



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2022**



TDM BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-22 RM'000	Preceding Quarter Ended 30-Sep-21 RM'000	Current Quarter To date 30-Sep-22 RM'000	Preceding Quarter To date 30-Sep-21 RM'000
Continuing operations				
Revenue	153,288	132,148	456,313	345,937
Cost of sales	(109,083)	(79,941)	(288,485)	(225,159)
Gross profit	44,205	52,207	167,828	120,778
Other items of income				
Interest income	459	533	1,863	1,582
Other income	151	3,619	6,398	11,104
Other items of expense				
Distribution costs	(1,384)	(1,504)	(3,599)	(3,569)
Administrative expenses	(50,215)	(29,792)	(142,390)	(95,521)
Other expenses	(535)	(300)	(3,150)	(2,221)
Finance costs	(5,053)	(5,774)	(17,703)	(17,887)
(Loss)/profit before tax	(12,372)	18,989	9,247	14,266
Income tax benefit/(expense)	2,869	(5,703)	(7,175)	(8,744)
(Loss)/profit for the period from continuing operations, net of tax	(9,503)	13,286	2,072	5,522
Discontinued operation				
Loss for the period from discontinued operation, net of tax	(5,792)	(411)	(8,029)	(1,023)
(Loss)/profit for the period, net of tax	(15,295)	12,875	(5,957)	4,499
Other comprehensive income:				
Foreign currency translation	2,637	2,444	3,009	2,319
Fair value movement of investments in securities	(2)	(2)	(2)	(4)
Other comprehensive income for the period, net of tax	2,635	2,442	3,007	2,315
Total comprehensive (loss)/income for the period	(12,660)	15,317	(2,950)	6,814



TDM BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Quarter	Quarter	Quarter
	Ended	Ended	To date	To date
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to:				
Owners of the parent	(14,167)	13,304	(3,886)	5,618
Non-controlling interests	(1,128)	(429)	(2,071)	(1,119)
	(15,295)	12,875	(5,957)	4,499
Total comprehensive (loss)/ income attributable to:				
Owners of the parent	(11,608)	15,732	(1,013)	7,790
Non-controlling interests	(1,052)	(415)	(1,937)	(976)
	(12,660)	15,317	(2,950)	6,814
(Loss)/profit per share attributable to owners of the parent (sen per share):				
Basic (Note 26)	(0.82)	0.78	(0.23)	0.32

(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 30 SEPTEMBER 2022**

(The figures have not been audited)

	As at 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
Assets		
Non-current assets		
Property, plant and equipment	812,280	802,005
Right-of-use assets	481,140	482,911
Intangible asset	3,104	3,748
Goodwill	991	991
Other investments	41,063	41,063
Investments in securities	34	36
Other receivables	186	186
Deferred tax assets	1,062	996
	<u>1,339,860</u>	<u>1,331,936</u>
Current assets		
Biological assets	8,151	8,671
Inventories	34,254	24,057
Trade and other receivables	68,424	57,630
Contract asset	2,618	4,827
Prepayments	2,911	4,946
Tax recoverable	13,801	12,753
Cash and bank balances	98,036	194,443
Assets of disposal group classified as held for sale	106,496	105,666
	<u>334,691</u>	<u>412,993</u>
Total assets	<u>1,674,551</u>	<u>1,744,929</u>
Current liabilities		
Retirement benefit obligations	629	742
Lease liabilities	776	1,065
Loans and borrowings	60,164	49,660
Trade and other payables	184,578	222,266
Tax payable	9,260	15,684
Liabilities of disposal group classified as held for sale	11,483	10,412
	<u>266,890</u>	<u>299,829</u>
Net current assets	<u>67,801</u>	<u>113,164</u>



TDM BERHAD

(Company No 196501000477 (6265-P))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

(The figures have not been audited)

	As at 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
Non-current liabilities		
Retirement benefit obligations	5,445	5,470
Lease liabilities	66,975	61,599
Loans and borrowings	408,947	440,691
Other payables	41,166	41,934
Deferred tax liabilities	185,330	186,628
	707,863	736,322
Total liabilities	974,753	1,036,151
Net assets	699,798	708,778
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	355,146	365,062
Other reserves	36,033	36,035
Reserves of a disposal group held for sale	(26,338)	(28,402)
	724,286	732,140
Non-controlling interests	(24,488)	(23,362)
Total equity	699,798	708,778
Total equity and liabilities	1,674,551	1,744,929
Net assets per share (RM)	0.41	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 30 SEPTEMBER 2022**
(The figures have not been audited)

