



# **TDM BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
30 SEPTEMBER 2021**



**TDM BERHAD**

Company No 196501000477 (6265-P)  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-21 RM'000	Preceding Quarter Ended 30-Sep-20 RM'000	Current Quarter To date 30-Sep-21 RM'000	Preceding Quarter To date 30-Sep-20 RM'000
<b>Continuing operations</b>				
Revenue	132,148	121,420	345,937	313,182
Cost of sales	(91,249)	(92,006)	(258,777)	(246,635)
<b>Gross profit</b>	<b>40,899</b>	<b>29,414</b>	<b>87,160</b>	<b>66,547</b>
<b>Other items of income</b>				
Interest income	533	380	1,582	778
Other income	3,619	25,547	11,104	29,299
<b>Other items of expense</b>				
Distribution costs	(1,504)	(1,871)	(3,569)	(4,656)
Administrative expenses	(18,484)	(18,481)	(61,903)	(69,531)
Other expenses	(300)	(601)	(2,221)	(1,890)
Finance costs	(5,774)	(6,672)	(17,887)	(14,738)
<b>Profit before tax</b>	<b>18,989</b>	<b>27,716</b>	<b>14,266</b>	<b>5,809</b>
Income tax expense	(5,703)	(5,345)	(8,744)	(4,994)
<b>Profit for the period from continuing operations, net of tax</b>	<b>13,286</b>	<b>22,371</b>	<b>5,522</b>	<b>815</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	(411)	(1,238)	(1,023)	(4,253)
<b>Profit/(loss) for the period, net of tax</b>	<b>12,875</b>	<b>21,133</b>	<b>4,499</b>	<b>(3,438)</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	2,444	(24,494)	2,319	(18,633)
Fair value movement of investment securities	(2)	3	(4)	(14)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>2,442</b>	<b>(24,491)</b>	<b>2,315</b>	<b>(18,647)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>15,317</b>	<b>(3,358)</b>	<b>6,814</b>	<b>(22,085)</b>



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FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-21 RM'000	Preceding Quarter Ended 30-Sep-20 RM'000	Current Quarter To date 30-Sep-21 RM'000	Preceding Quarter To date 30-Sep-20 RM'000
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	13,304	21,752	5,618	(2,151)
Non-controlling interests	(429)	(619)	(1,119)	(1,287)
	<b>12,875</b>	<b>21,133</b>	<b>4,499</b>	<b>(3,438)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	15,732	(1,206)	7,790	(19,629)
Non-controlling interests	(415)	(2,152)	(976)	(2,456)
	<b>15,317</b>	<b>(3,358)</b>	<b>6,814</b>	<b>(22,085)</b>
<b>Earnings/(loss) per share attributable to owners of the parent (sen per share):</b>				
Basic (Note 27)	0.77	1.26	0.33	(0.13)

(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 196501000477 (6265-P)  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	806,616	819,440
Right-of-use assets	484,886	490,714
Intangible asset	3,962	4,605
Goodwill	991	991
Other investments	38,107	38,107
Investment securities	31	35
Other receivables	186	186
Deferred tax assets	823	87
	<b><u>1,335,602</u></b>	<b><u>1,354,165</u></b>
<b>Current assets</b>		
Biological assets	10,386	4,154
Inventories	23,886	21,787
Trade and other receivables	63,079	52,713
Contract asset	5,563	7,690
Prepayments	5,100	5,049
Tax recoverable	14,130	13,738
Cash and bank balances	173,429	232,899
Assets of disposal group classified as held for sale	189,049	184,677
	<b><u>484,622</u></b>	<b><u>522,707</u></b>
<b>Total assets</b>	<b><u>1,820,224</u></b>	<b><u>1,876,872</u></b>
<b>Current liabilities</b>		
Retirement benefit obligations	428	436
Lease liabilities	477	646
Loans and borrowings	71,296	72,345
Trade and other payables	257,451	248,696
Contract liability	-	634
Tax payable	160	173
Liabilities of disposal group classified as held for sale	8,242	8,068
	<b><u>338,054</u></b>	<b><u>330,998</u></b>
<b>Net current assets</b>	<b><u>146,568</u></b>	<b><u>191,709</u></b>



