



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2020**



TDM BERHAD

Company No 196501000477 (6265-P)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-20 RM'000	Preceding Quarter Ended 30-Sep-19 RM'000 Restated	Current Quarter To date 30-Sep-20 RM'000	Preceding Quarter To date 30-Sep-19 RM'000 Restated
Continuing operations				
Revenue	121,420	105,927	313,182	310,190
Cost of sales	(92,006)	(80,696)	(246,635)	(231,496)
Gross profit	29,414	25,231	66,547	78,694
Other items of income				
Interest income	380	169	778	504
Other income	25,547	3,179	29,299	12,721
Other items of expense				
Distribution costs	(1,871)	(1,539)	(4,656)	(4,517)
Administrative expenses	(18,481)	(22,759)	(69,531)	(67,390)
Other expenses	(601)	(2,284)	(1,890)	(6,662)
Finance costs	(6,672)	(5,704)	(14,738)	(13,597)
Profit/(loss) before tax	27,716	(3,707)	5,809	(247)
Income tax expense	(5,345)	(107)	(4,994)	(4,796)
Profit/(loss) for the period from continuing operations, net of tax	22,371	(3,814)	815	(5,043)
Discontinued operation				
Loss from discontinued operation, net of tax	(1,238)	(40,004)	(4,253)	(49,285)
Profit/(loss) for the period, net of tax	21,133	(43,818)	(3,438)	(54,328)
Other comprehensive income:				
Foreign currency translation	(24,494)	4,615	(18,633)	11,658
Fair value movement of investment securities	3	(95)	(14)	(95)
Fair value movement of other investments	-	3,633	-	3,633
Other comprehensive (loss)/income for the period, net of tax	(24,491)	8,153	(18,647)	15,196
Total comprehensive loss for the period	(3,358)	(35,665)	(22,085)	(39,132)



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-20 RM'000	Preceding Quarter Ended 30-Sep-19 RM'000	Current Quarter To date 30-Sep-20 RM'000	Preceding Quarter To date 30-Sep-19 RM'000
Profit/(loss) attributable to:				
Owners of the parent	21,752	(41,401)	(2,151)	(51,542)
Non-controlling interests	(619)	(2,417)	(1,287)	(2,786)
	21,133	(43,818)	(3,438)	(54,328)
Total comprehensive loss attributable to:				
Owners of the parent	(1,206)	(33,248)	(19,629)	(36,346)
Non-controlling interests	(2,152)	(2,417)	(2,456)	(2,786)
	(3,358)	(35,665)	(22,085)	(39,132)
Earnings/(loss) per share attributable to owners of the parent (sen per share):				
Basic (Note 27)	1.26	(2.46)	(0.13)	(3.06)
- continuing operations	1.23	0.11	0.09	(0.17)
- discontinued operations	0.03	(2.57)	(0.21)	(2.89)

(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 196501000477 (6265-P)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

(The figures have not been audited)

	As at 30-Sep-20 RM'000	As at 31-Dec-19 RM'000
Assets		
Non-current assets		
Property, plant & equipment	866,369	796,531
Right-of-use assets	454,746	446,238
Intangible asset	4,820	5,463
Goodwill	991	991
Other investments	33,708	33,708
Investment securities	30	45
Other receivables	186	186
Deferred tax assets	64	64
	1,360,914	1,283,226
Current assets		
Biological assets	6,941	4,645
Inventories	29,325	21,198
Trade and other receivables	51,294	58,823
Prepayments	7,783	1,676
Tax recoverable	19,968	14,964
Cash and bank balances	181,783	90,302
Assets of disposal group classified as held for sale	172,096	190,380
	469,190	381,988
Total assets	1,830,104	1,665,214
Current liabilities		
Lease liability	998	1,414
Loans and borrowings	75,530	80,632
Trade and other payables	198,389	179,011
Contract liability	19,637	16,485
Tax payable	73	818
Liabilities of disposal group classified as held for sale	5,296	4,706
	299,923	283,066
Net current assets	169,267	98,922



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

(The figures have not been audited)

