



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 MARCH 2022**



TDM BERHAD (Company No 196501000477 (6265-P))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

	Cumulative Quarter	
	Current Quarter To date 31-Mar-22 RM'000	Preceding Quarter To date 31-Mar-21 RM'000
Continuing operations		
Revenue	143,671	102,775
Cost of sales	(81,514)	(71,289)
Gross profit	62,157	31,486
Other items of income		
Interest income	743	675
Other income	2,827	3,849
Other items of expense		
Distribution costs	(1,201)	(1,089)
Administrative expenses	(39,538)	(30,588)
Other expenses	(1,434)	(1,178)
Finance costs	(6,585)	(6,487)
Profit/(loss) before tax	16,969	(3,332)
Income tax expense	(6,528)	(1,329)
Profit/(loss) for the period from continuing operations, net of tax	10,441	(4,661)
Discontinued operation		
Loss for the period from discontinued operation, net of tax	(827)	(282)
Profit/(loss) for the period, net of tax	9,614	(4,943)
Other comprehensive income/(loss):		
Foreign currency translation	(240)	(1,019)
Fair value movement of investments in securities	1	-
Other comprehensive loss for the period, net of tax	(239)	(1,019)
Total comprehensive income/(loss) for the period	9,375	(5,962)



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

	Cumulative Quarter	
	Current Quarter To date 31-Mar-22 RM'000	Preceding Quarter To date 31-Mar-21 RM'000
Profit/(loss) attributable to:		
Owners of the parent	9,710	(4,221)
Non-controlling interests	(96)	(722)
	9,614	(4,943)
Total comprehensive income/ (loss) attributable to:		
Owners of the parent	9,466	(5,176)
Non-controlling interests	(91)	(786)
	9,375	(5,962)
Profit/(loss) per share attributable to owners of the parent (sen per share):		
Basic (Note 27)	0.56	(0.24)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 31 MARCH 2022**

(The figures have not been audited)

	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Assets		
Non-current assets		
Property, plant and equipment	800,956	802,005
Right-of-use assets	480,319	482,911
Intangible asset	3,533	3,748
Goodwill	991	991
Other investments	41,063	41,063
Investments in securities	37	36
Other receivables	186	186
Deferred tax assets	1,006	996
	1,328,091	1,331,936
Current assets		
Biological assets	9,046	8,671
Inventories	29,325	24,057
Trade and other receivables	54,749	57,630
Contract asset	4,090	4,827
Prepayments	4,752	4,946
Tax recoverable	12,442	12,753
Cash and bank balances	186,174	194,443
Assets of disposal group classified as held for sale	106,035	105,666
	406,613	412,993
Total assets	1,734,704	1,744,929
Current liabilities		
Retirement benefit obligations	531	742
Lease liabilities	955	1,065
Loans and borrowings	53,429	49,660
Trade and other payables	217,389	222,266
Tax payable	17,928	15,684
Liabilities of disposal group classified as held for sale	10,342	10,412
	300,574	299,829
Net current assets	106,039	113,164



TDM BERHAD (Company No 196501000477 (6265-P))
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

(The figures have not been audited)

	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Non-current liabilities		
Retirement benefit obligations	5,248	5,470
Lease liabilities	61,343	61,599
Loans and borrowings	437,732	440,691
Other payables	25,377	41,934
Deferred tax liabilities	186,277	186,628
	715,977	736,322
Total liabilities	1,016,551	1,036,151
Net assets	718,153	708,778
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	374,772	365,062
Other reserves	36,036	36,035
Reserves of a disposal group held for sale	(28,304)	(28,402)
	741,949	732,140
Non-controlling interests	(23,796)	(23,362)
Total equity	718,153	708,778
Total equity and liabilities	1,734,704	1,744,929
 Net assets per share (RM)	 0.42	 0.41

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 31 MARCH 2022**

(The figures have not been audited)