	Attributable to owners of the parent					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)
Loss for the period	(5,957)	(3,886)	-	(3,886)	-	-	-	-	-	(2,071)
Other comprehensive income										
Fair value movement of other investment	(2)	(2)	-	-	(2)	(2)	-	-	-	-
Foreign currency translation	3,009	2,064	-	-	-	-	-	-	2,064	945
Other comprehensive income for the period, net of tax	3,007	2,062	-	-	(2)	(2)	-	-	2,064	945
Total comprehensive (loss)/income for the period, net of tax	(2,950)	(1,824)	-	(3,886)	(2)	(2)	-	-	2,064	(1,126)
Transactions with owners										
Dividends on ordinary shares	(6,030)	(6,030)	-	(6,030)	-	-	-	-	-	-
Total transactions with owners	(6,030)	(6,030)	-	(6,030)	-	-	-	-	-	-
Closing balance at 30 September 2022	699,798	724,286	359,445	355,146	36,033	36,301	(237)	(31)	(26,338)	(24,488)
Opening balance at 1 January 2021	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Profit for the period	4,499	5,618	-	5,618	-	-	-	-	-	(1,119)
Other comprehensive income/(loss)										
Fair value movement of other investment	(4)	(4)	-	-	(4)	(4)	-	-	-	-
Foreign currency translation	2,319	3,396	-	-	-	-	-	-	3,396	(1,077)
Other comprehensive income/(loss) for the period, net of tax	2,315	3,392	-	-	(4)	(4)	-	-	3,396	(1,077)
Total comprehensive income/(loss) for the period, net of tax	6,814	9,010	-	5,618	(4)	(4)	-	-	3,396	(2,196)
Transactions with owners										
Dividends on ordinary shares	(8,959)	(8,959)	-	(8,959)	-	-	-	-	-	-
Total transactions with owners	(8,959)	(8,959)	-	(8,959)	-	-	-	-	-	-
Closing balance at 30 September 2021	753,717	770,904	359,445	405,194	33,074	33,342	(237)	(31)	(26,809)	(17,187)

(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))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	Period Ended	
	30-Sep-22	30-Sep-21
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	9,247	14,266
Loss before tax from discontinued operation	(8,029)	(1,023)
	<u>1,218</u>	<u>13,243</u>
<u>Adjustments for:</u>		
Finance costs	17,703	17,887
Depreciation of property, plant and equipment	46,766	45,933
Amortisation of intangible asset	643	643
Amortisation of right-of-use assets	8,024	7,244
Amortisation of contract assets	2,209	2,127
Property, plant and equipment written off - Continuing	30	11
Inventories written off - Continuing	60	40
Expected credit losses of trade receivables	626	1,026
Expected credit losses of other receivables- Continuing	-	5
Impairment of right-of-use assets - Discontinued	812	-
Impairment of property, plant and equipment		
- Continuing	79	756
- Discontinued	3,245	-
Loss on disposal of property, plant and equipment	-	9
Dividend income	-	(1,444)
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	2,635	1,247
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(401)	(241)
Provision for retirement benefit obligations	394	308
Profit from al-Mudharabah	(1,863)	(1,582)
Fair value changes of biological assets		
- Continuing	520	(6,232)
Hibah income - Discontinued	(4)	(17)
Total adjustments	<u>81,478</u>	<u>67,720</u>
Operating cash flows before changes in working capital	<u>82,696</u>	<u>80,963</u>
<u>Changes in working capital</u>		
Inventories	(10,257)	(2,139)
Receivables	(11,019)	(9,080)
Payables	17,891	5,616
Contract liability	-	(634)
Prepayment	2,035	-
Total changes in working capital	<u>(1,350)</u>	<u>(6,237)</u>
Cash flows generated from operations	<u>81,346</u>	<u>74,726</u>



TDM BERHAD

(Company No 196501000477 (6265-P))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	Period Ended	
	30-Sep-22	30-Sep-21
	RM'000	RM'000
Cash flows from operating activities (cont'd.)		
Finance cost paid	(17,703)	(17,887)
Profit from al-Mudharabah received	1,863	1,582
Taxes paid	(18,153)	(8,207)
Taxes refund	417	119
Retirement benefits paid	(532)	(60)
Net cash flows generated from operating activities	47,238	50,273
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,085)	(39,550)
Acquisition of right-of-use assets	(2)	(443)
Dividend received	-	1,444
Withdrawal of deposits with licensed banks	10,398	10,000
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(497)	(15)
Investment in fixed income securities	-	-
Net cash flows used in investing activities	(47,186)	(28,564)
Cash flows from financing activities		
Drawdowns of bank borrowings	11,184	39,160
Drawdowns of hire purchase facilities	157	2,233
Repayments of bank borrowings	(30,012)	(49,005)
Repayments of hire purchase facilities	(2,412)	(3,765)
Repayment of finance lease	(4,456)	(2,452)
Dividend paid to shareholder	(11,292)	(8,959)
Net proceeds from advances received	(50,031)	(48,812)
Net cash flows used in financing activities	(86,862)	(71,600)
Net decrease in cash and cash equivalents	(86,810)	(49,891)
Cash and cash equivalents at 1 January	147,635	177,505
Effect of foreign exchange rate changes	12	4
Cash and cash equivalents at end of the period	60,837	127,618

