



TDM BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 JUNE 2022**



TDM BERHAD

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

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

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-22 RM'000	Preceding Quarter Ended 30-Jun-21 RM'000	Current Quarter To date 30-Jun-22 RM'000	Preceding Quarter To date 30-Jun-21 RM'000
Continuing operations				
Revenue	159,354	111,014	303,025	213,789
Cost of sales	(97,888)	(73,929)	(179,402)	(145,218)
Gross profit	61,466	37,085	123,623	68,571
Other items of income				
Interest income	661	487	1,404	1,049
Other income	4,235	3,523	7,062	7,485
Other items of expense				
Distribution costs	(1,014)	(1,074)	(2,215)	(2,065)
Administrative expenses	(53,452)	(35,043)	(92,990)	(65,729)
Other expenses	(1,181)	(743)	(2,615)	(1,921)
Finance costs	(6,065)	(5,626)	(12,650)	(12,113)
Profit/(loss) before tax	4,650	(1,391)	21,619	(4,723)
Income tax expense	(3,516)	(1,712)	(10,044)	(3,041)
Profit/(loss) for the period from continuing operations, net of tax	1,134	(3,103)	11,575	(7,764)
Discontinued operation				
Loss for the period from discontinued operation, net of tax	(1,410)	(330)	(2,237)	(612)
(Loss)/profit for the period, net of tax	(276)	(3,433)	9,338	(8,376)
Other comprehensive income/(loss):				
Foreign currency translation	612	894	372	(125)
Fair value movement of investments in securities	(1)	(2)	-	(2)
Other comprehensive income/(loss) for the period, net of tax	611	892	372	(127)
Total comprehensive (loss)/income for the period	335	(2,541)	9,710	(8,503)



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FOR THE PERIOD ENDED 30 JUNE 2022**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-22 RM'000	Preceding Quarter Ended 30-Jun-21 RM'000	Current Quarter To date 30-Jun-22 RM'000	Preceding Quarter To date 30-Jun-21 RM'000
(Loss)/profit attributable to:				
Owners of the parent	571	(2,743)	10,281	(6,964)
Non-controlling interests	(847)	(690)	(943)	(1,412)
	(276)	(3,433)	9,338	(8,376)
Total comprehensive (loss)/ income attributable to:				
Owners of the parent	1,129	(1,980)	10,595	(7,156)
Non-controlling interests	(794)	(561)	(885)	(1,347)
	335	(2,541)	9,710	(8,503)
Profit/(loss) per share attributable to owners of the parent (sen per share):				
Basic (Note 27)	0.03	(0.16)	0.60	(0.40)

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



TDM BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

(The figures have not been audited)

	As at 30-Jun-22 RM'000	As at 31-Dec-21 RM'000
Assets		
Non-current assets		
Property, plant and equipment	806,727	802,005
Right-of-use assets	483,518	482,911
Intangible asset	3,319	3,748
Goodwill	991	991
Other investments	41,063	41,063
Investments in securities	36	36
Other receivables	186	186
Deferred tax assets	1,000	996
	1,336,840	1,331,936
Current assets		
Biological assets	11,324	8,671
Inventories	33,884	24,057
Trade and other receivables	63,713	57,630
Contract asset	3,354	4,827
Prepayments	4,257	4,946
Tax recoverable	14,768	12,753
Cash and bank balances	148,688	194,443
Assets of disposal group classified as held for sale	106,694	105,666
	386,682	412,993
Total assets	1,723,522	1,744,929
Current liabilities		
Retirement benefit obligations	596	742
Lease liabilities	1,411	1,065
Loans and borrowings	56,750	49,660
Trade and other payables	233,838	222,266
Tax payable	16,562	15,684
Liabilities of disposal group classified as held for sale	10,190	10,412
	319,347	299,829
Net current assets	67,335	113,164



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

(The figures have not been audited)

	As at 30-Jun-22 RM'000	As at 31-Dec-21 RM'000
Non-current liabilities		
Retirement benefit obligations	5,347	5,470
Lease liabilities	66,294	61,599
Loans and borrowings	423,982	440,691
Other payables	8,621	41,934
Deferred tax liabilities	187,473	186,628
	691,717	736,322
Total liabilities	1,011,064	1,036,151
Net assets	712,458	708,778
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	369,313	365,062
Other reserves	36,035	36,035
Reserves of a disposal group held for sale	(27,481)	(28,402)
	737,312	732,140
Non-controlling interests	(24,854)	(23,362)
Total equity	712,458	708,778
Total equity and liabilities	1,723,522	1,744,929
Net assets per share (RM)	0.41	0.41

