



TDM BERHAD

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

INTERIM FINANCIAL STATEMENTS
30 JUNE 2023



TDM BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-23 RM'000	Preceding Quarter Ended 30-Jun-22 RM'000	Current Quarter To date 30-Jun-23 RM'000	Preceding Quarter To date 30-Jun-22 RM'000
Continuing operations				
Revenue	129,263	159,354	260,358	303,025
Cost of sales	(87,387)	(97,888)	(185,615)	(179,402)
Gross profit	41,876	61,466	74,743	123,623
Other items of income				
Interest income	488	661	998	1,404
Other income	2,399	4,235	5,234	7,062
Other items of expense				
Distribution costs	(1,135)	(1,107)	(2,190)	(2,215)
Administrative expenses	(45,507)	(53,359)	(89,494)	(92,990)
Other expenses	(1,028)	(1,181)	(3,643)	(2,615)
Finance costs	(6,585)	(6,065)	(12,666)	(12,650)
(Loss)/profit before tax	(9,492)	4,650	(27,018)	21,619
Income tax benefit/(expense)	326	(3,516)	1,798	(10,044)
(Loss)/profit for the financial period from continuing operations	(9,166)	1,134	(25,220)	11,575
Discontinued operation				
Loss for the financial period from discontinued operation	(11,837)	(1,410)	(17,865)	(2,237)
(Loss)/profit for the financial period	(21,003)	(276)	(43,085)	9,338
Other comprehensive income:				
Foreign currency translation	8,646	612	10,085	372
Fair value movement of investments in securities	4	(1)	2	-
Other comprehensive income for the financial period	8,650	611	10,087	372
Total other comprehensive (loss)/income for the financial period	(12,353)	335	(32,998)	9,710



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023**

(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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to:				
Owners of the parent	(19,624)	571	(40,742)	10,281
Non-controlling interests	(1,379)	(847)	(2,343)	(943)
	(21,003)	(276)	(43,085)	9,338
Total comprehensive (loss)/profit attributable to:				
Owners of the parent	(11,573)	1,129	(31,282)	10,595
Non-controlling interests	(780)	(794)	(1,716)	(885)
	(12,353)	335	(32,998)	9,710
(Loss)/earning per share attributable to owner of the parent (sen per share):				
Basic (Note 26)	(1.14)	0.03	(2.36)	0.60

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 JUNE 2023**

(The figures have not been audited)

	As at 30-Jun-23 RM'000	As at 31-Dec-22 RM'000
Assets		
Non-current assets		
Property, plant and equipment	812,325	818,689
Right-of-use assets	474,681	476,133
Intangible asset	2,461	2,890
Goodwill	6,520	6,520
Other investments	27,657	27,657
Investments in securities	39	37
Other receivables	347	308
Deferred tax assets	948	958
	1,324,978	1,333,192
Current assets		
Biological assets	3,452	3,346
Inventories	27,403	35,877
Trade and other receivables	60,257	62,828
Contract costs asset	572	1,881
Prepayments	3,531	5,419
Tax recoverable	13,471	13,600
Cash and bank balances	112,634	107,184
Assets of disposal group classified as held for sale	102,124	102,124
	323,444	332,259
Total assets	1,648,422	1,665,451
Current liabilities		
Retirement benefit obligations	347	546
Lease liabilities	2,027	930
Loans and borrowings	82,031	78,823
Trade and other payables	215,757	200,798
Income tax payable	1,546	6,793
Liabilities of disposal group classified as held for sale	55,543	48,365
	357,251	336,255
Net current liabilities	(33,807)	(3,996)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

(The figures have not been audited)

	As at 30-Jun-23 RM'000	As at 31-Dec-22 RM'000
Non-current liabilities		
Retirement benefit obligations	5,599	5,178
Lease liabilities	69,605	66,782
Loans and borrowings	395,614	405,248
Other payables	11,275	5,681
Deferred tax liabilities	185,186	189,417
	667,279	672,306
Total liabilities	1,024,530	1,008,561
Net assets	623,892	656,890
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	289,882	330,624
Other reserves	23,163	23,161
Reserves of a disposal group held for sale	(18,521)	(27,979)
	653,969	685,251
Non-controlling interests	(30,077)	(28,361)
Total equity	623,892	656,890
Total equity and liabilities	1,648,422	1,665,451
Net assets per share (RM)	0.36	0.38

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)



