



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 MARCH 2020**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

(The figures have not been audited)

	Cumulative Quarter	Current	Preceding
		Quarter	Quarter
		To date	To date
		31-Mar-20	31-Mar-19
		RM'000	RM'000
Continuing operations			
Revenue		107,824	104,742
Cost of sales		(81,145)	(66,171)
Gross profit		26,679	38,571
Other items of income			
Interest income		123	128
Other income		1,606	2,138
Other items of expense			
Distribution costs		(1,222)	(1,497)
Administrative expenses		(25,002)	(29,356)
Other expenses		(1,121)	(1,713)
Finance costs		(4,557)	(4,442)
(Loss)/profit before tax		(3,494)	3,829
Income tax expense		(490)	(3,227)
(Loss)/profit for the period from continuing operations, net of tax		(3,984)	602
Discontinued operation			
Loss for the period from discontinued operation, net of tax		(4,445)	(5,769)
Loss for the period, net of tax		(8,429)	(5,167)
Other comprehensive (loss)/income:			
Foreign currency translation		(1,432)	1,146
Fair value movement of investments in securities		(17)	1
Other comprehensive (loss)/income: for the period, net of tax		(1,449)	1,147
Total comprehensive loss for the period		(9,878)	(4,020)



TDM BERHAD (Company No 6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

(The figures have not been audited)

	Cumulative Quarter	
	Current	Preceding
	Quarter	Quarter
	To date	To date
	31-Mar-20	31-Mar-19
	RM'000	RM'000
Loss attributable to:		
Owners of the parent	(8,280)	(4,912)
Non-controlling interests	(149)	(255)
	<u>(8,429)</u>	<u>(5,167)</u>
Total comprehensive		
loss attributable to:		
Owners of the parent	(9,640)	(3,765)
Non-controlling interests	(238)	(255)
	<u>(9,878)</u>	<u>(4,020)</u>
Loss per share		
attributable to owners of		
the parent (sen per share):		
Basic (Note 27)	<u>(0.49)</u>	<u>(0.29)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

(The figures have not been audited)

	As at 31-Mar-20 RM'000	As at 31-Dec-19 RM'000
Assets		
Non-current assets		
Property, plant and equipment	792,831	796,531
Right-of-use assets	442,353	446,238
Intangible asset	5,249	5,463
Goodwill	991	991
Other investments	33,708	33,708
Investments in securities	28	45
Other receivables	186	186
Deferred tax assets	64	64
	1,275,410	1,283,226
Current assets		
Biological assets	3,128	4,645
Inventories	24,261	21,198
Trade and other receivables	55,365	58,823
Prepayments	1,491	1,676
Tax recoverable	16,227	14,964
Cash and bank balances	103,997	90,302
Assets of disposal group classified as held for sale	183,934	190,380
	388,403	381,988
Total assets	1,663,813	1,665,214
Current liabilities		
Lease liabilities	1,311	1,414
Loans and borrowings	75,602	80,632
Trade and other payables	185,004	179,011
Contract liability	29,988	16,485
Tax payable	321	818
Liabilities of disposal group classified as held for sale	4,163	4,706
	296,389	283,066
Net current assets	92,014	98,922



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

(The figures have not been audited)

	As at 31-Mar-20 RM'000	As at 31-Dec-19 RM'000
Non-current liabilities		
Retirement benefit obligations	5,407	5,327
Lease liabilities	57,300	61,328
Loans and borrowings	385,955	385,169
Deferred tax liabilities	188,055	189,739
	636,717	641,563
Total liabilities	933,106	924,629
Net assets	730,707	740,585
Equity attributable to owners of the parent		
Share capital	350,713	350,713
Retained earnings	410,194	418,474
Other reserves	(1,273)	87
	759,634	769,274
Non-controlling interests	(28,927)	(28,689)
Total equity	730,707	740,585
Total equity and liabilities	1,663,813	1,665,214
Net assets per share (RM)	0.43	0.44

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



TDM BERHAD (Company No 6265-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

(The figures have not been audited)

	Attributable to owners of the parent										
	Equity attributable to owners of the parent		Non-distributable			Distributable			Non-distributable		Non-controlling interests RM'000
	Total equity RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Foreign currency reserve RM'000	Fair value adjustment reserve RM'000	Employee benefits plan reserve RM'000	Transaction with non-controlling interest RM'000			
Opening balance at 1 January 2020	740,585	769,274	350,713	418,474	87	(28,807)	28,957	(32)	(31)	(28,689)	
Loss for the period	(8,518)	(8,280)	-	(8,280)	-	-	-	-	-	(238)	
Other comprehensive loss											
Fair value movement of other investment	(17)	(17)	-	-	(17)	-	(17)	-	-	-	
Foreign currency translation	(1,343)	(1,343)	-	-	(1,343)	(1,343)	-	-	-	-	
Other comprehensive loss for the period, net of tax	(1,360)	(1,360)	-	-	(1,360)	(1,343)	(17)	-	-	-	
Total comprehensive loss for the period, net of tax	(9,878)	(9,640)	-	(8,280)	(1,360)	(1,343)	(17)	-	-	(238)	
Closing balance at 31 March 2020	730,707	759,634	350,713	410,194	(1,273)	(30,150)	28,940	(32)	(31)	(28,927)	
Opening balance at 1 January 2019	947,222	959,937	350,713	642,657	(33,433)	(50,944)	17,542	-	(31)	(12,715)	
Prior year adjustments	(17,329)	(10,841)	-	(24,327)	13,486	13,486	-	-	-	(6,488)	
Opening balance at 1 January 2019, restated	929,893	949,096	350,713	618,330	(19,947)	(37,458)	17,542	-	(31)	(19,203)	
Loss for the period	(5,167)	(4,912)	-	(4,912)	-	-	-	-	-	(255)	
Other comprehensive (loss)/income											
Fair value movement of investment securities	1	1	-	-	1	-	1	-	-	-	
Foreign currency translation	1,146	1,146	-	-	1,146	1,146	-	-	-	-	
Other comprehensive income for the period, net of tax	1,147	1,147	-	-	1,147	1,146	1	-	-	-	
Total comprehensive (loss)/income for the period, net of tax	(4,020)	(3,765)	-	(4,912)	1,147	1,146	1	-	-	(255)	
Closing balance at 31 March 2019	925,873	945,331	350,713	613,418	(18,800)	(36,312)	17,543	-	(31)	(19,458)	