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



TDM BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022**

(The figures have not been audited)

	Attributable to owners of the parent									
	Non-distributable		Distributable			Non-distributable				
	Total equity RM'000	Equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Fair value adjustment reserve RM'000	Employee benefits plan reserve RM'000	Premium paid on acquisition of non-controlling interest RM'000	Reserves of a disposal group held for sale RM'000	Non-controlling interests RM'000
Opening balance at 1 January 2022	708,778	732,140	359,445	365,062	36,035	36,303	(237)	(31)	(28,402)	(23,362)
Profit/(loss) for the period	9,338	10,281	-	10,281	-	-	-	-	-	(943)
Other comprehensive income/(loss)										
Foreign currency translation	372	921	-	-	-	-	-	-	921	(549)
Other comprehensive income/(loss) for the period, net of tax	372	921	-	-	-	-	-	-	921	(549)
Total comprehensive income/(loss) for the period, net of tax	9,710	11,202	-	10,281	-	-	-	-	921	(1,492)
Transactions with owners										
Dividends on ordinary shares	(6,030)	(6,030)	-	(6,030)	-	-	-	-	-	-
Total transactions with owners	(6,030)	(6,030)	-	(6,030)	-	-	-	-	-	-
Closing balance at 30 June 2022	712,458	737,312	359,445	369,313	36,035	36,303	(237)	(31)	(27,481)	(24,854)
Opening balance at 1 January 2021	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Loss for the period	(8,376)	(6,964)	-	(6,964)	-	-	-	-	-	(1,412)
Other comprehensive loss										
Fair value movement of other investment	(2)	(2)	-	-	(2)	(2)	-	-	-	-
Foreign currency translation	(125)	(125)	-	-	-	-	-	-	(125)	-
Other comprehensive loss for the period, net of tax	(127)	(127)	-	-	(2)	(2)	-	-	(125)	-
Total comprehensive loss for the period, net of tax	(8,503)	(7,091)	-	(6,964)	(2)	(2)	-	-	(125)	(1,412)
Transactions with owners										
Dividends on ordinary shares	(8,957)	(8,957)	-	(8,957)	-	-	-	-	-	-
Total transactions with owners	(8,957)	(8,957)	-	(8,957)	-	-	-	-	-	-
Closing balance at 30 June 2021	738,402	754,805	359,445	392,614	33,076	33,344	(237)	(31)	(30,330)	(16,403)

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



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

(The figures have not been audited)

	Period Ended	
	30-Jun-22 RM'000	30-Jun-21 RM'000
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	21,619	(4,723)
Loss before tax from discontinued operation	(2,237)	(612)
	19,382	(5,335)
<u>Adjustments for:</u>		
Finance costs	12,650	12,113
Depreciation of property, plant and equipment	30,346	29,637
Amortisation of intangible asset	429	428
Amortisation of right-of-use assets	5,202	8,096
Amortisation of contract assets	1,473	1,449
Property, plant and equipment written off - Continuing	19	-
Inventories written off - Continuing	41	8
Expected credit losses of trade receivables	612	830
Expected credit losses of other receivables		
- Continuing	-	5
Impairment of right-of-use assets - Discontinued	165	-
Impairment of property, plant and equipment		
- Discontinued	657	-
- Continuing	28	130
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	2,265	1,247
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(223)	(241)
Provision for retirement benefit obligations	179	212
Profit from al-Mudharabah	(1,404)	(1,049)
Fair value changes of biological assets		
- Continuing	(2,653)	(1,397)
Hibah income - Discontinued	(3)	(8)
Total adjustments	49,783	51,460
Operating cash flows before changes in working capital	69,165	46,125
<u>Changes in working capital</u>		
Inventories	(9,868)	485
Receivables	(3,752)	7,886
Payables	13,788	10,072
Contract liability	-	(634)
Prepayment	689	211
Total changes in working capital	857	18,020
Cash flows generated from operations	70,022	64,145



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

(The figures have not been audited)