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

Cash and banks balances		
- Continuing operations	98,036	173,429
- Discontinuing operations	147	556
Less: Deposits pledged for bank facilities	(37,341)	(36,205)
Less: Deposits with licensed banks with maturity period more than 3 months	(5)	(10,162)
Cash and cash equivalents	60,837	127,618

(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))
(Incorporated in Malaysia)

Explanatory Notes Pursuant to MFRS 134

Notes:

1. Accounting policies and basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 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 30 September 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 mandatory for annual periods beginning on or after 1 January 2022.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual improvement to MFRS Standards 2018-2020 Cycle)	1 January 2022
Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)	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
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
Amendments to MFRS 112: Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 30 September 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

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

8. Dividend proposed

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

9. 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 30 September 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	240,944	78,635	-	319,579	386
Intersegment revenue	(165,796)	(495)	-	(166,291)	-
External revenue	75,148	78,140	-	153,288	386
EBITDA	7,819	12,879	(8,284)	12,414	(5,793)
Depreciation & amortisation	(14,021)	(4,313)	(1,858)	(20,192)	-
Profit from al-Mudharabah	260	44	155	459	-
Hibah income	-	-	-	-	1
Finance costs	(3,275)	(719)	(1,059)	(5,053)	-
(Loss)/profit before tax	(9,217)	7,891	(11,046)	(12,372)	(5,792)

3 months ended 30 September 2021

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	82,941	56,535	-	139,476	1,570
Intersegment revenue	(7,215)	(113)	-	(7,328)	-
External revenue	75,726	56,422	-	132,148	1,570
EBITDA	41,643	5,956	(4,095)	43,504	(420)
Depreciation & amortisation	(14,347)	(3,948)	(979)	(19,274)	-
Profit from al-Mudharabah	489	43	1	533	-
Hibah income	-	-	-	-	9
Finance costs	(3,477)	(140)	(2,157)	(5,774)	-
Profit/(loss) before tax	24,308	1,911	(7,230)	18,989	(411)

9. Segmental reporting (cont'd.)

9 months ended 30 September 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	424,798	200,448	-	625,246	3,337
Intersegment revenue	(167,879)	(1,054)	-	(168,933)	-
External revenue	256,919	199,394	-	456,313	3,337
EBITDA	83,454	22,021	(22,746)	82,729	(8,033)
Depreciation & amortisation	(40,719)	(12,449)	(4,474)	(57,642)	-
Profit from al-Mudharabah	1,218	147	498	1,863	-
Hibah income	-	-	-	-	4
Finance costs	(10,149)	(2,016)	(5,538)	(17,703)	-
Profit/(loss) before tax	33,804	7,703	(32,260)	9,247	(8,029)

30 September 2022

Assets	1,086,924	249,859	231,272	1,568,055	106,496
Liabilities	662,202	123,873	177,195	963,270	11,483
Exchange rate ratio	MYR 1.00	IDR 3,281			

9 months ended 30 September 2021

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

30 September 2021

Assets	1,334,763	250,654	234,808	1,820,225	189,049
Liabilities	750,221	128,135	179,910	1,058,266	8,242
Exchange rate ratio	MYR 1.00	IDR 3,413			

10. Material subsequent event

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

11. Changes in the composition of the Group

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

12. Changes in contingent liabilities or contingent assets

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

13. Capital commitments

Capital commitments as at 30 September 2022 are as follows:

	RM'000
Authorised by the Directors and contracted for	58,331
Authorised by the Directors but not contracted for	115,983
	<hr/>
	174,314
	<hr/>

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 - Q3 2022 versus Q3 2021

	Q3 2022	Q3 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	75,148	75,726	(578)	-1%
Healthcare	78,140	56,422	21,718	38%
Total revenue	153,288	132,148	21,140	16%
Plantation	7,819	41,643	(33,824)	-81%
Healthcare	12,879	5,956	6,923	116%
Investment holding and others	(8,284)	(4,095)	(4,189)	-102%
EBITDA	12,414	43,504	(31,090)	-71%
Depreciation & amortisation	(20,192)	(19,274)	(918)	-5%
Profit from al-Mudharabah	459	533	(74)	-14%
Finance costs	(5,053)	(5,774)	721	12%
(Loss)/ profit before tax	(12,372)	18,989	(31,361)	165%

The Group's revenue for the three months period ended 30 September 2022 increased by 16% compared to the previous corresponding quarter mainly due to higher revenue recorded from Healthcare Division by RM21.7 million, an improvement of 38% and offset with lower revenue from Plantation Division by RM0.6 million, a decrease of 1%.

