



# **TDM BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
30 JUNE 2021**



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

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

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-21 RM'000	Preceding Quarter Ended 30-Jun-20 RM'000	Current Quarter To date 30-Jun-21 RM'000	Preceding Quarter To date 30-Jun-20 RM'000
<b>Continuing operations</b>				
Revenue	111,014	83,938	213,789	191,762
Cost of sales	(85,201)	(73,484)	(167,528)	(154,629)
<b>Gross profit</b>	<b>25,813</b>	<b>10,454</b>	<b>46,261</b>	<b>37,133</b>
<b>Other items of income</b>				
Hibah income	487	275	1,049	398
Other income	3,523	2,146	7,485	3,752
<b>Other items of expense</b>				
Distribution costs	(1,074)	(1,562)	(2,065)	(2,784)
Administrative expenses	(23,771)	(24,364)	(43,419)	(49,366)
Other expenses	(743)	(2,477)	(1,921)	(3,598)
Finance costs	(5,626)	(2,885)	(12,113)	(7,442)
<b>Loss before tax</b>	<b>(1,391)</b>	<b>(18,413)</b>	<b>(4,723)</b>	<b>(21,907)</b>
Income tax (expenses)/benefits	(1,712)	841	(3,041)	351
<b>Loss for the period from continuing operations, net of tax</b>	<b>(3,103)</b>	<b>(17,572)</b>	<b>(7,764)</b>	<b>(21,556)</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	(330)	(2,037)	(612)	(3,015)
<b>Loss for the period, net of tax</b>	<b>(3,433)</b>	<b>(19,609)</b>	<b>(8,376)</b>	<b>(24,571)</b>
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation	894	7,293	(125)	5,861
Fair value movement of investment securities	(2)	2	(2)	(15)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>892</b>	<b>7,295</b>	<b>(127)</b>	<b>5,846</b>
<b>Total comprehensive loss for the period</b>	<b>(2,541)</b>	<b>(12,314)</b>	<b>(8,503)</b>	<b>(18,725)</b>



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(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-21 RM'000	Preceding Quarter Ended 30-Jun-20 RM'000	Current Quarter To date 30-Jun-21 RM'000	Preceding Quarter To date 30-Jun-20 RM'000
<b>Loss attributable to:</b>				
Owners of the parent	(2,743)	(19,090)	(6,964)	(23,903)
Non-controlling interests	(690)	(519)	(1,412)	(668)
	<b><u>(3,433)</u></b>	<b><u>(19,609)</u></b>	<b><u>(8,376)</u></b>	<b><u>(24,571)</u></b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent	(1,980)	(12,248)	(7,156)	(18,421)
Non-controlling interests	(561)	(66)	(1,347)	(304)
	<b><u>(2,541)</u></b>	<b><u>(12,314)</u></b>	<b><u>(8,503)</u></b>	<b><u>(18,725)</u></b>
<b>Loss per share attributable to owners of the parent (sen per share):</b>				
Basic (Note 27)	<u>(0.16)</u>	<u>(1.13)</u>	<u>(0.40)</u>	<u>(1.42)</u>

(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 30 JUNE 2021**

(The figures have not been audited)

	<b>As at 30-Jun-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	811,233	819,440
Right-of-use assets	483,166	490,714
Intangible asset	4,177	4,605
Goodwill	991	991
Other investments	38,107	38,107
Investment securities	32	35
Other receivables	186	186
Deferred tax assets	839	87
	<b><u>1,338,731</u></b>	<b><u>1,354,165</u></b>
<b>Current assets</b>		
Biological assets	5,551	4,154
Inventories	21,294	21,787
Trade and other receivables	47,362	52,713
Contract asset	6,299	7,690
Prepayments	4,838	5,049
Tax recoverable	12,797	13,738
Cash and bank balances	196,254	232,899
Assets of disposal group classified as held for sale	186,137	184,677
	<b><u>480,532</u></b>	<b><u>522,707</u></b>
<b>Total assets</b>	<b><u>1,819,263</u></b>	<b><u>1,876,872</u></b>
<b>Current liabilities</b>		
Retirement benefit obligations	436	436
Lease liabilities	439	646
Loans and borrowings	66,283	72,345
Trade and other payables	228,419	248,696
Contract liability	-	634
Tax payable	148	173
Liabilities of disposal group classified as held for sale	8,147	8,068
	<b><u>303,872</u></b>	<b><u>330,998</u></b>
<b>Net current assets</b>	<b><u>176,660</u></b>	<b><u>191,709</u></b>



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

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

(The figures have not been audited)