	As at 30-Sep-20 RM'000	As at 31-Dec-19 RM'000
Non-current liabilities		
Retirement benefit obligations	5,618	5,327
Lease liability	61,025	61,328
Loans and borrowings	437,367	385,169
Contract liability	97,438	-
Deferred tax liabilities	193,703	189,739
	795,151	641,563
Total liabilities	1,095,074	924,629
Net assets	735,030	740,585
Equity attributable to owners of the parent		
Share capital	359,276	350,713
Retained earnings	416,323	418,474
Other reserves	(17,391)	87
	758,208	769,274
Non-controlling interests	(23,178)	(28,689)
Total equity	735,030	740,585
Total equity and liabilities	1,830,104	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 196501000477 (6265-P)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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
	Total equity	Share capital	Retained earnings	Total other reserves	Foreign currency reserve	Fair value adjustment reserve	Employee benefits plan reserve	Transaction with non-controlling interest	Non-controlling interests		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	(3,438)	(2,151)	-	(2,151)	-	-	-	-	-	(1,287)	
Other comprehensive loss											
Fair value movement of investment in securities	(14)	(14)	-	-	(14)	-	(14)	-	-	-	
Fair value movement of other investment	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	(18,633)	(17,464)	-	-	(17,464)	(17,464)	-	-	-	(1,169)	
Acquisition of non-controlling interest	7,967	-	-	-	-	-	-	-	-	7,967	
Other comprehensive loss for the period, net of tax	(10,680)	(17,478)	-	-	(17,478)	(17,464)	(14)	-	-	6,798	
Total comprehensive loss for the period, net of tax	(14,118)	(19,629)	-	(2,151)	(17,478)	(17,464)	(14)	-	-	5,511	
Transactions with owners											
Issuance of shares pursuant to cash	8,563	8,563	8,563	-	-	-	-	-	-	-	
Total transactions with owners	8,563	8,563	8,563	-	-	-	-	-	-	-	
Closing balance at 30 September 2020	735,030	758,208	359,276	416,323	(17,391)	(46,271)	28,943	(32)	(31)	(23,178)	
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	(54,328)	(51,542)	-	(51,542)	-	-	-	-	-	(2,786)	
Other comprehensive income											
Fair value movement of investment in securities	(95)	(95)	-	-	(95)	-	(95)	-	-	-	
Fair value movement of other investment	3,633	3,633	-	-	3,633	-	3,633	-	-	-	
Foreign currency translation	11,658	11,658	-	-	11,658	11,658	-	-	-	-	
Other comprehensive income for the period, net of tax	15,196	15,196	-	-	15,196	11,658	3,538	-	-	-	
Total comprehensive loss for the period, net of tax	(39,132)	(36,346)	-	(51,542)	15,196	11,658	3,538	-	-	(2,786)	
Closing balance at 30 September 2019	890,761	912,750	350,713	566,788	(4,751)	(25,800)	21,080	-	(31)	(21,989)	

(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 196501000477 (6265-P)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Period Ended	
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	5,809	(247)
Loss before tax from discontinued operations	(4,253)	(49,285)
	1,556	(49,532)
<u>Adjustments for:</u>		
Interest expense	14,738	13,597
Depreciation of property, plant and equipment		
- Continuing	55,602	42,708
- Discontinuing	-	7,414
Amortisation of intangible asset	643	643
Amortisation of right of use assets	1,810	-
Property, plant and equipment written off	1,367	33,747
Inventories written off	28	4,824
Expected credit losses of receivables	1,425	1,656
Gain on disposal of investment property	-	(5,203)
Loss on disposal of property, plant and equipment	16	-
Provision for short term accumulating compensated absences	108	93
Provision for retirement benefit obligations	325	343
Fair value changes in biological assets	(417)	(1,264)
Dividend income	(995)	(1,225)
Profit from Al-Mudharabah	(778)	(504)
Interest income - Discontinuing	(2)	(6,298)
Fair value movement in other investment	-	(3,633)
Revenue arising from contract liability	(23,660)	-
Gain on acquisition	(10,151)	-
Gain on purchase of debt	(11,680)	-
Total adjustments	28,379	86,898
Operating cash flows before changes in working capital	29,935	37,366
<u>Changes in working capital</u>		
(Increase)/decrease in inventories	(8,155)	3,611
Increase in receivables	1,422	(7,740)
Increase in payables	19,633	17,375
Total changes in working capital	12,900	13,246



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Period Ended	
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Cash flows from operating activities (cont'd)		
Cash flows from operations	42,835	50,612
Interest paid	(14,738)	(13,597)
Interest received	778	504
Taxes paid	(6,909)	(9,631)
Tax refund	-	3,010
Retirement benefits paid	(34)	(44)
Annual leave paid	(10)	(44)
Net cash flows generated from operating activities	21,922	30,810
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,831)	(27,540)
Acquisition of right-of-use assets	(10,430)	-
Net cash outflow on acquisition of a subsidiary	(61,439)	-
Dividend received	995	1,225
Proceeds from disposal of investment property	-	12,000
Withdrawal/(additions) of deposit with licensed banks	617	(2,967)
Decrease/(increase) in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	5	(89)
Net cash flows used in investing activities	(104,083)	(17,371)
Cash flows from financing activities		
Drawdowns of bank borrowings	82,758	37,014
Drawdowns of hire purchase facilities	-	142
Repayments of bank borrowings	(34,773)	(45,265)
Repayments of hire purchase facilities	(2,169)	(2,417)
Repayment of finance lease	(2,452)	-
Proceeds from issuance of shares	8,563	-
Proceeds from contract liability	124,250	9,247
Repayments of bank overdraft	(1,898)	(1,911)
Net cash flows generated from/(used in) financing activities	174,279	(3,190)
Net increase in cash and cash equivalents	92,118	10,249
Cash and cash equivalents at 1 January	54,577	38,978
Effect of foreign exchange rate changes	(16)	19
Cash and cash equivalents at end of the period	146,679	49,246



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

	Period Ended	
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	181,783	86,972
- Discontinuing operations	299	1,757
Less: Deposits pledged for bank facilities	(35,241)	(34,326)
Less: Deposits with licensed banks with maturity period more than 3 months	(162)	(5,157)
Cash and cash equivalents	<u>146,679</u>	<u>49,246</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)