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

(The figures have not been audited)

	Period Ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000
Cash flows from operating activities		
Loss before tax from continuing operations	(3,494)	3,829
Loss before tax from discontinued operation	(4,445)	(5,769)
	(7,939)	(1,940)
Adjustments for:		
Interest expense	4,557	4,442
Depreciation of property, plant and equipment		
- Continuing	16,414	14,142
- Discontinuing	3,467	1,920
Amortisation of intangible asset	214	214
Amortisation of right of use assets	4,019	-
Inventories written off	8	4
Expected credit loss on trade and other receivables	597	230
Profit from Al-Mudharabah	(122)	(127)
Interest income		
- Continuing	(1)	(1)
- Discontinuing	-	(682)
Provision for short term accumulating compensated absences	-	5
Provision for retirement benefit obligations	108	102
Revenue arising from contract liability	(6,997)	-
Fair value changes of biological assets	1,517	(937)
Total adjustments	23,781	19,312
Operating cash flows before changes in working capital	15,842	17,372
<u>Changes in working capital</u>		
(Increase)/decrease in inventories	(3,063)	706
Decrease/(increase) in receivables	3,046	(929)
(Decrease)/increase in payables	3,296	6,927
Total changes in working capital	3,279	6,704
Cash flows generated from operations	19,121	24,076
Interest paid	(4,557)	(4,442)
Interest received	122	149
Taxes paid	(1,326)	(1,670)
Taxes refund	-	91
Retirement benefits paid	(28)	(16)
Annual leave paid	-	(44)
Net cash flows generated from operating activities	13,332	18,144



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020**

(The figures have not been audited)

	Period Ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,265)	(12,162)
Acquisition of right-of use assets	(134)	-
Acquisition of a subsidiary	(930)	-
Placement for deposits with licensed banks	-	(3,567)
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	-	(13)
Net cash flows used in investing activities	<u>(12,329)</u>	<u>(15,742)</u>
Cash flows from financing activities		
Drawdowns of bank borrowings	14,740	22,874
Drawdowns of hire purchase facilities	(2,703)	1,834
Repayments of bank borrowings	(15,073)	-
Repayments of hire purchase facilities	(3,798)	(21,554)
Repayment of finance lease	(430)	(709)
Proceeds from contract liability	20,500	-
Net cash flows generated from financing activities	<u>13,236</u>	<u>2,445</u>
Net increase in cash and cash equivalents	14,239	4,847
Cash and cash equivalents at 1 January	54,577	38,978
Effect of foreign exchange rate changes	30	-
Cash and cash equivalents at end of the period	<u>68,846</u>	<u>43,825</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	103,997	83,206
- Discontinuing operations	247	600
Less: Deposits pledged for bank facilities	(35,236)	(34,224)
Less: Deposits with licensed banks with maturity period more than 3 months	(162)	(5,757)
Cash and cash equivalents	<u>68,846</u>	<u>43,825</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



TDM BERHAD (Company No 6265-P)
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Explanatory Notes Pursuant to MFRS 134

Notes:

1. Accounting policies and basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. 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 2019.

The interim financial statements of the Group for the financial period ended 31 March 2020 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 2019.

1.1 Changes in accounting policies

On 1 January 2020, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2020.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 Business Combinations (Definition of a Business)	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures (Interest Rate Benchmark Reform)	1 January 2020
The Conceptual Framework for Financial Reporting (Revised 2018)	1 January 2020

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 2021
Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements : Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment (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
Annual Improvements to MFRS Standards 2018-2020 Cycle	1 January 2022
Amendments to MFRS 16 Leases (Covid-19 Related Rent Concessions)	1 June 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

2. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2019 were reported without any qualification.

3. Seasonal or cyclical factors

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

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

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 31 March 2020.

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. Segmental reporting

The segments are reported in a manner that is more consistent with internal reporting provided to the chief operating decision maker whereby the Group's business is presented in term of business division and geographical perspective. The operating performance is based on a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA). The measurement basis excludes the effects of non-operational items from the reporting segments such as fair value gains and losses, foreign exchange gains and losses, impairment losses and gains or losses on disposal of assets.

3 months ended 31 March 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	57,120	61,915	-	119,035	601
Intersegment revenue	(8,925)	(2,286)	-	(11,211)	-
External Revenue	48,195	59,629	-	107,824	601
Adjusted EBITDA	14,104	9,605	-	23,709	(979)
Fair value changes of biological assets	(1,517)	-	-	(1,517)	-
Expected credit loss on receivables	-	(597)	-	(597)	-
Inventories written off	-	(8)	-	(8)	-
EBITDA	12,587	9,000	-	21,587	(979)
Depreciation & amortisation	(15,207)	(5,440)	-	(20,647)	(3,467)
Profit from Al-Mudharabah	78	45	-	123	-
Interest income	-	-	-	-	1
Finance costs	(3,960)	(597)	-	(4,557)	-
(Loss)/profit before tax	(6,502)	3,008	-	(3,494)	(4,445)

31 March 2020

Assets	1,200,542	277,121	2,216	1,479,879	183,934
Liabilities	779,136	148,333	1,474	928,943	4,163

Exchange rate ratio	MYR 1.00	IDR 3,791
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8. Segmental reporting (cont'd.)

