TDM BERHAD

COMPANY NO 196501000477 (6265 P)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
31 MARCH 2021

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

(The figures have not been audited)

	Cumulative Quarter	
	Current Quarter To date 31-Mar-21 RM'000	**Preceding Quarter To date 31-Mar-20 RM'000**
Continuing operations		
Revenue	102,775	107,824
Cost of sales	(82,327)	(81,145)
Gross profit	**20,448**	**26,679**
Other items of income		
Hibah income	1,252	123
Other income	3,272	1,606
Other items of expense		
Distribution costs	(1,089)	(1,222)
Administrative expenses	(19,550)	(25,002)
Other expenses	(1,178)	(1,121)
Finance costs	(6,487)	(4,557)
Loss before tax	**(3,332)**	**(3,494)**
Income tax expense	(1,329)	(490)
Loss for the period from continuing operations, net of tax	**(4,661)**	**(3,984)**
Discontinued operation		
Loss for the period from discontinued operation, net of tax	(282)	(4,445)
Loss for the period, net of tax	**(4,943)**	**(8,429)**
Other comprehensive loss:		
Foreign currency translation	(1,019)	(1,432)
Fair value movement of investments in securities	-	(17)
Other comprehensive loss: for the period, net of tax	**(1,019)**	**(1,449)**
Total comprehensive loss for the period	**(5,962)**	**(9,878)**

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

(The figures have not been audited)

	Cumulative Quarter	
	Current Quarter To date 31-Mar-21 RM'000	Preceding Quarter To date 31-Mar-20 RM'000
Loss attributable to:		
Owners of the parent	(4,221)	(8,280)
Non-controlling interests	(722)	(149)
	(4,943)	**(8,429)**
Total comprehensive loss attributable to:		
Owners of the parent	(5,176)	(9,640)
Non-controlling interests	(786)	(238)
	(5,962)	**(9,878)**
Loss per share attributable to owners of the parent (sen per share):		
Basic (Note 27)	(0.24)	(0.49)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021

(The figures have not been audited)

	As at 31-Mar-21 RM'000	As at 31-Dec-20 RM'000
Assets		
Non-current assets		
Property, plant and equipment	814,202	819,440
Right-of-use assets	486,773	490,714
Intangible asset	4,391	4,605
Goodwill	991	991
Other investments	38,140	38,107
Investments in securities	-	35
Other receivables	186	186
Deferred tax assets	437	87
	1,345,120	**1,354,165**
Current assets		
Biological assets	5,683	4,154
Inventories	19,895	21,787
Trade and other receivables	50,584	52,713
Contract asset	7,690	7,690
Prepayments	3,060	5,049
Tax recoverable	12,993	13,738
Cash and bank balances	206,900	232,899
Assets of disposal group classified as held for sale	184,461	184,677
	491,266	**522,707**
Total assets	**1,836,386**	**1,876,872**
Current liabilities		
Retirement benefit obligations	428	436
Lease liabilities	325	646
Loans and borrowings	68,214	72,345
Trade and other payables	246,865	248,696
Contract liability	-	634
Tax payable	195	173
Liabilities of disposal group classified as held for sale	8,184	8,068
	324,211	**330,998**
Net current assets	**167,055**	**191,709**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

(The figures have not been audited)

	As at 31-Mar-21 RM'000	As at 31-Dec-20 RM'000
Non-current liabilities		
Retirement benefit obligations	5,573	5,495
Lease liabilities	59,612	60,995
Loans and borrowings	419,906	426,629
Other payables	93,886	107,881
Deferred tax liabilities	188,294	189,012
	767,271	**790,012**
Total liabilities	**1,091,482**	**1,121,010**
Net assets	**744,904**	**755,862**
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	399,318	408,535
Other reserves	33,078	33,078
Reserves of a disposal group held for sale	(31,160)	(30,205)
	760,681	**770,853**
Non-controlling interests	(15,777)	(14,991)
Total equity	**744,904**	**755,862**
Total equity and liabilities	**1,836,386**	**1,876,872**
Net assets per share (RM)	0.43	0.45

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 31 MARCH 2021
(The figures have not been audited)