The Group recorded a Loss Before Tax (LBT) of RM12.4 million during the quarter, a decrease of RM31.4 million as compared to the Profit Before Tax (PBT) of RM19.0 million in the same quarter the previous year.

PLANTATION DIVISION

In 3QFY2022, the Plantation Division recorded lower sales volume of Crude Palm Oil ("CPO") and Oil Extraction Rate ("OER") by 4% and 1%, respectively, as compared to previous corresponding quarter of 2021 mainly due to the lower production of internal FFB by 14%. In addition, Palm Kernel ("PK") average prices and Kernel Extraction Rate ("KER") were also lower by 0.3% and 0.2% YoY, respectively. This was offset by a 5% increase in PK sales volume during the quarter.

Whilst revenue stood marginally unchanged at RM75.1 million, EBITDA decreased by 81% to RM7.8 million, registering a segmental LBT of RM9.2 million during the quarter mainly due to higher purchase of FFB, higher operational costs.

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 - Q3 2022 versus Q3 2021 (cont'd.)

PLANTATION DIVISION (CONT'D.)

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q3 2022	Q3 2021	Changes	%
CPO sales volume (mt)	16,390	17,114	(724)	-4%
PK sales volume (mt)	3,907	3,719	188	5%
FFB production (mt)	75,391	87,626	(12,235)	-14%
CPO average price (RM)	4,194	4,379	(185)	-4%
PK average price (RM)	2,586	2,593	(7)	-0.3%
Mature area (hectare)	25,404	24,592	812	3%
Immature area (hectare)	7,976	8,771	(795)	-9%
Oil extraction rate (%)	19.11%	19.33%	-0.22%	-1%
Kernel extraction rate (%)	4.21%	4.22%	-0.01%	-0.2%

HEALTHCARE DIVISION

For the quarter under review, TDM's Healthcare Division registered a revenue of RM78.1 million, translating to a YoY increase of 38% compared to the previous year's corresponding quarter. The increase in revenue was mainly attributed to the rise in the number of inpatients and outpatients by 65% and 13% YoY, respectively. In addition, inpatient days and bed occupancy rates also improved by 72% and 60%, respectively. However, this was mitigated by a 10% decrease in the average revenue per inpatient.

As a result of the stronger top-line performance, 3QFY2022 EBITDA more than doubled to RM12.9 million, whilst PBT soared to RM7.9 million from RM1.9 million recorded in the previous year.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q3 2022	Q3 2021	Changes	%
Number of inpatient	6,824	4,124	2,700	65%
Number of outpatient	51,633	45,807	5,826	13%
Inpatient days	19,677	11,441	8,236	72%
Occupancy rate (%)	56%	35%	21%	60%
Average length of stay (day)	2.88	2.55	0.33	13%
Number of bed	308	312	(4)	-1%
Average revenue per inpatient (RM)	8,725	9,659	(934)	-10%

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 - 9M 2022 versus 9M 2021

	9M 2022	9M 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	256,919	183,546	73,373	40%
Healthcare	199,394	162,391	37,003	23%
Total revenue	456,313	345,937	110,376	32%
Plantation	83,454	82,727	727	1%
Healthcare	22,021	15,135	6,886	45%
Investment holding and others	(22,746)	(11,344)	(11,402)	-101%
EBITDA	82,729	86,518	(3,789)	-4%
Depreciation & amortisation	(57,642)	(55,947)	(1,695)	-3%
Profit from al-Mudharabah	1,863	1,582	281	18%
Finance costs	(17,703)	(17,887)	184	1%
Profit before tax	9,247	14,266	(5,019)	-35%

The Group's revenue for the nine months ended 30 September 2022 recorded an increase of 32% compared to the previous corresponding period due to the growth in revenue from Plantation Division by RM73.4 million, an improvement of 40% and Healthcare Division by RM37.0 million, an increment of 23%.

The Group recorded a PBT of RM9.2 million during the period, a decrease of RM5.0 million as compared to the PBT of RM14.3 million in the same period the previous year.

PLANTATION DIVISION

For the 9MFY2022, revenue from the Plantation Division improved by 40% YoY to RM256.9 million from RM183.5 million a year ago, driven by higher CPO and PK average prices which rose by 29% and 37%, respectively. The higher revenue was mainly driven by a 7% increase in PK sales volume and a 2% increase in kernel extraction rate. However, this was partly offset by a lower internal FFB production of 10%.

The division registered an EBITDA of RM83.5 million, slightly higher than RM82.7 million recorded in the previous year's corresponding period. PBT on the other hand slightly declined by 2% to RM33.8 million.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	9M 2022	9M 2021	Changes	
			RM'000	%
CPO sales volume (mt)	41,408	42,887	(1,479)	-3%
PK sales volume (mt)	10,517	9,833	684	7%
FFB production (mt)	195,922	216,799	(20,877)	-10%
CPO average price (RM)	5,384	4,175	1,209	29%
PK average price (RM)	3,624	2,645	979	37%
Mature area (hectare)	25,404	24,592	812	3%
Immature area (hectare)	7,976	8,771	(795)	-9%
Oil extraction rate (%)	19.24%	19.21%	0.03%	0.2%
Kernel extraction rate (%)	4.54%	4.44%	0.10%	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 - 9M 2022 versus 9M 2021 (cont'd.)