	Attributable to owners of the parent									
	Non-distributable		Distributable			Non-distributable				
	Total equity RM'000	Equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Fair value adjustment reserve RM'000	Employee benefits plan reserve RM'000	Premium paid on acquisition of non-controlling interest RM'000	Reserves of a disposal group held for sale RM'000	Non-controlling interests RM'000
Opening balance at 1 January 2022	708,778	732,140	359,445	365,062	36,035	36,303	(237)	(31)	(28,402)	(23,362)
Profit for the period	9,614	9,710	-	9,710	-	-	-	-	-	(96)
Other comprehensive income										
Fair value movement of other investment	1	1	-	-	1	1	-	-	-	-
Foreign currency translation	(240)	98	-	-	-	-	-	-	98	(338)
Other comprehensive income for the period, net of tax	(239)	99	-	-	1	1	-	-	98	(338)
Total comprehensive income for the period, net of tax	9,375	9,809	-	9,710	1	1	-	-	98	(434)
Closing balance at 31 March 2022	718,153	741,949	359,445	374,772	36,036	36,304	(237)	(31)	(28,304)	(23,796)
Opening balance at 1 January 2021	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Loss for the period	(4,943)	(4,221)	-	(4,221)	-	-	-	-	-	(722)
Other comprehensive loss										
Foreign currency translation	(1,019)	(955)	-	-	-	-	-	-	(955)	(64)
Other comprehensive loss for the period, net of tax	(1,019)	(955)	-	-	-	-	-	-	(955)	(64)
Total comprehensive loss for the period, net of tax	(5,962)	(5,176)	-	(4,221)	-	-	-	-	(955)	(786)
Transactions with owners										
Dividends on ordinary shares	(4,996)	(4,996)	-	(4,996)	-	-	-	-	-	-
Total transactions with owners	(4,996)	(4,996)	-	(4,996)	-	-	-	-	-	-
Closing balance at 31 March 2021	744,904	760,681	359,445	399,318	33,078	33,346	(237)	(31)	(31,160)	(15,777)

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 31 MARCH 2022**

(The figures have not been audited)

	Period Ended	
	31-Mar-22	31-Mar-21
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	16,969	(3,332)
Loss before tax from discontinued operation	(827)	(282)
	16,142	(3,614)
<u>Adjustments for:</u>		
Finance costs	6,585	6,487
Depreciation of property, plant and equipment	14,398	16,520
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	2,591	3,941
Amortisation of contract assets	737	-
Property, plant and equipment written off - Continuing	8	80
Inventories written off - Continuing	15	8
Expected credit losses of trade receivables	282	-
Expected credit losses of other receivables		
- Continuing	115	511
Impairment of right-of-use assets - Discontinued	103	-
Impairment of property, plant and equipment		
- Discontinued	412	-
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	1,237	2,690
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(84)	(459)
Provision for retirement benefit obligations	371	106
Profit from Al-Mudharabah	(743)	(557)
Fair value changes of biological assets		
- Continuing	(375)	(1,529)
Hibah income - Discontinued	(28)	(4)
Total adjustments	25,838	28,008
Operating cash flows before changes in working capital	41,980	24,394
<u>Changes in working capital</u>		
Inventories	(5,276)	1,892
Receivables	2,762	1,826
Payables	(15,131)	(21,273)
Contract liability	-	(634)
Prepayment	(194)	1,989
Total changes in working capital	(17,839)	(16,200)
Cash flows generated from operations	24,141	8,194



TDM BERHAD (Company No 196501000477 (6265-P))
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

	Period Ended	
	31-Mar-22	31-Mar-21
	RM'000	RM'000
Finance cost paid	(6,585)	(6,487)
Profit from Al Mudharabah received	743	557
Taxes paid	(6,892)	(1,614)
Retirement benefits paid	(320)	(36)
Net cash flows generated from operating activities	<u>11,087</u>	<u>614</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,897)	(9,966)
Withdrawal of deposits with licensed banks	10,398	162
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(45)	(72)
Net cash flows used in investing activities	<u>(3,544)</u>	<u>(9,876)</u>
Cash flows from financing activities		
Net drawdowns/(repayment) of bank borrowings	989	(15,056)
Net (repayment)/drawdown of hire purchase facilities	(640)	1,002
Repayment of finance lease	(557)	(2,452)
Dividend paid to shareholders	(4,996)	-
Net cash flows used in financing activities	<u>(5,204)</u>	<u>(16,506)</u>
Net increase/(decrease) in cash and cash equivalents	2,339	(25,768)
Cash and cash equivalents at 1 January	147,635	177,505
Cash and cash equivalents at end of the period	<u>149,974</u>	<u>151,737</u>

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

Cash and banks balances		
- Continuing operations	186,174	206,900
- Discontinuing operations	604	1,047
Less: Deposits pledged for bank facilities	(36,799)	(36,205)
Less: Deposits with licensed banks with maturity period more than 3 months	(5)	(20,005)
Cash and cash equivalents	<u>149,974</u>	<u>151,737</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



TDM BERHAD (Company No 196501000477 (6265-P))
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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 2021. 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 2021.