	Attributable to owners of the parent									
			Non-distributable	Distributable	Non-distributable					
	Total equity RM'000	Equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Fair value adjustment reserve RM'000	Employee benefits plan reserve RM'000	Premium paid on acquisition of non-controlling interest RM'000	Reserves of a disposal group held for sale RM'000	Non-controlling interests RM'000
Opening balance at 1 January 2021	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Loss for the period	(4,943)	(4,221)	-	(4,221)	-	-	-	-	-	(722)
Other comprehensive loss										
Fair value movement of other investment	-	-	-	-	-	-	-	-		-
Foreign currency translation	(1,019)	(955)	-	-	-	-	-	-	(955)	(64)
Other comprehensive loss for the period, net of tax	(1,019)	(955)	-	-	-	-	-	-	(955)	(64)
Total comprehensive loss for the period, net of tax	(5,962)	(5,176)	-	(4,221)	-	-	-	-	(955)	(786)
Dividends on ordinary shares	(4,996)	(4,996)	-	(4,996)	-	-		-		-
Closing balance at 31 March 2021	744,904	760,681	359,445	399,318	33,078	33,346	(237)	(31)	(31,160)	(15,777)
Opening balance at 1 January 2020	740,585	769,274	350,713	418,474	28,894	28,957	(32)	(31)	(28,807)	(28,689)
Loss for the period	(8,518)	(8,280)	-	(8,280)	-	-	-	-		(238)
Other comprehensive loss										
Fair value movement of investment securities	(17)	(17)	-	-	(17)	(17)	-	-	-	-
Foreign currency translation	(1,343)	(1,343)	-	-	-	-	-	-	(1,343)	-
Other comprehensive loss for the period, net of tax	(1,360)	(1,360)	-	-	(17)	(17)	-	-	(1,343)	-
Total comprehensive loss for the period, net of tax	(9,878)	(9,640)	-	(8,280)	(17)	(17)	-	-	(1,343)	(238)
Closing balance at 31 March 2020	730,707	759,634	350,713	410,194	28,877	28,940	(32)	(31)	(30,150)	(28,927)

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 31 MARCH 2021
(The figures have not been audited)

	Period Ended	
	31-Mar-21	**31-Mar-20**
	RM'000	**RM'000**
Cash flows from operating activities		
Loss before tax from continuing operations	(3,332)	(3,494)
Loss before tax from discontinued operation	(282)	(4,445)
	(3,614)	(7,939)
Adjustments for:		
Interest expense	6,487	4,557
Depreciation of property, plant and equipment		
- Continuing	16,520	16,414
- Discontinuing	2,283	3,467
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	3,941	4,019
Impairment in property, plant and equipment	80	-
Inventories written off		8
Expected credit loss on receivables	509	597
Profit from Al-Mudharabah		
- Continuing	(1,252)	(122)
Hibah income		
- Continuing	-	(1)
Provision for retirement benefit obligations	106	108
Revenue arising from contract liability	-	(6,997)
Fair value changes of biological assets	(1,529)	1,517
Total adjustments	27,359	23,781
Operating cash flows before changes in working capital	23,745	15,842
Changes in working capital		
Decrease/(increase) in inventories	1,892	(3,063)
Decrease in receivables	3,825	3,046
(Decrease)/increase in payables	(21,964)	3,296
Total changes in working capital	(16,247)	3,279
Cash flows generated from operations	7,498	19,121
Interest paid	(6,487)	(4,557)
Interest received	1,252	122
Taxes paid	(1,614)	(1,326)
Retirement benefits paid	(36)	(28)
Net cash flows generated from operating activities	613	13,332

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

(The figures have not been audited)

	Period Ended	
	31-Mar-21	**31-Mar-20**
	RM'000	**RM'000**
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,966)	(11,265)
Acquisition of right-of-use assets	-	(134)
Acquisition of a subsidiary	-	(930)
Placement for deposits with licensed banks	162	-
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(72)	-
Net cash flows used in investing activities	(9,876)	(12,329)
Cash flows from financing activities		
Net repayment of bank borrowings	(15,056)	(333)
Net drawdowns/(repayment) of hire purchase facilities	1,002	(6,501)
Repayment of finance lease	(2,452)	(430)
Proceeds from contract liability	-	20,500
Net cash flows generated (used in)/from financing activities	(16,506)	13,236
Net (decrease)/increase in cash and cash equivalents	(25,768)	14,239
Cash and cash equivalents at 1 January	177,505	54,577
Effect of foreign exchange rate changes	-	30
Cash and cash equivalents at end of the period	151,737	68,846
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	206,900	103,997
- Discontinuing operations	1,047	247
Less: Deposits pledged for bank facilities	(36,205)	(35,236)
Less: Deposits with licensed banks with maturity period more than 3 months	(20,005)	(162)
Cash and cash equivalents	151,737	68,846

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

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

Explanatory Notes Pursuant to MFRS 134

Notes:

1. Accounting policies and basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2020. 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 year ended 31 December 2020.