	<b>As at 30-Jun-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	5,646	5,495
Lease liabilities	58,106	60,995
Loans and borrowings	416,642	426,629
Other payable	108,002	107,881
Deferred tax liabilities	188,593	189,012
	<b>776,989</b>	<b>790,012</b>
<b>Total liabilities</b>	<b>1,080,861</b>	<b>1,121,010</b>
<b>Net assets</b>	<b>738,402</b>	<b>755,862</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	359,445	359,445
Retained earnings	392,614	408,535
Other reserves	33,076	33,078
Reserves of a disposal group held for sale	(30,330)	(30,205)
	<b>754,805</b>	<b>770,853</b>
<b>Non-controlling interests</b>	<b>(16,403)</b>	<b>(14,991)</b>
<b>Total equity</b>	<b>738,402</b>	<b>755,862</b>
<b>Total equity and liabilities</b>	<b>1,819,263</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 6265-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2021**  
(The figures have not been audited)

	Attributable to owners of the parent									
	Total equity RM'000	Non-distributable				Distributable				
		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)
Loss for the period	(8,376)	(6,964)	-	(6,964)	-	-	-	-	-	(1,412)
<b>Other comprehensive loss</b>										
Fair value movement of other investment	(2)	(2)	-	-	(2)	(2)	-	-	-	-
Foreign currency translation	(125)	(125)	-	-	-	-	-	-	(125)	-
Other comprehensive loss for the period, net of tax	(127)	(127)	-	-	(2)	(2)	-	-	(125)	-
Total comprehensive loss for the period, net of tax	(8,503)	(7,091)	-	(6,964)	(2)	(2)	-	-	(125)	(1,412)
Dividends on ordinary shares	(8,957)	(8,957)	-	(8,957)	-	-	-	-	-	-
<b>Closing balance at 30 June 2021</b>	<b>738,402</b>	<b>754,805</b>	<b>359,445</b>	<b>392,614</b>	<b>33,076</b>	<b>33,344</b>	<b>(237)</b>	<b>(31)</b>	<b>(30,330)</b>	<b>(16,403)</b>
<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	(24,571)	(23,903)	-	(23,903)	-	-	-	-	-	(668)
<b>Other comprehensive income</b>										
Fair value movement of investment in securities	(15)	(15)	-	-	(15)	(15)	-	-	-	-
Foreign currency translation	5,861	5,861	-	-	-	-	-	-	5,861	-
Other comprehensive loss for the period, net of tax	5,846	5,846	-	-	(15)	(15)	-	-	5,861	-
Total comprehensive loss for the period, net of tax	(18,725)	(18,057)	-	(23,903)	(15)	(15)	-	-	5,861	(668)
<b>Closing balance at 30 June 2020</b>	<b>721,860</b>	<b>751,217</b>	<b>350,713</b>	<b>394,571</b>	<b>28,879</b>	<b>28,942</b>	<b>(32)</b>	<b>(31)</b>	<b>(22,946)</b>	<b>(29,357)</b>

(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 30 JUNE 2021**

(The figures have not been audited)

	Period Ended	
	30-Jun-21 RM'000	30-Jun-20 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(4,723)	(21,907)
Loss before tax from discontinued operations	(612)	(3,015)
	(5,335)	(24,922)
Adjustments for:		
Finance costs	12,113	7,442
Depreciation of property, plant and equipment		
- Continuing	31,086	33,142
Amortisation of intangible asset	428	429
Amortisation of right of use assets	8,096	7,912
Impairment loss of property, plant and equipment	130	1,367
Inventories written off	8	42
Expected credit losses of trade receivables	830	941
Expected credit losses of other receivables	5	-
Profit from Al-Mudharabah	(1,049)	(398)
Hibah income		
- Discontinuing	(8)	(1)
Provision for retirement benefit obligations	212	216
Fair value changes in biological assets	(1,397)	474
Total adjustments	50,454	51,566
Operating cash flows before changes in working capital	45,119	26,644
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	485	(6,716)
Decrease in receivables	7,856	8,427
(Decrease)/increase in payables	(20,790)	5,640
(Decrease)/increase in contract liability	(634)	47,315
Total changes in working capital	(13,083)	54,666
Cash flows from operations	32,036	81,310
Finance costs paid	(12,113)	(7,442)
Hibah income received	1,049	398
Taxes paid	(3,400)	(5,478)
Tax refund	119	-
Retirement benefits paid	(60)	(28)
Annual leave paid	(26)	-
Net cash flows generated from operating activities	17,605	68,760



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**  
(The figures have not been audited)

	<b>Period Ended</b>	
	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(22,949)	(22,135)
Acquisition of right-of-use assets	(548)	(267)
Acquisition of a subsidiary	-	(930)
Withdrawal of deposit with licensed banks	162	-
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	3,935	-
Net cash flows used in investing activities	<u>(19,400)</u>	<u>(23,332)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of bank borrowings	14,286	27,390
Drawdowns of hire purchase facilities	1,936	-
Repayments of bank borrowings	(34,714)	(20,145)
Repayments of hire purchase facilities	(3,574)	(1,937)
Repayment of finance lease	(3,765)	(2,452)
Dividend paid to shareholders	(4,996)	-
Net cash flows generated (used in)/from financing activities	<u>(30,827)</u>	<u>2,856</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(32,622)</b>	<b>48,284</b>
<b>Cash and cash equivalents at 1 January</b>	<b>177,505</b>	<b>54,577</b>
Effect of foreign exchange rate changes	4	5
<b>Cash and cash equivalents at end of the period</b>	<b><u>144,887</u></b>	<b><u>102,866</u></b>