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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 30 September 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
Amendments to MFRS 16 Leases (Covid-19 Related Rent Concessions)	1 June 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 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 30 September 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 30 September 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	71,542	50,075	-	121,617	421
Intersegment revenue	(61)	(136)	-	(197)	-
External revenue	71,481	49,939	-	121,420	421
Adjusted EBITDA	37,752	8,087	(11,948)	33,891	(1,240)
Loss on disposal of property, plant and equipment	-	(16)	-	(16)	-
Gain on purchase of debt	-	-	11,680	11,680	-
Gain on acquisition	-	-	10,151	10,151	-
Fair value changes in biological assets	57	-	-	57	-
Expected credit losses of receivables	-	(484)	-	(484)	-
Reversal of impairment of property, plant and equipment	161	-	-	161	-
Inventories written off	-	(28)	-	(28)	-
EBITDA	37,970	7,559	9,883	55,412	(1,240)
Depreciation & amortisation	(14,391)	(5,527)	(1,486)	(21,404)	-
Profit from Al-Mudharabah	354	24	2	380	-
Interest income	-	-	-	-	2
Finance costs	(1,546)	(388)	(4,738)	(6,672)	-
Profit/(loss) before tax	22,387	1,668	3,661	27,716	(1,238)

3 months ended 30 September 2019

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	47,618	58,934	-	106,552	186
Intersegment revenue	(103)	(522)	-	(625)	-
External revenue	47,515	58,412	-	105,927	186
Adjusted EBITDA	11,221	9,193	(4,491)	15,923	(6,624)
Fair value changes in biological assets	1,280	-	-	1,280	-
Expected credit losses of receivables	-	(560)	-	(560)	-
Property, plant & equipment written off	-	-	-	-	(33,747)
Inventories written off	-	(25)	-	(25)	(4,771)
EBITDA	12,501	8,608	(4,491)	16,618	(45,142)
Depreciation & amortisation	(9,194)	(4,241)	(1,355)	(14,790)	2,919
Profit from Al-Mudharabah	29	132	8	169	-
Interest income	-	-	-	-	2,219
Finance costs	(639)	(1,291)	(3,774)	(5,704)	-
Profit/(loss) before tax	2,697	3,208	(9,612)	(3,707)	(40,004)

8. Segmental reporting (cont'd.)

9 months ended 30 September 2020

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	167,749	146,508	-	314,257	1,126
Intersegment revenue	(205)	(870)	-	(1,075)	-
External Revenue	167,544	145,638	-	313,182	1,126
Adjusted EBITDA	68,792	11,414	(21,794)	58,412	(4,255)
Loss on disposal of property, plant and equipment	-	(16)	-	(16)	-
Gain on purchase of debt	-	-	11,680	11,680	-
Gain on acquisition	-	-	10,151	10,151	-
Fair value changes of biological assets	417	-	-	417	-
Expected credit losses of receivables	-	(1,425)	-	(1,425)	-
Property, plant & equipment written off	(1,367)	-	-	(1,367)	-
Inventories written off	-	(28)	-	(28)	-
EBITDA	67,842	9,945	37	77,824	(4,255)
Depreciation & amortisation	(42,041)	(11,577)	(4,437)	(58,055)	-
Profit from Al-Mudharabah	652	121	5	778	-
Interest income	-	-	-	-	2
Finance costs	(4,134)	(2,187)	(8,417)	(14,738)	-
Profit/(loss) before tax	22,319	(3,698)	(12,812)	5,809	(4,253)
30 September 2020					
Assets	934,707	263,619	459,682	1,658,008	172,096
Liabilities	731,812	138,465	219,501	1,089,778	5,296
Exchange rate ratio	MYR 1.00	IDR 3,590			

9 months ended 30 September 2019

	Plantation Malaysia RM'000	Healthcare RM'000	Investment holding company and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	138,916	172,686	-	311,602	218
Intersegment revenue	(328)	(1,084)	-	(1,412)	-
External Revenue	138,588	171,602	-	310,190	218
Adjusted EBITDA	30,371	26,667	(5,599)	51,439	(9,651)
Gain on disposal of investment property	5,203	-	-	5,203	-
Fair value changes of biological assets	1,264	-	-	1,264	-
Expected credit losses of receivables	-	(1,656)	-	(1,656)	-
Property, plant & equipment written off	-	-	-	-	(33,747)
Inventories written off	-	(53)	-	(53)	(4,771)
EBITDA	36,838	24,958	(5,599)	56,197	(48,169)
Depreciation & amortisation	(27,704)	(11,451)	(4,196)	(43,351)	(7,414)
Profit from Al-Mudharabah	86	345	73	504	-
Interest income	-	-	-	-	6,298
Finance costs	(2,025)	(3,535)	(8,037)	(13,597)	-
Profit/(loss) before tax	7,195	10,317	(17,759)	(247)	(49,285)
31 December 2019					
Assets	741,767	282,580	450,487	1,474,834	190,380
Liabilities	521,909	149,227	248,787	919,923	4,706
Exchange rate ratio	MYR 1.00	IDR 3,397			

9. Valuation on non-current assets

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

10. Material subsequent event

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

11. Changes in the composition of the Group

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

12. Changes in contingent liabilities or contingent assets

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

13. Capital commitments

Capital commitments as at 30 September 2020 are as follows:

	RM '000
Authorised by the Directors and contracted	5,174
Authorised by the Directors but not contracted	110,020
	<u>115,194</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