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	5,760	5,495
Lease liabilities	61,950	60,995
Loans and borrowings	412,071	426,629
Other payables	58,531	107,881
Deferred tax liabilities	190,141	189,012
	<b>728,453</b>	<b>790,012</b>
<b>Total liabilities</b>	<b>1,066,507</b>	<b>1,121,010</b>
<b>Net assets</b>	<b>753,717</b>	<b>755,862</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	359,445	359,445
Retained earnings	405,194	408,535
Other reserves	33,074	33,078
Reserves of a disposal group held for sale	(26,809)	(30,205)
	<b>770,904</b>	<b>770,853</b>
<b>Non-controlling interests</b>	(17,187)	(14,991)
<b>Total equity</b>	<b>753,717</b>	<b>755,862</b>
<b>Total equity and liabilities</b>	<b>1,820,224</b>	<b>1,876,872</b>
 Net assets per share (RM)	 0.44	 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 196501000477 (6265-P)  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 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
<b>Opening balance at 1 January 2021</b>	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Profit for the period	4,499	5,618	-	5,618	-	-	-	-	-	(1,119)
<b>Other comprehensive income</b>										
Fair value movement of investment in securities	(4)	(4)	-	-	(4)	(4)	-	-	-	-
Foreign currency translation	2,319	3,396	-	-	-	-	-	-	3,396	(1,077)
Other comprehensive income for the period, net of tax	2,315	3,392	-	-	(4)	(4)	-	-	3,396	(1,077)
Total comprehensive income for the period, net of tax	6,814	9,010	-	5,618	(4)	(4)	-	-	3,396	(2,196)
Dividends paid on ordinary shares	(8,959)	(8,959)	-	(8,959)	-	-	-	-	-	-
<b>Closing balance at 30 September 2021</b>	753,717	770,904	359,445	405,194	33,074	33,342	(237)	(31)	(26,809)	(17,187)
<b>Opening balance at 1 January 2020</b>	740,585	769,274	350,713	418,474	28,894	28,957	(32)	(31)	(28,807)	(28,689)
Loss for the period	(3,438)	(2,151)	-	(2,151)	-	-	-	-	-	(1,287)
<b>Other comprehensive income</b>										
Fair value movement of investment in securities	(14)	(14)	-	-	(14)	(14)	-	-	-	-
Foreign currency translation	(18,633)	(17,464)	-	-	-	-	-	-	(17,464)	(1,169)
Acquisition of non-controlling interest	7,967	-	-	-	-	-	-	-	-	7,967
Other comprehensive income for the period, net of tax	(10,680)	(17,478)	-	-	(14)	(14)	-	-	(17,464)	6,798
Total comprehensive loss for the period, net of tax	(14,118)	(19,629)	-	(2,151)	(14)	(14)	-	-	(17,464)	5,511
<b>Transactions with owners</b>										
Issuance of shares pursuant to cash	8,563	8,563	8,563	-	-	-	-	-	-	-
Total transactions with owners	8,563	8,563	8,563	-	-	-	-	-	-	-
<b>Closing balance at 30 September 2020</b>	735,030	758,208	359,276	416,323	28,880	28,943	(32)	(31)	(46,271)	(23,178)

(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 196501000477 (6265-P)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>Period Ended</b>	
	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	14,266	5,809
Loss before tax from discontinued operations	(1,023)	(4,253)
	13,243	1,556
<u>Adjustments for:</u>		
Finance costs	17,887	14,738
Depreciation of property, plant and equipment		
- Continuing	48,060	48,812
Amortisation of intangible asset	643	643
Amortisation of right-of-use assets	7,244	8,600
Property, plant and equipment written off	11	1,367
Inventories written off	40	28
Expected credit losses of trade and other receivables	1,031	1,425
Additional/(reversal of) impairment loss of property, plant and equipment	756	(161)
Loss on disposal of property, plant and equipment	9	16
Provision for short term accumulating compensated absences	130	108
Provision for retirement benefit obligations	308	325
Fair value changes in biological assets	(6,232)	(417)
Dividend income	(1,444)	(995)
Profit from Al-Mudharabah	(1,582)	(778)
Hibah income - Discontinuing	(17)	(2)
Gain on bargain purchase	-	(21,831)
Total adjustments	66,844	51,878
Operating cash flows before changes in working capital	80,087	53,434
<u>Changes in working capital</u>		
Increase in inventories	(2,139)	(8,155)
(Increase)/decrease in receivables	(9,321)	1,422
(Decrease)/increase in payables	(42,053)	17,861
Decrease in contract liability	(634)	(23,660)
Total changes in working capital	(54,147)	(12,532)
Cash flows from operations	25,940	40,902
Finance costs paid	(17,887)	(14,738)
Hibah income received	1,582	778
Taxes paid	(8,207)	(6,909)
Tax refund	119	-
Retirement benefits paid	(60)	(34)
Annual leave paid	(26)	(10)
Net cash flows generated from operating activities	1,461	19,989



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

(The figures have not been audited)

	<b>Period Ended</b>	
	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(39,550)	(33,831)
Acquisition of right-of-use assets	(443)	(10,430)
Net cash outflow on acquisition of a subsidiary	-	(61,439)
Dividend received	1,444	995
Withdrawal of deposit with licensed banks	10,000	617
(Decrease)/increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(15)	5
Net cash flows used in investing activities	<u>(28,564)</u>	<u>(104,083)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of bank borrowings	39,160	82,758
Drawdowns of hire purchase facilities	2,233	-
Repayments of bank borrowings	(49,005)	(34,773)
Repayments of hire purchase facilities	(3,765)	(2,169)
Repayment of finance lease	(2,452)	(2,452)
Proceeds from issuance of shares	-	8,563
Dividend paid to shareholder	(8,959)	-
Proceeds from contract liability	-	124,250
Net cash flows generated (used in)/from financing activities	<u>(22,788)</u>	<u>176,177</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(49,891)	92,083
<b>Cash and cash equivalents at 1 January</b>	177,505	54,577
Effect of foreign exchange rate changes	4	19
<b>Cash and cash equivalents at end of the period</b>	<u>127,618</u>	<u>146,679</u>

Cash and cash equivalents at end of the period comprise of the following:

Cash and banks balances		
- Continuing operations	173,429	181,783
- Discontinuing operations	556	299
Less: Deposits pledged for bank facilities	(36,205)	(35,241)
Less: Deposits with licensed banks with maturity period more than 3 months	(10,162)	(162)
Cash and cash equivalents	<u>127,618</u>	<u>146,679</u>

(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)





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**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 30 September 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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 4: Insurance Contracts	1 January 2021
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9: Financial Instruments	1 January 2021
Amendments to MFRS 16: Leases - Covid 19 - Related Rent Concessions	1 January 2021
Amendments to MFRS 16: Leases - Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 January 2021

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

### 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 periods beginning on or after
Amendments to MFRS 1: First time Adoption of Malaysian Financial Reporting Standards	January 2022/1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9: Financial Instruments	January 2022/1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements	Deferred
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	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	1 January 2022
Amendments to MFRS 128: Investment in Associates and Joint Ventures	Deferred
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
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 30 September 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

A single-tier interim 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 RM4,996,347 (0.29 sen per ordinary share) has been paid in April 2021.

A single-tier final dividend in respect of the financial year ended 31 December 2020, of 0.23% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM3,962,619 (0.23 sen per ordinary share) has been paid in July 2021.

Such dividends, have been accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

## 8. Segmental reporting

The segments are reported in a manner that is more consistent with internal reporting 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 exchange gains and losses, impairment losses and gains or losses on disposal of assets.

### 3 months ended 30 September 2021

	Plantation		Investment holding company	Continuing operations	Discontinued operations
	Malaysia	Healthcare	and others		
	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	82,941	56,535	-	139,476	421
Intersegment revenue	(7,215)	(113)	-	(7,328)	-
<b>External revenue</b>	<b>75,726</b>	<b>56,422</b>	<b>-</b>	<b>132,148</b>	<b>421</b>
<b>EBITDA</b>	<b>41,643</b>	<b>6,331</b>	<b>(4,095)</b>	<b>43,879</b>	<b>(420)</b>
Depreciation & amortisation	(14,347)	(4,323)	(979)	(19,649)	-
Profit from Al-Mudharabah	489	43	1	533	-
Hibah income	-	-	-	-	9
Finance costs	(3,477)	(140)	(2,157)	(5,774)	-
<b>Profit/(loss) before tax</b>	<b>24,308</b>	<b>1,911</b>	<b>(7,230)</b>	<b>18,989</b>	<b>(411)</b>

## 8. Segmental reporting (cont'd.)

### 3 months ended 30 September 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	71,542	50,075	-	121,617	421
Intersegment revenue	(61)	(136)	-	(197)	-
<b>External revenue</b>	<b>71,481</b>	<b>49,939</b>	<b>-</b>	<b>121,420</b>	<b>421</b>
<b>EBITDA</b>	<b>37,970</b>	<b>7,559</b>	<b>9,883</b>	<b>55,412</b>	<b>(1,240)</b>
Depreciation & amortisation	(14,391)	(5,527)	(1,486)	(21,404)	-
Profit from AI-Mudharabah	354	24	2	380	-
Hibah income	-	-	-	-	2
Finance costs	(1,546)	(388)	(4,738)	(6,672)	-
<b>Profit/(loss) before tax</b>	<b>22,387</b>	<b>1,668</b>	<b>3,661</b>	<b>27,716</b>	<b>(1,238)</b>

### 9 months ended 30 September 2021

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	202,115	163,179	-	365,294	4,360
Intersegment revenue	(18,569)	(788)	-	(19,357)	-
<b>External Revenue</b>	<b>183,546</b>	<b>162,391</b>	<b>-</b>	<b>345,937</b>	<b>4,360</b>
<b>EBITDA</b>	<b>82,727</b>	<b>15,135</b>	<b>(11,344)</b>	<b>86,518</b>	<b>(1,040)</b>
Depreciation & amortisation	(39,979)	(12,072)	(3,896)	(55,947)	-
Profit from AI-Mudharabah	1,441	139	2	1,582	-
Hibah income	-	-	-	-	17
Finance costs	(9,665)	(2,031)	(6,191)	(17,887)	-
<b>Profit/(loss) before tax</b>	<b>34,524</b>	<b>1,171</b>	<b>(21,429)</b>	<b>14,266</b>	<b>(1,023)</b>

### 30 September 2021

Assets	<b>1,377,669</b>	<b>250,654</b>	<b>2,852</b>	<b>1,631,175</b>	<b>189,049</b>
Liabilities	<b>914,308</b>	<b>142,478</b>	<b>1,479</b>	<b>1,058,265</b>	<b>8,242</b>
Exchange rate ratio	MYR 1.00	IDR 3,413			

## 8. Segmental reporting (cont'd.)

9 months ended 30 September 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	167,749	146,508	-	314,257	1,126
Intersegment revenue	(205)	(870)	-	(1,075)	-
<b>External Revenue</b>	<b>167,544</b>	<b>145,638</b>	<b>-</b>	<b>313,182</b>	<b>1,126</b>
<b>EBITDA</b>	<b>67,842</b>	<b>9,945</b>	<b>37</b>	<b>77,824</b>	<b>(4,255)</b>
Depreciation & amortisation	(42,041)	(11,577)	(4,437)	(58,055)	-
Profit from Al-Mudharabah	652	121	5	778	-
Hibah income	-	-	-	-	2
Finance costs	(4,134)	(2,187)	(8,417)	(14,738)	-
<b>Profit/(loss) before tax</b>	<b>22,319</b>	<b>(3,698)</b>	<b>(12,812)</b>	<b>5,809</b>	<b>(4,253)</b>
<b>31 December 2020</b>					
Assets	<b>1,432,647</b>	<b>257,341</b>	<b>2,207</b>	<b>1,692,195</b>	<b>184,677</b>
Liabilities	<b>970,178</b>	<b>141,279</b>	<b>1,485</b>	<b>1,112,942</b>	<b>8,068</b>
Exchange rate ratio	MYR 1.00	IDR 3,492			