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

Cash and banks balances		
- Continuing operations	196,254	137,857
- Discontinuing operations	888	407
Less: Deposits pledged for bank facilities	(32,250)	(35,236)
Less: Deposits with licensed banks with maturity period more than 3 months	(20,005)	(162)
Cash and cash equivalents	<u>144,887</u>	<u>102,866</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 31 June 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 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:

<b>Description</b>	<b>Effective for annual</b>
Amendments to MFRS 1: First time Adoption of Malaysian Financial Reporting Standards	January 2022/1 January 2023
Amendments to MFRS 3: Business Combination	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

## **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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 9: Financial Instruments	January 2022/1 January 2023
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	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	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	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 30 June 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 June 2021

	<b>Plantation Malaysia RM'000</b>	<b>Healthcare RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Continuing operations RM'000</b>	<b>Discontinued operations RM'000</b>
Total revenue	68,321	53,901	-	122,222	1,562
Intersegment revenue	(10,990)	(218)	-	(11,208)	-
<b>External revenue</b>	<b>57,331</b>	<b>53,683</b>	<b>-</b>	<b>111,014</b>	<b>1,562</b>
<b>Adjusted EBITDA</b>	<b>20,379</b>	<b>6,513</b>	<b>(3,698)</b>	<b>23,194</b>	<b>(338)</b>
Fair value changes in biological assets	(132)	-	-	(132)	-
Expected credit losses of receivables	(5)	(316)	-	(321)	-
Impairment loss of property, plant and equipment	(50)	-	-	(50)	-
Inventories written off	-	(8)	-	(8)	-
<b>EBITDA</b>	<b>20,192</b>	<b>6,189</b>	<b>(3,698)</b>	<b>22,683</b>	<b>(338)</b>
Depreciation & amortisation	(11,688)	(5,546)	(1,701)	(18,935)	-
Profit from Al-Mudharabah	430	57	-	487	-
Hibah income	-	-	-	-	8
Finance costs	(2,973)	(885)	(1,768)	(5,626)	-
<b>Profit/(loss) before tax</b>	<b>5,961</b>	<b>(185)</b>	<b>(7,167)</b>	<b>(1,391)</b>	<b>(330)</b>

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

### 3 months ended 30 June 2020

	<b>Plantation Malaysia RM'000</b>	<b>Healthcare RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Continuing operations RM'000</b>	<b>Discontinued operations RM'000</b>
Total revenue	96,000	43,372	-	139,372	104
Intersegment revenue	(48,133)	(7,301)	-	(55,434)	-
<b>External revenue</b>	<b>47,867</b>	<b>36,071</b>	<b>-</b>	<b>83,938</b>	<b>104</b>
<b>Adjusted EBITDA</b>	<b>7,754</b>	<b>(2,029)</b>	<b>10</b>	<b>5,735</b>	<b>(2,037)</b>
Fair value changes in biological assets	1,043	-	-	1,043	-
Expected credit losses of receivables	-	(344)	-	(344)	-
Impairment loss of property, plant and equipment	(1,367)	-	-	(1,367)	-
Inventories written off	-	(34)	-	(34)	-
<b>EBITDA</b>	<b>7,430</b>	<b>(2,407)</b>	<b>10</b>	<b>5,033</b>	<b>(2,037)</b>
Depreciation & amortisation	(13,942)	(5,441)	(1,453)	(20,836)	-
Profit from AI-Mudharabah	223	51	1	275	-
Finance costs	(333)	(578)	(1,974)	(2,885)	-
<b>Loss before tax</b>	<b>(6,622)</b>	<b>(8,375)</b>	<b>(3,416)</b>	<b>(18,413)</b>	<b>(2,037)</b>