The interim financial statements of the Group for the financial period ended 31 March 2021 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

The accounting policies applied in this interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

1.1 Changes in accounting policies

On 1 January 2021, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9: Financial Instruments	1 January 2021
Amendments to MFRS 16: Leases	1 January 2021
Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 January 2021

1.2 Standards issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual
Amendments to MFRS 1: First time Adoption of Malaysian Financial Reporting Standards	l January 2022/1 January 2023
Amendments to MFRS 3: Business Combination	l January 2022/1 January 2023
Amendments to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 January 2023
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2023
Amendments to MFRS 9: Financial Instruments	l January 2022/1 January 2023

1. Accounting policies and basis of preparation (cont'd.)

1.2 Standards issued but not yet effective (cont'd.)

At the date of authorisation of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 10: Consolidated Financial Statements	Deferred
Amendments to MFRS 15: Revenue from Contracts with Customers	1 January 2023
Amendments to MFRS 16: Leases	1 January 2022
Amendments to MFRS 101: Presentation of Financial Statements	I January 2022/1 January 2023
Amendments to MFRS 107: Statements of Cash Flows	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment	I January 2022/1 January 2023
Amendments to MFRS 119: Employee Benefits	1 January 2023
Amendments to MFRS 128: Investment in Associates and Joint Ventures	Deferred
Amendments to MFRS 132: Financial instruments: Presentation	1 January 2023
Amendments to MFRS 136: Impairment of Assets	1 January 2023
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	I January 2022/1 January 2023
Amendments to MFRS 138: Intangible Assets	1 January 2023
Amendments to MFRS 140: Investment Property	1 January 2023
Amendments to MFRS 141: Agriculture	1 January 2022

2. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2020 were reported without any qualification.

3. 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).

4. 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 2021.

5. 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.

6. 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.

7. Dividends paid

There were no dividend paid by the Group during the quarter under review.

8. Segmental reporting

The segments are reported in a manner that is more consistent with internal reporting provided to the chief operating decision maker whereby the Group's business is presented in term of business division and geographical perspective. The operating performance is based on a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA). The measurement basis excludes the effects of non-operational items from the reporting segments such as fair value gains and losses, foreign exhange gains and losses, impairment losses and gains or losses on disposal of assets.

3 months ended 31 March 2021

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	50,853	53,583	-	104,436	1,228
Intersegment revenue	(364)	(1,297)	-	(1,661)	-
External Revenue	**50,489**	**52,286**	**-**	**102,775**	**1,228**
Adjusted EBITDA	**19,131**	**6,436**	**(3,925)**	**21,642**	**2,001**
Fair value changes of biological assets	1,529	-	-	1,529	-
Expected credit loss on receivables	-	(509)	-	(509)	-
Impairment of property, plant and equipment	(80)	-	-	(80)	-
EBITDA	**20,580**	**5,927**	**(3,925)**	**22,582**	**2,001**
Depreciation & amortisation	(13,944)	(5,515)	(1,216)	(20,675)	(2,283)
Profit from Al-Mudharabah	-	-	375	375	-
Hibah income	834	39	-	873	-
Finance costs	(3,215)	(1,006)	(2,266)	(6,487)	-
Profit/(loss) before tax	**4,255**	**(555)**	**(7,032)**	**(3,332)**	**(282)**
31 March 2021					
Assets	**1,395,467**	**253,602**	**2,856**	**1,651,925**	**184,461**
Liabilities	**940,682**	**141,128**	**1,488**	**1,083,298**	**8,184**
	MYR	IDR			
Exchange rate ratio	1.00	3,508			

8. Segmental reporting (cont'd.)

3 months ended 31 March 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	50,378	59,844	-	110,222	601
Intersegment revenue	(2,182)	(216)	-	(2,398)	-
External Revenue	**48,196**	**59,628**	**-**	**107,824**	**601**
Adjusted EBITDA	**17,696**	**9,605**	**(3,592)**	**23,709**	**(979)**
Fair value changes of biological assets	(1,517)	-	-	(1,517)	-
Expected credit loss on receivables	-	(597)	-	(597)	-
Inventories written off	-	(8)	-	(8)	-
EBITDA	**16,179**	**9,000**	**(3,592)**	**21,587**	**(979)**
Depreciation & amortisation	(13,743)	(5,440)	(1,464)	(20,647)	(3,467)
Profit from Al-Mudharabah	38	45	40	123	-
Hibah income	-	-	-	-	1
Finance costs	(2,255)	(597)	(1,705)	(4,557)	-
Profit/(loss) before tax	**219**	**3,008**	**(6,721)**	**(3,494)**	**(4,445)**
31 March 2020					
Assets	**1,200,542**	**277,121**	**2,216**	**1,479,879**	**183,934**
Liabilities	**779,136**	**148,333**	**1,474**	**928,943**	**4,163**
	MYR	IDR			
Exchange rate ratio	1.00	3,791			

