



**TANAH MAKMUR BERHAD** (841938-U)  
*(formerly known as Kreatif Selaras Sdn Bhd)*

**Quarterly Report on Consolidated Results for the  
First Quarter Ended 31.3.2014**



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**Condensed Consolidated Statement of Comprehensive Income**

	Current Quarter		Cumulative Quarter	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
	current year quarter 31/03/2014	preceding year corresponding quarter 31/03/2013	current year todate 31/03/2014	preceding year corresponding period 31/03/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	91,828	58,368	91,828	58,368
Other Income	276	573	276	573
	92,104	58,941	92,104	58,941
Operational costs	(73,145)	(45,645)	(73,145)	(45,645)
Depreciation and amortisation	(2,150)	(1,856)	(2,150)	(1,856)
Profit from operations	16,809	11,440	16,809	11,440
<i>Finance costs</i>	<i>(530)</i>	<i>(801)</i>	<i>(530)</i>	<i>(801)</i>
Profit before taxation	16,279	10,639	16,279	10,639
Taxation	(3,043)	(3,218)	(3,043)	(3,218)
Profit for the period	13,236	7,421	13,236	7,421
<b>Other comprehensive income :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>13,236</b>	<b>7,421</b>	<b>13,236</b>	<b>7,421</b>
<i>Profit attributable to:</i>				
Owners of the parent	12,087	7,333	12,087	7,333
Non-controlling interests	1,149	88	1,149	88
	13,236	7,421	13,236	7,421
<i>Total comprehensive income attributable to:</i>				
Owners of the parent	12,087	7,333	12,087	7,333
Non-controlling interests	1,149	88	1,149	88
	13,236	7,421	13,236	7,421
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic	6.99	4.24	6.99	4.24

This interim financial report should be read in conjunction with the audited financial statements of the Tanah Makmur Berhad (“Tanah Makmur” or “Company”) and its subsidiaries (“Tanah Makmur Group” or “Group”) for the year ended 31 December 2013.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**Condensed Consolidated Statement of Financial Position**

	<i>unaudited</i>	<i>audited</i>
	As at 31/03/2014	As at 31/12/2013
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	148,018	148,966
Biological assets	80,948	79,087
Land use rights	39,753	39,897
Land held for property development	28,511	28,600
Other investment	5	5
	<b>297,235</b>	<b>296,555</b>
<b>Current assets</b>		
Property development costs	76,944	73,214
Inventories	10,259	12,857
Trade & other receivables	56,087	32,839
Other current assets	2,274	6,365
Marketable securities	4,553	4,553
Tax recoverable	189	623
Cash and bank balances	49,909	46,931
	<b>200,215</b>	<b>177,382</b>
<b>TOTAL ASSETS</b>	<b>497,450</b>	<b>473,937</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	173,010	173,010
Reserves	162,563	150,476
	<b>335,573</b>	<b>323,486</b>
<b>Non-controlling interests</b>	17,299	16,150
<b>Total equity</b>	<b>352,872</b>	<b>339,636</b>
<b>Non-current liabilities</b>		
Loans and borrowings	43,134	44,455
Staff benefit liabilities	4,111	4,111
Deferred tax liabilities	29,295	29,538
	<b>76,540</b>	<b>78,104</b>
<b>Current liabilities</b>		
Loans and borrowings	12,502	12,407
Trade & other payables	42,173	33,618
Other current liabilities	10,239	7,465
Tax payable	3,124	2,707
	<b>68,038</b>	<b>56,197</b>
<b>TOTAL LIABILITIES</b>	<b>144,578</b>	<b>134,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>497,450</b>	<b>473,937</b>

Net assets per share attributable to

owners of the parent (RM)

1.94

1.87

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**Condensed Consolidated Statements of Changes in Equity**  
for the period ended 31/3/2014

	<-----Non-distributable----->				<Distributable>		Non-controlling interests	TOTAL EQUITY
	Share capital	Share premium	Capital redemption reserves	Other Reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1.1.2014</b>	<b>173,010</b>	<b>-</b>	<b>1,050</b>	<b>3,544</b>	<b>145,882</b>	<b>323,486</b>	<b>16,150</b>	<b>339,636</b>
Total comprehensive income	-	-	-	-	12,087	12,087	1,149	13,236
<b>At 31.3.2014</b>	<b>173,010</b>	<b>-</b>	<b>1,050</b>	<b>3,544</b>	<b>157,969</b>	<b>335,573</b>	<b>17,299</b>	<b>352,872</b>