### 6 months ended 30 June 2021

	<b>Plantation Malaysia RM'000</b>	<b>Healthcare RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Continuing operations RM'000</b>	<b>Discontinued operations RM'000</b>
Total revenue	119,174	106,644	-	225,818	2,790
Intersegment revenue	(11,354)	(675)	-	(12,029)	-
<b>External Revenue</b>	<b>107,820</b>	<b>105,969</b>	<b>-</b>	<b>213,789</b>	<b>2,790</b>
<b>Adjusted EBITDA</b>	<b>39,822</b>	<b>12,949</b>	<b>(7,249)</b>	<b>45,522</b>	<b>(620)</b>
Fair value changes of biological assets	1,397	-	-	1,397	-
Expected credit losses of receivables	(5)	(825)	-	(830)	-
Impairment loss of property, plant and equipment	(130)	-	-	(130)	-
Inventories written off	-	(8)	-	(8)	-
<b>EBITDA</b>	<b>41,084</b>	<b>12,116</b>	<b>(7,249)</b>	<b>45,951</b>	<b>(620)</b>
Depreciation & amortisation	(25,632)	(11,061)	(2,917)	(39,610)	-
Profit from AI-Mudharabah	952	96	1	1,049	-
Hibah income	-	-	-	-	8
Finance costs	(6,188)	(1,891)	(4,034)	(12,113)	-
<b>Profit/(loss) before tax</b>	<b>10,216</b>	<b>(740)</b>	<b>(14,199)</b>	<b>(4,723)</b>	<b>(612)</b>

### 30 June 2021

Assets	<b>1,379,909</b>	<b>250,364</b>	<b>2,853</b>	<b>1,633,126</b>	<b>183,840</b>
Liabilities	<b>930,284</b>	<b>140,951</b>	<b>1,479</b>	<b>1,072,714</b>	<b>8,147</b>
Exchange rate ratio	MYR 1.00	IDR 3,493			

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

6 months ended 30 June 2020

	<b>Plantation Malaysia RM'000</b>	<b>Healthcare RM'000</b>	<b>Investment holding and others RM'000</b>	<b>Continuing operations RM'000</b>	<b>Discontinued operations RM'000</b>
Total revenue	146,378	103,216	-	249,594	705
Intersegment revenue	(50,315)	(7,517)	-	(57,832)	-
<b>External Revenue</b>	<b>96,063</b>	<b>95,699</b>	<b>-</b>	<b>191,762</b>	<b>705</b>
<b>Adjusted EBITDA</b>	<b>25,450</b>	<b>7,576</b>	<b>(3,582)</b>	<b>29,444</b>	<b>(3,016)</b>
Fair value changes of biological assets	(474)	-	-	(474)	-
Expected credit losses of receivables	-	(941)	-	(941)	-
Impairment loss of property, plant and equipment	(1,367)	-	-	(1,367)	-
Inventories written off	-	(42)	-	(42)	-
<b>EBITDA</b>	<b>23,609</b>	<b>6,593</b>	<b>(3,582)</b>	<b>26,620</b>	<b>(3,016)</b>
Depreciation & amortisation	(27,685)	(10,881)	(2,917)	(41,483)	-
Profit from Al-Mudharabah	299	96	3	398	-
Hibah income	-	-	-	-	1
Finance costs	(2,588)	(1,175)	(3,679)	(7,442)	-
<b>Loss before tax</b>	<b>(6,365)</b>	<b>(5,367)</b>	<b>(10,175)</b>	<b>(21,907)</b>	<b>(3,015)</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 June 2021 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	2,493
Authorised by the Directors but not contracted	224,149
	<u>226,642</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 period to date****Individual quarter - Q2 2021 versus Q2 2020**

	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	57,331	47,867	9,464	20%
Healthcare	53,683	36,071	17,612	49%
<b>Total revenue</b>	<b>111,014</b>	<b>83,938</b>	<b>27,076</b>	<b>32%</b>
Plantation	20,379	7,754	12,625	>100%
Healthcare	6,513	(2,029)	8,542	>100%
Others	(3,698)	10	(3,708)	>-100%
<b>Adjusted EBITDA</b>	<b>23,194</b>	<b>5,735</b>	<b>17,459</b>	<b>&gt;100%</b>
Fair value changes of biological assets	(132)	1,043	(1,175)	>-100%
Expected credit losses of receivables	(321)	(344)	23	7%
Impairment loss of property, plant and equipment	(50)	(1,367)	1,317	96%
Inventories written off	(8)	(34)	26	76%
<b>EBITDA</b>	<b>22,683</b>	<b>5,033</b>	<b>17,650</b>	<b>&gt;100%</b>
Depreciation & amortisation	(18,935)	(20,836)	1,901	9%
Profit from Al-Mudharabah	487	275	212	77%
Finance costs	(5,626)	(2,885)	(2,741)	-95%
<b>Loss before tax</b>	<b>(1,391)</b>	<b>(18,413)</b>	<b>17,022</b>	<b>92%</b>

The Group's revenue for the three months period ended 30 June 2021 increased by 32% compared to the previous corresponding quarter mainly due to higher revenue recorded from Healthcare Division by RM17.6 million, an increase of 49% and Plantation Division by RM9.5 million, an improvement of 20%.

**PLANTATION DIVISION**

Our Malaysian plantation business registered an EBITDA of RM20.2 million during the quarter, compared to RM7.4 million in the same quarter last year.

The Plantation Division recorded higher revenue of 20% mainly due to higher CPO and PK average prices of 77% and 96% respectively. However, there was a reduction in CPO and PK sales volume by 31% and 21% 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 3% at 19.22%, however, the kernel extraction rate (KER) was higher by 17% compared to the same period last year.