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

Individual quarter - Q3 2020 versus Q3 2019

	Q3 2020 RM'000	Q3 2019 RM'000	Changes RM'000	%
REVENUE				
Plantation	71,481	47,515	23,966	50%
Healthcare	49,939	58,412	(8,473)	-15%
Total revenue	121,420	105,927	15,493	15%
PROFIT/(LOSS) BEFORE TAX				
Plantation	37,752	11,221	26,531	236%
Healthcare	8,087	9,193	(1,106)	-12%
Investment holding company and others	(11,948)	(4,491)	(7,457)	-166%
Adjusted EBITDA	33,891	15,923	17,968	113%
Loss on disposal of property, plant and equipment	(16)	-	(16)	-100%
Gain on purchase of debt	11,680	-	11,680	100%
Gain on acquisition	10,151	-	10,151	100%
Fair value changes of biological assets	57	1,280	(1,223)	-96%
Expected credit losses of receivables	(484)	(560)	76	14%
Reversal of impairment of property, plant and equipmer	161	-	161	100%
Inventories written off	(28)	(25)	(3)	-12%
EBITDA	55,412	16,618	38,794	233%
Depreciation & amortisation	(21,404)	(14,790)	(6,614)	-45%
Profit from Al-Mudharabah	380	169	211	125%
Finance costs	(6,672)	(5,704)	(968)	-17%
Profit/(loss) before tax	27,716	(3,707)	31,423	848%

The Group recorded higher revenue by 15% for the three months ended 30 September 2020, compared to the previous corresponding quarter mainly due to higher revenue from the Plantation Division by 50%, and this is partly offset with lower revenue from the Healthcare Division by 15%.

The Group recorded PBT of RM27.7 million during the quarter, compared to LBT of RM3.7 million in the previous corresponding quarter.

PLANTATION DIVISION (Continuing Operations)

The Plantation Division recorded higher revenue by 50% mainly due to;

- a) Higher CPO and PK average prices by 34% and 29% respectively; and
- a) Higher sales volume of CPO and PK by 17% and 9% respectively.

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.)

Individual quarter - Q3 2020 versus Q3 2019 (cont'd.)

PLANTATION DIVISION (Continuing Operations) (cont'd.)

During the quarter, our Plantation Division registered an EBITDA of RM38.0 million, compared to RM12.5 million in the previous corresponding quarter.

We have completed acquisition of TDM-YT Plantation Sdn. Bhd. ("TDMYT"), formerly known as THP-YT Plantation Sdn. Bhd. and the acquisition is key to increase our planted area, as well as to improve our overall age profile of the Group.

Below are the key operating statistics for Plantation division:

Plantation Statistics	Q3 2020	Q3 2019	Changes	%
CPO sales volume (mt)	24,835	21,193	3,642	17%
PK sales volume (mt)	5,328	4,905	423	9%
FFB production (mt)	111,517	96,389	15,128	16%
CPO average price (RM)	2,775	2,066	709	34%
PK average price (RM)	1,569	1,213	356	29%
Mature area (hectare)	26,530	26,341	189	1%
Immature area (hectare)	6,988	4,954	2,034	41%
Oil extraction rate (OER)	19.77%	20.27%	-0.50%	-2%
Kernel extraction rate (KER)	4.23%	4.53%	-0.30%	-7%

HEALTHCARE DIVISION

Our Healthcare Division registered lower revenue by 15% during the quarter, compared to the previous corresponding quarter due to lower number of inpatient and outpatient by 27% and 9% respectively. The development of COVID-19 pandemic and the implementation of Conditional Movement Control Order (CMCO) that took effect since 13 May 2020, and subsequently implementation of and Recovery Movement Control Order (RMCO) since 10 June 2020, saw the postponement of non-critical and non-essential treatments by patients. However, our hospitals have responded with business recovery plan, including providing drive-through and on-site COVID-19 tests for our customers. This has helped to partly mitigate the weak revenue during the quarter.

During the quarter, the division recorded lower EBITDA at RM7.6 million, compared to an EBITDA of RM8.6 million in the previous corresponding quarter.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q3 2020	Q3 2019	Changes	%
Number of inpatient	4,519	6,208	(1,689)	-27%
Number of outpatient	37,036	40,627	(3,591)	-9%
Inpatient days	11,643	19,685	(8,042)	-41%
Occupancy rate (%)	38%	56%	-18%	-32%
Average length of stay (day)	2.65	2.95	(0.30)	-10%
Number of bed	407	407	-	-
Average revenue per inpatient (RM)	7,940	9,012	-1,072	-12%

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 - 9M 2020 versus 9M 2019

	9M 2020	9M 2019	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	167,544	138,588	28,956	21%
Healthcare	145,638	171,602	(25,964)	-15%
Total revenue	313,182	310,190	2,992	1%
PROFIT/(LOSS) BEFORE TAX				
Plantation	68,792	30,371	38,421	127%
Healthcare	11,414	26,667	(15,253)	-57%
Investment holding company and others	(21,794)	(5,599)	(16,195)	-289%
Adjusted EBITDA	58,412	51,439	6,973	14%
Loss on disposal of property, plant and equipment	(16)	-	(16)	-100%
Gain on disposal of investment property	-	5,203	(5,203)	-100%
Gain on purchase of debt	11,680	-	11,680	100%
Gain on acquisition	10,151	-	10,151	100%
Fair value changes of biological assets	417	1,264	(847)	-67%
Expected credit losses of receivables	(1,425)	(1,656)	231	14%
Property, plant & equipment written off	(1,367)	-	(1,367)	-100%
Inventories written off	(28)	(53)	25	47%
EBITDA	77,824	56,197	21,627	38%
Depreciation & amortisation	(58,055)	(43,351)	(14,704)	-34%
Profit from AI-Mudharabah	778	504	274	54%
Finance costs	(14,738)	(13,597)	(1,141)	-8%
Profit/(loss) before tax	5,809	(247)	6,056	2452%

The Group recorded higher revenue by 1% for the nine months ended 30 September 2020, compared to the previous corresponding period mainly due to higher revenue from the Plantation Division by 21%, and this is partly offset with lower revenue from the Healthcare Division by 15%.