HEALTHCARE DIVISION

For the 9MFY2022, revenue came in stronger by 23% at RM199.4 million, compared to RM162.4 million from the corresponding period last year. The top-line growth was attributed to a higher number of inpatient (up 39% YoY), inpatient days (up 32% YoY), and bed occupancy rate (up 29% YoY).

Furthermore, EBITDA for the division increased by 45% YoY, reaching RM22.0 million. PBT stood significantly higher at RM7.7 million, from RM1.2 million in 9MFY2021.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	9M 2022	9M 2021	Changes	%
Number of inpatient	17,217	12,418	4,799	39%
Number of outpatient	141,864	139,670	2,194	2%
Inpatient days	48,199	36,525	11,674	32%
Occupancy rate (%)	45%	35%	10%	29%
Average length of stay (day)	2.80	2.65	0.15	6%
Number of bed	308	312	(4)	-1%
Average revenue per inpatient (RM)	8,597	9,132	(535)	-6%

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

Individual quarter - Q3 2022 versus Q2 2022

	Q3 2022	Q2 2022	Changes	%
	RM'000	RM'000	RM'000	
REVENUE				
Plantation	75,148	97,204	(22,056)	-23%
Healthcare	78,140	62,150	15,990	26%
Total revenue	153,288	159,354	(6,066)	-4%
Plantation	7,819	34,498	(26,679)	-77%
Healthcare	12,879	2,573	10,306	401%
Investment holding and others	(8,284)	(7,507)	(777)	-10%
EBITDA	12,414	29,564	(17,150)	-58%
Depreciation & amortisation	(20,192)	(19,510)	(682)	-3%
Profit from al-Mudharabah	459	661	(202)	-31%
Finance costs	(5,053)	(6,065)	1,012	17%
(Loss)/profit before tax	(12,372)	4,650	(17,022)	-366%

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

Individual quarter - Q3 2022 versus Q2 2022 (cont'd.)

The Group's revenue for the three months ended 30 September 2022 was lower by 4% compared to the immediate preceding quarter mainly due to lower revenue at Plantation Division by 23% and an increase in Healthcare Division by 26% as compared to immediate preceding quarter.

The Group recorded lower LBT of RM12.4 million during the quarter, compared to PBT of RM4.7 million in the immediate preceding quarter.

PLANTATION DIVISION

During the quarter, our Plantation Division registered lower EBITDA of RM7.8 million, compared to RM34.5 million in the immediate preceding quarter.

The Plantation Division recorded lower revenue by 23% mainly due to lower CPO and PK average price by 34% and 28% respectively. The decrease in revenue also driven by decrease in OER and KER by 4% and 7% respectively as compared to immediate preceding quarter. However, there is increase in sales volume of CPO and PK by 25% and 25% respectively due to increase in FFB production and FFB purchased from outsider by 26% and 104% respectively.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q3 2022	Q2 2022	Changes	%
CPO sales volume (mt)	16,390	13,074	3,316	25%
PK sales volume (mt)	3,907	3,129	778	25%
FFB production (mt)	75,391	59,710	15,681	26%
CPO average price (RM)	4,194	6,402	(2,208)	-34%
PK average price (RM)	2,586	3,606	(1,020)	-28%
Mature area (hectare)	25,404	25,404	-	0%
Immature area (hectare)	7,976	7,976	-	0%
Oil extraction rate (%)	19.11%	19.88%	-0.77%	-4%
Kernel extraction rate (%)	4.21%	4.54%	-0.33%	-7%

HEALTHCARE DIVISION

During the quarter, our Healthcare Division registered an EBITDA of RM12.9 million, compared to RM2.6 million in the immediate preceding quarter.

Healthcare Division recorded 26% increased in revenue mainly due to the increase in the number of inpatient and outpatient by 22% and 15% respectively, compared to the immediate preceding quarter. In addition, there is an increase in occupancy rate and inpatient days by 30% and 26% respectively as compared to the immediate preceding quarter. Moreover, there is an increase in average revenue per inpatient by 6%.

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

Individual quarter - Q3 2022 versus Q2 2022 (cont'd.)

HEALTHCARE DIVISION (cont'd.)

