



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2014**



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

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-14 RM'000	Preceding Quarter Ended 30-Sep-13 RM'000	Current Quarter To date 30-Sep-14 RM'000	Preceding Quarter To date 30-Sep-13 RM'000
Revenue	98,305	101,202	286,472	272,428
Cost of sales	(56,422)	(59,178)	(161,403)	(169,881)
Gross profit	41,883	42,024	125,069	102,547
Other items of income				
Interest income	4,861	4,014	14,701	6,056
Other income	2,539	3,140	4,666	6,727
Other items of expense				
Distribution costs	(2,094)	(2,033)	(4,832)	(5,367)
Administration expenses	(30,593)	(25,122)	(72,959)	(66,669)
Other expenses	(3,462)	(2,454)	(14,263)	(8,503)
Finance costs	(64)	(18)	(134)	(54)
Profit before tax	13,070	19,551	52,248	34,737
Income tax expenses	(6,416)	(7,042)	(17,075)	(13,523)
Profit for the period, net of tax	6,654	12,509	35,173	21,214
Other comprehensive income :				
Available for sale investments' fair value movement	-	14	(3)	4
Net loss on remeasurement of defined benefit liability	(5)	-	(21)	-
Revaluation of land, buildings, plant & machinery and plantation development expenditure	-	-	(247)	-
Foreign currency translation	(764)	(24,790)	(2,608)	(24,343)
Other comprehensive income/(loss) for the period, net of tax	(769)	(24,776)	(2,879)	(24,339)
Total comprehensive income/(loss) for the period	5,885	(12,267)	32,294	(3,125)



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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-14 RM'000	Preceding Quarter Ended 30-Sep-13 RM'000	Current Quarter To date 30-Sep-14 RM'000	Preceding Quarter To date 30-Sep-13 RM'000
Profit attributable to:				
Owner of the parent	7,600	12,549	36,808	21,326
Non-controlling interest	(946)	(40)	(1,635)	(112)
	6,654	12,509	35,173	21,214
Total comprehensive income attributable to:				
Owner of the parent	6,831	(12,227)	33,929	(3,013)
Non-controlling interest	(946)	(40)	(1,635)	(112)
	5,885	(12,267)	32,294	(3,125)
Earnings per share (sen):				
Basic (Note 27)	0.51	0.85	2.48	1.44

(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 SEPTEMBER 2014**

	Unaudited As at 30-Sep-14 RM'000	Audited As at 31-Dec-13 RM'000 Restated
Assets		
Non-current assets		
Property, plant & equipment	810,863	741,347
Biological assets	633,994	600,861
Investment property	11,000	11,000
Goodwill	9,959	9,959
Other investments	205,370	204,290
Investment securities	82	85
Deferred tax assets	8,849	9,415
Interest receivable	17,889	4,210
	<u>1,698,006</u>	<u>1,581,167</u>
Current assets		
Inventories	36,587	36,721
Trade and other receivables	65,288	49,738
Prepayments	2,141	1,755
Tax recoverable	1,833	2,144
Cash and bank balances	110,349	101,224
	<u>216,198</u>	<u>191,582</u>
Total assets	<u>1,914,204</u>	<u>1,772,749</u>
Current liabilities		
Borrowings	8,686	1,147
Trade and other payables	168,475	136,383
Tax payable	14,368	8,549
	<u>191,529</u>	<u>146,079</u>
Net current assets	<u>24,669</u>	<u>45,503</u>
Non-current liabilities		
Retirement benefit obligations	3,292	3,046
Borrowings	352,200	273,410
Deferred tax liabilities	96,794	97,301
	<u>452,286</u>	<u>373,757</u>
Total liabilities	<u>643,815</u>	<u>519,836</u>
Net assets	<u>1,270,389</u>	<u>1,252,913</u>