The interim financial statements of the Group for the financial period ended 31 March 2022 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 2021.

1.1 Changes in accounting policies

On 1 January 2022, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2022.

Description	Effective for annual periods beginning on or after
MFRS 16 Covid-19-Related Rent Concession beyond 30 June 2021 (Amendments to MFRS 16)	1 April 2021
Annual improvement to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 3 Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant, and Equipment)	1 January 2022
MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022

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
MFRS 17 Insurance Contracts	1 January 2023
MFRS 17 Insurance Contracts (Amendments to MFRS 17)	1 January 2023
MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	1 January 2023
MFRS 101 Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023
MFRS 101 Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
MFRS 108 Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

2. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2021 were reported without any qualification.

3. Seasonal or cyclical factors

The operations of the Group are not affected by any cyclical factors, other than the cyclical production of fresh fruit bunches (FFB).

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 31 March 2022.

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

An interim dividend in respect of the financial year ended 31 December 2021, of 0.29 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM4,996,355 approved on 17 December 2021 and paid on 14 January 2022.

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 earning before interest, tax, depreciation and amortisation (EBITDA).

3 months ended 31 March 2022

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	84,892	61,551	-	146,443	1,634
Intersegment revenue	(325)	(2,447)	-	(2,772)	-
External revenue	84,567	59,104	-	143,671	1,634
EBITDA	41,137	6,569	(6,955)	40,751	(855)
Depreciation & amortisation	(12,697)	(4,011)	(1,232)	(17,940)	-
Profit from Al-Mudharabah	508	47	188	743	-
Hibah income	-	-	-	-	28
Finance costs	(3,437)	(663)	(2,485)	(6,585)	-
Profit/(loss) before tax	25,511	1,942	(10,484)	16,969	(827)

31 March 2022

Assets	1,379,321	246,551	2,797	1,628,669	106,035
Liabilities	862,461	142,241	1,507	1,006,209	10,342
Exchange rate ratio	MYR 1.00	IDR 3,413			

8. Segmental reporting (cont'd.)

3 months ended 31 March 2021

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	50,853	53,583	-	104,436	1,228
Intersegment revenue	(364)	(1,297)	-	(1,661)	-
External Revenue	50,489	52,286	-	102,775	1,228
EBITDA	21,232	5,966	(3,925)	23,273	(286)
Depreciation & amortisation	(13,944)	(5,515)	(1,216)	(20,675)	-
Profit from Al-Mudharabah	182	-	375	557	-
Hibah income	-	-	-	-	4
Finance costs	(3,215)	(1,006)	(2,266)	(6,487)	-
Profit/(loss) before tax	4,255	(555)	(7,032)	(3,332)	(282)
31 March 2021					
Assets	1,395,467	253,602	2,856	1,651,925	184,461
Liabilities	940,682	141,128	1,488	1,083,298	8,184
Exchange rate ratio	MYR 1.00	IDR 3,508			

9. Valuation on non-current assets

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

10. Material subsequent event

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

11. Changes in the composition of the Group

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

12. Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities from the previous audited financial statements to the date of this quarterly report.

13. Capital commitments

Capital commitments as at 31 March 2022 are as follows:

Authorised by the Directors and contracted	RM'000 32,176
Authorised by the Directors but not contracted	109,551
	<u>141,727</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

Cumulative quarter - Q1 2022 versus Q1 2021

	Q1 2022	Q1 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	84,567	50,489	34,078	67%
Healthcare	59,104	52,286	6,818	13%
Total revenue	143,671	102,775	40,896	40%
Plantation	41,137	21,232	19,905	94%
Healthcare	6,569	5,966	603	10%
Investment holding and others	(6,955)	(3,925)	(3,030)	-77%
EBITDA	40,751	23,273	17,478	75%
Depreciation & amortisation	(17,940)	(20,675)	2,735	13%
Profit from Al-Mudharabah	743	557	186	33%
Finance costs	(6,585)	(6,487)	(98)	-2%
Profit/(loss) before tax	16,969	(3,332)	20,301	609%

The Group's revenue for the three months period ended 31 March 2022 increased by 40% compared to the previous corresponding quarter mainly due to higher revenue recorded from Plantation Division by RM34.1 million, an improvement of 67% and Healthcare Division by RM6.8 million, an increase of 13%.