3 months ended 31 March 2019

	Plantation Malaysia RM'000	Healthcare RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	48,545	58,568	-	107,113	14
Intersegment revenue	(1,916)	(455)	-	(2,371)	-
External Revenue	46,629	58,113	-	104,742	14
Adjusted EBITDA	12,190	9,607	(1)	21,796	(4,531)
Fair value changes of biological assets	937	-	-	937	-
Expected credit loss on receivables	-	(230)	-	(230)	-
Inventories written off	-	(4)	-	(4)	-
EBITDA	13,127	9,373	(1)	22,499	(4,531)
Depreciation & amortisation	(10,721)	(3,635)	-	(14,356)	(1,920)
Profit from Al-Mudharabah	89	39	-	128	-
Interest income	-	-	-	-	682
Finance costs	(3,386)	(1,056)	-	(4,442)	-
(Loss)/Profit before tax	(891)	4,721	(1)	3,829	(5,769)
31 March 2019					
Assets	1,518,565	270,366	2,533	1,791,464	173,346
Liabilities	528,726	299,584	133,430	961,740	59,868
Exchange rate ratio	MYR 1.00	IDR 3,490			

9. Valuation on non-current assets

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

10. Material subsequent event

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

11. Changes in the composition of the Group

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

12. Changes in contingent liabilities or contingent assets

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

13. Capital commitments

Capital commitments as at 31 March 2020 are as follows:

	RM '000
Authorised by the Directors and contracted	6,652
Authorised by the Directors but not contracted	118,287
	<hr/>
	124,939
	<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 year to date

Cumulative quarter - Q1 2020 versus Q1 2019

	Q1 2020 RM'000	Q1 2019 RM'000	Changes RM'000	%
REVENUE				
Plantation	48,195	46,629	1,566	3%
Healthcare	59,629	58,113	1,516	3%
Total revenue	107,824	104,742	3,082	3%
LOSS BEFORE TAX				
Plantation	14,104	12,190	1,914	16%
Healthcare	9,605	9,607	(2)	0%
Others	-	(1)	1	-100%
Adjusted EBITDA	23,709	21,796	1,913	9%
Fair value changes of biological assets	(1,517)	937	(2,454)	100%
Expected credit loss on receivables	(597)	(230)	(367)	160%
Inventories written off	(8)	(4)	(4)	104%
EBITDA	21,587	22,499	(912)	-4%
Depreciation & amortisation	(20,647)	(14,356)	(6,291)	-44%
Profit from Al-Mudharabah	123	128	(5)	-4%
Finance costs	(4,557)	(4,442)	(115)	-3%
Loss before tax	(3,494)	3,829	(7,323)	-191%

The Group's revenue for the three months ended 31 March 2020 for Plantation and Healthcare both increased by 3% respectively compared to the previous year corresponding quarter mainly due to stronger revenue growth.

PLANTATION DIVISION

The Plantation Division recorded higher revenue by 3% mainly due to higher CPO and PK average prices by 36% and 27% respectively. However, this partly offset with lower sales volume of CPO and PK both by 22% respectively.

Our Malaysian plantation business registered an EBITDA of RM12.6 million during the quarter, compared to RM13.1 million in same quarter last year, mainly due to fair value movement of biological assets.

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

Cumulative quarter - Q1 2020 versus Q1 2019 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	Q1 2020	Q1 2019	Changes	%
CPO sales volume (mt)	16,124	20,740	(4,616)	-22%
PK sales volume (mt)	4,196	5,408	(1,212)	-22%
FFB production (mt)	80,224	107,984	(27,760)	-26%
CPO average price (RM)	2,763	2,035	728	36%
PK average price (RM)	1,730	1,361	369	27%
Mature area (hectare)	24,647	26,341	(1,694)	-6%
Immature area (hectare)	6,563	4,954	1,609	32%
Oil extraction rate (OER)	19.30%	19.62%	-0.32%	-2%
Kernel extraction rate (KER)	4.80%	4.88%	-0.08%	-2%

HEALTHCARE DIVISION

Our Healthcare Division continue to show higher revenue during the quarter with 3% growth in revenue mainly due to increase in average revenue per inpatient by 6% as compared to the previous year corresponding quarter. The increase also contributed by the increase in number of operating bed by 2% and opening of Cath Lab since March 2019.

However, the Movement Control Order ("MCO") that took effect from 18 March 2020, has resulted in lower number of patients to our hospitals. In addition, our hospitals have immediately made relevant preparations and incurred additional expenses on the Covid-19 test kits, personal protection equipment for the frontliners and other consumable items.