The Group registered PBT of RM5.8 million for the nine months ended 30 September 2020, compared to LBT of RM0.2 million in the previous corresponding quarter.

PLANTATION DIVISION (Continuing Operations)

The Plantation Division recorded higher revenue by 21% mainly due to higher CPO and PK average prices by 29% and 25% respectively. However, this is partly offset with lower sales volume of CPO and PK by 4% and 8% respectively.

During the period, our Plantation Division registered an EBITDA of RM67.8 million, compared to RM36.8 million in the previous corresponding period.

We have completed the acquisition of TDMYT and the acquisition is key to increase our planted area, as well as to improve our overall age profile of the Group.

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 - 9M 2020 versus 9M 2019 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Statistics	9M 2020	9M 2019	Changes	%
CPO sales volume (mt)	60,618	62,994	(2,376)	-4%
PK sales volume (mt)	13,370	14,566	(1,196)	-8%
FFB production (mt)	290,172	294,034	(3,862)	-1%
CPO average price (RM)	2,634	2,040	594	29%
PK average price (RM)	1,568	1,253	315	25%
Mature area (hectare)	26,530	26,341	189	1%
Immature area (hectare)	6,988	4,954	2,034	41%
Oil extraction rate (OER)	19.64%	19.99%	-0.35%	-2%
Kernel extraction rate (KER)	4.29%	4.60%	-0.31%	-7%

HEALTHCARE DIVISION

Our Healthcare Division registered lower revenue by 15% during the period, compared to the previous corresponding period due to lower number of inpatient and outpatient by 26% and 21% respectively.

During the period, the division recorded lower EBITDA at RM9.9 million, compared to an EBITDA of RM25.0 million in the previous corresponding period.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	9M 2020	9M 2019	Changes	%
Number of inpatient	13,649	18,501	(4,852)	-26%
Number of outpatient	98,028	124,842	(26,814)	-21%
Inpatient days	42,040	59,160	(17,120)	-29%
Occupancy rate (%)	39%	56%	-17%	-30%
Average length of stay (day)	2.90	2.95	(0.05)	-2%
Number of bed	407	407	-	-
Average revenue per inpatient (RM)	7,797	7,089	708	10%

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

Individual quarter - Q3 2020 versus Q2 2020

	Q3 2020 RM'000	Q2 2020 RM'000	Changes RM'000	%
REVENUE				
Plantation	71,481	47,868	23,613	49%
Healthcare	49,939	36,070	13,869	38%
Total revenue	121,420	83,938	37,482	45%
LOSS BEFORE TAX				
Plantation	37,752	14,394	23,358	162%
Healthcare	8,087	(1,539)	9,626	625%
Investment holding company and others	(11,948)	(6,631)	(5,317)	-80%
Adjusted EBITDA	33,891	6,224	27,667	445%
Loss on disposal of property, plant and equipment	(16)	-	(16)	-100%
Gain on purchase of debt	11,680	-	11,680	100%
Gain on acquisition	10,151	-	10,151	100%
Fair value changes of biological assets	57	1,043	(986)	-95%
Expected credit losses of receivables	(484)	(344)	(140)	-41%
Reversal of impairment/(impairment loss) of property, plant and equipment	161	(1,367)	1,528	112%
Inventories written off	(28)	(34)	6	18%
EBITDA	55,412	5,522	49,890	903%
Depreciation & amortisation	(21,404)	(20,836)	(568)	-3%
Profit from Al-Mudharabah	380	274	106	39%
Finance costs	(6,672)	(2,885)	(3,787)	-131%
Loss before tax	27,716	(17,925)	45,641	255%

The Group's revenue for the three months ended 30 September 2020 was higher by 45% compared to the immediate preceding quarter mainly due to higher revenue at both Plantation and Healthcare Division by 49% and 38% respectively.

The Group recorded PBT of RM27.7 million during the quarter, compared to LBT of RM17.9 million in the immediate preceding quarter.

PLANTATION DIVISION

The Plantation Division recorded higher revenue by 49% mainly due to;

- a) Higher CPO and PK average prices by 18% and 13% respectively; and
- b) Higher sales volume of CPO and PK by 26% and 39% respectively.

During the quarter, our Plantation Division registered an EBITDA of RM38.0 million, compared to RM14.1 million in the immediate preceding quarter.

We have completed the acquisition of TDMYT and the acquisition is key to increase our planted area, as well as to improve our overall age profile of the Group.

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

Individual quarter - Q3 2020 versus Q2 2020 (cont'd.)