The Group recorded a Profit Before Tax (PBT) of RM17.0 million during the quarter, an increase of RM20.3 million as compared to the Loss Before Tax (LBT) of RM3.3 million in the same quarter the previous year.

PLANTATION DIVISION

Our Plantation Division registered an EBITDA of RM41.1 million during the quarter, compared to RM21.2 million in the previous corresponding period. The division also reported a higher PBT by RM21.3 million during the quarter, compared to RM4.3 million in the corresponding quarter of 2021. Both EBITDA and PBT recorded an impressive improvement of 1.9 and 5.9 times, respectively.

The Plantation Division recorded higher revenue of 67% mainly due to higher CPO and PK average prices of 51% and 83% respectively. However, there was a reduction in CPO sales volume by 3% as a result of lower FFB production from own estates and lower outside crop purchases (OCP) during this quarter. The kernel extraction rate (KER) was higher by 11% at 5.02%.

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

Cumulative quarter - Q1 2022 versus Q1 2021 (cont'd.)

PLANTATION DIVISION (CONT'D.)

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	Q1 2022	Q1 2021	Changes	%
CPO sales volume (mt)	11,944	12,285	(341)	-3%
PK sales volume (mt)	3,481	3,091	390	13%
FFB production (mt)	60,821	61,180	(359)	-1%
CPO average price (RM)	5,904	3,914	1,990	51%
PK average price (RM)	4,806	2,632	2,174	83%
Mature area (hectare)	25,404	26,668	(1,264)	-5%
Immature area (hectare)	7,976	8,771	(795)	-9%
Oil extraction rate (OER)	18.74%	19.04%	(0.3%)	-2%
Kernel extraction rate (KER)	5.02%	4.53%	0.49%	11%

HEALTHCARE DIVISION

The Group's Healthcare Division experienced a gradual recovery with a higher revenue of 13%, from RM52.3 million to RM59.1 million during the quarter, compared to the previous corresponding quarter. This was primarily due to an increase in the number of inpatient and outpatient by 17% and 6% respectively. The increase also driven by higher inpatient days and bed occupancy rate by 9% and 18% respectively.

During the quarter, the division also recorded a higher PBT of RM1.9 million, compared to LBT of RM0.6 million in the previous corresponding quarter.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q1 2022	Q1 2021	Changes	%
Number of inpatient	4,779	4,101	678	17%
Number of outpatient	44,653	42,073	2,580	6%
Inpatient days	11,989	10,991	998	9%
Occupancy rate (%)	39%	33%	6%	18%
Average length of stay (day)	2.69	2.68	0.01	0%
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	8,843	8,875	(32)	0%

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

Individual quarter - Q1 2022 versus Q4 2021

	Q1 2022	Q4 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	84,567	103,771	(19,204)	-19%
Healthcare	59,104	61,874	(2,770)	-4%
Total revenue	143,671	165,645	(21,974)	-13%
Plantation	41,137	93,659	(52,522)	-56%
Healthcare	6,569	8,444	(1,875)	-22%
Investment holding and others	(6,955)	(6,899)	(56)	-1%
EBITDA	40,751	95,204	(54,453)	-57%
Depreciation & amortisation	(17,940)	(22,087)	4,147	19%
Profit from Al-Mudharabah	743	1,433	(690)	-48%
Finance costs	(6,585)	(6,888)	303	4%
Profit before tax	16,969	67,662	(50,693)	-75%

The Group's revenue for the three months ended 31 March 2022 was lower by 13% compared to the immediate preceding quarter mainly due to lower revenue at both Plantation and Healthcare Division by 19% and 4% respectively.

The Group recorded lower PBT of RM17.0 million during the quarter, compared to PBT of RM67.7 million in the immediate preceding quarter.

PLANTATION DIVISION

During the quarter, our Plantation Division registered an EBITDA of RM41.1 million, compared to RM93.7 million in the immediate preceding quarter.

The Plantation Division recorded lower revenue by 19% mainly due to lower CPO and PK sales volume by 36% and 30% respectively. The lower volume was mainly due to lower FFB production and lower extraction rates of CPO and PK this quarter. The FFB production was on a lower trend this Q1 as against peak season of Q4 FY2021. However, CPO and PK average prices is higher by 16% and 29% respectively.