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q3 2022	Q2 2022	Changes	%
Number of inpatient	6,824	5,609	1,215	22%
Number of outpatient	51,633	44,708	6,925	15%
Inpatient days	19,677	15,665	4,012	26%
Occupancy rate (%)	56%	43%	13%	30%
Average length of stay (day)	2.88	2.79	0.09	3%
Number of bed	308	318	(10)	-3%
Average revenue per inpatient (RM)	8,725	8,233	492	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

Malaysia Plantation Division

Malaysian benchmark CPO active month prices averaged RM5,069/mt year-to-date November 2022, still 22% higher against 2021 full year average of RM4,149/mt. 1HFY2022 gain are erased in the 2HFY2022 as prices went below 2021 levels from September on external markets drivers and seasonally higher palm

Palm oil prices have significantly recovered from the low of RM3,200 levels traded during September 2022 to RM4,000 levels traded during November 2022. Palm oil prices stabilized on rising global consumption, record exports and declining Indonesian stocks as well as ongoing labour shortage and crop losses in Malaysia. Recent relatively firmer prices of soya oil and sunflower oil also provide support to palm oil. Physical spot-month CPO is currently being traded at RM3,900 to RM4,200 levels and PK at RM2,100 to RM2,200 levels.

Arrivals of migrant plantation workers into Malaysia is relatively slow and many plantation companies in Malaysia are still facing shortage of workers especially the much-needed skilled harvesters as the peak crop season is ending. This may magnify the potential crop losses in Malaysia this year. Malaysia 2022 CPO production is estimated at best to be 18.1 million tonnes, similar to the previous year CPO production of 18.12 million tonnes.

Indonesian palm oil exports have been very strong, which is pushing Malaysian palm oil stocks towards 3 million tonnes. As at end September, Malaysian stocks climbed to 3-year high of 2.32 million tonnes as reported by the Malaysia Palm Oil Board on 11 October 2022, whereas Indonesian stocks forecast to return to normal level of around 4 million tonnes in October, down from 9 million tonnes in July.

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.)

The outlook for 4th quarter and Year 2023

Latest Federal Reserve's policy meeting indicates the pace of interest rate hikes by U.S Central Bank will soon be moderated. Bearish economy and ample edible oil global supply outlook for next year will continue to weigh on palm oil prices. However, the existing large discount of palm oil over other edible oils particularly soya bean oil will provide strong support to palm oil.

Next year will see higher edible oil productions. Global palm oil production expected to add another 3 million tonnes while 17 oils and fats global production forecast to increase by 7 million tonnes.

Attention remain focused on developments around Indonesian export policies, Malaysia's migrant worker arrivals, and the potential wet weather impacts on peak palm oil production season. Other external factors to look for is the soyabean sowing progress in South America and harvesting in the US, continuing tension in the Black Sea, demand recovery from China and the US Federal Reserve 's interest rate hike in November.

Divestment of Indonesia Plantation Division

The Conditional Share Purchase Agreement (CSPA) was signed between TDM and Ikhasas Sawit Sdn Bhd on the 29th July 2022 for the disposal of PT Rafi Kamajaya Abadi (PT RKA) and PT Sawit Rezki Abadi (PT SRA) for a total consideration of RM115 million. PT RKA is fully operated by PT Ikhasas Sawit Indo Makmur through a management services arrangement started on 1 August 2022.

Healthcare Division

The Group has recorded an all-time-high performance year-to-date after completing the Q3FY2022. The momentum is expected to continue throughout Q4FY2022 which simultaneously will surpass the pre-pandemic level results. However, Q4FY2022 is facing with few factors that might dampen the eventual growth. Inflation is expected to put pressure on the economy which may lead to higher healthcare costs and eroding profit margin. Equally possible risk is the continued contraction of Ringgit against US Dollar resulting to the same affects. Imported drug prices are anticipated to revise upwards at end of year.

The forecasted higher than average rainfall and possible flood situation may affect the Group performance as its major hospitals are located along East Coast line.

The Group continues to focus on operational efficiency to cushion off the eroding margin and minimize costs past-through to patients in order to maintain the affordability.

Expansion of healthcare services is regarded as the Group key growth factor such as the new Eye Centre at KMI Kuantan which starts to contribute positively to the Group.

Cathlab services at KMI Kuala Terengganu has recorded double growth performance and is expected to continue its momentum as well as benefiting from the Government outsourcing arrangement. Several other services expansion and enhancement are currently being focused for implementation to maximize the revenue generation.

Initiatives through inorganic growth are actively undertaken to enlarged revenue base and Group's profitability level.

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 Division (cont'd.)

The Group's expansion through greenfield hospitals are progressing well with respective developer partners and expected to conclude during Q4FY2023.

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

Not applicable.

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

There was no profit guarantee issued for the quarter ended 30 September 2022.