## 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 30 September 2021 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	6,513
Authorised by the Directors but not contracted	63,939
	<u>70,452</u>

**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 year to date**

**Individual quarter - Q3 2021 versus Q3 2020**

	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	75,726	71,481	4,245	6%
Healthcare	56,422	49,939	6,483	13%
<b>Total revenue</b>	<b>132,148</b>	<b>121,420</b>	<b>10,728</b>	<b>9%</b>
Plantation	41,643	37,970	3,673	10%
Healthcare	6,331	7,559	(1,228)	-16%
Investment holding company and others	(4,095)	9,883	(13,978)	-141%
<b>EBITDA</b>	<b>43,879</b>	<b>55,412</b>	<b>(11,533)</b>	<b>-21%</b>
Depreciation & amortisation	(19,649)	(21,404)	1,755	8%
Profit from AI-Mudharabah	533	380	153	40%
Finance costs	(5,774)	(6,672)	898	13%
<b>Profit before tax</b>	<b>18,989</b>	<b>27,716</b>	<b>(8,727)</b>	<b>-31%</b>

The Group's revenue for the three months period ended 30 September 2021 increased by 9% compared to the previous corresponding quarter mainly due to higher revenue recorded from Healthcare Division by RM6.5 million, an increase of 13% and Plantation Division by RM4.2 million, an improvement of 6%.

The Group recorded PBT of RM18.9 million during the quarter, compared to PBT of RM27.7 million in the previous corresponding quarter.

The profit before tax of RM27.7 million in the previous corresponding quarter is inclusive of one off gain on bargain purchase of RM21.8 million from the acquisition of TDM-YT Plantation Sdn. Bhd.

**PLANTATION DIVISION**

During the quarter, our Plantation Division registered an EBITDA of RM41.6 million during the quarter, compared to RM37.9 million in the previous corresponding quarter. The division also reported a higher PBT of RM24.3 million during the quarter, compared to RM22.4 million in the corresponding quarter of 2020.

The Plantation Division recorded higher revenue of 6% mainly due to higher CPO and PK average prices of 58% and 65% respectively. However, there was a reduction in CPO and PK sales volume by 31% and 30% respectively as a result of lower FFB Production from own estates and lower outside crop purchases (OCP) during this quarter. The oil extraction rate (OER) was lower by 2% at 19.33%.

**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 year to date (cont'd.)**

**Individual quarter - Q3 2021 versus Q3 2020 (cont'd.)**

**PLANTATION DIVISION (cont'd.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	17,114	24,835	(7,721)	-31%
PK sales volume (mt)	3,719	5,328	(1,609)	-30%
FFB production (mt)	87,626	111,517	(23,891)	-21%
CPO average price (RM)	4,379	2,775	1,604	58%
PK average price (RM)	2,593	1,569	1,024	65%
Mature area (hectare)	26,668	25,534	1,134	4%
Immature area (hectare)	6,651	7,986	(1,335)	-17%
Oil extraction rate (OER)	19.33%	19.77%	(0.44%)	-2%
Kernel extraction rate (KER)	4.22%	4.23%	(0.01%)	0%

**HEALTHCARE DIVISION**

The Group's Healthcare Division experienced a gradual recovery from the impact of the Movement Control Order (MCO) implemented since March 2020. It reported a higher revenue by 13%, from RM49.9 million to RM56.4 million, during the quarter, compared to the previous corresponding quarter. This was primarily due to an increase in the number of outpatients by 24% and a higher average revenue per patient by 22% in contrast to the previous corresponding quarter.

During the quarter, the division also recorded a higher PBT of RM1.9 million, compared to RM1.7 million in the previous corresponding quarter.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	4,124	4,519	(395)	-9%
Number of outpatient	45,807	37,036	8,771	24%
Inpatient days	10,526	11,643	(1,117)	-10%
Occupancy rate (%)	35%	38%	(3%)	-8%
Average length of stay (day)	2.55	2.65	(0.10)	-4%
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	9,659	7,940	1,719	22%

**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 year to date (cont'd.)**

**Cumulative quarter - 9M 2021 versus 9M 2020**

	<b>9M 2021</b>	<b>9M 2020</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	183,546	167,544	16,002	10%
Healthcare	162,391	145,638	16,753	12%
<b>Total revenue</b>	<b>345,937</b>	<b>313,182</b>	<b>32,755</b>	<b>10%</b>
Plantation	82,727	67,842	14,885	22%
Healthcare	15,135	9,945	5,190	52%
Investment holding company and others	(11,344)	37	(11,381)	-30759%
<b>EBITDA</b>	<b>86,518</b>	<b>77,824</b>	<b>8,694</b>	<b>11%</b>
Depreciation & amortisation	(55,947)	(58,055)	2,108	4%
Profit from Al-Mudharabah	1,582	778	804	103%
Finance costs	(17,887)	(14,738)	(3,149)	-21%
<b>Profit before tax</b>	<b>14,266</b>	<b>5,809</b>	<b>8,457</b>	<b>146%</b>

For the nine months ended 30 September 2021, the Group's revenue improved by 10% compared to the previous corresponding period due to the revenue growth from its Healthcare Division by 12% or RM16.7 million and Plantation Division by 10% or RM16.0 million. The Group also registered a substantial increase in PBT of RM14.3 million, more than double the figure recorded during the previous corresponding period.