The division recorded a flat EBITDA at RM9.0 million, compared to the previous corresponding quarter.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q1 2020	Q1 2019	Changes	%
Number of inpatient	6,399	6,495	(96)	-1%
Number of outpatient	43,605	43,888	(283)	-1%
Inpatient days	21,569	21,535	34	0%
Occupancy rate (%)	56%	62%	-6%	-10%
Average length of stay (day)	3.03	3.04	(0.01)	0%
Number of bed	407	407	-	-
Average revenue per inpatient (RM)	7,142	6,729	413	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 - Q1 2020 versus Q4 2019

	Q1 2020 RM'000	Q4 2019 RM'000 Restated	Changes RM'000	%
REVENUE				
Plantation	48,195	49,851	(1,656)	-3%
Healthcare	59,629	65,029	(5,400)	-8%
Total revenue	107,824	114,880	(7,056)	-6%
LOSS BEFORE TAX				
Plantation	14,104	3,630	10,474	289%
Healthcare	9,605	3,952	5,653	143%
Others	-	-	-	0%
Adjusted EBITDA	23,709	7,582	16,127	213%
Gain on disposal of investment property	-	1,734	(1,734)	100%
Fair value changes of biological assets	(1,517)	(578)	(939)	-162%
Property, plant and equipment written off	-	(5,999)	5,999	100%
Inventories written off	(8)	-	(8)	-100%
Expected credit losses of receivables	(597)	-	(597)	-100%
Reversal of expected credit losses of receivables	-	2,679	(2,679)	100%
EBITDA	21,587	5,418	16,169	298%
Depreciation & amortisation	(20,647)	(38,166)	17,519	46%
Profit from Al-Mudharabah	123	301	(178)	100%
Interest income	-	2,252	(2,252)	-100%
Finance costs	(4,557)	(9,943)	5,386	54%
Loss before tax	(3,494)	(40,138)	36,644	91%

The Group's revenue for the three months ended 31 March 2020 was lower by 6% compared to the immediate preceding quarter.

PLANTATION DIVISION

The Plantation Division recorded lower revenue by 3% mainly due to lower CPO and PK sales volume by 27% and 13% respectively. However, this is partly offset with higher CPO and PK average prices by 16% and 14% respectively.

Our Malaysian Plantation business registered an EBITDA of RM12.6 million during the quarter.

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

Individual quarter - Q1 2020 versus Q4 2019 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Malaysia Statistics	Q1 2020	Q4 2019	Changes	%
CPO sales volume (mt)	16,124	22,022	(5,898)	-27%
PK sales volume (mt)	4,196	4,799	(603)	-13%
FFB production (mt)	80,224	104,441	(24,217)	-23%
CPO average price (RM)	2,763	2,385	378	16%
PK average price (RM)	1,730	1,517	213	14%
Mature area (hectare)	24,647	26,341	(1,694)	-6%
Immature area (hectare)	6,563	4,954	1,609	32%
Oil extraction rate (OER)	19.30%	18.81%	0.49%	3%
Kernel extraction rate (KER)	4.80%	4.63%	0.17%	4%

HEALTHCARE DIVISION

Healthcare Division recorded 8% decreased in revenue mainly due to decrease number of inpatient and outpatient by 7% and 3% respectively, compared to the immediate preceding quarter which was mainly affected from the imposition of MCO from 18 March 2020 till 9 June 2020 by the government of Malaysia.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q1 2020	Q4 2019	Changes	%
Number of inpatient	6,399	6,875	(476)	-7%
Number of outpatient	43,605	44,838	(1,233)	-3%
Inpatient days	21,569	23,191	(1,622)	-7%
Occupancy rate (%)	56%	76%	-20%	-26%
Average length of stay (day)	3.03	3.04	(0.01)	-0.3%
Number of bed	407	407	-	0.0%
Average revenue per inpatient (RM)	7,142	7,253	(111)	-2%

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

CPO price continued its downtrend during 1st quarter of 2020 from RM3,000 per mt to RM2,300 per mt pressured by the Covid-19 pandemic and weak demand from India and China. Further, the weakened crude oil price has also impacted the Biodiesel program both in Malaysia and Indonesia.

However, the current low palm oil stock and single digit production increase in Malaysia and Indonesia, will help to support the CPO price.

The Group is optimistic on the long-term fundamentals of the industry and will remain focused in improving productivity and optimising production cost. We are committed to sustainability agenda, and in addition our RSPO certification has enabled us to receive premiums on the sale of our CSPO and CSPK.

Indonesia Plantation

While the rehabilitation program is making good progress, which saw higher production output, the intended divestment process is progressing, albeit delays in completing the transaction as the imposition of social distancing restriction in Indonesia has affected the progress of financing application by our buyer.

Healthcare

The healthcare industry performance has been affected by the outbreak of Covid-19 pandemic and the resulting MCO that took effect from 18 March 2020. The segment performance is expected to continue to show challenges in the second quarter of 2020. We anticipate that the current scenario will continue for the next few months before reaccelerating back to normal level as patients will returns for the visit and treatments.

The Group has formulated several strategies to address the challenges during MCO through our Business Continuity & Business Recovery Plan, of which some have already being implemented, among others, are the Drive Through Covid Test, On-site Covid Test, Drive Through Vaccination Test, Online Healthcare Consultation Initiative for existing customers as well as Over The Counter (OTC) Promotion and Home Delivery.

16. Commentary on the prospects, including the factors that are likely to influence the Group's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter (cont'd.)

COVID-19

COVID-19 took the world by complete surprise. Approximately 213 countries have reported confirmed cases of the COVID-19 that originated from Wuhan, China, and the death toll has been increasing daily. The implementation of lockdown measures in Malaysia and globally was necessary, but has impacted economic activities.

After a steady expansion in the first two months of first-quarter of 2020, economic activity came to a sharp downshift with the implementation of MCO on 18 March 2020. Malaysia's economy as measured by Gross Domestic Product (GDP) grew 0.7% in the first-quarter of 2020, the lowest growth in over 10 years due to containment measures taken to curb the spread of the COVID-19 pandemic. Given the challenging economic outlook, Bank Negara Malaysia projected Malaysia's GDP for 2020 to be between -2% and 0.5%.