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	Unaudited As at 30-Sep-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	437,607	415,638
Other reserves	498,249	501,107
	<u>1,265,252</u>	<u>1,246,141</u>
Non-controlling interests	5,137	6,772
Total equity	<u>1,270,389</u>	<u>1,252,913</u>
Total equity and liabilities	<u>1,914,204</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 SEPTEMBER 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	35,173	36,808	-	-	36,808	-	-	-	-	-	-	(1,635)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	(3)	(3)	-	-	-	(3)	-	-	-	(3)	-	-
Foreign currency translation	(2,608)	(2,608)	-	-	-	(2,608)	-	(2,608)	-	-	-	-
Net surplus on revaluation of land, buildings, plant & machinery and plantation development expenditure	(247)	(247)	-	-	-	(247)	(247)	-	-	-	-	-
Net loss on remeasurement of defined benefit liability	(21)	(21)	-	-	(21)	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	(2,879)	(2,879)	-	-	(21)	(2,858)	(247)	(2,608)	-	(3)	-	-
Total comprehensive income for the year	32,294	33,929	-	-	36,787	(2,858)	(247)	(2,608)	-	(3)	-	(1,635)
Transactions with owners												
Dividends paid on ordinary shares	(14,818)	(14,818)	-	-	(14,818)	-	-	-	-	-	-	-
Total transactions with owners	(14,818)	(14,818)	-	-	(14,818)	-	-	-	-	-	-	-
Closing balance at												
30 September 2014	1,270,389	1,265,252	296,332	33,064	437,607	498,249	516,723	(18,429)	-	(14)	(31)	5,137
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	21,214	21,326	-	-	21,326	-	-	-	-	-	-	(112)
Other comprehensive income												
Net gain on fair value changes in available for sale investments' fair value movement	4	4	-	-	-	4	-	-	-	4	-	-
Foreign currency translation	(24,343)	(24,343)	-	-	-	(24,343)	-	(24,343)	-	-	-	-
Other comprehensive income for the year, net of tax	(24,339)	(24,339)	-	-	-	(24,339)	-	(24,343)	-	4	-	-
Total comprehensive income for the year	(3,125)	(3,013)	-	-	21,326	(24,339)	-	(24,343)	-	4	-	(112)
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	(17,650)	(31)	-	-	-	(31)	-	-	-	-	(31)	(17,619)
Dividends paid on ordinary shares	(54,330)	(54,330)	-	-	(54,330)	-	-	-	-	-	-	-
Total transactions with owners	(69,936)	(52,317)	50,565	(47,844)	(54,330)	(708)	-	-	(677)	-	(31)	(17,619)
Closing balance at												
30 September 2013	1,186,397	1,178,937	296,332	33,064	391,532	458,009	497,150	(39,095)	-	(15)	(31)	7,460

(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 SEPTEMBER 2014**

	Period Ended	
	30-Sep-14	30-Sep-13
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	52,248	34,737
Adjustments for:		
Interest expense	134	54
Depreciation of property, plant and equipment	25,177	21,811
Property, plant and equipment written off	163	139
Biological asset written off	3,628	-
Impairment loss on trade and other receivables	1,034	576
Bad debts written off	-	80
Payables written back	-	(1,569)
Dividend income	(4)	(4)
Gain on disposal of property, plant and equipment	(38)	(8)
Gain on disposal of other investment	-	(279)
Interest income	(14,701)	(6,056)
Gain on fair value changes of embedded derivative	(1,080)	-
Provision for short term accumulating compensated absences	11	-
Provision for retirement benefit obligations	237	148
Other receivables written off	-	625
Share options lapsed under ESOS	-	(67)
Total adjustments	14,561	15,450
Operating cash flows before changes in working capital	66,809	50,187
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	134	(6,946)
(Increase)/decrease in receivables	(23,606)	11,474
Increase/(decrease) in payables	31,006	(6,241)
Total changes in working capital	7,534	(1,713)
Cash flows from operations	74,343	48,474
Interest paid	(134)	(54)
Interest received	1,022	2,656
Taxes paid	(11,157)	(21,943)
Retirement benefits paid	(14)	(42)
Net cash flows from operating activities	64,060	29,091



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

	Period Ended	
	30-Sep-14	30-Sep-13
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(94,666)	(72,618)
Addition of plantation development expenditure	(19,083)	(8,880)
Dividend received	4	4
Acquisition of ownership in subsidiary	-	(12,653)
Net cash inflow on disposal of a subsidiary	-	2,000
Proceeds from disposal of property plant and equipment	38	-
Gain on disposal of other investment	-	279
Subscription of structured notes	-	(118,595)
Net cash flows used in investing activities	<u>(113,707)</u>	<u>(210,463)</u>
Cash flows from financing activities		
Drawdown of term loan	78,724	143,032
Drawdown of hire purchase facilities	7,938	-
Proceeds from issuance of ordinary shares	-	2,111
Repayments of term loans	(141)	(141)
Repayments of hire purchase facilities	(166)	(195)
Dividend paid	(14,818)	(54,330)
Net cash flows from financing activities	<u>71,537</u>	<u>90,477</u>
Net increase/(decrease) in cash and cash equivalents	21,890	(90,895)
Cash and cash equivalents at 1 January	91,067	212,554
Effect of foreign exchange rate changes	(2,608)	(24,343)
Cash and cash equivalents at 30 September	<u>110,349</u>	<u>97,316</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash on hand and at banks	36,030	41,436
Deposits with licensed banks	74,319	55,880
Cash and cash equivalents	<u>110,349</u>	<u>97,316</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 2017.

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 2017. 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 September 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 2 July 2014, the Company has paid a tax exempt of first and final dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2013 as approved by shareholders at the Company's AGM on 3 June 2014.