	<-----Non-distributable----->				<Distributable>		Non-controlling interests	TOTAL EQUITY
	Share capital	Share premium	Capital redemption reserves	Other reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1.1.2013</b>	<b>173,010</b>	<b>-</b>	<b>700</b>	<b>3,544</b>	<b>129,533</b>	<b>306,787</b>	<b>14,150</b>	<b>320,937</b>
Total comprehensive income	-	-	-	-	42,890	42,890	1,800	44,690
Transfer to capital reserve	-	-	350	-	(350)	-	-	-
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	944	944
Dilution/(accretion) on change in stake	-	-	-	-	(240)	(240)	240	-
Dividend paid to minority interest	-	-	-	-	-	-	(984)	(984)
Dividend	-	-	-	-	(25,951)	(25,951)	-	(25,951)
<b>At 31.12.2013</b>	<b>173,010</b>	<b>-</b>	<b>1,050</b>	<b>3,544</b>	<b>145,882</b>	<b>323,486</b>	<b>16,150</b>	<b>339,636</b>

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**Condensed Consolidated Statement of Cash Flow**

	<i>(unaudited)</i>	<i>(unaudited)</i>
	<b>current</b>	<b>preceding year</b>
	<b>quarter</b>	<b>corresponding</b>
	<b>31/03/2014</b>	<b>period</b>
	<b>RM'000</b>	<b>31/03/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Operating profit before tax</b>	<b>16,279</b>	<b>10,639</b>
<b><u>Adjustments for :</u></b>		
Depreciation / amortisation	2,150	1,856
Gain / (Loss) on sales of investments	-	-
(Gain)/loss on disposal of fixed assets	-	(52)
Interest on term loan	517	786
Interest on hire purchase	13	15
Interest income	(119)	(374)
<b>Total adjustments</b>	<b>2,561</b>	<b>2,231</b>
<b>Operating profit before changes in working capital</b>	<b>18,840</b>	<b>12,870</b>
<b><u>Changes in working capital :</u></b>		
Increase in property development costs and land held for development	(8,009)	(4,600)
Decrease/(increase) in trade and other receivables	(7,020)	3,762
Decrease/(increase) in inventories	2,598	(1,811)
(Decrease)/increase in trade and other payables	5,545	1,570
<b>Total changes in working capital</b>	<b>(6,886)</b>	<b>(1,079)</b>
<b>Cash generated from operations</b>	<b>11,954</b>	<b>11,791</b>
Term loan interest paid	(517)	(786)
Hire purchase interest paid	(13)	(15)
Taxes paid	(3,553)	(4,295)
Taxes refund	56	-
<b>Net cash flows from operating activities</b>	<b>7,927</b>	<b>6,695</b>



**TANAH MAKMUR BERHAD (841938-U)**  
 (formerly known as Kreatif Selaras Sdn Bhd)

**Condensed Consolidated Statement of Cash Flow**

	<i>(unaudited)</i>	<i>(unaudited)</i>
	<b>current</b>	<b>preceding year</b>
	<b>quarter</b>	<b>corresponding</b>
	<b>31/03/2014</b>	<b>period</b>
	<b>RM'000</b>	<b>31/03/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(884)	(5,324)
Purchase of biological assets	(2,617)	(4,361)
Interest income received	119	374
<b>Net cash used in investing activities</b>	<b>(3,382)</b>	<b>(9,311)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(1,459)	(6,675)
Repayment of hire purchase financing	(108)	(120)
Dividend paid	-	(6,055)
<b>Net cash used in financing activities</b>	<b>(1,567)</b>	<b>(12,850)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase / (decrease)	2,978	(15,466)
At beginning of year	46,931	66,716
<b>At end of period</b>	<b>49,909</b>	<b>51,250</b>

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**A. Information Required by Financial Reporting Standards 134**