Strategy and steps taken to address the impact of the COVID-19

We have assembled six action teams to focus on six initiatives, for our Business Recovery Plan and Business Continuity Plan to overcome this trying times.

i) Revenue Team

Several revenue initiatives were initiated mainly at our Healthcare business to address the challenges during MCO, such as the Drive Through COVID-19 Test, Drive Through Vaccination Test, Online Healthcare Consultation Initiative for existing customers as well as Over The Counter (OTC) medicines promotion and home delivery.

ii) Cash Team

Conserving cash is imperative during time of uncertainty, and our team has implemented various initiatives including applications of banking facilities moratorium and fund-raising exercises to support our requirements.

iii) Cost Savings Team

The team has implemented several cost optimisation initiatives which include review of certain operating expenditures and capital expenditures.

iv) Customer Centric Team

The customer team focuses on managing the needs of our customers during the MCO period. We have reached out to our customers through various channels, such as phone calls, social media, website, and as well as introduction of new services to suit with our customers' requirement such as the drive-through COVID-19 test and on-site COVID-19 test initiatives.

16. Commentary on the prospects, including the factors that are likely to influence the Group's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter (cont'd.)

COVID-19 (cont'd.)

Strategy and steps taken to address the impact of the COVID-19 (cont'd.)

v) People Centric Team

The team is tasked to manage the employee's wellbeing during the crisis period. Our Business Recovery Plan and Business Continuity Plan was initiated to ensure business sustainability and continuity, and hence safeguarding the wellbeing of our people.

vi) Communication Team

Proactive communication programme has been put in place to ensure regular update to our people and customers.

Group

The Group is cautiously optimistic of achieving satisfactory operating performance for the remaining period of the year.

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

Not applicable.

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

There was no profit guarantee issued for the quarter ended 31 March 2020.

18. Loss for the period

	Current period to date	
	31-Mar-20 RM'000	31-Mar-19 RM'000
The following amounts have been included in arriving at loss before tax:		
Interest expense	4,557	4,442
Profit from Al-Mudharabah	(122)	(127)
Interest income		
- Continuing	(1)	(1)
- Discontinuing	-	(682)
Depreciation of property, plant and equipment		
- Continuing	16,414	14,142
- Discontinuing	3,467	1,920
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	4,019	-
Inventories written off	8	4
Provision for short term accumulating compensated absences	-	5
Provision for retirement benefit obligations	108	102
Expected credit loss on trade and other receivables	597	230
Fair value changes of biological assets	1,517	(937)
	1,517	(937)

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

	Current period to date	
	31-Mar-20 RM'000	31-Mar-19 RM'000
Current income tax	175	3,706
Underprovision of income tax in prior year	-	74
	175	3,780
Deferred tax:		
Relating to origination and reversal of temporary differences	315	(665)
Underprovision of deferred tax in prior year	-	112
Income tax	490	3,227

Income tax was calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the period.

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

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

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

	Group	
	As at 31-Mar-20 RM'000	As at 31-Dec-19 RM'000
Assets:		
Property, plant and equipment	99,680	99,601
Right-of-use assets	24,668	24,668
Trade receivables	103	109
Other receivables	58,870	65,391
Prepayment	109	26
Biological assets	243	272
Inventories	14	23
Cash and bank balances	247	290
Assets held for sale	183,934	190,380
Liabilities:		
Other payables	(4,132)	(4,287)
Retirement benefit obligations	(14)	(391)
Tax payable	(17)	(28)
Liabilities directly associated with assets held for sale	(4,163)	(4,706)
Net assets directly associated with disposal group	179,771	185,674

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

	Current period to date	
	31-Mar-20 RM'000	31-Mar-19 RM'000
Revenue	601	14
Cost of sales	(3,135)	(4,278)
Gross loss	(2,534)	(4,264)
Interest income	1	682
Other income	-	-
Administrative expenses	(119)	(2,187)
Other expenses	(1,793)	-
Finance costs	-	-
Loss before tax	(4,445)	(5,769)
Income tax expense	-	-
Loss for the year from discontinued operations, net of tax	(4,445)	(5,769)

21. Corporate proposals

i. Heads of Agreement in relation to the Proposed Purchase of 70% equity interests in THP-YT Plantation Sdn. Bhd. from TH Plantations Berhad ("THP" or "Vendor")

On 31 December 2019, the Board of Directors of TDM Berhad ("Board") announced that TDM Berhad ("TDM" or "the Purchaser") had on 31 December 2019 entered into Heads of Agreement ("HOA") to record the principle agreement and understanding with TH Plantations Berhad ("THP" or "the Seller") in relation to the proposed purchase of 25,900,000 ordinary shares ("Sale Shares")(equivalent to 70% equity interests) of THP-YT Plantation Sdn Bhd ("THP-YT" or "the Company") ("Proposed Purchase") for consideration sum of RM7,000,000.00 ("Consideration").

As part of acquisition of the Sale Shares, TDM and THP agreed that part of the inter-company advances of RM78,684,856.91 ("Advances") owed by THP-YT to THP Suria Mekar Sdn Bhd ("THSM"), a wholly owned subsidiary of THP, amounting to RM62,000,000.00 ("Settlement Sum") shall be settled in the following manner:

- (i) a facility sum from a facility to be taken by THP-YT or TDM from a bank ("Facility Sum");
- (ii) shareholders' advances by TDM and/or Yayasan Terengganu ("YT"), in which YT presently owns 30% equity interests in THP-YT, to THP-YT, for settlement of the difference between Settlement Sum and the Facility Sum ("Balance Sum"); and
- (iii) the balance of the Advances, being the difference between the Advances and the Settlement Sum ("Balance Advances"), shall be assigned by THSM to TDM for a consideration of RM1.00 ("Assignment").