(Company No 196501000477 (6265-P))
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023**
(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 2023	656,890	685,251	359,445	330,624	23,161	22,898	294	(31)	(27,979)	(28,361)
Loss for the financial period	(43,085)	(40,742)	-	(40,742)	-	-	-	-	-	(2,343)
Other comprehensive (loss)/income										
Foreign currency translation	10,085	9,458	-	-	-	-	-	-	9,458	627
Fair value movement of investment in securities	2	2	-	-	2	2	-	-	-	-
Other comprehensive income for the financial period	10,087	9,460	-	-	2	2	-	-	9,458	627
Total comprehensive (loss)/income for the financial period	(32,998)	(31,282)	-	(40,742)	2	2	-	-	9,458	(1,716)
Closing balance at 30 June 2023	623,892	653,969	359,445	289,882	23,163	22,900	294	(31)	(18,521)	(30,077)
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/(loss) for the financial period	9,338	10,281	-	10,281	-	-	-	-	-	(943)
Other comprehensive income/(loss)										
Foreign currency translation	372	921	-	-	-	-	-	-	921	(549)
Other comprehensive income for the financial period	372	921	-	-	-	-	-	-	921	(549)
Total comprehensive income/(loss) for the financial period	9,710	11,202	-	10,281	-	-	-	-	921	(1,492)
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 June 2022	712,458	737,312	359,445	369,313	36,035	36,303	(237)	(31)	(27,481)	(24,854)

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

**TDM BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	Period Ended	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
Operating activities		
(Loss)/profit before tax from continuing operations	(27,018)	21,619
Loss before tax from discontinued operation	(17,865)	(2,237)
	<u>(44,883)</u>	<u>19,382</u>
<u>Adjustments for:</u>		
Interest expense	12,666	12,650
Depreciation of property, plant and equipment	31,852	30,346
Amortisation of intangible asset	429	429
Amortisation of right-of-use assets	6,090	5,202
Amortisation of contract costs assets	1,309	1,473
Property, plant and equipment written off	2,478	19
Inventories written off - Continuing	54	41
Expected credit losses of trade receivables	1,037	612
Expected credit losses of other receivables	115	-
Impairment of right-of-use assets		
- Discontinued	3,419	165
Impairment of property, plant and equipment		
- Continuing	-	28
- Discontinued	13,892	657
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	828	2,265
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(353)	(223)
Provision for retirement benefit obligations		
- Continuing	250	179
Profit from al-Mudharabah	(998)	(1,404)
Fair value changes of biological assets		
- Continuing	(106)	(2,653)
Hibah income - Discontinued	-	(3)
Total adjustments	<u>72,962</u>	<u>49,783</u>
Operating cash flows before changes in working capital	<u>28,079</u>	<u>69,165</u>
<u>Changes in working capital</u>		
Inventories	8,420	(9,868)
Receivables	1,772	(3,755)
Payables	33,827	13,997
Prepayment	1,888	689
Total changes in working capital	<u>45,907</u>	<u>1,063</u>
Cash flows from operations	<u>73,986</u>	<u>70,228</u>



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	Period Ended	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
Operating activities (cont'd.)		
Interest paid	(12,666)	(12,650)
Profit from al-Mudharabah received	998	1,404
Hibah received - Discontinued	-	3
Taxes paid	(11,751)	(11,983)
Taxes refund	1,417	-
Retirement benefits paid	(28)	(320)
Net cash flows from operating activities	<u>51,956</u>	<u>46,682</u>
Investing activities		
Purchase of property, plant and equipment	(26,907)	(35,479)
Acquisition of right-of-use assets	(4,638)	(5,809)
Withdrawal of deposits with licensed banks	-	10,398
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(498)	(342)
Net cash flows used in investing activities	<u>(32,043)</u>	<u>(31,232)</u>
Financing activities		
Drawdowns of term loans	19,204	9,930
Repayments of term loans	(23,308)	(17,517)
Repayments of hire purchase facilities	(2,322)	(2,029)
Repayment of finance lease	(2,947)	(2,724)
Dividend paid to shareholder	(2,929)	(5,262)
Net proceeds from advances received	(2,398)	(33,354)
Net cash flows used in financing activities	<u>(14,700)</u>	<u>(50,956)</u>
Net increase/(decrease) in cash and cash equivalents	5,213	(35,506)
Cash and cash equivalents at 1 January	69,770	147,635
Effect of foreign exchange rate changes	(27)	(209)
Cash and cash equivalents at end of the period	<u>74,956</u>	<u>111,920</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	112,634	148,689
- Discontinued operation	400	422
Less: Deposits pledged for bank guarantee facility and Finance Service Reserve Account	(38,078)	(37,186)
Less: Deposits with maturity period more than 3 months	-	(5)
Cash and cash equivalents	<u>74,956</u>	<u>111,920</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)



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Explanatory Notes Pursuant to MFRS 134

Notes:

1. Accounting policies and basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, IAS 34 Interim Financial Reporting, provision of the Companies Act 2016 in Malaysia and paragraph 9.22 of the 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 2022. These explanatory notes attached to this 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 2022.