**(1) Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the Financial Reporting Standards (“FRSs”) no: 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2013. The following notes explain the events and transactions that are significant for 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 significant accounting policies are consistent with those adopted in the audited financial statements for year ended 31 December 2013, except for the new FRSs, revised FRSs, Amendments to FRSs and Issues Committee Interpretations (“IC Interpretation”), if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: <i>Offsetting Financial Assets And Financial Liabilities</i>	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: <i>Investment Entities</i>	1 January 2014
Amendments to FRS 136: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139: <i>Novation of Derivatives And Continuation of Hedge Accounting</i>	1 January 2014
Amendments to FRS 2: <i>(Annual Improvements to FRS 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 3: <i>(Annual Improvements to FRS 2011-2013 Cycle)</i>	1 July 2014
Amendments to FRS 13: <i>(Annual Improvements to FRS 2011-2013 Cycle)</i>	1 July 2014
Amendments to FRS 116: <i>(Annual Improvements to FRS 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 124: <i>(Annual improvements to FRS 2010-2012 Cycle)</i>	1 July 2014
Amendments to FRS 140: <i>(Annual Improvements to FRS 2011-2013 Cycle)</i>	1 July 2014
IC Interpretation 21 Levies	1 January 2014
FRS 9: Financial Instruments	1 January 2015



**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

The adoptions did not result in significant changes in the accounting policies and presentation of the financial results of the Group.

On 19 November 2011, the Malaysian Accounting Standard Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework has been 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 and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called “**Transitioning Entities**”).

Transitioning Entities would be allowed to defer adoption of the new MFRS framework for additional three years. MFRS will therefore be mandated for all companies for annual period 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 earnings.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the period ended 31 March 2014 could be different if prepared under the MFRS Framework.

**(3) Auditors’ Report on Preceding Annual Financial Statements**

The auditors have expressed an unqualified opinion on the Group’s preceding annual financial statements.

**(4) Seasonal or Cyclical Factors**

The harvest of Fresh Fruit Bunch (“**FFB**”) in our plantation estates tends to increase in the second half of the year as a result of rainfall patterns in Malaysia, which typically leads to a greater supply of Crude Palm Oil (“**CPO**”) and Palm Kernel (“**PK**”) during the second half of the year as FFB is processed following its harvest.

The property development industry in Malaysia is dependent on the country’s general economic conditions in Malaysia. It generally moves in tandem with the economy, whereby strong economic growth coupled with fiscal stimulus by the Government would spur the growth of the property development business.

**(5) Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting liabilities, equity, net income, or cash flow in the period under review.

**(6) Changes in Estimates**

There were no changes in estimated amounts that have a material effect on the current financial period results.

**(7) Debt and Equity Securities: Issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities**

There were no cancellations, repurchase, resale and repayment of debt and equity securities in the quarter under review.





**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**(8) Dividends Paid**

No dividend was paid in the quarter under review.

**(9) Segmental Information**

Segmental information is presented in respect of the Group's business segments. The reportable segments for the financial year ended 31 March 2014 has been identified as follows:

- Plantation – Plantation segment activities including cultivation of oil palms, sales of FFB and other related products, and its ancillary activities comprising the operation of a palm oil mill and a compost plant.
- Property Development - Property development segment activities including sales of residential and commercial properties, trading materials, and mineral extraction activities.

No geographical segmental information is presented as the Group activities are carried out in Malaysia.

	<b>PLANTATION</b>	<b>PROPERTY DEVELOPMENT</b>	<b>GROUP</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>3 months ended</b>			
<b>31 March 2014</b>			
<b>Revenue</b>			
Total revenue	68,589	23,239	91,828
Less : Inter-segment revenue	-	-	-
External revenue	<u>68,589</u>	<u>23,239</u>	<u>91,828</u>
Segment result (external)	12,262	4,017	<u>16,279</u>
Profit before tax			<u>16,279</u>
<b>3 months ended</b>			
<b>31 March 2013</b>			
<b>Revenue</b>			
Total revenue	44,229	14,139	58,368
Less : Inter-segment revenue	-	-	-
External revenue	<u>44,229</u>	<u>14,139</u>	<u>58,368</u>
Segment result (external)	9,049	1,590	<u>10,639</u>
Profit before tax			<u>10,639</u>