In conjunction with the above, the Board wishes to announce that TDM had on 3 March 2020 entered into the following Agreements:

- (i) Share Purchase Agreement ("SPA") relating to the Sale and Purchase of 25,900,000 Ordinary Shares of the Issued Share Capital of THP-YT; and
- (ii) Settlement Agreement ("SA") with THSM and THP-YT in relation to the settlement of the Advances owing to THSM.

21. Corporate proposals (cont'd.)

i. Heads of Agreement in relation to the Proposed Purchase of 70% equity interests in THP-YT Plantation Sdn. Bhd. from TH Plantations Berhad ("THP" or "Vendor") (cont'd.)

On 12 March 2020, the Company announced to provide additional information to the said announcement in relation to the signing of SPA and SA on the valuation of oil palm plantation of THP-YT:

a. Date of Valuation and amount of Valuation

The valuation amount of RM 100.0 million was based on the valuation certificate dated 30th December 2019 pursuant to valuation done on 15 December 2019 by a certified valuer i.e. Messrs. C H Williams Talhar & Wong Sdn. Bhd. (18149-U).

b. Justification of the purchase consideration in comparison with Valuation

- (i) The total consideration of RM69.0 million (comprises of 70% equity purchase of RM7.0 million and Advances Settlement Sum of RM62.0 million) or equivalent to an enterprise value of RM72 million, is well within the valuation amount of RM100.0 million.
- (ii) Further, the Sale Shares (i.e. the 70% equity purchase) are sold on the basis of cash free and debt free (save for the Advances) and that TDM will not assume any further liabilities, save for the obligation and liabilities in and arising from, pursuant to or in connection with the SPA and the SA and financing to be raised either by TDM or THP-YT for the payment of the Facility Sum under the SA.

On 18 May 2020, the Company announced that in light of a Movement Control Order ("MCO") which has been imposed by the Government, it has resulted in much setbacks for both parties in fulfilling their respective obligations under the SPA. Both parties have now agreed to enter into two Variation Letters to vary the terms of the SPA and SA so as to allow ample time for the parties to fulfil their respective obligations under the SPA and SA. Both parties have agreed for the Long Stop Date to be amended to 120 days from the SPA execution date.

ii. Letter of Offer in respect of the proposed disposal by the Company of the entire equity interest in PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") ("Proposed Disposal")

On 28 February 2020, the Company announced that it had received an offer vide letter dated 18 February 2020 ("Offer Letter") from PT Aragon Agro Pratama ("Purchaser" or "Aragon") to acquire the following from the Company for a total aggregate cash consideration of USD50.0 million ("Offer"):

- a. the entire equity interests in RKA, a direct subsidiary of the Company; and
- b. the entire equity interests in SRA, a direct subsidiary of the Company.

21. Corporate proposals (cont'd.)

ii. **Letter of Offer in respect of the proposed disposal by the Company of the entire equity interest in PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") ("Proposed Disposal") (cont'd.)**

The Company has decided to accept the Offer, subject to, among others:

- a. the completion of the valuation due diligence by the Purchaser's adviser;
- b. the fulfilment of conditions precedent that shall be mutually agreed between the parties and set out accordingly in the conditional sale and purchase agreement ("CSPA"); and
- c. the approval of the relevant authorities for the Proposed Disposal (if required).

On 13 March 2020, the Company announced that both parties have mutually agreed to further extend the aforesaid initial deadline by another 21 days to execute the CSPA.

On 3 April 2020, the Company announced that both parties have mutually agreed to further extend the aforesaid initial deadline to 30 April 2020 to execute the CSPA due to the Indonesian Government has imposed stricter limits on mobility between regions and is implementing a large-scale policy of social distancing to curb the spread of the Coronavirus Disease 2019 ("COVID-19").

On 30 April 2020, the Company announced that both parties have mutually agreed to further extend the aforesaid initial deadline to 31 May 2020 to execute the CSPA due to the Indonesian Government has continued to impose stricter social distancing restrictions across the country and this has affected the progress with the financing application with the bankers.

On 29 May 2020, the Company announced that both parties have mutually agreed to further extend the aforesaid initial deadline to 31 July 2020 to execute the CSPA due to the Indonesian Government has continued to impose stricter social distancing restrictions across the country and this has affected the progress with the financing application with the bankers. Notwithstanding that, both parties via online communication continue to work towards finalising the salient terms of the CSPA.

21. Corporate proposals (cont'd.)

iii. Proposed Private Placement of up to 10% of the total number of issued shares of the Company in accordance with the general mandate pursuant to Section 75 and Section 76 of the Companies Act 2016 ("Proposed Private Placement")

On 3 March 2020, the Company has announced that it is proposing to undertake a private placement of up to 10% of the total number of issued shares of the Company at an issue price to be determined and announced later. As at 2 March 2020, the size of the Proposed Private Placement is up to 168,264,100 new Shares ("Placement Shares").

- a. The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Section 75 and Section 76 of the Companies Act 2016 ("General Mandate") obtained from the shareholders of the Company at its annual general meeting ("AGM") convened on 28 May 2019. The General Mandate is in force until the Company's next AGM (unless revoked or varied by the shareholders at a general meeting prior to the next AGM).
- b. The Company proposes to obtain a new mandate at its forthcoming AGM. The Proposed Private Placement will be undertaken under the existing mandate and/or the new mandate to be obtained.