The interim financial statements of the Group for the financial period ended 30 June 2023 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 2022.

1.1 Changes in accounting policies

On 1 January 2023, the Group adopted the following new and amended MFRSs mandatory for annual periods beginning on or after 1 January 2023.

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	1 January 2023
Amendments to MFRS 101 Classification of liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above standards will not have any significant effect on the financial statements of the Group.

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 16 Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101 Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
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

The directors expect that the adoption of the above standards will not have a material impact on the financial statements in the period of initial application.

2. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2022 were reported without any qualification.

3. Seasonal or cyclical factors

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

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

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 30 June 2023.

5. Nature and amount of changes in estimates of amounts reported in prior periods of the current financial year, which give a material effect in the current period

There were no changes in estimates of amounts, which give a material effect in the current period.

6. Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

7. Dividends paid

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

8. Segmental reporting

The segments are reported in a manner that is more consistent with internal reporting 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 June 2023

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operation RM'000
Total revenue	57,947	72,283	-	130,230	-
Intersegment revenue	(694)	(273)	-	(967)	-
External revenue	57,253	72,010	-	129,263	-
EBITDA	13,605	8,255	(5,119)	16,741	(11,837)
Depreciation & amortisation	(14,020)	(4,678)	(1,438)	(20,136)	-
Profit from al-Mudharabah	176	65	247	488	-
Finance costs	(3,959)	(815)	(1,811)	(6,585)	-
(Loss)/profit before tax	(4,198)	2,827	(8,121)	(9,492)	(11,837)

3 months ended 30 June 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operation RM'000
Total revenue	98,962	60,262	-	159,224	1,317
Intersegment revenue	(1,758)	1,888	-	130	-
External revenue	97,204	62,150	-	159,354	1,317
EBITDA	34,498	2,573	(7,507)	29,564	(1,411)
Depreciation & amortisation	(14,001)	(4,125)	(1,384)	(19,510)	-
Profit from al-Mudharabah	450	56	155	661	-
Hibah income	-	-	-	-	1
Finance costs	(3,437)	(634)	(1,994)	(6,065)	-
Profit/(loss) before tax	17,510	(2,130)	(10,730)	4,650	(1,410)

8. Segmental reporting (cont'd.)

6 months ended 30 June 2023

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operation RM'000
Total revenue	111,628	150,523	-	262,151	-
Intersegment revenue	(1,252)	(541)	-	(1,793)	-
External revenue	110,376	149,982	-	260,358	-
EBITDA	13,916	20,058	(9,644)	24,330	(17,865)
Depreciation & amortisation	(27,376)	(9,309)	(2,995)	(39,680)	-
Profit from al-Mudharabah	394	114	490	998	-
Finance costs	(7,245)	(1,645)	(3,776)	(12,666)	-
(Loss)/profit before tax	(20,311)	9,218	(15,925)	(27,018)	(17,865)
30 June 2023					
Assets	1,051,068	261,503	233,727	1,546,298	102,124
Liabilities	675,328	125,556	168,103	968,987	55,543
Exchange rate ratio	MYR 1.00	IDR 3,195			

6 months ended 30 June 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operation RM'000
Total revenue	183,854	121,813	-	305,667	2,951
Intersegment revenue	(2,083)	(559)	-	(2,642)	-
External revenue	181,771	121,254	-	303,025	2,951
EBITDA	75,635	9,142	(14,462)	70,315	(2,240)
Depreciation & amortisation	(26,698)	(8,136)	(2,616)	(37,450)	-
Profit from al-Mudharabah	958	103	343	1,404	-
Hibah income	-	-	-	-	3
Finance costs	(6,874)	(1,297)	(4,479)	(12,650)	-
Profit/(loss) before tax	43,021	(188)	(21,214)	21,619	(2,237)
30 June 2022					
Assets	1,139,217	246,551	231,060	1,616,828	106,694
Liabilities	673,606	142,241	185,369	1,001,216	10,190
Exchange rate ratio	MYR 1.00	IDR 3,493			

9. Material subsequent event

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

10. Changes in the composition of the Group

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

11. 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.