	Period Ended	
	30-Jun-22	30-Jun-21
	RM'000	RM'000
Finance cost paid	(12,650)	(12,113)
Profit from al-Mudharabah received	1,404	1,049
Taxes paid	(11,983)	(3,400)
Taxes refund	-	119
Retirement benefits paid	(320)	(60)
Net cash flows generated from operating activities	<u>46,473</u>	<u>49,740</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(35,479)	(22,949)
Acquisition of right-of-use assets	(5,809)	(548)
Withdrawal of deposits with licensed banks	10,398	162
(Increase)/decrease in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(342)	3,935
Net cash flows used in investing activities	<u>(31,232)</u>	<u>(19,400)</u>
Cash flows from financing activities		
Net repayment of bank borrowings	(7,587)	(20,428)
Net repayment of hire purchase facilities	(2,029)	(1,638)
Repayment of finance lease	(2,724)	(3,765)
Dividend paid to shareholders	(5,262)	(4,996)
Net proceed from advances received	(33,354)	(32,135)
Net cash flows used in financing activities	<u>(50,956)</u>	<u>(62,962)</u>
Net decrease in cash and cash equivalents	(35,715)	(32,622)
Cash and cash equivalents at 1 January	147,635	177,505
Effect of foreign exchange rate changes	-	4
Cash and cash equivalents at end of the period	<u>111,920</u>	<u>144,887</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	148,689	196,254
- Discontinuing operations	422	888
Less: Deposits pledged for bank facilities	(37,186)	(32,250)
Less: Deposits with licensed banks with maturity period more than 3 months	(5)	(20,005)
Cash and cash equivalents	<u>111,920</u>	<u>144,887</u>

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



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Explanatory Notes Pursuant to MFRS 134

Notes:

1. Accounting policies and basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

The interim financial statements of the Group for the financial period ended 30 June 2022 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

The accounting policies applied in this interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

1.1 Changes in accounting policies

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

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

1. Accounting policies and basis of preparation (cont'd.)

1.2 Standards issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

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

2. Declaration of audit qualification

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

3. Seasonal or cyclical factors

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

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

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 30 June 2022.

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

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

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

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

7. Dividends paid

A single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,030,079 (0.35 sen per ordinary share) was approved on 23 June 2022 and paid on 20 July 2022.

8. Segmental reporting

The segments are reported in a manner that is more consistent with internal reporting whereby the Group's business is presented in term of business division and geographical perspective. The operating performance is based on a measure of earning before interest, tax, depreciation and amortisation (EBITDA).

3 months ended 30 June 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	96,840	62,384	-	159,224	1,317
Intersegment revenue	364	(234)	-	130	-
External revenue	97,204	62,150	-	159,354	1,317
EBITDA	34,498	2,573	(7,507)	29,564	(1,411)
Depreciation & amortisation	(14,001)	(4,125)	(1,384)	(19,510)	-
Profit from al-Mudharabah	450	56	155	661	-
Hibah income	-	-	-	-	1
Finance costs	(3,437)	(634)	(1,994)	(6,065)	-
Profit/(loss) before tax	17,510	(2,130)	(10,730)	4,650	(1,410)

3 months ended 30 June 2021

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	67,388	53,994	-	121,382	1,562
Intersegment revenue	(10,057)	(311)	-	(10,368)	-
External revenue	57,331	53,683	-	111,014	1,562
EBITDA	19,852	6,150	(3,324)	22,678	(334)
Depreciation & amortisation	(11,688)	(5,546)	(1,701)	(18,935)	-
Profit from al-Mudharabah	432	59	1	492	-
Hibah income	-	-	-	-	4
Finance costs	(2,973)	(885)	(1,768)	(5,626)	-
Profit/(loss) before tax	5,623	(222)	(6,792)	(1,391)	(330)

8. Segmental reporting (cont'd.)

6 months ended 30 June 2022

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	183,854	121,813	-	305,667	2,951
Intersegment revenue	(2,083)	(559)	-	(2,642)	-
External revenue	181,771	121,254	-	303,025	2,951
EBITDA	75,635	9,142	(14,462)	70,315	(2,240)
Depreciation & amortisation	(26,698)	(8,136)	(2,616)	(37,450)	-
Profit from al-Mudharabah	958	103	343	1,404	-
Hibah income	-	-	-	-	3
Finance costs	(6,874)	(1,297)	(4,479)	(12,650)	-
Profit/(loss) before tax	43,021	(188)	(21,214)	21,619	(2,237)