On 6 March 2020, the Company announced that the additional listing application in respect of the Proposed Private Placement had been submitted to Bursa Malaysia Securities Berhad.

On 13 March 2020, the Company announced that Bursa Malaysia Securities Berhad had, vide its letter dated 11 March 2020, approved the listing of and quotation for 168,264,100 Placement Shares to be issued pursuant to the Proposed Private Placement.

22. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 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	As at
	31-Mar-20	31-Dec-19
	RM'000	RM'000
Trade receivables - nominal amounts	35,626	26,622
Less: Allowance for expected credit losses	(7,766)	(8,515)
	27,860	18,107

Movement in allowance accounts:

	As at	As at
	31-Mar-20	31-Dec-19
	RM'000	RM'000
At 1 January	8,515	10,901
Provision for expected credit losses	590	293
Reversal of expected credit losses	(1,339)	(2,679)
At 31 December	7,766	8,515

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

Details of the Group's borrowings as at 31 March 2020 and 31 December 2019 are as follows:

As at 31 March 2020

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	363,252	39,878	403,130
Bank overdraft	14,447	-	14,447
Obligation under hire purchase	8,256	2,298	10,554
	<u>385,955</u>	<u>42,176</u>	<u>428,131</u>
Unsecured			
Bank loans	-	33,426	33,426
	<u>-</u>	<u>33,426</u>	<u>33,426</u>
	<u>385,955</u>	<u>75,602</u>	<u>461,557</u>

As at 31 December 2019

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	363,718	45,299	409,017
Bank overdraft	16,846	-	16,846
Obligation under hire purchase	4,605	1,907	6,512
	<u>385,169</u>	<u>47,206</u>	<u>432,375</u>
Unsecured			
Bank loans	-	33,426	33,426
	<u>-</u>	<u>33,426</u>	<u>33,426</u>
	<u>385,169</u>	<u>80,632</u>	<u>465,801</u>

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 31 March 2020.

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

1. Kuantan High Court [CA226CvC-31-06/2018]

Dato' Mohamad Alias A Bakar bin Ali vs

- 1. Kuantan Medical Centre Sdn Bhd**
- 2. Dr. Abdul Aziz Bin Awang**
- 3. Dr. Md Lukman Bin Mohd Mokhtar**

The Plaintiff alleges that the 2nd Defendant and 3rd Defendant, as the agents of the 1st Defendant, have negligently failed to carry out anaesthetic procedures on him which caused 'circumferential disc bulge with desiccation at L 4/5 level with severe spinal stenosis'.

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

- i. General damages and aggravated damages;
- ii. Interest thereon calculated at the rate of 8% per annum from the date of service of the Writ up to the date of judgement;
- iii. Special damages of RM1,104,414.51;
- iv. Interest thereon calculated at the rate of 4% per annum from 3 July 2012 up to the date of judgment;
- v. Interest on the judgment sum calculated at the applicable statutory rate from the date of judgment up to the date of payment;
- vi. Costs; and
- vii. Such further or other relief as the Court deems fit.

The Kuantan High Court has vacated the continue hearing date which was initially fixed on 20 April 2020 until 22 April 2020 due to the Movement Control Order ("MCO"). The Court has fixed for further Case Management on 16 June 2020 to enable parties to fix fresh continued Trial dates.

During the Case Management held on 16 June 2020, the Court has set the matter down for continued trial on 30 September 2020 and from 12 October 2020 until 14 October 2020.

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

- i. 2 - 4 November 2020,
- ii. 11 - 12 November 2020;
- iii. 19 - 20 November 2020; and
- iv. 1 - 2 December 2020

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

2. HIGH COURT OF MALAYA AT KUALA TERENGGANU [TA-23NCVC-2-08/2019]

Wahab bin Mohd Said vs

- 1. Dr. Juzar Mohsinbhai Jadliwala**
- 2. Kuala Terengganu Specialist Hospital Sdn. Bhd.**

The Plaintiff alleges that the 1st Defendant, Dr. Juzar Mohsinbhai Jadliwala as an employee, representative and/or agent to 2nd Defendant has negligently failed to carry out a medical procedure on him.

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

- i. General damages of RM700,000.00 or any amount as granted by the Court;
- ii. Special damages with interest;
- iii. Exemplary damages of RM300,000.00 or any amount as granted by the Court;
- iv. Aggravated damages of RM300,00.00 or any amount granted by the Court;
- v. Interest on the damages calculated at a rate of 5% per annum from the date of action up to the date of full settlement;
- vi. Costs; and
- vii. Such further or other relief as the Court deems fit.

During Case Management on 17 November 2019, the learned High Court judge has transferred the case to session court and fixed for further Case Management on 8 December 2019.

The Court has fixed this matter for further Case Management on 19 January 2020 to enable parties to obtain further directions from Court. The Court has also fixed the hospital's notice for directions from Court (with respect to the hospital's Notice Seeking Contribution/Indemnity against the 1st Defendant (i.e. Dr. Juzar)) the same day (i.e. 19 January 2020).

The Court has fixed for the trial dates as follows:

- i. 9 August 2020,
- ii. 6 and 13 September 2020;
- iii. 20 - 21 October 2020; and
- iv. 25 - 27 October 2020

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

3. HIGH COURT OF MALAYA AT KUALA TERENGGANU [TA-23NCvC-4-04/2020]

Mohd Fadzlong bin Yusoff vs

1. Dr. Siti Nordiana binti Ayub

2. Kuala Terengganu Specialist Hospital Sdn. Bhd.

The Plaintiff alleges that the 1st Defendant, Dr. Siti Nordiana binti Ayub as an employee, representative and/or agent to 2nd Defendant has negligently failed to carry out a proper medical procedure on his wife Fadzlina binti Abdullah (the deceased).