9. Valuation on non-current assets

The Group upon the adoption of MFRS has elected to use cost model from previous revaluation model. This change in accounting policy has resulted in revaluation amount on the transition date be recorded as deemed cost.

10. Material subsequent event

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

11. Changes in the composition of the Group

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

12. 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.

13. Capital commitments

Capital commitments as at 31 March 2021 are as follows:

	RM '000
Authorised by the Directors and contracted	3,835
Authorised by the Directors but not contracted	265,709
	269,544

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

14. 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 period to date

Cumulative quarter - Q1 2021 versus Q1 2020

	Q1 2021 RM'000	Q1 2020 RM'000	Changes RM'000	%
REVENUE				
Plantation	50,489	48,196	2,293	5%
Healthcare	52,286	59,628	(7,342)	-12%
Total revenue	**102,775**	**107,824**	**(5,049)**	**-5%**
Plantation	19,131	17,696	1,435	8%
Healthcare	6,436	9,605	(3,169)	-33%
Others	(3,925)	(3,592)	(333)	-9%
Adjusted EBITDA	**21,642**	**23,709**	**(2,067)**	**-9%**
Fair value changes of biological assets	1,529	(1,517)	3,046	100%
Impairment of property, plant and equipment	(80)	-	(80)	-100%
Expected credit loss on receivables	(509)	(597)	88	15%
Inventories written off	-	(8)	8	100%
EBITDA	**22,582**	**21,587**	**995**	**5%**
Depreciation & amortisation	(20,675)	(20,647)	(28)	0%
Profit from Al-Mudharabah	375	123	252	100%
Hibah income	873	-	873	100%
Finance costs	(6,487)	(4,557)	(1,930)	-100%
Loss before tax	**(3,332)**	**(3,494)**	**162**	**-5%**

The Group's revenue for the three months ended 31 March 2021 decreased by 5% compared to the previous year corresponding quarter mainly due to lower revenue from the Healthcare Division by 12%. Mitigated by increase in revenue from Plantation Division by 5%.

PLANTATION DIVISION

Our Malaysian plantation business registered an EBITDA of RM20.6 million during the quarter, compared to RM16.2 million in same quarter last year.

The Plantation Division recorded higher revenue of 5% mainly due to higher CPO and PK average prices by 37% and 50% respectively. However, there was reduction in CPO and PK sales volume by 25% respectively mainly due to lower outside crop purchase during this quarter. This is also consistent with reduction in FFB production by 24% and lower extraction rate of oil and kernel.

The low FFB yield in Q1 2021 is partly due to the impact of floods and heavy rain which hamper our harvesting activities. The reduction in FFB yield impacted the majority of the plantation companies in Terengganu for the 1st quarter of 2021. This year distribution of FFB is expected at 35% for 1st half and 65% in the 2nd half of FY 2021.

14. 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 period to date (cont'd.)

Cumulative quarter - Q1 2021 versus Q1 2020 (cont'd.)

PLANTATION DIVISION (cont'd.)

The estates are also facing shortage of harvesters as there is no new recruitment of foreign workers as Malaysia continue closing its border to foreign workers. We have taken the proactive measure by employing the locals to partly address this issue while at the same time working closely with relevant authorities to secure the foreign workers.

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	**Q1 2021**	**Q1 2020**	**Changes**	**%**
CPO sales volume (mt)	12,064	16,124	(4,060)	-25%
PK sales volume (mt)	3,132	4,196	(1,064)	-25%
FFB production (mt)	61,180	80,224	(19,044)	-24%
CPO average price (RM)	3,788	2,763	1,025	37%
PK average price (RM)	2,598	1,730	868	50%
Mature area (hectare)	26,668	24,647	2,021	8%
Immature area (hectare)	6,652	6,563	90	1%
Oil extraction rate (OER)	19.04%	19.30%	-0.26%	-1%
Kernel extraction rate (KER)	4.53%	4.80%	-0.27%	-6%

HEALTHCARE DIVISION

Our Healthcare Division recorded a lower revenue during the quarter by 12% mainly due to the lower number of inpatients and outpatients by 36% and 4% respectively as compared to the previous corresponding quarter. In addition, there is a decrease in inpatient days by 43%. This is in line with the decrease in bed occupancy rate by 41%. The occurrence of COVID-19 pandemic and the continuing implementation of Conditional Movement Control Order (CMCO) saw the postponement of non-critical and non-essential treatments by patients.