The labour shortages in the estates coupled with increase in Covid-19 pandemic cases have impacted the efficiency in harvesting and milling operation activities. National borders remain closed, hence, has disrupted the intake of foreign workers. Estates are now focusing on recruiting local workers from villages nearby the estates with incentivization payments to entice locals working as harvesters. Mechanized cutters were introduced to local workers for harvesting at young mature palms. The management has also aggressively embarked on mechanized in-field FFB collection and evacuation using the 3-wheeler machines to improve productivity. Special focus is being given to the harvesting organization and work specialization system of available work force to increase out-put per man day.

**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.)**

**Individual quarter - Q2 2021 versus Q2 2020 (cont'd.)**

**PLANTATION DIVISION (CONT'D.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	13,487	19,659	(6,172)	-31%
PK sales volume (mt)	3,022	3,846	(824)	-21%
FFB production (mt)	67,993	98,431	(30,438)	-31%
CPO average price (RM)	4,153	2,351	1,802	77%
PK average price (RM)	2,723	1,390	1,333	96%
Mature area (hectare)	26,668	24,647	2,021	8%
Immature area (hectare)	6,652	6,563	89	1%
Oil extraction rate (OER)	19.22%	19.74%	-0.52%	-3%
Kernel extraction rate (KER)	4.61%	3.95%	0.66%	17%

**HEALTHCARE DIVISION**

The division recorded higher EBITDA of RM6.2 million, compared to -RM2.4 million the same quarter last year.

Our Healthcare Division recorded a higher revenue during the quarter by 49% as a result of the increase in the number of inpatients and outpatients by 54% and 66% respectively as compared to the previous year corresponding quarter. In addition, there is an increase in inpatient days by 43%. This is in line with the increase in bed occupancy rate by 57%. The COVID-19 pandemic and the continuing implementation of Full Movement Control Order (FMCO) saw the postponement of non-critical and non-essential treatments by patients.

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:

<b>Healthcare Statistics</b>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	4,195	2,731	1,464	54%
Number of outpatient	47,985	28,938	19,047	66%
Inpatient days	12,626	8,828	3,798	43%
Occupancy rate (%)	36%	23%	13%	57%
Average length of stay (day)	2.70	3.03	-0.33	-11%
Number of bed	394	394	-	0%
Average revenue per inpatient (RM)	8,865	9,029	-164	-2%

**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 - 1H 2021 versus 1H 2020**

	<b>1H 2021</b>	<b>1H 2020</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	107,820	96,063	11,757	12%
Healthcare	105,969	95,699	10,270	11%
<b>Total revenue</b>	<b>213,789</b>	<b>191,762</b>	<b>22,027</b>	<b>11%</b>
Plantation	39,822	25,450	14,372	56%
Healthcare	12,949	7,576	5,373	71%
Others	(7,249)	(3,582)	(3,667)	>-100%
<b>Adjusted EBITDA</b>	<b>45,522</b>	<b>29,444</b>	<b>16,078</b>	<b>55%</b>
Fair value changes of biological assets	1,397	(474)	1,871	100%
Expected credit losses of receivables	(830)	(941)	111	12%
Impairment loss of property, plant and equipment	(130)	(1,367)	1,237	90%
Inventories written off	(8)	(42)	34	81%
<b>EBITDA</b>	<b>45,951</b>	<b>26,620</b>	<b>19,331</b>	<b>73%</b>
Depreciation & amortisation	(39,610)	(41,483)	1,873	5%
Profit from Al-Mudharabah	1,049	398	651	>100%
Finance costs	(12,113)	(7,442)	(4,671)	-63%
<b>Loss before tax</b>	<b>(4,723)</b>	<b>(21,907)</b>	<b>17,184</b>	<b>78%</b>

The Group's revenue for the six months ended 30 June 2020 recorded an increase of 11% compared to the previous corresponding period due to the growth in revenue from Healthcare Division by RM10.3 million, an improvement of 11% and Plantation Division by RM11.8 million, an increment of 12%.

**PLANTATION DIVISION**

The Plantation Division recorded a higher revenue by 12% mainly due to higher CPO and PK average prices by 57% and 70% respectively. However, this is partly offset with lower sales volume of CPO and PK by 27% and 23% respectively.

Our Malaysian plantation business registered an EBITDA of RM41.1 million during the period compared to RM23.6 million in the previous corresponding period.