12. Capital commitments

Capital commitments as at 30 June 2023 are as follows:

	RM'000
Authorised and contracted for	44,774
Authorised and not contracted for	236,455
	<hr/>
	281,229
	<hr/>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

13. Review of the performance of the Group, setting out material factors affecting the earnings and/or revenue of the Group for the current quarter and financial period to date

Individual quarter - Q2 2023 versus Q2 2022

	Q2 2023	Q2 2022	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	57,253	97,204	(39,951)	-41%
Healthcare	72,010	62,150	9,860	16%
Total revenue	129,263	159,354	(30,091)	-19%
Plantation	13,605	34,498	(20,893)	-61%
Healthcare	8,255	2,573	5,682	>100%
Investment holding and others	(5,119)	(7,507)	2,388	32%
EBITDA	16,741	29,564	(12,823)	-43%
Depreciation & amortisation	(20,136)	(19,510)	(626)	-3%
Profit from al-Mudharabah	488	661	(173)	-26%
Finance costs	(6,585)	(6,065)	(520)	-9%
(Loss)/profit before tax	(9,492)	4,650	(14,142)	>100%

The Group's revenue for the three months period ended 30 June 2023 decreased by 19% compared to the previous corresponding quarter mainly due to lower revenue recorded from Plantation Division by 41% or RM40.0 million but mitigated with higher revenue from Healthcare Division by RM9.9 million or an increase by 16%.

The Group recorded a Loss Before Tax ("LBT") of RM9.5 million during the quarter, a decrease of RM14.1 million as compared to the Profit Before Tax ("PBT") of RM4.7 million in the same quarter the previous year.

PLANTATION DIVISION

Our Plantation Division registered an EBITDA of RM13.6 million during the quarter, compared to RM34.5 million in the previous corresponding period. The division also reported a LBT of RM4.2 million during the quarter, compared to PBT of RM17.5 million in the corresponding quarter of 2022. Both EBITDA and PBT recorded a reduction of 61% and 124%, respectively.

The Plantation Division recorded lower revenue of 41% mainly due to lower of Crude Palm Oil ("CPO") and Palm Kernel ("PK") average prices by 38% and 40% respectively, as compared to previous corresponding quarter of 2022. The sales volume of CPO and PK also decrease by 1% and 1% respectively, as a result of lower Fresh Fruit Bunch ("FFB") production during this quarter by 2%. However, there was an improvement in Oil Extraction Rate ("OER") and Kernel Extraction Rate ("KER") by 1% and 4% to 20.16% and 4.73% respectively during this quarter.

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

Individual quarter - Q2 2023 versus Q2 2022

PLANTATION DIVISION (CONT'D.)

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q2 2023	Q2 2022	Changes	%
CPO sales volume (mt)	12,968	13,074	(106)	-1%
PK sales volume (mt)	3,113	3,129	(16)	-1%
FFB production (mt)	58,488	59,710	(1,222)	-2%
CPO average price (RM)	3,957	6,402	(2,445)	-38%
PK average price (RM)	2,158	3,606	(1,448)	-40%
Mature area (hectare)	23,624	25,404	(1,780)	-7%
Immature area (hectare)	4,907	7,976	(3,069)	-38%
Oil extraction rate (%)	20.16%	19.88%	0.28%	1%
Kernel extraction rate (%)	4.73%	4.54%	0.19%	4%

Note: In quarter 3 2022, an alignment exercise of total planted area was carry out to reflect better land utilisation analysis.

HEALTHCARE DIVISION

Our Healthcare Division continued showing strong performance with a higher revenue of 16%, from RM62.2 million to RM72.0 million during the quarter, compared to the previous corresponding quarter. This was primarily due to an increase in the number of inpatient by 3%, higher inpatient days, bed occupancy rate and average revenue per inpatient by 2%, 7% and 16% respectively. However, there is a decrease in the number of outpatient by 7%, compared to the previous corresponding quarter.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q2 2023	Q2 2022	Changes	%
Number of inpatient	5,784	5,614	170	3%
Number of outpatient	41,603	44,899	(3,296)	-7%
Inpatient days	16,051	15,665	386	2%
Occupancy rate (%)	58%	54%	4%	7%
Average length of stay (day)	2.78	2.79	(0.01)	0%
Number of bed	306	318	(12)	-4%
Average revenue per inpatient (RM)	9,509	8,231	1,278	16%

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

Cumulative quarter - 1H 2023 versus 1H 2022

	1H 2023 RM'000	1H 2022 RM'000	Changes RM'000	%
REVENUE				
Plantation	110,376	181,771	(71,395)	-39%
Healthcare	149,982	121,254	28,728	24%
Total revenue	260,358	303,025	(42,667)	-14%
Plantation	13,916	75,635	(61,719)	-82%
Healthcare	20,058	9,142	10,916	>100%
Investment holding and others	(9,644)	(14,462)	4,818	33%
EBITDA	24,330	70,315	(45,985)	-65%
Depreciation & amortisation	(39,680)	(37,450)	(2,230)	-6%
Profit from al-Mudharabah	998	1,404	(406)	-29%
Finance costs	(12,666)	(12,650)	(16)	0%
(Loss)/profit before tax	(27,018)	21,619	(48,637)	->100%

The Group's revenue for the six months ended 30 June 2023 recorded a decrease of 14% compared to the previous corresponding quarter due to the lower in revenue from Plantation Division by RM71.4 million, a decrease of 39% and partly offset with an increase in revenue from Healthcare Division by RM28.7 million, an increment of 24%.