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

	<b>PLANTATION</b>	<b>PROPERTY DEVELOPMENT</b>	<b>GROUP</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cumulative 3 months ended</b>			
<b>31 March 2014</b>			
<b>Revenue</b>			
Total revenue	68,589	23,239	91,828
Less : Inter-segment revenue	-	-	-
External revenue	<u>68,589</u>	<u>23,239</u>	<u>91,828</u>
Segment result (external)	12,262	4,017	<u>16,279</u>
Profit before tax			<u>16,279</u>
<b>Cumulative 3 months ended</b>			
<b>31 March 2013</b>			
<b>Revenue</b>			
Total revenue	44,229	14,139	58,368
Less : Inter-segment revenue	-	-	-
External revenue	<u>44,229</u>	<u>14,139</u>	<u>58,368</u>
Segment result (external)	9,049	1,590	<u>10,639</u>
Profit before tax			<u>10,639</u>

**(10) Carrying Amount of Revalued Assets**

The carrying amounts of property, plant and equipment, biological assets and leasehold land have been brought forward without amendment from the audited financial statements for the year ended 31 December 2013. Our last revaluation was made in year 2010.

**(11) Subsequent Events**

There were no material events subsequent to the end of the current quarter except as stated in Note B9.

**(12) Changes in Composition of the Group**

There were no changes in composition of the Group in the current quarter.

**(13) Contingent Liabilities and/or Contingent Assets**

As at 31 March 2014 there is no contingent liability / asset which upon becoming enforceable may have a material effect on the net assets, profits or financial position of our Group.



**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

**(14) Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment and for biological assets not provided for in the financial statements as at 31 March 2014 is as follow:

	<b>As at 31 March 2014 RM'000</b>
<b>Property, plant and equipment:</b>	
- Authorised but not contracted	13,863
- Contracted but not provided in the financial statements	538
	<b>14,401</b>
<b>Biological asset:</b>	
- Authorised but not contracted	22,817
- Contracted but not provided in the financial statements	2,707
	<b>25,524</b>



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.**

**1. REVIEW OF PERFORMANCE**

For the quarter ended 31 March 2014, the Group's revenue increased by 57.33% to RM91.83 million from RM58.37 million in the previous year's corresponding period.

Profit before tax increased by 53.01% to RM16.28 million recorded in the current period, from RM10.64 million in the previous year's corresponding period. Similarly, the Group's total comprehensive income attributable to owners of the parent also increased to RM12.08 million in the current period, from RM7.33 million in the previous year's corresponding period, an increase of 64.83%.

	<b>Q1-2014</b>	<b>Q1-2013</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>			
Plantation	68,589	44,229	55.08%
Property development	23,239	14,139	64.36%
<b>Total</b>	<b>91,828</b>	<b>58,368</b>	<b>57.33%</b>
<b>Profit Before Tax</b>			
Plantation	12,262	9,049	35.51%
Property development	4,017	1,590	152.64%
<b>Total</b>	<b>16,279</b>	<b>10,639</b>	<b>53.01%</b>

**Plantation segment**

Revenue from plantation segment increased by 55.08 % due to higher CPO and PK prices however this was offset by lower FFB production by 16.73% as compared to the same quarter last year.

Furthermore, the profitability of the milling operations had improved in view of improved oil extraction rates and lower processing costs from higher FFB processed.

The following table sets forth some of the statistics of our plantations business:

	Unaudited	
	For the 3 months ended 31 March	
	2014	2013
Average CPO selling price (RM/mt)	2,681	2,322
Average FFB selling price (RM/mt)	648	526
FFB production (mt)	42,643	51,208
FFB processed (mt)	53,537	30,907

**Property development segment**

During the quarter, the property development segment registered a higher profit of RM4.07 million or 152.64% as compared to the previous year's quarter profit before tax of RM1.59 million as a result of new launchings of residential house of Precint 3, Lakeside and increase in the sales of trading material volumes as compared to the previous year's corresponding period.