**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 - 1H 2021 versus 1H 2020 (cont'd.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>1H 2021</b>	<b>1H 2020</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	26,183	35,783	(9,600)	-27%
PK sales volume (mt)	6,154	8,042	(1,888)	-23%
FFB production (mt)	129,173	178,655	(49,482)	-28%
CPO average price (RM)	3,976	2,537	1,439	57%
PK average price (RM)	2,659	1,567	1,092	70%
Mature area (hectare)	26,668	24,647	2,021	8%
Immature area (hectare)	6,652	6,563	89	1%
Oil extraction rate (OER)	19.14%	19.55%	-0.41%	-2%
Kernel extraction rate (KER)	4.57%	4.32%	0.25%	6%

**HEALTHCARE DIVISION**

The division recorded higher EBITDA at RM12.1 million, compared to lower EBITDA of RM6.6 million in the same period for last year.

Our Healthcare Division registered an increase in revenue during the period ended by 12% mainly due to the marked increase in outpatient number by 30% as compared to the previous year corresponding period. In addition, there is an increase in average revenue per patient by 10% as compared to the previous corresponding period.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>1H 2021</b>	<b>1H 2020</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	8,294	9,130	(836)	-9%
Number of outpatient	93,869	72,069	21,800	30%
Inpatient days	25,084	30,397	(5,313)	-17%
Occupancy rate (%)	35%	40%	-5%	-13%
Average length of stay (day)	2.70	3.03	(0.33)	-11%
Number of bed	394	394	-	0%
Average revenue per inpatient (RM)	8,872	8,086	787	10%

**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 - Q2 2021 versus Q1 2021**

	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	57,331	50,489	6,842	14%
Healthcare	53,683	52,286	1,397	3%
<b>Total revenue</b>	<b>111,014</b>	<b>102,775</b>	<b>8,239</b>	<b>8%</b>
Plantation	20,379	19,443	936	5%
Healthcare	6,513	6,436	77	1%
Others	(3,698)	(3,551)	(147)	4%
<b>Adjusted EBITDA</b>	<b>23,194</b>	<b>22,328</b>	<b>866</b>	<b>4%</b>
Fair value changes of biological assets	(132)	1,529	(1,661)	>-100%
Expected credit losses of receivables	(321)	(509)	188	37%
Impairment loss of property, plant and equipment	(50)	(80)	30	100%
Inventories written off	(8)	-	(8)	>-100%
<b>EBITDA</b>	<b>22,683</b>	<b>23,268</b>	<b>(585)</b>	<b>-3%</b>
Depreciation & amortisation	(18,935)	(20,675)	1,740	8%
Profit from Al-Mudharabah	487	562	(75)	-13%
Finance costs	(5,626)	(6,487)	861	13%
<b>Loss before tax</b>	<b>(1,391)</b>	<b>(3,332)</b>	<b>1,941</b>	<b>58%</b>

The Group's revenue for the three months ended 30 June 2021 was higher by 8% compared to the immediate preceding quarter mainly due from Plantation division by RM6.8 million, a 14% increase and Healthcare division by RM1.4 million, a 3% improvement.

**PLANTATION DIVISION**

Our Malaysian Plantation business registered an EBITDA of RM20.2 million during the quarter.

The Plantation Division recorded higher revenue by 14% mainly due to higher CPO and PK average prices of 10% and 5% respectively and higher CPO sales volume by 6%. However, this is offset with lower PK sales volume by 4%.

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	13,487	12,696	791	6%
PK sales volume (mt)	3,022	3,132	(110)	-4%
FFB production (mt)	67,993	61,180	6,813	11%
CPO average price (RM)	4,153	3,788	365	10%
PK average price (RM)	2,723	2,598	125	5%
Mature area (hectare)	26,668	26,668	-	-
Immature area (hectare)	6,652	6,652	-	-
Oil extraction rate (OER)	19.22%	19.04%	0.18%	1%
Kernel extraction rate (KER)	4.61%	4.53%	0.08%	2%

**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 - Q2 2021 versus Q1 2021 (cont'd.)****HEALTHCARE DIVISION**

Healthcare Division recorded a growth in revenue by 3% mainly due to the rise in the number of inpatient and outpatient by 2% and 14% respectively as compared to the immediate preceding quarter. In addition, there is an improvement in inpatient days by 2% which is in line with increase in occupancy rate by 8%.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	4,195	4,101	94	2%
Number of outpatient	47,985	42,073	5,912	14%
Inpatient days	12,626	12,376	250	2%
Occupancy rate (%)	36%	33%	3%	8%
Average length of stay (day)	2.70	2.70	-	-
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	8,865	8,845	20	0%

**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 2nd quarter 2021, palm oil prices continued to rally from RM4,100/mt in April to the record high of RM4,800/mt level in May. However, prices weakened in June toward RM3,400/mt in anticipation of higher crop and weakening U.S. SBO market. MPOB average price 2nd quarter stood at RM4,170/mt against RM3,930/mt in 1st quarter 2021, an increase of 6% while palm kernel average prices up by 2% in 2nd quarter to RM2,600/mt from RM2,548/mt in 1st quarter 2021.