The profit before tax of RM5.8 million in the previous corresponding period is inclusive of one off gain on bargain purchase of RM21.8 million from the acquisition of TDM-YT Plantation Sdn. Bhd.

**PLANTATION DIVISION**

The Plantation Division recorded a 10% increase in revenue compared to the corresponding period, supported by higher average CPO and PK prices by 57% and 68% respectively. However, this is partly offset with lower sales volume of CPO and PK by 29% and 26% respectively.

The division registered an EBITDA of RM82.7 million, in contrast to RM67.8 million of the previous corresponding period.

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	43,298	60,618	(17,320)	-29%
PK sales volume (mt)	9,873	13,370	(3,497)	-26%
FFB production (mt)	216,799	290,172	(73,373)	-25%
CPO average price (RM)	4,135	2,634	1,501	57%
PK average price (RM)	2,634	1,568	1,066	68%
Mature area (hectare)	26,668	25,534	1,134	4%
Immature area (hectare)	6,651	7,986	(1,335)	-17%
Oil extraction rate (OER)	19.21%	19.64%	(0.43%)	-2%
Kernel extraction rate (KER)	4.44%	4.29%	0.15%	3%



**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 year to date (cont'd.)**

**Cumulative quarter - 9M 2021 versus 9M 2020 (cont'd.)**

**HEALTHCARE DIVISION**

During the period, the Healthcare Division clocked a higher revenue by 12% compared to the corresponding period, mainly contributed by an increase in the number of outpatients by 42%. The division registered a significantly higher EBITDA of RM15.1 million, a 53% growth compared to RM9.9 million achieved in the previous corresponding period.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	12,418	13,649	(1,231)	-9%
Number of outpatient	139,670	98,028	41,642	42%
Inpatient days	32,933	42,040	(9,107)	-22%
Occupancy rate (%)	35%	39%	(4%)	-10%
Average length of stay (day)	2.65	2.90	(0.25)	-9%
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	9,132	7,797	1,335	17%

**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 - Q3 2021 versus Q2 2021**

	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	75,726	57,331	18,395	32%
Healthcare	56,422	53,683	2,739	5%
<b>Total revenue</b>	<b>132,148</b>	<b>111,014</b>	<b>21,134</b>	<b>19%</b>
Plantation	41,643	20,192	21,451	106%
Healthcare	6,331	6,189	142	2%
Investment holding company and others	(4,095)	(3,698)	(397)	-11%
<b>EBITDA</b>	<b>43,879</b>	<b>22,683</b>	<b>21,196</b>	<b>93%</b>
Depreciation & amortisation	(19,649)	(18,935)	(714)	-4%
Profit from Al-Mudharabah	533	487	46	9%
Finance costs	(5,774)	(5,626)	(148)	-3%
<b>Profit/(loss) before tax</b>	<b>18,989</b>	<b>(1,391)</b>	<b>20,380</b>	<b>1465%</b>

The Group's revenue for the three months ended 30 September 2021 was higher by 19% compared to the immediate preceding quarter mainly due to higher revenue at both Plantation and Healthcare Division by 32% and 5% respectively.

The Group recorded PBT of RM18.9 million during the quarter, compared to LBT of RM1.3 million in the immediate preceding quarter.

**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 - Q3 2021 versus Q2 2021 (cont'd.)**

**PLANTATION DIVISION**

During the quarter, our Plantation Division registered an EBITDA of RM41.6 million, compared to RM20.2 million in the immediate preceding quarter.

The Plantation Division recorded a higher revenue by 32% mainly due to higher CPO and PK sales volume by 27% and 23% respectively and higher CPO average price by 5%. However, this is offset with lower average prices of PK by 5%, as compared to the immediate preceding quarter.

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	17,114	13,487	3,627	27%
PK sales volume (mt)	3,719	3,022	697	23%
FFB production (mt)	87,626	67,993	19,633	29%
CPO average price (RM)	4,379	4,153	226	5%
PK average price (RM)	2,593	2,723	(130)	-5%
Mature area (hectare)	26,668	26,668	-	0%
Immature area (hectare)	6,651	6,651	-	0%
Oil extraction rate (OER)	19.33%	19.22%	0.11%	1%
Kernel extraction rate (KER)	4.22%	4.61%	(0.39%)	-8%

**HEALTHCARE DIVISION**

During the quarter, our Healthcare Division registered an EBITDA of RM6.3 million, compared to RM6.2 million in the immediate preceding quarter.