9. Segmental reporting

	PLANTATION RM'000	HEALTH RM'000	OTHERS RM'000	GROUP RM'000
3 months ended 30 September 2014				
Revenue				
Total revenue	118,551	33,509	-	152,060
Intersegment-revenue	(51,872)	(1,883)	-	(53,755)
External revenue	<u>66,679</u>	<u>31,626</u>	-	<u>98,305</u>
Depreciation	6,450	2,038	1	8,489
Segment result (external)	10,552	2,515	3	<u>13,070</u>
Profit before taxation				<u>13,070</u>
3 months ended 30 September 2013				
Revenue				
Total revenue	132,086	29,336	-	161,422
Intersegment-revenue	(58,593)	(1,627)	-	(60,220)
External revenue	<u>73,493</u>	<u>27,709</u>	-	<u>101,202</u>
Depreciation	5,610	1,699	1	7,310
Segment result (external)	17,320	2,220	11	<u>19,551</u>
Profit before taxation				<u>19,551</u>
9 months ended 30 September 2014				
Revenue				
Total revenue	275,930	101,798	-	377,728
Intersegment-revenue	(85,810)	(5,446)	-	(91,256)
External revenue	<u>190,120</u>	<u>96,352</u>	-	<u>286,472</u>
Depreciation	19,432	5,741	4	25,177
Segment result (external)	42,271	9,969	8	<u>52,248</u>
Profit before taxation				<u>52,248</u>
9 months ended 30 September 2013				
Revenue				
Total revenue	265,633	89,663	-	355,296
Intersegment-revenue	(78,070)	(4,798)	-	(82,868)
External revenue	<u>187,563</u>	<u>84,865</u>	-	<u>272,428</u>
Depreciation	16,753	5,054	4	21,811
Segment result (external)	24,751	9,975	11	<u>34,737</u>
Profit before taxation				<u>34,737</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 September 2014	1,668,857	242,854	2,493	1,914,204
31 December 2013	1,545,789	224,474	2,486	1,772,749
Total liabilities				
30 September 2014	523,258	119,113	1,444	643,815
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. Material subsequent event

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

12. Changes in the composition of the Group

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

13. Capital commitments

Capital commitments as at 30 September 2014 are as follows:

	RM '000
Authorised by the Directors and contracted	46,660
Authorised by the Directors but not contracted	198,885
	<u>245,545</u>

14. 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

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

Individual quarter - Q3 2014 versus Q3 2013

	Q3 2014	Q3 2013	Variance
	RM'000	RM'000	
Revenue			
Plantation	66,679	73,493	-9%
Healthcare	31,626	27,709	14%
Total	98,305	101,202	-3%
Profit Before Tax ("PBT")			
Plantation	10,552	17,320	-39%
Healthcare	2,515	2,220	13%
Total	13,067	19,540	-33%

For the 3rd quarter ended 30 September 2014, the Group's revenue decreased 3% to RM98.3 million, while profit before tax ("PBT") fell 33% to RM13.1 million, compared to the previous corresponding quarter.

Plantation Division

During the quarter, the Plantation Division registered lower revenue and PBT by 9% and 39% respectively compared to the same period last year mainly due to:

- a) Lower CPO price by 5%;

Average Price	Q3 2014	Q3 2013	Variance
	RM/mt	RM/mt	%
CPO	2,236	2,363	-5%
PK	1,662	1,309	27%

During the quarter, we have sold 12,714.25 mt of CSPO at premium of RM98/mt and RM65/mt for segregated and mass balance respectively.

- b) Lower CPO and PK productions by 0.3%; and
c) Higher administrative cost by RM3.7 million.

Partly offset with lower production cost by RM3.6 million.

Healthcare Division

During the quarter, the Healthcare Division increased its revenue by 14% compared to the previous corresponding quarter due to the increased in number of inpatient days by 12% from improved hospital case-mix. PBT was higher by 13%, compared to the same quarter last year.

15. Review of the performance of the Group, setting out material factors affecting the earnings and/or revenue of the Group for the current quarter and financial year to date (cont'd.)

9M 2014 versus 9M 2013

	9M 2014	9M 2013	Variance
	RM'000	RM'000	
Revenue			
Plantation	190,120	187,563	1%
Healthcare	96,352	84,865	14%
Total	286,472	272,428	5%
Profit Before Tax ("PBT")			
Plantation	42,271	24,751	71%
Healthcare	9,969	9,975	0%
Total	52,240	34,726	50%

For the 9MFY2014, the Group's revenue increased by 5% to RM286.5 million, while PBT rose 50% to RM52.2 million, compared to the previous corresponding period.

