			
Plantation	123,442	114,069	8%
Healthcare	64,726	57,157	13%
Total	188,168	171,226	10%
Profit Before Tax ("PBT")			
Plantation	31,719	7,430	327%
Healthcare	7,455	7,754	-4%
Total	39,174	15,184	158%

For the 1H 2014, the Group's revenue increased 10% to RM188.2 million, while PBT rose 158% to RM39.2 million, compared to the previous corresponding period.

Plantation Division

During the first half, the Plantation Division registered higher revenue and PBT by 8% and 327% respectively compared to the same period last year mainly due to:

- a) Higher CPO and PK prices by 17% and 62% respectively.

Average Price	1H 2014	1H 2013	Variance
	RM/mt	RM/mt	%
CPO	2,692	2,306	17%
PK	1,932	1,192	62%

During the first half, we have sold 22,148.95 mt of Certified Sustainable Palm Oil ("CSPO") at premium of RM99/mt and RM66/mt for segregated and mass balance respectively.

- b) Higher interest income by RM7.8 million; and
c) Lower estate production cost by RM4.6 million

However, the first half also saw immature area expenses (from our replanting programme) increased by RM4.1 million compared to the same period last year.

Healthcare Division

During the first half, the Healthcare Division recorded higher revenue by 13% whilst its PBT lowered 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 20% in first half 2014. The improved performance mainly due to:

- a) 8% growth in inpatient admissions;
b) Higher number of inpatient days by 9% from improved hospital case-mix of patient; and
c) TDMC Hospital, acquired in 2011, saw its PBT jumped by 332% as compared to 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 - Q2 2014 versus Q1 2014

The quarter under review recorded higher revenue and PBT by 15% and 5% respectively compared to the preceding quarter mainly due to:

- a) Higher productions of CPO and PK by 31% and 11% respectively; and
- b) Higher prices of CPO and PK by 3% and 2% 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

The group remains positive on the long term fundamentals of the industry. Despite of lower palm oil prices, the group expects 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 30 June 2014.

20. Profit for the period

	Current period to date	
	30-Jun-14	30-Jun-13
	RM'000	RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	70	18
Interest income	(9,840)	(1,769)
Dividend income	(4)	(4)
Depreciation of property, plant and equipment	16,688	14,500
Gain on disposal of property, plant and equipment	(27)	-
Impairment loss on trade and other receivables	762	378
Payables written back	-	(1,568)
	-	(1,568)

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

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

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	
	30-Jun-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Current income tax	4,799	769	11,079	6,861
(Over)/under provision of income tax in prior year	(934)	318	(934)	318
	3,865	1,087	10,145	7,179
Deferred tax	156	(317)	(227)	(399)
Over provision of deferred tax	1,119	729	740	(298)
	5,140	1,499	10,658	6,482

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 30 June 2014 are as follows :

	Current RM'000	Non-Current RM'000	Total RM'000
<u>Secured</u>			
- Bank loans	914	96,210	97,124
- Obligation under the finance leases	5,864	19	5,883
	6,778	96,229	103,007
<u>Unsecured</u>			
- Structured notes	-	196,053	196,053
	-	196,053	196,053
Total	6,778	292,282	299,060

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 30 June 2014.

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.

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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, and was approved by the shareholders of the Company at the 49th Annual General Meeting held on 3 June 2014.

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 30.6.2014	Preceding Quarter Ended 30.6.2013	Current Quarter To date 30.6.2014	Preceding Quarter To date 30.6.2013
Basic				
Profit for the period attributable to owners of the parent (RM'000)	15,336	(5,421)	29,208	8,774
Weighted average number of ordinary shares in issue ('000)	1,481,662	1,481,667	1,481,662	1,481,667
Basic earnings per ordinary share attributable to owners of the parent	1.04	(0.37)	1.97	0.59

29. Realised and unrealised profits

	As at 30-Jun-14 RM'000	As at 31-Dec-13 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	314,660	295,820
- Unrealised profits	83,792	84,437
	<u>398,452</u>	<u>380,257</u>
Less: Consolidation adjustments	46,378	35,381
Total Group retained profits as per consolidated accounts	<u>444,830</u>	<u>415,638</u>

30. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2014.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company secretary

Kuala Lumpur
27 August 2014