The Healthcare Division recorded a higher revenue by 5% mainly due to the increase in average revenue per inpatient by 9% as compared to the immediate preceding quarter. However, this is offset with decrease in number of inpatient and outpatient by 2% and 5% respectively.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	4,124	4,195	(71)	-2%
Number of outpatient	45,807	47,985	(2,178)	-5%
Inpatient days	10,526	12,626	(2,100)	-17%
Occupancy rate (%)	35%	36%	(1%)	-3%
Average length of stay (day)	2.55	2.70	(0.15)	-6%
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	9,659	8,865	794	9%

**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**

In general, the palm oil sector was less affected by the Covid-19 pandemic. The CPO production for Malaysia is forecasted at 18 million tonnes, down by 6% from previous year 2020.

The year 2021 is expected to bring brighter prospect for our palm oil industry mainly from good palm oil product prices, hence, companies are projected to show better performances even though the industry is facing acute labour shortage affecting harvesting operation. The average CPO price is expected around RM4,000/mt to RM4,500/mt in 2021.

The division will continue to focus its effort on gaining more premiums from certified sustainable palm oil (CSPO) and certified sustainable palm kernel (CSPK) sales by securing more contracts with its regular and reputable buyers. With expected higher volumes of CSPO and CSPK, the company will be able to source for premiums from selling the International Sustainability and Carbon Certification (ISCC) certified products. On top of that, the company has carried out its maiden harvesting of MD2 pineapple in early November 2021, contributing to an additional revenue sourced from the Agri-Commodity sector.

The plantation is operating with strict Covid-19 Standard Operating Procedures (SOP) as laid down by the management and Majlis Keselamatan Negara (MKN). TDM Plantation has achieved 99% of its Covid-19 vaccination to all its employees as at 30th September 2021.

The outlook for 4th quarter and Year 2021

Palm oil prices will remain strong during the second half of 2021 (2HFY2021), supported by other markets (U.S. Soya Bean Oil, Chinese Dalian and Crude Oil markets). Prices have dramatically increased in the 4QFY2021, with a record CPO price of above RM5,000/mt starting mid-October. PK price also rises above RM3,000/mt during the same period. CPO price is expected to average between RM4,000/mt to RM5,000/mt in the 2HFY2021.

The division's FFB production increased during the 3QFY2021 and will continue peaking up in the 4QFY2021, with an expected surge of 10%-15% against the last quarter. Its estates are anticipating a spill-over of FFB production from the 4QFY2021 to the 1QFY2022, with reasonably good crops expected in January and February 2022. The extend of monsoon, with possible loss of productive days for harvesting, and labor shortage for harvesting will lead to extended harvesting intervals in November and December. Currently, the company is managing well the labor shortage with additional intake of local labor.

**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 recent transition of Phase Four of the National Recovery Plan, lifting of interstate travel restrictions, and reopening of economic sectors had shown a positive impact on the Group's revenue, particularly towards the end of September 2021. It is expected that the momentum will continue throughout the fourth quarter as the patient volume increases. Moreover, the fourth quarter is deemed to be a more promising quarter, evidenced by the healthcare industry's experience.

It is anticipated that the Group will continue to benefit from the public-private arrangement for the provision of non-covid care services. However, the revenue from the provision of covid tests will be on a declining trend as the majority of Malaysia's population has been fully vaccinated, and new cases of COVID-19 have decreased.

TDM is currently strategising its future capacity and capability expansion related development expenditure, which was delayed during the prolonged MCO period. The endemic state and the reopening of schools are expected to add further to the patient footprint. The pediatrics segment, which had recorded lower revenue contribution throughout the MCO period, is expected to increase in the fourth quarter. Higher patient volume in incoming months will also help to spur revenue growth.

The Bed Occupancy Rate (BOR) starts showing a recovery trend and expected to improve further in the near future. The recent Government commitment through Year 2022 Budget in reducing unemployment rate and workforce comeback will also contribute to positive results for the healthcare industry.

**COVID-19**

The Malaysian economy contracted by 4.5% in the third quarter of 2021 (2Q 2021: +16.1%). This was largely attributable to the strict containment measures particularly in July, under Phase 1 of the National Recovery Plan ("NRP"). Economic activity subsequently picked up as more states transitioned into Phase 2 with less restrictive containment measures.

Year to date, headline inflation has averaged 2.3%, and is projected to average between 2.0% and 3.0% for 2021. Underlying inflation, as measured by core inflation, is expected to average below 1.0% for the year. In 2022, headline inflation is projected to remain moderate. As economic activity normalizes, core inflation is expected to edge upwards but remain benign given the continued spare capacity in the economy and slack in the labour market. The outlook, however, continues to be subject to global commodity price developments and some risk from prolonged supply-related disruptions.