The Group recorded a LBT of RM27.0 million during the quarter, compared to a PBT of RM21.6 million in the previous corresponding quarter.

PLANTATION DIVISION

The Plantation Division recorded a lower revenue of 39% mainly due to lower CPO and PK average prices which decreased by 35% and 48%, respectively. The lower revenue was also due to decrease in CPO and PK sales volume by 1% and 12% respectively, driven by lower FFB production by 7%. However, this was partly offset by an improvement in OER by 2%.

The division registered an EBITDA of RM13.9 million, lowered by RM61.7 million recorded in the previous period. The Plantation also recorded a LBT of RM20.3 million in 1H FY2023 compared to a PBT of RM43.0 million in the previous corresponding period.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	1H 2023	1H 2022	Changes	%
CPO sales volume (mt)	24,678	25,018	(340)	-1%
PK sales volume (mt)	5,809	6,610	(801)	-12%
FFB production (mt)	112,346	120,531	(8,185)	-7%
CPO average price (RM)	4,028	6,164	(2,136)	-35%
PK average price (RM)	2,184	4,238	(2,054)	-48%
Mature area (hectare)	23,624	25,404	(1,780)	-7%
Immature area (hectare)	4,907	7,976	(3,069)	-38%
Oil extraction rate (%)	19.71%	19.34%	0.37%	2%
Kernel extraction rate (%)	4.70%	4.77%	-0.07%	-1%

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

Cumulative quarter - 1H 2023 versus 1H 2022 (cont'd.)

HEALTHCARE DIVISION

For the quarter under review, revenue came in stronger by 24% at RM150.0 million, as compared to RM121.3 million from the previous corresponding period. The top-line growth was attributed to a higher number of inpatient (up 19% YoY), inpatient days (up 23% YoY), bed occupancy rate (up 26% YoY) and average revenue per inpatient (up 9% YoY) respectively.

Furthermore, EBITDA for the division has increased to 2.2 times from the previous corresponding period, reaching RM20.1 million. PBT stood significantly higher at RM9.2 million, from LBT of RM0.2 million in 1H FY2022.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	1H 2023	1H 2022	Changes	%
Number of inpatient	12,345	10,393	1,952	19%
Number of outpatient	86,859	90,231	(3,372)	-4%
Inpatient days	35,012	28,522	6,490	23%
Occupancy rate (%)	63%	50%	13%	26%
Average length of stay (day)	2.84	2.75	0.09	3%
Number of bed	306	318	(12)	-4%
Average revenue per inpatient (RM)	9,256	8,512	744	9%

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

Individual quarter - Q2 2023 versus Q1 2023

	Q2 2023	Q1 2023	Changes	%
	RM'000	RM'000	RM'000	
REVENUE				
Plantation	57,253	53,123	4,130	8%
Healthcare	72,010	77,972	(5,962)	-8%
Total revenue	129,263	131,095	(1,832)	-1%
Plantation	13,605	311	13,294	>100%
Healthcare	8,255	11,803	(3,548)	-30%
Investment holding and others	(5,119)	(4,525)	(594)	-13%
EBITDA	16,741	7,589	9,152	>100%
Depreciation & amortisation	(20,136)	(19,544)	(592)	-3%
Profit from al-Mudharabah	488	510	(22)	-4%
Finance costs	(6,585)	(6,081)	(504)	-8%
Loss before tax	(9,492)	(17,526)	8,034	46%

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

Individual quarter - Q2 2023 versus Q1 2023 (cont'd.)

The Group's revenue for the three months ended 30 June 2023 was lower by 1% as compared to the immediate preceding quarter mainly due to lower revenue at Healthcare Division by 8% and mitigated by a higher in revenue of Plantation Division by 8%.

The Group recorded an improvement of LBT to RM9.5 million during the quarter from a LBT of RM17.5 million in the preceding quarter.

PLANTATION DIVISION

The Plantation Division recorded a higher revenue by 8% mainly due to higher sales volume of CPO and PK by 11% and 15%, driven by an increase in FFB production by 9% as well as higher Outside Crop Purchase ("OCP"). The increase in revenue was also contributed by increase in OER and KER by 5% and 1% respectively. However, there is a decrease in CPO and PK average price by 4% and 3% respectively, as compared to the immediate preceding quarter.