**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

**2. MATERIAL CHANGES IN QUARTERLY RESULTS IN COMPARISON WITH THE PRECEDING QUARTER**

No comparative figures are presented for the immediate preceding quarter as these are the first interim financial statements on the consolidated results for the first quarter ended 31 March 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**3. PROSPECTS**

The results of our operations for the year ending 31 December 2014 are expected to continue to be primarily influenced by the following factors, in addition to the factors included in risk factors and significant factors affecting our results of operations in Section 5 and 12.2.2 of our Company's Prospectus dated 26 June 2014 respectively:

- CPO price and supply of global edible oils;
- Our ability to maintain our market share and grow our sales;
- The state of the Malaysian and global economy and expectations on growth; and
- Our ability to manage our operating costs.

Except as disclosed above and in risk factors and significant factors affecting our results of operations in Section 5 and 12.2.2 of the abovementioned Prospectus respectively, our Board confirms that there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on our financial condition and results of operations. Subject to the factors described in this section of the abovementioned Prospectus, our Board expects the result of our operations for the year ending 31 December 2014 to be satisfactory.

**4. VARIANCES ON PROFIT FORECASTS AND/OR PROFIT GUARANTEE**

Profit forecast

There was no profit forecast issued for Tanah Makmur Group in the period under review.

Profit guarantee

Our wholly-owned Subsidiary, KotaSAS Sdn Bhd ("**KotaSAS**") entered into a shareholders' agreement dated 1 April 2013 which was subsequently substituted by the amended restated shareholders' agreement dated 12 May 2014 ("**Shareholders' Agreement**") with Tanah Makmur Perkasa Sdn Bhd ("**Tanah Makmur Perkasa**") to govern the relationships of both parties as shareholders of Tanah Makmur KotaSAS Sdn Bhd ("**Tanah Makmur KotaSAS**"), the entity that carries out the development project on certain portion of all those parcels of 99-year leasehold land located in Bukit Goh, Kuantan, Pahang measuring in total approximately 1,500 acres that has yet to be developed ("**Development Project**").

Subsequently, KotaSAS and Tanah Makmur KotaSAS had entered into a development agreement dated 8 January 2014 which was subsequently substituted by the amended restated development agreement dated 12 May 2014 ("**Development Agreement**") to formalise the arrangement of the Development Project.

Tanah Makmur KotaSAS shall complete the launching of the Development Project within a period of five years only from 1 April 2013. Tanah Makmur Perkasa had demonstrated its commitment to the Development Project by granting an irrevocable guarantee to KotaSAS that the aggregate of the cost of the development land for the purpose of the Development Project and 60% of the development profit that shall be attributable to KotaSAS for five financial years commencing from 1 January 2013 until 31 December 2017 shall not be less than RM110,000,000 ("**Minimum Guarantee**"), subject to the yearly tranche below.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

<u>Financial year ended 31 December</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
	<u>RM million</u>					
Yearly minimum guaranteed entitlement comprising the following:						
Land cost <sup>(1)</sup>	1.21	4.20	7.90	12.46	19.00	44.77
60% of profit before tax <sup>(2)</sup>	0.91	10.10	14.42	18.97	20.83	65.23
Total	2.12	14.30	22.32	31.43	39.83	110.00

**Notes:**

- (1) The land cost as set out in the table above is the capped amount in so far as it concerns the determination of whether the yearly minimum guaranteed entitlement is met (“**Land Cost**”). Any amount actually recognised by KotaSAS and Tanah Makmur KotaSAS as Land Cost in any financial year which is in excess of the yearly guaranteed Land Cost will be ignored and shall not be used to determine whether the yearly minimum guarantee entitlement is met.
- (2) The 60% of profit before tax (“**Landowner’s Portion**”) as set out in the table above shall refer to the profit before tax disclosed in the audited financial statements of Tanah Makmur KotaSAS for each of the financial years. The Landowner’s Portion is the minimum amount in so far as it concerns the determination of whether yearly minimum guaranteed entitlement is met. In determining whether the yearly minimum guaranteed entitlement is met, if:
- (i) the Landowner’s Portion in any financial year is in excess of the yearly minimum guaranteed Landowner’s Portion as set out in the table above for that year; and
  - (ii) the Land Cost actually recognised by KotaSAS in that year is lesser than the yearly guaranteed Land Cost as set out in the table above for that year,

then, any amount in excess of the yearly minimum guaranteed Landowner’s Portion for that year can be used to top up the deficiency in the Land Cost actually recognised by KotaSAS and Tanah Makmur KotaSAS in that year.