Below are the key operating statistics for Plantation division:

Plantation Statistics	Q3 2020	Q2 2020	Changes	%
CPO sales volume (mt)	24,835	19,659	5,176	26%
PK sales volume (mt)	5,328	3,846	1,482	39%
FFB production (mt)	111,517	98,431	13,086	13%
CPO average price (RM)	2,775	2,351	424	18%
PK average price (RM)	1,569	1,390	179	13%
Mature area (hectare)	26,530	24,647	1,883	8%
Immature area (hectare)	6,988	6,563	425	6%
Oil extraction rate (OER)	19.77%	19.74%	0.03%	0%
Kernel extraction rate (KER)	4.23%	3.95%	0.28%	7%

HEALTHCARE DIVISION

The Healthcare Division recorded a higher revenue by 38% mainly due to the increase in number of inpatient and outpatient by 65% and 28% respectively, compared to the immediate preceding quarter which was mainly affected from the imposition of MCO from 18 March 2020 by the government of Malaysia.

Below are the key operating statistics for Healthcare division:

Healthcare Statistics	Q3 2020	Q2 2020	Changes	%
Number of inpatient	4,519	2,731	1,788	65%
Number of outpatient	37,036	28,938	8,098	28%
Inpatient days	11,643	8,828	2,815	32%
Occupancy rate (%)	38%	23%	15%	65%
Average length of stay (day)	2.65	3.03	(0.38)	-13%
Number of bed	407	407	-	-
Average revenue per inpatient (RM)	7,940	9,029	-1,089	-12%

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

The CPO price have regained strongly to above RM3,000 per tonne after a decrease to RM1,946 in May 2020, due to low stockpiles in Malaysia and weak Indonesia output in the third quarter. China has been restocking, where for the 10 months ended 31 October 2020, our export to China grew by 20.5% year-on-year. Some other countries also saw substantial increased purchase of palm oil from Malaysia; Egypt (up 245%), Kenya (up 180%), Saudi Arabia (up 163%) and Bangladesh (up 103%).

Further, weather uncertainties with potential appearance of La Nina, has also resulted in higher edible oil prices.

TDM Group will remain focused in improving productivity and optimizing production cost. We are committed with our replanting program which has commenced since year 2012, to rejuvenate our estates in Terengganu in improving age profile and stand per hectare, towards achieving higher yield and optimizing mechanization. The recent acquisition of THP-YT is one of the key initiatives in our effort to increase our planted area as well improve the overall age profile of the Group.

Indonesia Plantation

The challenges in concluding the sale of our subsidiaries in Indonesia has led to the decision by the Board to terminate the proposed disposal to PT Aragon Agro Pratama. Notwithstanding the above, the Company is committed to disposing of the said assets and will continue to identify appropriate buyer(s) and follow up with necessary announcements when there is further development.

Healthcare

The current COVID-19 pandemic has impacted the healthcare sector where patients postponed non-critical treatments, with the worst saw in April and May. However, number of patients is picking up as lockdown eased and re-opening of businesses. We are seeing near pre-MCO level of revenue in the third quarter of this year. However, the sector remained cautious on concerns of prolong uncertainties in the market.

TDM's Healthcare business has formulated several strategies to address the challenges through our Business Continuity Plan and Business Recovery Plan, including various COVID-19 related services, and promotion of home delivery of pharmaceutical products.

Our Healthcare's strategy in delivering quality healthcare in an affordable and convenient settings, is critical to ensure we remain competitive in delivering values to our customers. Our growth will be supported by our capacity expansion plan and introduction of new service modalities.

Group

The Group is cautiously optimistic of achieving satisfactory operating performance in the current financial year.

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.

The Malaysian economy improved to record a smaller contraction of 2.7% in the third quarter of 2020 (2Q 2020: -17.1%). The improvement largely reflected the reopening of the economy from COVID-19 containment measures and better external demand conditions. Improvements in growth were seen across most economic sectors, particularly in the manufacturing sector, which turned positive following strong E&E production activity. On the expenditure side, domestic demand contracted at a slower pace, while net exports rebounded. On a quarter-on-quarter seasonally-adjusted basis, the economy turned around to register an expansion of 18.2% (2Q 2020: -16.5%).

For the quarter, headline inflation recorded a smaller negative at -1.4%, due mainly to the higher domestic retail fuel prices, in line with the recovery in global oil prices. Core inflation moderated slightly to 1.0%.

In recent days, there has been encouraging news about COVID-19 vaccines, with some successful trials reported.

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.

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

Not applicable.

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

There was no profit guarantee issued for the quarter ended 30 September 2020.

18. Profit/(loss) for the period

	Current period to date	
	30-Sep-20 RM'000	30-Sep-19 RM'000
The following amounts have been included in arriving at profit/(loss) before tax:		
Interest expense	14,738	13,597
Profit from Al-Mudharabah	(778)	(504)
Interest income - Discontinuing	(2)	(6,298)
Depreciation of property, plant and equipment		
- Continuing	55,602	42,708
- Discontinuing	-	7,414
Amortisation of intangible asset	643	643
Amortisation of right -of-use assets	1,810	-
Loss on disposal of property, plant and equipment	16	-
Property, plant and equipment written off	1,367	33,747
Inventories written off	28	4,824
Expected credit losses on trade and other receivables	1,425	1,656
Provision for short term accumulating compensated absences	108	93
Provision for retirement benefit obligations	325	343
Fair value changes of biological assets	(417)	(1,264)
Fair value movement in other investment	-	(3,633)
Revenue arising from contract liability	(23,660)	-
Gain on acquisition	(10,151)	-
Gain on purchase of debt	(11,680)	-
Dividend income	(995)	(1,225)
Gain on disposal of investment property	-	(5,203)

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

	Current Quarter		Current period to date	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Current income tax	108	3,470	585	9,823
Over provision of income tax in prior year	185	(2,833)	185	(2,833)
	<u>293</u>	<u>637</u>	<u>770</u>	<u>6,990</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	2,204	(486)	1,371	(1,742)
Under/(over) provision of deferred tax	2,848	(44)	2,853	(452)
Income tax	<u>5,345</u>	<u>107</u>	<u>4,994</u>	<u>4,796</u>

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 and current period to date was higher than the statutory tax rate of the respective period principally due to certain expenses not deductible for tax purposes.