Lower palm oil ending stocks in Indonesia and Malaysia kept palm oil prices firm. Indonesian Palm Oil Association (GAPKI) data showed that Indonesia's inventories were 2.8 mil tons in May 2021, down 18% year on year while Malaysia MPOB data inventories were 1.61 mil tons for June 2021, down 15% year on year. Supply disruptions and rebounding demand led by recovery economic activities from 2nd half last year 2020 kept inventories below average levels.

National borders remain closed, hence, has disrupted the intake of foreign workers. Estates are now focusing on recruiting local workers from villages nearby the estates with better incentivization payments to entice locals working as harvesters. Mechanized cutters were introduced to local workers for harvesting at young mature palms. The management has also aggressively embarked on mechanized in-field FFB collection and evacuation using the 3-wheeler machines to improve productivity. Special focus is being given to the harvesting organization and work specialization system of available work force to increase out-put per man day.

**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.)****Malaysia Plantation**The outlook for 3rd quarter and Year 2021

The palm oil experienced an extended rally since last year, fueled by tight supplies and demand recovery. However, the rally tapered off in June. Worries about lackluster demand and production recovery going forward have depressed palm oil prices recently. Indonesia and Malaysia production will enter the peak production season during 3rd quarter season and palm oil prices could be pressured by rising inventories.

Palm oil prices will remain volatile during 2nd half 2021 affected by other markets (U.S. SBO, Chinese Dalian and Crude oil market). Palm price is expected to average between RM3,000/mt to RM4,000/mt.

The Group will continue to focus securing higher CPO and PK sales price against MPOB and continue its effort to target higher premium from CSPO and CSPK sales by securing more contracts from our regular and reputable buyers for year 2021.

Harvester shortages will continue to be a big challenge with expected increase in FFB yield in this 3rd Quarter that will peak in September month onwards. The company expects the crop distribution this year to be at 40% : 60% (1st Half : 2nd Half).

The management is also in the process of vaccinating all employees with target completion by end September 2021 to dampen the impact of Covid-19 pandemic.

**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.

**Healthcare**

The Healthcare division has recorded a gradual recovery of revenue arising from an increased number of patients and surgeries undertaken in 2021. It is anticipated that the recovery trend will continue in the second half of 2021 as the nation is going through the four phases of the recently unveiled National Recovery Plan.

Healthcare providers business performance will be much dependent on the attainment of herd immunity which is a major determinant for economic recovery. By end of December 2021, 80% of the population is expected to be fully vaccinated and marks the herd immunity level. The current Full Movement Control Order (FMCO) which started in early June 2021 has impacted the recovery progress although the effects are not as severe as 2020 FMCO. There are positive signs of stable progress starting from July 2021 in tandem with the population vaccination rate in the coming months. The business is not expected to fully attain the pre-Covid level even though it will be better than 2020 full year financial results.

In support to Government initiative, the Group has participated as Pusat Pemberian Vaksin (PPV) centres with current daily vaccination rate of 500 persons. The Group has also been a centre for the transfer of non-covid patients from Government hospital through one of its hospital in East Coast.

The Group continues to benefit from the recently announced National People's Well-Being and Economic Recovery Package (PEMULIH) in respect of wage subsidy and loan moratorium whereby the Healthcare division is expected to reduce operational costs and improvise the Group cash position. As precautionary measures, the Group is still practicing tight control over its operational and capital expenditures throughout year 2021.

**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**

The Malaysian economy grew by 16.1% in the second quarter (1Q 2021: -0.5%). Economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected the low base from the significant decline in activity during the second quarter of 2020.

In the near term, headline inflation is projected to moderate as the base effect from fuel prices dissipates. For 2021 as a whole, headline inflation is expected to average between 2.0% and 3.0%. Underlying inflation, as measured by core inflation, is expected to remain subdued, averaging between 0.5% and 1.5% for the year, amid continued spare capacity in the economy.

**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 FMCO, 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.

At the Plantation Division, the management has ensured that all employees are registered with Mysejahtera for possible vaccinations at the PPVs set-up by the government. Currently, 85% of our local workers in the North Zone Complex has been vaccinated whereas in South Zone Complex, 30% has been vaccinated. For the foreign workers, the company is arranging through relevant authorities to complete the vaccinations program as soon as possible, hence, minimizing possible interruption to operation from Covid-19 infection of employees.

**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 FMCO 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 June 2021.