**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.)**

**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.

**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 30 September 2021.

**18. Profit/(loss) for the period**

	<b>Current period to date</b>	
	<b>30-Sep-21 RM'000</b>	<b>30-Sep-20 RM'000</b>
<b>The following amounts have been included in arriving at profit/(loss) before tax:</b>		
Finance costs	17,887	14,738
Profit from Al-Mudharabah	(1,582)	(778)
Hibah income - Discontinuing	(17)	(2)
Depreciation of property, plant and equipment - Continuing	48,060	48,812
Amortisation of intangible asset	643	643
Amortisation of right -of-use assets	7,244	8,600
Loss on disposal of property, plant and equipment	9	16
Property, plant and equipment written off	11	1,367
Additional/(reversal of) impairment loss of property, plant and equipment	756	(161)
Inventories written off	40	28
Expected credit losses on trade and other receivables	1,031	1,425
Provision for short term accumulating compensated absences	130	108
Provision for retirement benefit obligations	308	325
Fair value changes of biological assets	(6,232)	(417)
Gain on bargain purchase	-	(21,831)
Dividend income	(1,444)	(995)
	<u>(1,444)</u>	<u>(995)</u>

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

	<b>Current Quarter</b>		<b>Current period to date</b>	
	<b>30-Sep-21 RM'000</b>	<b>30-Sep-20 RM'000</b>	<b>30-Sep-21 RM'000</b>	<b>30-Sep-20 RM'000</b>
Current income tax	4,137	108	8,332	585
Under provision of income tax in prior year	2	185	18	185
	<u>4,139</u>	<u>293</u>	<u>8,350</u>	<u>770</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	1,549	2,204	380	1,371
Under provision of deferred tax	15	2,848	14	2,853
Income tax expense	<u>5,703</u>	<u>5,345</u>	<u>8,744</u>	<u>4,994</u>

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 and current period to date 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:

	<b>Group</b>	
	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Assets:</b>		
Property, plant and equipment	131,407	128,629
Right-of-use assets	32,966	32,300
Trade receivables	459	134
Other receivables	23,287	22,369
Prepayment	64	22
Biological assets	257	255
Inventories	59	10
Cash and bank balances	550	958
Assets held for sale	189,049	184,677
<b>Liabilities:</b>		
Other payables	(7,290)	(7,156)
Retirement benefit obligations	(837)	(828)
Tax payable	(65)	(34)
Lease liabilities	(50)	(50)
Liabilities directly associated with assets held for sale	(8,242)	(8,068)
<b>Net assets directly associated with disposal group</b>	<b>180,807</b>	<b>176,609</b>

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

	<b>Current period to date</b>	
	<b>30-Sep-21 RM'000</b>	<b>30-Sep-20 RM'000</b>
Revenue	4,360	1,126
Cost of sales	(4,858)	(4,900)
<b>Gross loss</b>	(498)	(3,774)
Hibah income	17	2
Other income	-	-
Administrative expenses	(542)	(481)
Other expenses	-	-
Finance costs	-	-
<b>Loss before tax</b>	(1,023)	(4,253)
Income tax expense	-	-
<b>Loss for the period from discontinued operations, net of tax</b>	<b>(1,023)</b>	<b>(4,253)</b>

## 21. Corporate proposals

### **i. Business Transfer Agreement with Tawau Specialist Hospital Sdn Bhd for the acquisition of the business of operating Tawau Specialist Hospital; and Sub-Lease Agreement with Tawau Specialist Hospital Sdn Bhd for the Hospital Land together with the Hospital building.**

On 30 September 2021, KMI Tawau Medical Centre Sdn Bhd ("KTMC"), a wholly-owned subsidiary of Kumpulan Medic Iman Sdn. Bhd., which in turn is a subsidiary of TDM, had entered into: -

- (a) Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn Bhd ("TSH") for the acquisition of the business of operating Tawau Specialist Hospital ("Business") which is located at the postal address of TB 4551, Jalan Abaca, P.O. Box 61873, Tawau, Sabah, together with the assets related to the Business and assets for ambulatory care services ("Ambulatory Care Assets") (collectively the "Purchased Assets") at a purchase consideration of RM8,000,000.00, but subject to adjustment; and
- (b) Sub-Lease Agreement ("SLA") with TSH for the grant by TSH to KTMC of a sub-lease of the Hospital Land together with the Hospital building ("Sub-Leased Property") for an initial period of 15 years and may be renewed for a further term of 15 years at the option of KTMC ("Sub-Lease").
- (c) The salient terms of the BTA are as follows:
  - 1. Purchased Assets
    - (i) the Business License and other permits;
    - (ii) tangible assets such as medical equipment, motor vehicle, office equipment, furniture, etc of the Hospital;
    - (iii) the Hospital's patient's medical records;
    - (iv) inventories such as drugs, foods, disposable, consumables and other supplies those located at the Hospital as at the Transfer Date;
    - (v) contractual rights of TSH under contracts to be assigned/novated to KTMC such as medical consultancy agreement made with the medical consultants, Hospital panelship, blood supply agreement made with the Government of Malaysia and selected business contracts ("Assumed Contracts"); and
    - (vi) the Ambulatory Assets.
  - 2. Assumed Liabilities
    - (i) KTMC shall assume the future payment and performance of the following TSH's liabilities and obligations (collectively the "Assumed Liabilities") on and after the Transfer Date:
    - (ii) arising from the operation of the Business or the use or ownership of the Purchased Assets and the operation of the Assumed Contracts on and after the Transfer Date; and
    - (iii) under the Business License and the other permits on and after the Transfer Date, to the extent that such liabilities and obligations relate solely to the KTMC's use or ownership of the Business or the Purchased Assets.