The Minimum Guarantee provided by Tanah Makmur Perkasa shall be backed by the personal guarantees of the two existing Directors and shareholders of Tanah Makmur Perkasa, namely, YM Tengku Dato’ Ahmad Faisal bin Tengku Ibrahim and YH Dato’ Azizan bin Jaafar, in favour of KotaSAS and shall survive the termination of the Development Agreement and Shareholders’ Agreement, and the yearly minimum guaranteed entitlement for the five financial years shall continue until all guarantees thereunder are met and fully settled notwithstanding termination of the Development Agreement and Shareholders’ Agreement.

A yearly update on the Minimum Guarantee will be disclosed under a sub-header within our Chairman’s statement in our annual report.

**5. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging/(crediting):

	<i>(unaudited)</i> <b>current year</b> <b>quarter</b> <b>31/03/2014</b> <b>RM’000</b>	<i>(unaudited)</i> <b>preceding year</b> <b>corresponding</b> <b>quarter</b> <b>31/03/2013</b> <b>RM’000</b>
Depreciation / amortisation	2,150	1,856
(Gain)/loss on disposal of fixed assets	-	(52)
Interest on term loan	517	786
Interest on hire purchase	13	15
Interest income	<u>(119)</u>	<u>(374)</u>

There is no other item to be disclosed other than those highlighted above.



**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

**6. TAXATION**

	<b>RM'000</b>
<b>Taxation comprises of:</b>	
Current provisions	3,295
Previous year overprovided	(56)
Deferred taxation	(196)
	<hr/>
	3,043
	<hr/>

The effective corporate tax rate is lower than the statutory tax rate due to utilisation of the plantation allowances.

**7. SALE OF PROPERTIES AND UNQUOTED INVESTMENT**

There were no sales of properties and unquoted investment in the current quarter save for properties sold under the property development segment.

**8. QUOTED SECURITIES**

There were no quoted securities that matured in the current quarter.

**9. STATUS OF CORPORATE PROPOSALS**

On 16 May 2014 the Securities Commission had approved the Company's application for the initial public offering ("IPO") of 101,590,000 ordinary shares of RM0.50 each in Tanah Makmur ("IPO Shares") in conjunction with the listing of and quotation for the entire ordinary shares of RM0.50 each in Tanah Makmur on the Main Market of Bursa Malaysia Securities Berhad comprising an offer for sale of 49,450,000 existing shares and a public issue of 52,140,000 new shares ("Public Issue") in the following manner:

- (i) institutional offering of 75,184,000 IPO Shares to Malaysian institutional and selected investors at RM1.25 per IPO Share; and
- (ii) retail offering of 26,406,000 IPO Shares to the eligible directors and employees, and eligible persons who have contributed to the success of Tanah Makmur and its subsidiaries, and the Malaysian public, at RM1.25 per IPO Share payable in full upon application.

Prior to the implementation of the IPO and the listing, our Company had undertaken and had completed the pre-IPO restructuring which comprised the following:

- (i) subdivision of all the existing 173,009,796 ordinary shares with a par value of RM1.00 each in our Company to 346,019,592 ordinary shares with a par value of RM0.50 each on 30 May 2014; and
- (ii) full redemption of all 7,000,487 RPS with a par value of RM0.10 each in our Company held by Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang in cash at its issue price of RM1.00 each, at a total cash of RM7,000,487.00 on 30 May 2014.