The division recorded lower EBITDA of RM5.9 million, compared to the previous corresponding quarter.

Despite the pandemic, Healthcare Division has been able to maintain the revenue by managing the patients related to the pandemic by providing screening and testing procedures. Changing the way we do business such as providing drive-in and delivery services has also made healthcare sustainable.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	**Q1 2021**	**Q1 2020**	**Changes**	**%**
Number of inpatient	4,101	6,399	(2,298)	-36%
Number of outpatient	42,073	43,605	(1,532)	-4%
Inpatient days	12,376	21,569	(9,193)	-43%
Occupancy rate (%)	33%	56%	-23%	-41%
Average length of stay (day)	2.70	3.03	(0.33)	-11%
Number of bed	394	394	-	0%
Average revenue per inpatient (RM)	8,845	7,142	1,703	24%

15. 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 2021 versus Q4 2020

	Q1 2021 RM'000	Q4 2020 RM'000	Changes RM'000	%
REVENUE				
Plantation	50,489	72,766	(22,277)	-31%
Healthcare	52,286	56,929	(4,643)	-8%
Total revenue	**102,775**	**129,695**	**(26,920)**	**-21%**
Plantation	19,131	20,247	(1,116)	-6%
Healthcare	6,436	3,571	2,865	80%
Others	(3,925)	10,580	(14,505)	-100%
Adjusted EBITDA	**21,642**	**34,398**	**(12,756)**	**-37%**
Loss on disposal of property, plant and equipment	-	(146)	146	100%
(Loss)/gain on acquisition	-	(3,288)	3,288	100%
Fair value changes of biological assets	1,529	1,279	250	20%
Inventories written off	-	(18)	18	100%
Impairment of PPE	(80)	-	(80)	-100%
Property, plant and equipment written off	-	(3,008)	3,008	100%
Expected credit losses of receivables	(509)	-	(509)	-100%
Reversal of expected credit losses of receivables	-	789	(789)	-100%
EBITDA	**22,582**	**30,006**	**(7,424)**	**-25%**
Depreciation & amortisation	(20,675)	(21,199)	524	2%
Profit from Al-Mudharabah	375	2,061	(1,686)	-100%
Hibah income	873	-	873	100%
Finance costs	(6,487)	(7,615)	1,128	15%
Loss before tax	**(3,332)**	**3,253**	**(6,585)**	**202%**

The Group's revenue for the three months ended 31 March 2021 was lower by 21% compared to the immediate preceding quarter.

PLANTATION DIVISION

Our Malaysian Plantation business registered an EBITDA of RM20.6 million during the quarter.

The Plantation Division recorded lower revenue by 31% mainly due to decrease in sales volume of CPO and PK by 45% (9,978mt) and 35% (1,667mt) respectively. The lower volume was mainly due to lower FFB Production and lower extraction rates of CPO and PK this quarter. However, CPO and PK average prices is higher by 13% and 26% respectively. The FFB production was on a lower trend this Q1 as against peak season of Q4 FY2020.

15. Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter (cont'd.)

Individual quarter - Q1 2021 versus Q4 2020 (cont'd.)

PLANTATION DIVISION (cont'd.)

The Company has also decided to reduce buying outside crop from traders and dealers while maintaining MSPO licensed holders in Q1 FY2021, lower by 76% in CPO volume against Q4 FY2020.

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	**Q1 2021**	**Q4 2020**	**Changes**	**%**
CPO sales volume (mt)	12,064	22,042	(9,978)	-45%
PK sales volume (mt)	3,132	4,799	(1,667)	-35%
FFB production (mt)	61,180	103,409	(42,229)	-41%
CPO average price (RM)	3,788	3,339	449	13%
PK average price (RM)	2,598	2,056	542	26%
Mature area (hectare)	26,668	25,534	1,134	4%
Immature area (hectare)	6,652	7,986	(1,334)	-17%
Oil extraction rate (OER)	19.04%	19.07%	-0.03%	0%
Kernel extraction rate (KER)	4.53%	4.18%	0.35%	8%