18. Profit for the period

	Current period to date	
	30-Sep-22 RM'000	30-Sep-21 RM'000
The following amounts have been included in arriving at profit before tax:		
Finance costs	17,703	17,887
Depreciation of property, plant and equipment	46,766	45,933
Amortisation of intangible asset	643	643
Amortisation of right-of-use assets	8,024	7,244
Amortisation of contract assets	2,209	2,127
Property, plant and equipment written off - Continuing	30	11
Inventories written off - Continuing	60	40
Expected credit losses of trade receivables	626	1,026
Expected credit losses of other receivables - Continuing	-	5
Loss on disposal of property, plant and equipment	-	9
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	2,635	1,247
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(401)	(241)
Hibah income - Discontinued	(4)	(17)
Profit from al-Mudharabah	(1,863)	(1,582)
Dividend income	-	(1,444)
Impairment of right-of-use assets - Discontinued	812	-
Impairment of property, plant and equipment		
- Discontinued	3,245	-
- Continuing	79	756
Provision for retirement benefit obligations	394	308
Fair value changes in biological assets		
- Continuing	520	(6,232)
	520	(6,232)

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 Quarter		Current period to date	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Current income tax	(92)	4,137	9,285	8,332
(Over)/Under provision of income tax in prior period	(711)	2	(711)	18
	<u>(803)</u>	<u>4,139</u>	<u>8,574</u>	<u>8,350</u>
Deferred tax:				
Relating to reversal of and origination temporary differences	(2,068)	1,549	(1,884)	380
Underprovision of deferred tax in prior period	2	15	485	14
Income tax (benefit)/expenses	<u>(2,869)</u>	<u>5,703</u>	<u>7,175</u>	<u>8,744</u>

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 30-Sep-22	As at 31-Dec-21
	RM'000	RM'000
Assets:		
Property, plant and equipment	67,349	67,517
Right-of-use assets	16,933	17,123
Trade receivables	-	136
Other receivables	21,361	19,951
Prepayment	146	14
Biological assets	462	444
Inventories	98	42
Cash and bank balances	147	439
Assets held for sale	<u>106,496</u>	<u>105,666</u>
Liabilities:		
Other payables	(10,247)	(9,192)
Retirement benefit obligations	(1,209)	(1,161)
Tax payable	(27)	(59)
Liabilities directly associated with assets held for sale	<u>(11,483)</u>	<u>(10,412)</u>
Net assets directly associated with disposal group	<u>95,013</u>	<u>95,254</u>

20. Discontinued operation and disposal group classified as held for sale (cont'd.)

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

	Current period to date	
	30-Sep-22 RM'000	30-Sep-21 RM'000
Revenue	3,337	4,360
Cost of sales	(5,538)	(4,858)
Gross loss	<u>(2,201)</u>	<u>(498)</u>
Hibah income	4	17
Other income	26	-
Administrative expenses	(1,801)	(542)
Other expenses *	(4,057)	-
Loss before tax	<u>(8,029)</u>	<u>(1,023)</u>
Income tax expense	-	-
Loss for the period from discontinued operations, net of tax	<u>(8,029)</u>	<u>(1,023)</u>

* Included in other expenses are impairment of property, plant and equipments and right-of-use assets amounting to RM4.1mil.

21. Corporate proposals

(i) Transactions (Chapter 10 of the Listing Requirements): Non-Related Party Transactions

TDM Berhad ("TDM" or the "Company") proposed disposal by TDM and a Minority Shareholder of their entire equity interests in PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") (Disposal Companies) to Ikkhasas Sawit Sdn Bhd for an aggregate cash consideration of RM115 million ("proposed disposal")

On 29 July 2022, in relation to the announcement made on 21 March 2022, Affin Hwang Investment Bank Berhad on behalf of the Board of Directors of TDM had announced that TDM and the Minority Shareholder had entered into the following with Ikkhasas Sawit Sdn Bhd, a party nominated by Ikkhasas CPO Sdn Bhd:

- (i) a conditional sale and purchase agreement for the disposal of 100% of the equity interest in PT RKA for a total cash consideration of RM110.00 million; and
- (ii) a conditional sale and purchase agreement for the disposal of 100% of the equity interest in PT SRA for a total cash consideration of RM5.00 million.

On 4 August 2022, TDM Berhad had replied the queries from Bursa which emailed by Bursa on 3 August 2022. The queries are related to the additional information pertaining to the disposal of PT RKA & PT SRA.

21. Corporate proposals (cont'd.)

(ii) Transactions (Chapter 10 of the Listing Requirements): Recurrent Party Transactions

TDM Berhad - Purchase of fertiliser of Compound 38 and Compound 33 from East Coast Fertilizer Sdn. Bhd. ("ECFSB") By TDM Plantation Sdn. Bhd.

On 12th September 2022, ECFSB had submitted the letter of acceptances of the appointment to supply 1,120 MT fertilizer Compound 38 (10/5/20/3+5%Micro) at the price of RM2,680.00 per MT and of 3,880 MT fertilizer Compound 33 (10/5/18+0.5%B2O3) at the price of RM2,545.00 per MT.