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

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

	Group	
	As at 30-Sep-20 RM'000	As at 31-Dec-19 RM'000
Assets:		
Property, plant and equipment	84,197	99,601
Right-of-use assets	24,668	24,668
Trade receivables	121	109
Other receivables	62,278	65,391
Prepayment	251	26
Biological assets	257	272
Inventories	25	23
Cash and bank balances	299	290
Assets held for sale	<u>172,096</u>	<u>190,380</u>
Liabilities:		
Other payables	(4,898)	(4,287)
Retirement benefit obligations	(391)	(391)
Tax payable	(7)	(28)
Liabilities directly associated with assets held for sale	<u>(5,296)</u>	<u>(4,706)</u>
Net assets directly associated with disposal group	<u>166,800</u>	<u>185,674</u>

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

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

	Current period to date	
	30-Sep-20 RM'000	30-Sep-19 RM'000
Revenue	1,126	218
Cost of sales	(4,900)	(11,234)
Gross loss	(3,774)	(11,016)
Interest income	2	6,332
Other income	-	-
Administrative expenses	(481)	(44,601)
Other expenses	-	-
Finance costs	-	-
Loss before tax	(4,253)	(49,285)
Income tax expense	-	-
Loss for the year from discontinued operations, net of tax	(4,253)	(49,285)

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 1 July 2020, the Company had entered into two (2) Second Variation Letters each to vary and/or amend the terms of Share Purchase Agreement ("SPA") and Settlement Agreement ("SA") dated 3 March 2020 respectively (the two letters are collectively referred to as the "Second Variation Letters"). In compliance with Clause 29 of the SPA and Clause 19 of the SA, both parties have now agreed to enter into the Second Variation Letters to extend the completion period to enable and allow ample time for the parties to fulfil their respective obligations under the SPA and SA.

On 3 August 2020, the Board of Directors ("the Board") of TDM Berhad has announced the following:-

- (a) that all conditions precedent stipulated in the SPA have been met and that the proposed acquisition of shares in THP-YT pursuant to the SPA ("Proposed Acquisition") had been completed on 31 July 2020.
- (b) that the SA will be completed at a later date and announcement will be made accordingly.

As a result of the completion of the Proposed Acquisition, THP-YT has become a direct subsidiary of TDM Berhad. With the completion of the Proposed Acquisition, TDM Group's total planted area in Terengganu has increased from 31,346 hectares to 33,653 hectares. In addition, the younger age profile of THP-YT will contribute positively to improve TDM Group's overall age profile. This is also part of TDM's plan to expand its plantation locally and gain larger planted area in Terengganu.

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")

On 3 August, the Company announced that the Board has decided to withdraw the said acceptance of the Offer, which expired on 31 July 2020. The decision was made after due consideration that the Execution Deadline had been extended several times since the acceptance by the Board of the Offer from PT Aragon on 28 February 2020, coupled with the uncertainties posed by the global pandemic of COVID-19 that affected PT Aragon in finalising the CSPA.

Notwithstanding the above, the management is committed to dispose the said assets and will continue to identify appropriate buyer(s) and follow up with necessary announcements when there is further development.

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 17 July 2020, the Company had announced that the Board has fixed the issue price for the 1st tranche of TDM Shares to be issued pursuant to the Proposed Private Placement at RM0.2170 per TDM Share. The issue price represents a discount of 10.0% to the five (5)-day volume weighted average market price of TDM Shares up to and including 16 July 2020 of RM0.2411.

On 24 July 2020, the Company had announced the latest issued share capital after the corporate proposal as follows:

Units	: 1,722,881,001
Issued Share Capital (RM)	: Malaysian Ringgit (MYR) 359,444,698.00
Listing Date	: 27 July 2020

With reference to the Bursa Malaysia Securities' approval letter dated 11 March 2020 for the listing application in relation to the proposed private placement and in accordance with Paragraph 6.62(1) Chapter 6 of Main Market Listing Requirements where a Listed Issuer must complete the implementation of a proposal relating to an issuance of securities within six months from the date the listing application is approved by Bursa Malaysia Securities, the Company had announced on 10 September 2020 that the abovementioned Bursa Securities' approval has lapsed on even date.

For information, 40,240,000 TDM Shares were 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 30-Sep-20 RM'000	As at 31-Dec-19 RM'000
Trade receivables - nominal amounts	48,239	26,622
Less: Allowance for expected credit losses	(8,138)	(8,515)
	40,101	18,107

Movement in allowance accounts:

	Group	
	As at 30-Sep-20 RM'000	As at 31-Dec-19 RM'000
At 1 January	8,515	10,901
Provision for expected credit losses	1,425	293
Reversal of expected credit losses	(1,802)	(2,679)
At 31 December	8,138	8,515

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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

Details of the Group's borrowings as at 30 September 2020 and 31 December 2019 are as follows:

Group borrowings and debt securities.