During the quarter, our Plantation Division registered an EBITDA of RM13.6 million, a higher of 43.7 times as compared to RM0.3 million in the immediate preceding quarter.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q2 2023	Q1 2023	Changes	%
CPO sales volume (mt)	12,968	11,710	1,258	11%
PK sales volume (mt)	3,113	2,696	417	15%
FFB production (mt)	58,488	53,858	4,630	9%
CPO average price (RM)	3,957	4,107	(150)	-4%
PK average price (RM)	2,158	2,214	(56)	-3%
Mature area (hectare)	23,624	23,624	-	0%
Immature area (hectare)	4,907	4,907	-	0%
Oil extraction rate (%)	20.16%	19.15%	1.01%	5%
Kernel extraction rate (%)	4.73%	4.67%	0.06%	1%

HEALTHCARE DIVISION

Healthcare Division recorded 8% decreased in revenue mainly due to the decrease in number of inpatient and outpatient by 12% and 8% respectively, compared to the immediate preceding quarter. Decrease in revenue also mainly due to decrease in inpatient days and occupancy rate by 15% and 16% respectively. However, there was an increase in average revenue per inpatient by 5%, as compared to the immediate preceding quarter.

During the quarter, our Healthcare Division registered an EBITDA of RM8.3 million, compared to RM11.8 million in the immediate preceding quarter.

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

Individual quarter - Q2 2023 versus Q1 2023 (cont'd.)

HEALTHCARE DIVISION (cont'd.)

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q2 2023	Q1 2023	Changes	%
Number of inpatient	5,784	6,561	(777)	-12%
Number of outpatient	41,603	45,256	(3,653)	-8%
Inpatient days	16,051	18,961	(2,910)	-15%
Occupancy rate (%)	58%	69%	-11%	-16%
Average length of stay (day)	2.78	2.89	(0.11)	-4%
Number of bed	306	306	-	0%
Average revenue per inpatient (RM)	9,509	9,033	476	5%

15. 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

Palm Oil rallied to a three-month high during early July 2023, driven by a jump in soybean oil prices after the US government announced lower soybean planted areas for this year. Palm is entering peak production cycle and inventory level is still on ascending trend; external factors, however, continue to provide good supports to CPO price at current level. Recent Russian attacks on Ukraine ports and grain storage facilities, extreme weather condition (arrival of El Nino), drought conditions in some parts of the US Midwest affecting soy crop progress and condition, smaller than estimate US soy planting acreage by almost 4 million acres from last year's planted area, supportive crude oil prices, and multiple rate cuts from People's Bank of China were among the main supporting factors for palm in near term.

The outlook for 3rd quarter and second half of 2023

Palm oil exports is recovering in 2H of FY2023, supported by increase in shipments to India and China, as well as to Africa and Middle East. Major buyers are taking advantage of relatively weaker Ringgit and relative discounts of palm against other competing edible oils. Indonesia's plan for full implementation of B35 biofuel program starting 1 August 2023 and recent Saudi and Russia's agreement to extend voluntary crude oil output cuts of 1 million and 500 thousand barrel-per-day respectively by another 1 month will add supports to palm oil. Immediate The Bursa Malaysia Derivatives Exchange support level is at RM4,000-RM3,900 and likely to trade within the ascending wedge.

15. 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 3rd quarter and second half of 2023 (cont'd.)

El Nino, global weather condition, US GDP growth, China stimulus program, Russia-Ukraine War (Black Sea export program extension), India monsoon and domestic oilseed production and edible oil import tariff policy are some of the factors to watch during 2H of FY2023.

To cushion the potential downside of price movements, the company will continue to focus on cost rationalization and securing higher Certified Sustainable Palm Oil ("CSPO") and Certified Sustainable Palm Kernel ("CSPK") sales to capture higher CSPO and CSPK premiums for 2H of FY2023.

Divestment of Indonesia Plantation Division

The Conditional Share Purchase Agreement ("CSPA") for the disposal of PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") was signed between TDM and Ikkhasas Sawit Sdn. Bhd. on the 29 July 2022. PT RKA continues to be fully managed by PT Ikkhasas Sawit Indo Makmur through a management services arrangement starting 1 August 2022.

The Conditions Precedent are being fulfilled as at Initial Stop Date of 1 August 2023 and as per the CSPA, the disposal process is extended to Long Stop Date of additional 1-year to 1 August 2024.