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 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
Trade receivables - nominal amounts	4,558	3,869
Less: Allowance for expected credit losses	(3,610)	(2,984)
	948	885

	Group	
	As at 30-Sep-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	626	96
Reversal of expected credit losses	-	(168)
Written off	-	(2,719)
At 30 September/ 31 December	3,610	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 30 September 2022 and 31 December 2021 are as follows:

As at 30 September 2022

	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
Bank loans	359,056	58,077	417,133
Bank overdraft	14,670	-	14,670
Obligation under hire purchase	8,141	2,087	10,228
	381,867	60,164	442,031
Unsecured			
Bank loans	27,080	-	27,080
	408,947	60,164	469,111

As at 31 December 2021

	Long term	Short term	Total borrowings
	RM'000	RM'000	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 30 September 2022.

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

a) 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

- 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;
- 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.

APPEAL:

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.

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.

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;
- 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. 11 July 2022 for the parties to file its submission of the case;
- ix. 25 July 2022 for the decision of the case; and
- x. 8 August 2022 for the decision of the case.

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

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

The Court of Sintang had on 8 August 2022 delivered its decision on the case as follows:

- i. The Court rejected the Plaintiff's claims on the followings:
 - a. For the Defendant to stop all its activities on the affected land area until the full and final disposal of the case; and
 - b. For the Defendant to pay compensation of IDR50,000 for every affected oil palm tree.
- ii. The Court rejected the Defendant's Exception against the Plaintiff claims.
- iii. The Court allow part of the Plaintiff's claims
- iv. The Court is of the view that the Plaintiff's claims is based on the 'strict liability' principle.
- v. The Defendant is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- vi. The Defendant is to pay a compensation of IDR270,807,710,959 (Approximately RM81,242,313) for the environmental loss to the National Account of Indonesia as per the claim by the Plaintiff.
- vii. The Defendant is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of IDR646,216,640,000 (Approximately RM193,864,992) as per the claim by the Plaintiff.
- viii. The Court rejected the rest of the Plaintiff's claims against the Defendant.
- ix. The Court rejected the Defendant's counterclaims against the Plaintiff.
- x. The Defendant to bear the cost of IDR2,519,000 (Approximately RM756)

Pursuant to the Conditional Sale & Purchase Agreement and the Management Services Agreement both dated 29 July 2022, PTRKA is now managed by PT Ikhasas Indo Makmur.

PT Ikhasas Indo Makmur has appointed a legal counsel to represent PTRKA in its appeal against the above decision.

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.

The new counsel Messrs. M. Tamsil Sjoekoer & Rekan has filed the Memori Banding for the appeal on 26 August 2022.

The counsel will update on the development of the appeal accordingly.

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

b) 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

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;
- v. 9 May 2022 for prosecution to file its reply to the defense;
- vi. 30 May 2022 for examination of the Prosecution's witnesses;
- vii. 18 July 2022 for continued examination of the Prosecution's witnesses;
- viii. 8 August 2022 for continued examination of the Prosecution's expert witnesses; and
- ix. 29 August 2022 for the Prosecutor to state their 'Tuntutan' to the Court.

Pursuant to the Conditional Sale & Purchase Agreement and the Management Services Agreement both dated 29 July 2022, PTRKA is now managed by PT Ikhasas Indo Makmur.

PT Ikhasas Indo Makmur has appointed a new legal counsel Messrs. M Tamsil Sjoekoer & Rekan to represent PTRKA in its appeal against the above decision.

The Court of Sintang had on 10 October 2022 imposed a penalty of IDR2,000,000,000.00 (approximately RM606,206.00) under Article 99(1) of Laws No. 32 year 2009 on Environmental Protection and Management and a cost of IDR5000.00 (approximately RM1.50).

The counsel has notified the Court on the intention of PTRKA to appeal against the above decision.

The Memori Banding will be filed in due course.

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.

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

c) 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

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 Court has fixed new date for case management of the case on:

- i. 7 December 2022;
- ii. 4 January 2023; and
- iii. 5 January 2023.

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. (Loss)/profit per share

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Quarter Ended	Current Quarter To date	Preceding Quarter To date
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit net of tax attributable to owners of the parent used in the computation of basic loss per share	(14,167)	13,304	(3,886)	5,618
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	5,471	226	7,534	800
(Loss)/profit net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	(8,696)	13,530	3,648	6,418
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	number of	number of	number of	number of
	ordinary	ordinary	ordinary	ordinary
	shares	shares	shares	shares
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,722,881	1,722,881	1,722,881
(Loss)/profit per share attributable to owners of the parent (sen per share):				
Basic (loss)/profit per share (sen per share)	(0.82)	0.78	(0.23)	0.32
- continuing operations	(0.50)	0.79	0.21	0.37
- discontinued operation	(0.32)	(0.01)	(0.44)	(0.05)

27. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2022.

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary
Kuala Terengganu
29 November 2022