**TANAH MAKMUR BERHAD (841938-U)**  
(formerly known as Kreatif Selaras Sdn Bhd)

Subsequent to the listing on the Main Market of Bursa Malaysia Securities Berhad which is scheduled on 17 July 2014, the expected gross proceeds from the Public Issue are approximately RM65.18 million. The Company intends to utilise the gross proceeds in the following manner:

<b>Details of utilisation of proceeds</b>	<b>Timeframe utilisation of proceeds</b>	<b>Amount of total proceeds raised (RM)</b>	<b>Percentage of total proceeds raised (%)</b>
Estate development	within 24 months	28,500,000	43.73
Expansion of palm oil mill	within 24 months	5,000,000	7.67
Infrastructure work of the KotaSAS Township	within 24 months	13,000,000	19.95
Repayment of bank borrowings	within 6 months	13,075,000	20.06
Listing expenses	within 6 months	5,600,000	8.59
<b>Total gross proceeds</b>		<b>65,175,000</b>	<b>100.00</b>

*Note: The utilisation of gross proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 26 June 2014.*

Save as disclosed above, there were no pending corporate proposals up to 10 July 2014, being a date not earlier than 7 days from the date of this announcement.

**10. GROUP BORROWINGS**

Loans and borrowings as at 31 March 2014 comprise of:

	<b><u>Amount</u></b> <b>RM'000</b>
<b>10.1 Current loans and borrowings</b>	
Bai Bithaman Ajil	5,967
Business Financing-i	565
Bai BithamanAjil Term Financing-i	2,103
Obligations under finance leases	367
Redeemable Preference Shares ("Article 2A RPS")	3,500
	<b><u>12,502</u></b>
<b>10.2 Non-current loans and borrowings</b>	
Bai Bithaman Ajil	13,342
Business Financing-i	9,361
Bai BithamanAjil Term Financing-i	18,069
Obligations under finance leases	918
Article 2A RPS	1,444
	<b><u>43,134</u></b>
<b>Total loans and borrowings</b>	<b><u>55,636</u></b>
<b>10.3 Total loans and borrowings</b>	
<i>Secured:</i>	
Bai Bithaman Ajil	19,309
Business Financing-i	9,926
Bai BithamanAjil Term Financing-i	20,172
Obligation under finance leases	1,285
<b>Total secured loan and borrowings</b>	<b><u>50,692</u></b>
<i>Unsecured:</i>	
Article 2A RPS	4,944
<b>Total unsecured loans and borrowings</b>	<b><u>4,944</u></b>
<b>Total loans and borrowings</b>	<b><u>55,636</u></b>





**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

The Islamic borrowings are secured by way of first legal charge over the leasehold land, and bear profit rates of Base Finance Rate (BFR) + 1% to 1.75% per annum, while the hire purchase bear interest rates ranged from 2.34% to 5.00% per annum.

The Group does not have any borrowings in foreign currency.

**11. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS**

The Group did not enter into any contracts involving off-balance sheet financial instruments in the period under review.

**12. MATERIAL LITIGATION**

There is no litigation that have any material effect on the net tangible assets or operations of the Group.

**13. DIVIDEND PROPOSED**

There are no dividends proposed in the quarter under review.

**14. EARNINGS PER SHARE**

	Current Quarter		Cumulative Quarter	
	<i>(unaudited)</i> current year quarter 31/03/2014 RM'000	<i>(unaudited)</i> preceding year corresponding quarter 31/03/2013 RM'000	<i>(unaudited)</i> current year todate 31/03/2014 RM'000	<i>(unaudited)</i> preceding year corresponding period 31/03/2013 RM'000
Basic				
Profit for the period attributable to owners				
of the parent	12,087	7,333	12,087	7,333
Weighted average number of ordinary shares in issue	173,010	173,010	173,010	173,010
Basic earnings per ordinary share				
attributable to owners of the parent	6.99	4.24	6.99	4.24



**TANAH MAKMUR BERHAD (841938-U)**  
**(formerly known as Kreatif Selaras Sdn Bhd)**

**15. RETAINED EARNINGS**

The retained earnings as at the end of the reporting period are analysed as follow:

	<b>As At 31 March 2014 RM'000</b>	<b>As At 31 December 2013 RM'000</b>
Total retained earnings of the Group		
- Realised	128,674	116,344
- Unrealised	29,295	29,538
	<b>157,969</b>	<b>145,882</b>

By order of the Board  
**TANAH MAKMUR BERHAD**

**SUZILAH BT. HAJI WAHID**  
Company Secretary  
Dated this: 10 July 2014