Healthcare Division

The Group expects its growth trajectory will continue throughout the 2H of FY2023 based on the better performance recorded during the 1H of FY2023. Organic expansionary strategy through the enhancement of existing services coupled with the introduction of new ones will reinforce the revenue growth towards achieving a new all-time high record this year. The Group anticipates its inorganic growth initiative, expected to complete in second half of the year, to positively contribute towards the overall Group performance.

However, there are still challenges facing the private healthcare service providers in the form of operational cost pressure, elevated inflationary rate and higher patient expectations which affect the overall profitability margin. The country shortages of nursing manpower is expected to last for a longer period before recovery point is eventually attained. Initiatives are currently undertaken inclusive of liaising with nursing colleges, upskilling existing nurses and considering scholarship program for potential nurses to minimize the impact of shortages to a manageable level.

The Group is currently exploring the establishment of International Patient Service centre in its efforts to drive patient growth and exploring opportunities in medical tourism sector. Expanding the Group's presence in strategically located areas to tap the growing demand from international patients will also forms part of its future planning.

16a. 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.

16b. Explanatory note for any shortfall in the profit guarantee

There was no profit guarantee issued for the quarter ended 30 June 2023.

17. (Loss)/profit for the period

	Current period to date	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
The following amounts have been included in arriving at (loss)/profit before tax:		
Interest expenses	12,666	12,650
Depreciation of property, plant and equipment	31,852	30,346
Amortisation of intangible asset	429	429
Amortisation of right-of-use assets	6,090	5,202
Amortisation of contract cost assets	1,309	1,473
Property, plant and equipment written off	2,478	19
Inventories written off	54	41
Expected credit losses of trade receivables	1,037	612
Expected credit losses of other receivables	115	-
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	828	2,265
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(353)	(223)
Hibah income - Discontinued	-	(3)
Profit from al-Mudharabah	(998)	(1,404)
Impairment of right-of-use assets - Discontinued	3,419	165
Impairment of property, plant and equipment		
- Continuing	-	28
- Discontinued	13,892	657
Provision for retirement benefit obligations		
- Continuing	250	179
Fair value changes of biological assets		
- Continuing	(106)	(2,653)
	(106)	(2,653)

18. 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-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Current income tax - continuing operations:	1,166	3,187	2,423	9,377
	<u>1,166</u>	<u>3,187</u>	<u>2,423</u>	<u>9,377</u>
Deferred income tax - continuing operations: Relating to origination and reversal of temporary differences	(4,309)	204	(7,742)	184
Underprovision of deferred tax in prior periods	2,817	125	3,521	483
Income tax (benefit)/expense	<u>(326)</u>	<u>3,516</u>	<u>(1,798)</u>	<u>10,044</u>

Income tax was calculated at the Malaysian statutory tax rate of 24% (2022: 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.

19. 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:

	As at 30-Jun-23 RM'000	As at 31-Dec-22 RM'000
Assets:		
Property, plant and equipment	75,089	80,012
Right-of-use assets	18,561	19,962
Prepayment	2,661	1,972
Biological assets	3	3
Inventories	5,379	9
Trade and other receivables	31	-
Cash and bank balances	400	166
	<u>102,124</u>	<u>102,124</u>
Liabilities:		
Trade and other payables	(12,944)	(8,913)
Provision	(41,886)	(38,842)
Retirement benefit obligations	(625)	(562)
Income tax payable	(88)	(48)
	<u>(55,543)</u>	<u>(48,365)</u>
Net assets directly associated with disposal group	<u>46,581</u>	<u>53,759</u>

19. 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-Jun-23 RM'000	30-Jun-22 RM'000
Revenue	-	2,951
Cost of sales	(245)	(3,944)
Gross loss	<u>(245)</u>	<u>(993)</u>
Hibah income	-	3
Other income	-	26
Administrative expenses	(309)	(451)
Other expenses *	(17,311)	(822)
Loss before tax	<u>(17,865)</u>	<u>(2,237)</u>
Income tax expense	-	-
Loss for the period from discontinued operations	<u>(17,865)</u>	<u>(2,237)</u>

* Included in other expenses are impairment of property, plant and equipments and right-of-use assets amounting to RM17.3 million (2022: RM0.5 million).

20. Corporate proposal

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

21. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2022: 30 to 90 day) 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:

	As at 30-Jun-23 RM'000	As at 31-Dec-22 RM'000
	Trade receivables - nominal amounts	5,337
Less: Allowance for expected credit losses	(4,245)	(3,207)
	<u>1,092</u>	<u>2,050</u>

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21. Trade receivables (cont'd.)

	Group	
	As at 30-Jun-23 RM'000	As at 31-Dec-22 RM'000
Movement in allowance accounts:		
At 1 January	3,207	2,984
Provision for expected credit losses	1,038	223
At 30 June/31 December	4,245	3,207

These receivables are not secured by any collateral or credit enhancements.