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

Individual quarter - Q1 2022 versus Q4 2021 (cont'd.)

PLANTATION DIVISION (CONT'D.)

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	Q1 2022	Q4 2021	Changes	%
CPO sales volume (mt)	11,944	18,672	(6,728)	-36%
PK sales volume (mt)	3,481	4,953	(1,472)	-30%
FFB production (mt)	60,821	98,368	(37,547)	-38%
CPO average price (RM)	5,904	5,073	831	16%
PK average price (RM)	4,806	3,724	1,082	29%
Mature area (hectare)	25,404	24,592	812	3%
Immature area (hectare)	7,976	7,976	-	0%
Oil extraction rate (OER)	18.74%	18.98%	-0.24%	-1%
Kernel extraction rate (KER)	5.02%	5.08%	-0.06%	-1%

HEALTHCARE DIVISION

During the quarter, our Healthcare Division registered an EBITDA of RM6.6 million, compared to RM8.4 million in the immediate preceding quarter.

Healthcare Division recorded 4% decreased in revenue mainly due to the decrease in the number of outpatient by 5%, compared to the immediate preceding quarter. In addition, there is a decrease in average revenue per inpatient and inpatient days by 6% and 2% as compared to preceding quarter. However, there is an increase in number of inpatient and bed occupancy rate by 1% and 5% respectively.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q1 2022	Q4 2021	Changes	%
Number of inpatient	4,779	4,717	62	1%
Number of outpatient	44,653	46,975	(2,322)	-5%
Inpatient days	11,989	12,264	(275)	-2%
Occupancy rate (%)	39%	37%	2%	5%
Average length of stay (day)	2.69	2.60	0.09	3%
Number of bed	394	394	-	-
Average revenue per inpatient (RM)	8,843	9,398	(555)	-6%

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

Plantation Malaysia

The Group's Malaysia palm oil plantations experienced multiple challenges stemming from foreign labour shortage, particularly for fresh fruit bunches (FFB) harvesters during the quarter. Despite these difficulties, Malaysia FFB yield and CPO production improved by 2.2% and 5%, respectively. Export of palm products also increased by 14% with increased Chinese buying to replenish their edible oil stocks and Indian buying of palm oil as substitute for the blocked sunflower oils shipments to India from the Black Sea region due to the ongoing Russia-Ukraine war which started on 24 February 2022.

The price of CPO also improved substantially, averaging at RM6,099/mt which was 55% higher than 1QFY2021 and 18% higher than the previous quarter (4QFY2021). The CPO price currently averaged around RM6,500/mt and still firmly supported by strong demand from major importing countries such as India and China, high crude oil prices and the uncertainties of sunflower and rapeseed oil supplies coming from the Black Sea region due to the ongoing conflicts in Ukraine. Indonesia, the world's biggest palm oil producer, halted export of palm oil from 28 April 2022 which lasted until 23 May 2022. The halted of export sent CPO price up until RM7,600/mt to RM7,700/mt. However, the lift of the halted export of palm oil reduce the CPO price to RM6,700/mt to RM6,800/mt.

The outlook for 2nd quarter and Year 2022

The ongoing conflict between Russia and Ukraine is the major factor affecting the world edible oil market with close to 80% of Sunflower oil exports originating from the two countries. Russia also supplying about 20% of world fertilisers whereby the sanctions against Russia have driven up the already record high fertiliser prices even further, influencing the planting and manuring decisions of farmers and plantation companies around the world.

The US Department of Agriculture (USDA) in its April oilseeds world markets and trade report published on 12 April 2022 raised Malaysian projection to 19 million tonnes for 2021-2022, up from 18.7 million tonnes forecast in March with the expected return of migrant workers to relieve Malaysia's plantation labour shortage.

The CPO prices will continue to be influenced by palm oil and other edible oil productions, palm oil demand mainly from India, China and EU, fertilizer cost, changes in trade policies in Indonesia and India, crude oil prices and weather conditions in major production regions.

Divestment of Plantation Indonesia Division

The intended divestment process is progressing well. On 21 March 2022, the Company accepted an offer from Ikhasas CPO Sdn. Bhd. in respect of the proposed disposal by the Company and the minority shareholders of the entire equity interest in PT RKA and PT SRA for an aggregate cash consideration of RM115,000,000.