Plantation Division

During the period, the Plantation Division registered higher revenue and PBT by 1% and 71% respectively compared to the same period last year mainly due to:

- a) Higher CPO and PK prices by 8% and 47% respectively;

Average Price	9M 2014	9M 2013	Variance
	RM/mt	RM/mt	%
CPO	2,509	2,327	8%
PK	1,820	1,236	47%

During the period, we have sold 34,863.20 mt of CSPO at premium of RM98/mt and RM65/mt for segregated and mass balance respectively.

- b) Higher interest income by RM8.1 million; and
c) Lower production cost by RM7.6 million.

However, this is partly offset with higher administrative cost by RM1.5 million.

Healthcare Division

During the period, the Healthcare Division recorded higher revenue by 14% compared to the same period last year mainly due to:

- a) 8% growth in inpatient admissions; and
b) Higher number of inpatient days by 10% from improved hospital case-mix of patient.

However this is offset with lower other income compared to the same period last year.

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

Individual quarter - Q3 2014 versus Q2 2014

The quarter under review recorded lower revenue and PBT by 2% and 17% respectively compared to the preceding quarter mainly due to:

- a) Lower prices of CPO and PK by 18% and 15% respectively.
- b) Higher manuring expenses by 30%.

This is partly offset with higher CPO and PK production by 27% and 36% respectively compared to the preceding quarter.

17. Commentary on the prospects, including the factors that are likely to influence the Group's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter

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.

18a. Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)

Not applicable.

18b. Explanatory note for any shortfall in the profit guarantee

There was no profit guarantee issued for the quarter ended 30 September 2014.

19. Profit for the period

	Current period to date	
	30-Sep-14 RM'000	30-Sep-13 RM'000
The following amounts have been included in arriving at profit before tax:		
Interest expense	134	54
Interest income	(14,701)	(6,056)
Dividend income	(4)	(4)
Depreciation of property, plant and equipment	25,177	21,811
Gain on disposal of property, plant and equipment	(38)	(8)
Bad debts written off	-	80
Property, plant and equipment written off	163	139
Biological asset written off	3,628	-
Impairment loss on trade and other receivables	1,034	576
Payables written back	-	(1,569)
Gain on disposal of other investment	-	(279)
Gain on fair value changes of embedded derivative	(1,080)	-
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.

20. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and preceding quarter to date

	Current Quarter		Current period To date	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	RM'000	RM'000	RM'000	RM'000
Current income tax	5,875	6,979	16,954	13,840
(Over)/under provision of income tax in prior year	1,043	382	110	699
	<u>6,918</u>	<u>7,361</u>	<u>17,064</u>	<u>14,539</u>
Deferred tax	(55)	(356)	(281)	(755)
Over provision of deferred tax	(447)	37	292	(261)
	<u>6,416</u>	<u>7,042</u>	<u>17,075</u>	<u>13,523</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.

21. 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.

22. Corporate proposals

On 25 July 2014, TDM had announced that KLLT Fibres Sdn. Bhd. (in liquidation) and World Wide Rubber Marketing Sdn. Bhd. (in liquidation) which were placed under members' voluntary winding-up had held their Final Meeting on 24 July 2014, to conclude that the said members' voluntary winding-up had been completed.

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

Details of the Group's borrowings as at 30 September 2014 are as follows :

	Current	Non-Current	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
- Bank loans	867	156,145	157,012
- Obligation under the finance leases	7,819	2	7,821
	<u>8,686</u>	<u>156,147</u>	<u>164,833</u>
<u>Unsecured</u>			
- Structured notes	-	196,053	196,053
	<u>-</u>	<u>196,053</u>	<u>196,053</u>
Total	<u>8,686</u>	<u>352,200</u>	<u>360,886</u>

24. 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 September 2014.

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25. 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.

26. Dividend proposed

There was no dividend proposed for the current quarter ended 30 September 2014.

27. 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 30.9.2014	Preceding Quarter Ended 30.9.2013	Current Quarter To date 30.9.2014	Preceding Quarter To date 30.9.2013
Basic				
Profit for the period attributable to owners of the parent (RM'000)	7,600	12,549	36,808	21,326
Weighted average number of ordinary shares in issue ('000)	1,481,662	1,481,662	1,481,662	1,481,662
Basic earnings per ordinary share attributable to owners of the parent	0.51	0.85	2.48	1.44

28. Realised and unrealised profits

	As at 30-Sep-14 RM'000	As at 31-Dec-13 RM'000
Total retained profits of the Company and subsidiaries		
- Realised profits	298,611	295,820
- Unrealised profits	84,296	84,437
	382,907	380,257
Less: Consolidation adjustments	54,700	35,381
Total Group retained profits as per consolidated accounts	437,607	415,638

29. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 November 2014.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company secretary

Kuala Lumpur
23 November 2014