HEALTHCARE DIVISION

Healthcare Division recorded 8% decreased in revenue mainly due to the decrease in the number of inpatient by 6%, compared to the immediate preceding quarter. In addition, there is a decrease in inpatient days by 10% as compared to preceding quarter. This is in line with decrease in bed occupancy rate by 13%.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	**Q1 2021**	**Q4 2020**	**Changes**	**%**
Number of inpatient	4,101	4,386	(285)	-6%
Number of outpatient	42,073	41,020	1,053	3%
Inpatient days	12,376	13,803	(1,427)	-10%
Occupancy rate (%)	33%	38%	-5%	-13%
Average length of stay (day)	2.70	2.92	(0.22)	-7.5%
Number of bed	394	394	-	0.0%
Average revenue per inpatient (RM)	8,845	9,233	(388)	-4%

16. 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

Malaysia Plantation

For the 1st quarter 2021, Palm oil prices continued to rally from RM3,750 per MT in January to the record high of RM4,300 per MT level in March. MPOB Average price in the 1st quarter FY2021 stood at RM3,930 per MT against RM3,305 per MT in the 4th quarter FY 2020, an increase of 19% while Palm Kernel average price was up by 33% in the 1st quarter at RM2,548 per MT from RM1,906 per MT in the 4th quarter FY2020.

The Palm Oil market price rally in the 1st quarter was driven mainly by lower palm oil production, continued good exports , lower palm oil end stocks and strong Soybean oil prices in the United States. The shortage of labor in the estates and floods in January 2021 also contributed to higher palm prices. With the country's border still closed for foreign workers, estates are focusing on recruiting local workers and introducing mechanization in areas of fruits evacuation and other field maintenance works.

The outlook for 2nd quarter and Year 2021

The CPO production is forecasted to be marginally higher during the 2nd quarter and shall peak in the 3rd quarter FY2021. Malaysian palm oil exports are expected to be steady that will put the end month CPO stock to below 1.5 to 1.6 million MT by end of June 2021. The CPO price is expected to be hovering around RM3,900 to RM4,100 MT level with strong SBO prices in the US market. Year 2021 is expected to bring brighter prospect for plantation with our RSPO and MSPO certifications and other key indicators are projected to show better performance.

Labor constraints will have a significant impact to FFB production if the government continues to close its borders for recruitment of foreign workers. The company will continue to focus on obtaining higher CSPO and CSPK sales price against MPOB Average Price. The company will also continue to seek for higher product premiums from CSPO and CSPK sales by securing more contracts from our regular and reputable buyers in FY2021. With the ISCC Certification obtained by Kemaman Palm Oil Mill, the company has broader markets for its palm products as well as sales of CSPO and CSPK with premiums.

Indonesia Plantation

The rehabilitation program at our estate is making good progress which has resulted in higher production of FFB. At the same time the intended divestment process is progressing well although there are delays in completing the transaction process due to the imposition of social distancing restriction in Indonesia. With the record high CPO price as well as the continuing rehabilitation program, these developments bode well with the divestment process.

16. 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 (cont'd.)

Healthcare

The Healthcare Division is confident that we are on the road to recovery despite the challenges we are currently facing.

As healthcare is an essential service required at all times, we are continuing our plan to grow from the existing 394 beds to 1000 beds in the next 5 years. Ongoing market studies, site visits and business negotiations are proceeding as planned.

Healthcare Division is exploring new or greenfield hospitals in particular to expand our East Coast belt of hospitals. At the same time, Healthcare Division is also considering the acquisition of existing or brownfield hospitals. The Brownfield strategy is also the Healthcare Division's aspiration to assist existing hospitals which may be facing difficulties during this challenging time.

AmInvestment Bank Berhad stated that there is a significant room for additional hospital beds as Malaysia's BPR (Bed Per Resident) stood at only 1.98 beds per 1,000 residents in 2019. In comparison, the average BPR for Organisation for Economic Cooperation and Development countries stood at a much higher rate of 4.7 in 2017. It is estimated that local BPR will grow to 2.02 and 2.05 in 2020 estimate and 2021 forecast (2021F) respectively.

The National Immunisation Program is expected to expedite the recovery pace subject to the continuous supply of vaccine and the public vaccination rate. The government anticipated that a steady supply of vaccine will get back on track in June 2021 and expeditious vaccinations to cover the masses will start at that juncture. The recent government announcement on allowing State Government to procure on its own approved vaccine may accelerate the herd immunity.