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 transition into endemicity and relaxation of several COVID-19 Standard Operating Procedures (SOP) are expected to further boost healthcare spending as the population feels safer seeking treatment in hospitals. Since the previous relaxation of SOPs, there has been an increase in patient footprints, and the momentum continues to date. With the end of fasting month and Hari Raya celebrations, the Group's Healthcare operations are expecting the comeback of bigger patient traffic undergoing treatments and surgical procedures.

Nonetheless, the challenge to navigate the rising costs due to the global supply chain disruptions and weaker ringgit remains with the Group for the next quarters. Initiatives are being made to minimize the cost pass-through to the patients in order to stay competitive and affordable to the people at large.

The probable interest rate hike, which has remained unchanged since 2020, will add up to the challenge of maintaining good operational margin. The simultaneous rise in inflation may strain the public spending on healthcare, unemployment rate and economic growth as a whole. The Group acknowledges these possible challenges and is taking measures to address the change in business environment.

The division also continues to enhance existing facilities and services by opening more Operation Theaters (OT) and introducing a new Centre of Excellence (COE). KMI Kuantan Medical Centre will soon open an Eye Centre and a Brain & Spine Centre, equipped with sub-specialties, to cater for the needs of residents from the East Coast of Peninsular Malaysia.

Continued focus on expansion through inorganic growth remains a major thrust with the potential acquisition of brownfield hospitals to enhance the Group's brand presence in the industry. In addition, with the completion of the business transfer of Tawau Specialist Hospital at the end of May 2022, KMI management shall embark on the post-acquisition plan for KMI Tawau Medical Centre.

The ongoing establishment of Ambulatory Care Centres (ACC) at strategic locations along the East Coast of Malaysia, connecting them with the Group's hospitals, will expedite the attainment of the required geographical reach.

On the other hand, collaborations with other major hospital entities on specific healthcare services are at exploratory stages. The move is anticipated to benefit the TDM's image and uplift its brand awareness.

17a. Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)

Not applicable.

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

There was no profit guarantee issued for the quarter ended 31 March 2022.

18. Profit/(loss) for the period

	Current period to date	
	31-Mar-22	31-Mar-21
	RM'000	RM'000
The following amounts have been included in arriving at loss before tax:		
Finance costs	6,585	6,487
Depreciation of property, plant and equipment	14,398	16,520
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	2,591	3,941
Amortisation of contract assets	737	-
Property, plant and equipment written off		
- Continuing	8	80
Inventories written off - continuing	15	8
Expected credit losses of trade receivables	282	-
Expected credit losses of other receivables		
- Continuing	115	511
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	1,237	2,690
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(84)	(459)
Hibah income - discontinued	(28)	(4)
Profit from Al-Mudharabah	(743)	(557)
Impairment of right-of-use assets - Discontinued	103	-
Impairment of property, plant and equipment - discontinued	412	-
Provision for retirement benefit obligations	371	106
Fair value changes in biological assets		
- Continuing	(375)	(1,529)
	(375)	(1,529)

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

	Current period to date	
	31-Mar-22	31-Mar-21
	RM'000	RM'000
Current income tax	6,190	2,396
Deferred tax:		
Relating to origination of temporary differences	(20)	(1,065)
Under/(over) provision of deferred tax in prior year	358	(2)
Income tax expenses	6,528	1,329

Income tax was calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the period.

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

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

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

	Group	
	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Assets:		
Property, plant and equipment	67,453	67,517
Right-of-use assets	16,959	17,123
Trade receivables	429	136
Other receivables	20,052	19,951
Prepayment	35	14
Biological assets	444	444
Inventories	59	42
Cash and bank balances	604	439
Assets held for sale	106,035	105,666
Liabilities:		
Other payables	(9,096)	(9,192)
Retirement benefit obligations	(1,161)	(1,161)
Tax payable	(85)	(59)
Liabilities directly associated with assets held for sale	(10,342)	(10,412)
Net assets directly associated with disposal group	95,693	95,254

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

	Current period to date	
	31-Mar-22 RM'000	31-Mar-21 RM'000
Revenue	1,634	1,228
Cost of sales	(1,822)	(1,445)
Gross loss	(188)	(217)
Hibah income	28	4
Administrative expenses	(152)	(69)
Other expenses *	(515)	-
Loss before tax	(827)	(282)
Income tax expense	-	-
Loss for the period from discontinued operations, net of tax	(827)	(282)

* Included in other expenses are impairment amounting RM0.5mil.