**18. Loss for the period**

	<b>Current period to date</b>	
	<b>30-Jun-21 RM'000</b>	<b>30-Jun-20 RM'000</b>
<b>The following amounts have been included in arriving at loss before tax:</b>		
Finance costs	12,113	7,442
Profit from Al-Mudharabah	(1,049)	(398)
Hibah income		
- Discontinuing	(8)	(1)
Depreciation of property, plant and equipment		
- Continuing	31,086	33,142
Amortisation of intangible asset	428	429
Amortisation of right -of-use assets	8,096	7,912
Impairment of property, plant and equipment	130	1,367
Inventories written off	8	42
Expected credit losses on trade and other receivables	830	941
Provision for retirement benefit obligations	212	216
Fair value changes of biological assets	(1,397)	474

**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-Jun-21 RM'000</b>	<b>30-Jun-20 RM'000</b>	<b>30-Jun-21 RM'000</b>	<b>30-Jun-20 RM'000</b>
Current income tax	1,799	302	4,195	477
Under provision of income tax in prior year	16	-	16	-
	1,815	302	4,211	477
Deferred tax:				
Relating to origination and reversal of temporary differences	(104)	(1,148)	(1,169)	(833)
Under/(over) provision of deferred tax	1	5	(1)	5
Income tax expense/(benefit)	1,712	(841)	3,041	(351)

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-Jun-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
<b>Assets:</b>		
Property, plant and equipment	128,772	128,629
Right-of-use assets	32,300	32,300
Trade receivables	271	134
Other receivables	23,451	22,369
Prepayment	156	22
Biological assets	255	255
Inventories	51	10
Cash and bank balances	881	958
Assets held for sale	186,137	184,677
<b>Liabilities:</b>		
Other payables	(7,101)	(7,156)
Retirement benefit obligations	(835)	(828)
Tax payable	(211)	(34)
Lease liabilities	-	(50)
Liabilities directly associated with assets held for sale	(8,147)	(8,068)
<b>Net assets directly associated with disposal group</b>	<b>177,990</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-Jun-21 RM'000</b>	<b>30-Jun-20 RM'000</b>
Revenue	2,790	705
Cost of sales	(3,204)	(3,481)
<b>Gross loss</b>	(414)	(2,776)
Hibah income	8	1
Other income	-	-
Administrative expenses	(206)	(240)
Other expenses	-	-
Finance costs	-	-
<b>Loss before tax</b>	(612)	(3,015)
Income tax expense	-	-
<b>Loss for the period from discontinued operations, net of tax</b>	<b>(612)</b>	<b>(3,015)</b>

**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:

	<b>Group</b>	
	<b>As at 30-Jun-21 RM'000</b>	<b>As at 31-Dec-20 RM'000</b>
Trade receivables - nominal amounts	41,905	45,417
Less: Allowance for expected credit losses	(6,605)	(5,775)
	35,300	39,642

Movement in allowance accounts:

	<b>Group</b>	
	<b>As at 30-Jun-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	830	379
Reversal of expected credit losses	-	(1,177)
Written off	-	(1,942)
At 31 December	6,605	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 June 2021 and 31 December 2020 are as follows:

**Group borrowings and debt securities.****As at 30 June 2021**

	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
Bank loans	390,499	52,423	442,922
Bank overdraft	16,044	-	16,044
Obligation under hire purchase	10,099	3,080	13,179
	416,642	55,503	472,145
<b>Unsecured</b>			
Bank loans	-	10,780	10,780
	-	10,780	10,780
	416,642	66,283	482,925

**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 June 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. 23 November 2021;
- ii. 7 February 2022 – 10 February 2022;
- iii. 21 February 2022 – 24 February 2022; and
- iv. 7 March 2022 – 10 March 2022

**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.

**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) (cont'd.)**

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

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

- i. 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 had fixed new Hearing date on:-

- i. 26 and 27 August 2021; and
- ii. 24 and 25 November 2021

**3. High Court of Malaya at Kuala Terengganu (Suit no. 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 1<sup>st</sup> 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 the following dates:-

- i. Case Management on **8 September 2021**;
- ii. Hearing on **24 September 2021**.

**26. Dividend proposed**

On 24 June 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) was proposed. It has been paid in July 2021. The final 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 is calculated by dividing the 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	Preceding Quarter Ended	Current Quarter To date	Preceding Quarter To date
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	RM'000	RM'000	RM'000	RM'000
Loss net of tax attributable to owners of the parent used in the computation of basic loss per share	(2,743)	(19,090)	(6,964)	(23,903)
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	310	867	574	2,405
Loss net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	<u>(2,433)</u>	<u>(18,223)</u>	<u>(6,390)</u>	<u>(21,498)</u>
	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>number of</b>	<b>number of</b>	<b>number of</b>	<b>number of</b>
	<b>ordinary</b>	<b>ordinary</b>	<b>ordinary</b>	<b>ordinary</b>
	<b>shares</b>	<b>shares</b>	<b>shares</b>	<b>shares</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,682,641	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)	(0.16)	(1.13)	(0.40)	(1.42)
- continuing operations	(0.14)	(1.08)	(0.37)	(1.28)
- discontinued operation	<u>(0.02)</u>	<u>(0.05)</u>	<u>(0.03)</u>	<u>(0.14)</u>

**28.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 August 2021.

**BY ORDER OF THE BOARD**

BADROL ABU BAKAR  
Company Secretary

Kuala Terengganu  
30 August 2021