## 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:

	<b>Group</b>	
	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
Trade receivables - nominal amounts	57,480	45,417
Less: Allowance for expected credit losses	(5,724)	(5,775)
	51,756	39,642

Movement in allowance accounts:

	<b>Group</b>	
	<b>As at 30-Sep-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
At 1 January	5,775	8,515
Provision for expected credit losses	1,026	379
Reversal of expected credit losses	-	(1,177)
Written off	(1,077)	(1,942)
At 31 December	5,724	5,775

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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

Details of the Group's borrowings as at 30 September 2021 and 31 December 2020 are as follows:

### Group borrowings and debt securities.

#### As at 30 September 2021

	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
Bank loans	387,680	51,466	439,146
Bank overdraft	14,519	-	14,519
Obligation under hire purchase	9,872	2,680	12,552
	412,071	54,146	466,217
<b>Unsecured</b>			
Bank loans	-	17,150	17,150
	-	17,150	17,150
	412,071	71,296	483,367

#### As at 31 December 2020

	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
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
<b>Unsecured</b>			
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 30 September 2021.

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

**1) Kuantan High Court [CA226CvC-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 Court has also fixed tentative continued hearing dates as follows:-

- i. 9 February 2022 - 10 February 2022;
- ii. 21 February 2022 – 22 February 2022;
- iii. 7 March 2022 – 10 March 2022; and
- iv. 13 June 2022 - 16 June 2022

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

**2) HIGH COURT OF MALAYA AT KUANTAN [CA-22NCVC-46-11/2019]**

**Tunas Capital Sdn Bhd-Plaintiff vs Kuantan Medical Centre Sdn Bhd-Defendant**

Plaintiff claim against Defendant for the sum of RM1,298,415.43 being rental arrears from September 2018 to September 2019 for building known as No 1-9, Jalan Tun Ismail 9, Kuantan, Pahang ("the said premise"). The Plaintiff also claims for the sum of RM187,420.00 being cost of repair and/or rectify the defect the said premise.

Messrs. Mohd Najid & Partners had informed on the following outcome the hearing held on 9-11 November 2020:-

- 1) KMC's witness and representatives were present today as well as the other four witnesses of the Plaintiff. The Plaintiff witness was called to the witness stand and he had examined in chief, but the matter had to be postponed to allow the Parties to discuss out of court settlement as the Plaintiff solicitor had informed the Court that their client is willing to go for settlement but yet to forward the Formal Document of Proposed Settlement Figure.

The Defendant had agreed to the request and reserved its rights to cross examine the witness when hearing resumes.

The Court has also fixed tentative continued hearing dates as follows:-

- i. 28 March 2022; and
- ii. 20 April 2022 – 21 April 2022

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

**3) HIGH COURT OF MALAYA AT KUALA TERENGGANU [TA-23NCVC-2-06/2018]**

**Lim Puay Leng - Plaintiff vs**

- 1. Dr. Azhar bin Zainuddin**
- 2. Kuala Terengganu Specialist Hospital Sdn Bhd**

The Plaintiff alleges that the 1st Defendant, as a Consultant Ophthalmologist, has negligently fail to carry out a medical procedure to remove cataract on his right eye which caused him suffer blurry vision, sensitive with lights and double vision.

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

- i. General damages of RM1,000,000.00 or any amount as granted by the Court with interest;
- ii. Special damages with interest;
- iii. Exemplary damages of RM100,000.00 or any amount as granted by the Court with interest;
- iv. Aggravated damages of RM200,000.00 or any amount as granted by the Court with interest;
- v. Interest on general damages and special damages calculated at the rate of 4% per annum from the date of the Writ up to the date of full settlement;
- vi. Costs; and
- vii. Such further or other relief as the Court deems fit.

The High Court had on 29 August 2019 decided that 2<sup>nd</sup> Defendant (KTS) is jointly responsible and awarded to the Plaintiff RM 223,895.66.

We have instructed the Solicitor to file an appeal at Court of Appeal. Notice of Appeal was filed on 14 October 2019.

**APPEAL**

The COA had fixed this matter for Hearing on 11 January 2022.

**26. Dividend proposed**

There were no dividend proposed of the Group during the quarter under review.

## 27. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-21 RM'000	Preceding Quarter Ended 30-Sep-20 RM'000	Current Quarter To date 30-Sep-21 RM'000	Preceding Quarter To date 30-Sep-20 RM'000
Profit/(loss) net of tax attributable to owners of the parent used in the computation of basic loss per share	13,304	21,752	5,618	(2,151)
Add back: Loss/(profit) from discontinued operation, net of tax, attributable to owners of the parent	226	(524)	800	3,643
Profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	<u>13,530</u>	<u>21,228</u>	<u>6,418</u>	<u>1,492</u>
	30-Sep-21 number of ordinary shares '000	30-Sep-20 number of ordinary shares '000	30-Sep-21 number of ordinary shares '000	30-Sep-20 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,722,881	1,722,881	1,696,054
Earnings/(loss) per share attributable to owners of the parent (sen per share):				
Basic earnings/(loss) per share (sen per share)	0.77	1.26	0.33	(0.13)
- continuing operations	0.79	1.23	0.37	0.09
- discontinued operation	<u>(0.01)</u>	<u>0.03</u>	<u>(0.05)</u>	<u>(0.21)</u>

28. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2021.

### BY ORDER OF THE BOARD

BADROL ABU BAKAR  
Company Secretary

Kuala Terengganu  
30 November 2021