21. Corporate proposals

i. Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn Bhd ("TSHSB") for the acquisition of the business of operating Tawau Specialist Hospital ("TSH"); and Sub-Lease Agreement with Tawau Specialist Hospital Sdn Bhd for the Hospital Land together with the Hospital building.

On 30 September 2021, KTMC has entered into:

- (a) BTA with TSHSB 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, but subject to adjustment; and
- (b) Sub-Lease Agreement with TSH for the grant by TSH to KTMC of a sub-lease of the Hospital Land together with the Hospital Building for an initial period of 15 years and may be renewed for a further term of 15 years at the option of KTMC.
- (c) The salient terms of the BTA are as follows:

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.

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.

On 29 December 2021 and 31 March 2022, The Board of Directors of TDM Berhad announced that the period for completion of the Proposed Acquisition of Business has been automatically extended for a period of three (3) months commencing from 1 January 2022 and ended 31 March 2022 and two (2) months commencing from 1 April 2022 as to facilitate the fulfilment of the Conditions Precedent as stipulated in the BTA.

21. Corporate proposals (cont'd.)

ii. TDM Berhad ("TDM or the "Company") letter of offer in respect of the proposed disposal by TDM and the minority shareholder of the entire equity interest in PT Rafi Kamajaya Abadi ("RKA") and PT Sawit Rezeki Abadi ("SRA") ("Disposal Companies") ("Offer Letter").

On 21 March 2022, the Company accepted an offer from Ikhasas CPO Sdn. Bhd. ("Purchaser") in respect of the proposed disposal by the Company and the minority shareholders of the entire equity interest in PT RKA and PT SRA ("Disposal Companies") for an aggregate cash consideration of RM115,000,000 ("Offer").

The Offer shall be conditional on the Company and/or Disposal Companies in fulfilling certain agreed specific conditions ("Specific Conditions") within six (6) months from the date of the Company's acceptance of the Offer ("Specific Conditions Period"), or such longer period as may be agreed between the parties.

The Specific Conditions include certain conditions that TDM and the Disposal Companies have to resolve and to provide evidence that certain specific operational issues involving the Disposal Companies, intercompany transactions between the Disposal Companies, its directors and TDM and the settlement of certain lawsuits filed by third parties against PT RKA, are resolved within the Specific Conditions

22. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Group	
	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Trade receivables - nominal amounts	3,980	3,869
Less: Allowance for expected credit losses	(3,266)	(2,984)
	714	885

	Group	
	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Movement in allowance accounts:		
At 1 January	2,984	5,775
Provision for expected credit losses	282	96
Reversal of expected credit losses	-	(168)
Written off	-	(2,719)
At 31 March/ 31 December	3,266	2,984

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 31 March 2022 and 31 December 2021 are as follows:

As at 31 March 2022

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	397,827	50,339	448,166
Bank overdraft	13,981	-	13,981
Obligation under hire purchase	8,774	3,090	11,864
	420,582	53,429	474,011
Unsecured			
Bank loans	17,150	-	17,150
	437,732	53,429	491,161

As at 31 December 2021

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	395,719	45,952	441,671
Bank overdraft	19,047	-	19,047
Obligation under hire purchase	8,775	3,708	12,483
	423,541	49,660	473,201
Unsecured			
Bank loans	17,150	-	17,150
	440,691	49,660	490,351

24. Summary of off balance sheet financial instruments by type and maturity profile

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 31 March 2022.

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

1) Pengadilan Negeri Sintang - Ministry of Environment and Forestry of Indonesia - Plaintiff vs PT. Rafi Kamajaya Abadi ("PT RKA")

On 27 December 2021, PT RKA received lawsuit claims from the Ministry of Environment and Forestry of Indonesia for the alleged violation against the laws and regulations related to fire incident occurred in PT RKA's plantation in year 2019. The total claims filed by the Ministry of Environment and Forestry is Indonesia Rupiah ("Rp") 1,001,844,350,959 (approximately RM293,669,525), as follows:

- Total damages claimed amounting to Rp270,807,710,959 (approximately RM79,381,562) relating to compensation cost for environment impact verification, loss of ecology and loss of economy; and
- Total compensation claimed amounting to Rp731,036,640,000 (approximately RM214,287,963) relating to costs of make good, reactivate the affected ecology system, repair and redevelop hydrology system, revegetation and monitoring.