22. Loans and borrowings

Total of Group's loan and borrowings as at 30 June 2023 and 31 December 2022 are as follows:

As at 30 June 2023

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Bank loans	314,572	68,267	382,839
Bank overdraft	17,752	-	17,752
Obligations under hire purchase	7,480	3,764	11,244
	339,804	72,031	411,835
Unsecured			
Bank loans	55,810	10,000	65,810
	395,614	82,031	477,645

As at 31 December 2022

Secured			
Bank loans	350,094	64,527	414,621
Bank overdraft	10,252	-	10,252
Obligations under hire purchase	7,742	4,396	12,138
	368,088	68,923	437,011
Unsecured			
Bank loans	37,060	10,000	47,060
	405,148	78,923	484,071

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 30 June 2023.

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

a) 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.

During the first hearing of the case at District Court of Sintang of 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 District Court of Sintang had on 8 August 2022 delivered its decision on the case as follows:

- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- ii. PT RKA is to pay a compensation of Rp270,807,710,959 (approximately RM81,242,313) for the environmental loss to the National Account of Indonesia as per the claim by the Plaintiff.
- iii. PT RKA 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 Rp646,216,640,000 (approximately RM193,864,992) as per the claim by the Plaintiff.

The Court rejected the PT RKA's claims on the followings:

- i. For PT RKA to stop all its activities on the affected land area until the full and final disposal of the case; and
- ii. For PT RKA to pay compensation of Rp50,000 for every affected oil palm tree.

PT RKA then appealed against the decision of the District Court of Sintang to High Court of Pontianak. The High Court of Pontianak had on 27 October 2022 decided as follows:

- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- ii. PT RKA is to pay a compensation of Rp188,977,440,000 (approximately RM53,504,371) for the environmental loss to the National Account of Indonesia as per the claim.
- iii. PT RKA 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 Rp731,036,640,000 (Approximately RM206,975,266).

On 18 November 2022, PT RKA has filed an appeal against the above decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta. The outcome of the appeal is, as at the date of this report, still pending.

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24. 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

PT RKA has been served summon and statement of claim dated 7 February 2022 by the Plaintiff at the District Court of Sintang.

PT RKA is charged under Article 99(1) and Article 116(1) of the 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 Rp1,000,000,000 (approximately RM292,000) and not more than Rp3,000,000,000 (approximately RM875,000).

The District Court of Sintang had on 10 October 2022 imposed a penalty of Rp2,000,000,000 (approximately RM606,206) under Article 99(1) of Laws No. 32 year 2009 on Environmental Protection and Management.

PT RKA then filed an appeal to the High Court of Pontianak, and the High Court of Pontianak decided to upheld the decision of the District Court of Sintang that PT RKA is guilty and liable to a fine of Rp2,500,000,000 (approximately RM707,814).

On 18 November 2022, PT RKA has filed an appeal against the above the decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta. The outcome of the appeal is, as at the date of this report, still pending.

The directors are of the opinion, based on legal advice and management assessment, there is probable outflow of resources embodying the economic benefits of RM38,842,000 to settle the above claims. The carrying amount of provision of the Group at the reporting date is disclosed in Note 19.

25. Dividend

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

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26. (Loss)/earning per share

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-23 RM'000	Preceding Quarter Ended 30-Jun-22 RM'000	Current Quarter To date 30-Jun-23 RM'000	Preceding Quarter To date 30-Jun-22 RM'000
(Loss)/profit attributable to owners of the parent used in the computation of basic (loss)/profit per share	(19,624)	571	(40,742)	10,281
Add: Loss from discontinued operation attributable to owners of the parent	10,718	1,234	16,748	2,063
(Loss)/profit from continuing operations attributable to owners of the parent used in the computation of basic (loss)/profit per share	<u>(8,906)</u>	<u>1,805</u>	<u>(23,994)</u>	<u>12,344</u>
	30-Jun-23 number of ordinary shares '000	30-Jun-22 number of ordinary shares '000	30-Jun-23 number of ordinary shares '000	30-Jun-22 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic (loss)/profit per share computation	1,722,881	1,722,881	1,722,881	1,722,881
(Loss)/earning per share attributable to owners of the parent (sen per share):				
Basic (loss)/earning per share (sen per share)	(1.14)	0.03	(2.36)	0.60
- continuing operations	(0.52)	0.10	(1.39)	0.72
- discontinued operation	<u>(0.62)</u>	<u>(0.07)</u>	<u>(0.97)</u>	<u>(0.12)</u>

- 27.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2023.

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary

Kuala Terengganu
27 August 2023