The group continues practising cautious spending measures which we have started since year 2020. We anticipate that the revenue will continue to stabilise at the current level and grow progressively as the pandemic subsides.

COVID-19

The Malaysian economy registered a smaller GDP decline of 0.5% in the first quarter (Q4 2020: -3.4%). The better overall performance reflects the improvement in domestic demand and the strength in exports.

Despite the recent re-imposition of containment measures, the impact on growth is expected to be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support.

16. 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 (cont'd.)

COVID-19 (cont'd.)

Strategy and steps taken to address the impact of the COVID-19

We have assembled six action teams to focus on six initiatives, for our Business Recovery Plan and Business Continuity Plan to overcome this trying times.

i) Revenue Team

Several revenue initiatives were initiated mainly at our Healthcare business to address the challenges during MCO, such as the Drive Through COVID-19 Test, Drive Through Vaccination Test, Online Healthcare Consultation Initiative for existing customers as well as Over The Counter (OTC) medicines promotion and home delivery.

ii) Cash Team

Conserving cash is imperative during time of uncertainty, and our team has implemented various initiatives including applications of banking facilities moratorium and fund-raising exercises to support our requirements.

iii) Cost Savings Team

The team has implemented several cost optimisation initiatives which include review of certain operating expenditures and capital expenditures.

iv) Customer Centric Team

The customer team focuses on managing the needs of our customers during the MCO period. We have reached out to our customers through various channels, such as phone calls, social media, website, and as well as introduction of new services to suit with our customers' requirement such as the drive-through COVID-19 test and on-site COVID-19 test initiatives.

v) People Centric Team

The team is tasked to manage the employee's wellbeing during the crisis period. Our Business Recovery Plan and Business Continuity Plan was initiated to ensure business sustainability and continuity, and hence safeguarding the wellbeing of our people.

vi) Communication Team

Proactive communication programme has been put in place to ensure regular update to our people and customers.

Group

The Group is optimistic of achieving satisfactory operating performance for the remaining period of the year.

17a. 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.

17b. Explanatory note for any shortfall in the profit guarantee

There was no profit guarantee issued for the quarter ended 31 March 2021.

18. Loss for the period

	Current period to date	
	31-Mar-21 RM'000	**31-Mar-20 RM'000**
The following amounts have been included in arriving at loss before tax:		
Interest expense	6,487	4,557
Profit from Al-Mudharabah	(1,252)	(122)
Hibah income		
- Continuing	-	(1)
Depreciation of property, plant and equipment		
- Continuing	16,520	16,414
- Discontinuing	2,283	3,467
Amortisation of intangible asset	214	214
Impairment of property, plant and equipment	80	-
Amortisation of right-of-use assets	3,941	4,019
Inventories written off	-	-
Provision for retirement benefit obligations	106	108
Expected credit loss on receivables	509	597
Fair value changes of biological assets	(1,529)	1,517

19. 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-21 RM'000	**31-Mar-20 RM'000**
Current income tax	2,396	175
Underprovision of income tax in prior year	-	-
	2,396	175
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,065)	315
(Over)/underprovision of deferred tax in prior year	(2)	-
Income tax	1,329	490

Income tax was calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate of the respective period principally due to certain expenses not deductible for tax purposes.

20. Discontinued operation and disposal group classified as held for sale

Assets and liabilities of PT RKA and PT SRA classified as held for sale on the Group's statement of financial position are as below:

	Group	
	As at 31-Mar-21 RM'000	**As at 31-Dec-20 RM'000**
Assets:		
Property, plant and equipment	127,885	128,629
Right-of-use assets	32,301	32,300
Trade receivables	271	134
Other receivables	22,497	22,369
Prepayment	156	22
Biological assets	253	255
Inventories	51	10
Cash and bank balances	1,047	958
Assets held for sale	184,461	184,677
Liabilities:		
Other payables	(8,003)	(7,156)
Retirement benefit obligations	-	(828)
Tax payable	(181)	(34)
Lease liabilities	-	(50)
Liabilities directly associated with assets held for sale	(8,184)	(8,068)
Net assets directly associated with disposal group	176,277	176,609

The result of PT RKA and PT SRA for the period are presented below:

	Current period to date	
	31-Mar-21 RM'000	**31-Mar-20 RM'000**
Revenue	1,228	601
Cost of sales	(1,445)	(3,135)
Gross loss	(217)	(2,534)
Hibah income	4	1
Administrative expenses	(69)	(119)
Other expenses	-	(1,793)
Finance costs	-	-
Loss before tax	(282)	(4,445)
Income tax expense	-	-
Loss for the year from discontinued operations, net of tax	(282)	(4,445)

21. Corporate proposals

There are no corporate proposals announced at the date of this report.

22. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's trade receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	Group	
	As at 31-Mar-21 RM'000	**As at 31-Dec-20 RM'000**
Trade receivables - nominal amounts	29,267	26,477
Less: Allowance for expected credit losses	(6,284)	(5,775)
	22,983	20,702

Movement in allowance accounts:

	As at 31-Mar-21 RM'000	**As at 31-Dec-20 RM'000**
At 1 January	5,775	8,515
Provision for expected credit losses	509	379
Reversal of expected credit losses	-	(1,177)
Written off	-	(1,942)
At 31 December	6,284	5,775

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

Details of the Group's borrowings as at 31 March 2021 and 31 December 2020 are as follows:

As at 31 March 2021

	Long term RM'000	**Short term RM'000**	**Total borrowings RM'000**
Secured			
Bank loans	396,590	64,941	461,531
Bank overdraft	13,055	-	13,055
Obligation under hire purchase	10,261	3,273	13,534
	419,906	68,214	488,120
Unsecured			
Bank loans	-	-	-
	-	-	-
	419,906	68,214	488,120

As at 31 December 2020

	Long term RM'000	**Short term RM'000**	**Total borrowings RM'000**
Secured			
Bank loans	407,502	49,062	456,564
Bank overdraft	9,841	-	9,841
Obligation under hire purchase	9,286	3	9,289
	426,629	49,065	475,694
Unsecured			
Bank loans	-	23,280	23,280
	-	23,280	23,280
	426,629	72,345	498,974

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 period ended 31 March 2021.

25. Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date

1. KUANTAN HIGH COURT [CA-22NCvC-31-06/2018]

Dato' Mohamad Alias A Bakar bin Ali vs

1. **Kuantan Medical Centre Sdn Bhd**
2. **Dr. Abdul Aziz Bin Awang**
3. **Dr. Md Lukman Bin Mohd Mokhtar**

The Plaintiff alleges that the 2nd Defendant and 3rd Defendant, as the agents of the 1st Defendant, have negligently failed to carry out anaesthetic procedures on him which caused 'circumferential disc bulge with desiccation at L 4/5 level with severe spinal stenosis'.

Due to the alleged negligence, the Plaintiff claims for the following:

i. General damages and aggravated damages;

ii. Interest thereon calculated at the rate of 8% per annum from the date of service of the Writ up to the date of judgement;

iii. Special damages of RM1,104,414.51;

iv. Interest thereon calculated at the rate of 4% per annum from 3 July 2012 up to the date of judgment;

v. Interest on the judgment sum calculated at the applicable statutory rate from the date of judgment up to the date of payment;

vi. Costs; and

vii. Such further or other relief as the Court deems fit.

The Kuantan High Court has vacated the continue hearing date which was initially fixed on 20 April 2020 until 22 April 2020 due to the Movement Control Order ("MCO"). The Court has fixed for further Case Management on 16 June 2020 to enable parties to fix fresh continued Trial dates.

During the Case Management held on 16 June 2020, the Court has set the matter down for continued trial on 30 September 2020 and from 12 October 2020 until 14 October 2020.

The court has fixed for Continued Hearing dates as follows:-

i. 21 June 2021; and
ii. 22 June 2021

26. Dividend proposed

On 24 March 2021, an interim single-tier dividend in respect of the financial year ended 31 December 2020, of 0.29% per share on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM5,000,000 (0.29 sen per ordinary share) was proposed. The interim dividend is accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

27. Loss per share

Basic loss per share amounts are calculated by dividing loss for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

	Cumulative Quarter	
	Current Quarter To date 31-Mar-21 RM'000	**Preceding Quarter To date 31-Mar-20 RM'000**
Loss net of tax attributable to owners of the parent used in the computation of basic loss per share	(4,221)	(8,280)
Add back: Loss from discontinued operation, net of tax, atttibutable to owners of the parent	360	4,167
Loss net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	(3,861)	(4,113)
	31-Mar-21 number of ordinary shares '000	**31-Mar-20 number of ordinary shares '000**
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,682,641
Loss per share attributable to owners of the parent (sen per share):		
Basic loss per share (sen per share)	(0.24)	(0.49)
- continuing operations	(0.22)	(0.24)
- discontinued operation	(0.02)	(0.25)

28. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 May 2021.

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary

Kuala Terengganu
31 May 2021