PT RKA has appointed Jakarta International Law Office as its legal counsel in defending and dismissing the claims.

During the first hearing of the case at District Court Sintang on 10 January 2022, the parties have agreed to refer this legal case under mediation process for amicable settlement. However, the mediation which was held on 17 January 2022, could not reach any settlement between the parties. Both parties have agreed to put this legal case into full trial.

During the hearing held on 31 January 2022, the Court had directed as follows:

- i. PT RKA to file its statement of defence and counter claim on 14 February 2022;
- ii. PT RKA to file reply to defence and counter claim on 21 February 2022; and
- iii. PT RKA to file its reply to the Plaintiff's reply to defence and counter claim on 1 March 2022.

The Court has also fixed tentative hearing dates as follows:

- i. 7 March 2022 (adjourned);
- ii. 24 March 2022 (adjourned);
- iii. 31 March 2022 (adjourned);
- iv. 14 April 2022 for Plaintiff to produce its documentary evidence;
- v. 25 April 2022 for parties to produce any additional documentary evidence; and
- vi. 9 May 2022 for the examination of the Plaintiff's witnesses.
- vii. 23 May 2022 for the examination of the Plaintiff's witnesses.
- viii. 30 May 2022 for continued examination of the Plaintiff's witnesses.

The directors are of the opinion, based on legal advice and management assessment, that it has ground to defend in the legal process and no significant exposure will arise that requires recognition in the financial statements.

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

2) Jaksa Penuntut Umum Negeri Sintang, Indonesia (“Public Prosecutor”) vs PT RKA

The Defendant has been served summon and statement of claim dated 7 February 2022 by the Plaintiff at the Court of Sintang, Kalimantan Barat, Indonesia.

The Defendant is charged under Article 99(1) and Article 116(1) of Indonesian Laws No. 32 year 2009 on Environmental Protection and Management where upon conviction will subject to imprisonment of not less than 1 year and not more than 3 years, and fine of not less than IDR1,000,000,000 (approximately RM292,000) and not more than IDR3,000,000,000 (approximately RM875,000).

The Court has fixed mention dates as follows:

- i. 7 March 2022 (adjourned);
- ii. 24 March 2022 (adjourned);
- iii. 31 March 2022 (adjourned);
- iv. 14 April 2022 and for defendant to file its defense; and
- v. 9 May 2022 for prosecution to file its reply to the defense.
- vi. 30 May 2022 for examination of the Prosecution’s witnesses.

The directors are of the opinion, based on legal advice and management assessment, that it has strong chance to fight off the case through legal procedures and no significant exposure will arise that requires recognition in the financial statements.

3) High Court of Malaya at Kuantan [CA-22NCVC-46-11/2019]

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

Plaintiff claims against Defendant for the sum of RM1,298,415 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 being cost of repair and/or rectify the defect of the said premise.

On 9 to 11 November 2020, the Court had fixed for the status of settlement to be on 23 December 2020. As no settlement has been reached, the Court has fixed the continued hearing dates as follows:

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

- i. 17 May 2021 - 18 May 2021 (vacated);
- ii. 24 November 2021 - 25 November 2021 (vacated);
- iii. 28 March 2022 (vacated);
- iv. 20 April 2022 – 21 April 2022; and
- v. 25 - 27 October 2022.

The directors are of the opinion, based on legal advice and management assessment, that no significant exposure will arise that requires recognition in the financial statements.

26. Dividend proposed

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,000,000 (0.35 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

27. Profit/(loss) per share

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

	Cumulative Quarter Current Quarter To date 31-Mar-22 RM'000	Preceding Quarter To date 31-Mar-21 RM'000
Profit/(loss) net of tax attributable to owners of the parent used in the computation of basic loss per share	9,710	(4,221)
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	829	360
Profit/(loss) net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	<u>10,539</u>	<u>(3,861)</u>
	31-Mar-22 number of ordinary shares '000	31-Mar-21 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
Profit/(Loss) per share attributable to owners of the parent (sen per share):		
Basic profit/(loss) per share (sen per share)	0.56	(0.24)
- continuing operations	0.61	(0.22)
- discontinued operation	<u>(0.05)</u>	<u>(0.02)</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 May 2022.

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary

Kuala Terengganu
30 May 2022