As at 30 September 2020

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	406,792	38,170	444,962
Bank overdraft	18,744	-	18,744
Obligation under hire purchase	11,831	626	12,457
	437,367	38,796	476,163
Unsecured			
Bank loans	-	36,734	36,734
	-	36,734	36,734
	437,367	75,530	512,897

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
	385,169	47,206	432,375
Unsecured			
Bank loans	-	33,426	33,426
	-	33,426	33,426
	385,169	80,632	465,801

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

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

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. 24 January 2020,
- ii. 7 February 2021; and
- iii. 21 February 2021;

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.

The court has granted Order in terms with regards to the 2nd Defendants Notice to the 1st Defendant and Third Party Claiming Contribution or Indemnity. Court fixed for another Case Management on 24th August 2020. Further, the court also fixed for Trial on 16 to 18 November 2020.

- 1) During the trial held on 16 November 2020 to 18 November 2020, the Plaintiff together with his two subpoena witnesses had concluded their respective evidence.
- 2) The Court had fixed for Continued Trial from 21 December 2020 until 23 December 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 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 27 July 2020, PTRKA informed that PTRKA suit was inadmissible and the court did not consider the content or the substance of the legal paper.

The judges concluded that PTRKA must submit the objection to Governor no later than 19 November 2019 (we have submitted letter of objection on 16 December 2019). The Management has decided not to appeal on the decision. The Management to strictly comply with the Governor sanction.

5) HIGH COURT OF MALAYA AT Kuantan [CA-22NCVC-46-11/2019]

Tunas Capital Sdn Bhd vs

1. Kuantan Medical Centre Sdn Bhd

Plaintiff claim against Defendant for the sum of RM1,298,415.43 being rental arrears from September 2018 to September 2019 for building known as No 1-9, Jalan Tun Ismail 9, Kuantan, Pahang ("the said premise"). The Plaintiff also claims for the sum of RM187,420.00 being cost of repair and/or rectify the defect the said premise.

The Board of TDM wishes to update that the Solicitors of KMC, Messrs. Mohd Najid & Partners had informed today on the following outcome the hearing held on 9-11 November 2020:-

- 1) KMC's witness and representatives were present today as well as the other four witnesses of the Plaintiff. The Plaintiff witness was called to the witness stand and he had examined in chief, but the matter had to be postponed to allow the Parties to discuss out of court settlement as the Plaintiff solicitor had informed the Court that their client is willing to go for settlement but yet to forward the Formal Document of Proposed Settlement Figure.

The Defendant had agreed to the request and reserved its rights to cross examine the witness when hearing resumes.

- 2) The Court had therefore postponed the matter and fixed for status of settlement on 23rd December 2020 and in the event, settlement failed to be reached, the matter will proceed as Continued Hearing.

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

6) HIGH COURT OF MALAYA AT KUALA TERENGGANU [TA-23NCVC-2-06/2018]

Lim Puay Leng vs

- 1. Dr. Azhar bin Zainuddin**
- 2. Kuala Terengganu Specialist Hospital Sdn Bhd**

The Plaintiff alleges that the 1st Defendant, as a Consultant Ophthalmologist, has negligently fail to carry out a medical procedure to remove cataract on his right eye which caused him suffer blurry vision, sensitive with lights and double vision.

The court has decided that 2nd Defendant is jointly responsible and awarded to the Plaintiff RM 223,895.66. We have instructed the Solicitor to file an appeal at Court of Appeal. Notice of Appeal was filed on 14 October 2019.

Hearing of appeal which was fixed on 7 October 2020 has been vacated by the Court of Appeal (COA). The COA fixed for Case Management on 9 December 2020.

26. Dividend proposed

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

27. Earnings/(loss) per share

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-20 RM'000	Preceding Quarter Ended 30-Sep-19 RM'000	Current Quarter To date 30-Sep-20 RM'000	Preceding Quarter To date 30-Sep-19 RM'000
Profit/(loss) net of tax attributable to owners of the parent used in the computation of basic loss per share	21,752	(41,401)	(2,151)	(51,542)
Add back: (Profit)/loss from discontinued operation, net of tax, attributable to owners of the parent	(524)	43,295	3,643	48,703
Profit/(loss) net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	<u>21,228</u>	<u>1,894</u>	<u>1,492</u>	<u>(2,839)</u>

27. Earnings/(loss) per share (cont'd.)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Sep-20 number of ordinary shares '000	Preceding Quarter Ended 30-Sep-19 number of ordinary shares '000	Current Quarter To date 30-Sep-20 number of ordinary shares '000	Preceding Quarter To date 30-Sep-19 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,682,641	1,696,054	1,682,641
Earnings/(loss) per share attributable to owners of the parent (sen per share):				
Basic earnings/(loss) per share (sen per share)	1.26	(2.46)	(0.13)	(3.06)
- continuing operations	1.23	0.11	0.09	(0.17)
- discontinued operation	0.03	(2.57)	(0.21)	(2.89)

28. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 November 2020.

BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF
 Company Secretary

Kuala Terengganu
 25 November 2020