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

- i. General damages of RM1,000,000.00 or any amount as granted by the Court with interest;
- ii. Special damages with interest;
- iii. Exemplary damages of RM250,000.00 or any amount as granted by the Court;
- iv. Aggravated damages of RM250,000.00 or any amount as granted by the Court;
- v. Interest on the damages calculated at a rate of 5% per annum from the date of action up to the date of full settlement;
- vi. Legal costs;
- vii. Costs; and
- vii. Such further or other relief as the Court deems fit.

During Case Management (E-review) on 6 May 2020, the Court has directed as follows:

- i. That the 1st Defendant to file a Third-Party Notice on or before 15 June 2020;
- ii. That the Defendants to file their respective Defence on or before 15 June 2020; and
- iii. The above matter fixed for further Case Management on 15 June 2020 before High Court Judge.

During the Case Management held on 15 June 2020, the Court has directed all Parties to file necessary cause papers in preparation for trial. The matter is fixed for further Case Management on 1 July 2020.

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

4. FIRE INCIDENTS AT PT RAFI KAMAJAYA ABADI ("PT RKA")

The Company had on 17 September 2019, announced that approximately 1,201 hectares of PT RKA's area has been affected by fire. As at the date of the announcement i.e. on 17 September 2019, the fire has been extinguished. From the beginning of dry weather in early August 2019, PT RKA has been on high alert and has put in place measures to manage and control fire incidents in the operating areas. This includes equipping our firefighting teams to deal with the dry weather, strong wind and the risk of fire.

Further on 3 October 2019, the Company made an announcement to clarify on an article published by The Edge entitled "Six Malaysian firms behind open burning, says Indonesia" dated 2 October 2019, which stated PT RKA allegedly conducted the largest opening burning of 600 hectares in West Kalimantan. The Board of Directors of the Company has emphasized that the reported statement by The Edge on the alleged open burning is not true. The Board further highlighted that since the beginning of the dry weather in early August 2019, PT RKA had encountered few fire incidences within its operating area and the matter had been reported to local authorities including the police department. The affected areas are accessible by the surrounding villagers and with the prolonged dry spell which made it vulnerable to be exposed to such fire incidences. The Management has lodged police report on the fire incident and full cooperation has been given to the authority to accommodate the investigation.

The Company had on 22 October 2019, announced that PT RKA had on 21 October 2019 received and accepted the Governor Decision No 1279/2019 regarding Administrative Sanction (hereinafter referred to as "the Decree") by the Governor of Kalimantan Barat ("Governor") to PT RKA dated 4 October 2019. The sanction arose as a result of the fire incident, among others, imposed that PT RKA has to stop its activities at the affected areas of approximately 900 hectares for three (3) years. PT RKA has consulted its Solicitors to file an application to Administrative Court ("Pengadilan Tata Usaha Negara") in Indonesia for a review of the Decree.

Further on 25 October 2019, the Company made an announcement to provide additional information on the announcement made on 22 October 2019, in relation to the financial and operational impact arising from the Decree.

Further on 1 April 2020, the Company made an announcement that PT RKA solicitor had on 9 January 2020 registered an appeal to the Administrative Court on the administrative sanction by the Governor and the first hearing was held on 31 March 2020. During the said hearing, the Solicitor had submitted all the relevant and necessary documents requested by the Court.

On 21 April 2020, the Company made an announcement that PT RKA solicitor had on 21 April 2020 informed that the Court has fixed the next hearing on 28 April 2020 for all the parties to give their testimony. The conclusion of the hearing is scheduled on 5 May 2020 and the verdict will be rendered either on 12 May 2020 or 19 May 2020.

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

4. FIRE INCIDENTS AT PT RAFI KAMAJAYA ABADI ("PT RKA") (cont'd.)

On 28 April 2020, the Company made an announcement that PT RKA solicitor had on 28 April 2020 informed that the Court has agreed to vacate the hearing due to domestic travelling restrictions in Indonesia. As such, the Court has fixed the next hearing on 3 June 2020 for both parties to give their testimony.

On 4 June 2020, the Company made an announcement that pursuant to the application by PT RKA's solicitor for postponement of the hearing due to domestic travelling restrictions in Indonesia, the Court had agreed to vacate the said hearing. The Court had fixed the next hearing on 18 June 2020 for both parties to give their testimony.

On 22 June 2020, the Company made an announcement that pursuant to the hearing of the matter held on 18 June 2020, the Court has fixed 2 July 2020 to continue on the examination of all witnesses from the Plaintiff and Defendant.

26. Dividend proposed

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

27. Loss per share

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

	Cumulative Quarter Current Quarter To date 31-Mar-20 RM'000	Preceding Quarter To date 31-Mar-19 RM'000
Loss net of tax attributable to owners of the parent used in the computation of basic loss per share	(8,280)	(4,912)
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	<u>(4,167)</u>	<u>(5,408)</u>
Loss net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	<u>(8,284)</u>	<u>(4,917)</u>
	31-Mar-20 number of ordinary shares '000	31-Mar-19 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic loss per share computation	1,682,641	1,682,641
Loss per share attributable to owners of the parent (sen per share):		
Basic loss per share (sen per share)	(0.49)	(0.29)
- continuing operations	(0.49)	(0.29)
- discontinued operation	<u>-</u>	<u>-</u>

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

- 28.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 June 2020.

BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF
Company Secretary

Kuala Terengganu
29 June 2020