30 June 2022

Assets	1,363,890	250,162	2,776	1,616,828	106,694
Liabilities	847,451	152,210	1,555	1,001,216	10,190
Exchange rate ratio	MYR 1.00	IDR 3,374			

6 months ended 30 June 2021

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	119,174	106,644	-	225,818	2,790
Intersegment revenue	(11,354)	(675)	-	(12,029)	-
External revenue	107,820	105,969	-	213,789	2,790
EBITDA	41,084	12,116	(7,249)	45,951	(620)
Depreciation & amortisation	(25,632)	(11,061)	(2,917)	(39,610)	-
Profit from al-Mudharabah	952	96	1	1,049	-
Hibah income	-	-	-	-	8
Finance costs	(6,188)	(1,891)	(4,034)	(12,113)	-
Profit/(loss) before tax	10,216	(740)	(14,199)	(4,723)	(612)

30 June 2021

Assets	1,379,909	250,364	2,853	1,633,126	183,840
Liabilities	930,284	140,951	1,479	1,072,714	8,147
Exchange rate ratio	MYR 1.00	IDR 3,493			

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 June 2022 are as follows:

	RM'000
Authorised by the Directors and contracted for	37,744
Authorised by the Directors but not contracted for	136,570
	<u>174,314</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

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

Individual quarter - Q2 2022 versus Q2 2021

	Q2 2022	Q2 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	97,204	57,331	39,873	70%
Healthcare	62,150	53,683	8,467	16%
Total revenue	159,354	111,014	48,340	44%
Plantation	34,498	19,852	14,646	74%
Healthcare	2,573	6,150	(3,577)	-58%
Investment holding and others	(7,507)	(3,324)	(4,183)	-126%
EBITDA	29,564	22,678	6,886	30%
Depreciation & amortisation	(19,510)	(18,935)	(575)	-3%
Profit from al-Mudharabah	661	492	169	34%
Finance costs	(6,065)	(5,626)	(439)	-8%
Profit/(loss) before tax	4,650	(1,391)	6,041	434%

The Group's revenue for the three months period ended 30 June 2022 increased by 44% compared to the previous corresponding quarter mainly due to higher revenue recorded from Plantation Division by RM39.9 million, an improvement of 70% and Healthcare Division by RM8.5 million, an increase of 16%.

The Group recorded a Profit Before Tax (PBT) of RM4.7 million during the quarter, an increase of RM6.0 million as compared to the Loss Before Tax (LBT) of RM1.4 million in the same quarter the previous year.

PLANTATION DIVISION

Our Plantation Division registered an EBITDA of RM34.5 million during the quarter, compared to RM19.9 million in the previous corresponding period. The division also reported a higher PBT of RM17.5 million during the quarter, compared to RM5.6 million in the corresponding quarter of 2021. Both EBITDA and PBT recorded an impressive improvement of 1.7 times and 3.1 times, respectively.

The Plantation Division recorded higher revenue of 70% mainly due to higher Crude Palm Oil (CPO) and Palm Kernel (PK) average prices of 54% and 32% respectively. The PK sales volume and Oil Extraction Rate (OER) was higher by 4% and 3%, respectively as compared to previous corresponding quarter of 2021. However, there was a reduction in Kernel Extraction Rate (KER) by 2% and also decrease in CPO sales volume by 3% as a result of lower Fresh Fruit Bunch (FFB) production during this quarter.

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

Individual quarter - Q2 2022 versus Q2 2021 (cont'd.)

PLANTATION DIVISION (CONT'D.)

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q2 2022	Q2 2021	Changes	%
CPO sales volume (mt)	13,074	13,487	(413)	-3%
PK sales volume (mt)	3,129	3,022	107	4%
FFB production (mt)	59,710	67,993	(8,283)	-12%
CPO average price (RM)	6,402	4,153	2,249	54%
PK average price (RM)	3,606	2,723	883	32%
Mature area (hectare)	25,404	26,668	(1,264)	-5%
Immature area (hectare)	7,976	6,652	1,324	20%
Oil extraction rate (%)	19.88%	19.22%	0.66%	3%
Kernel extraction rate (%)	4.54%	4.61%	-0.07%	-2%

HEALTHCARE DIVISION

The Group's Healthcare Division experienced a gradual recovery with a higher revenue of 16%, from RM53.7 million to RM62.2 million during the quarter, compared to the previous corresponding quarter. This was primarily due to an increase in the number of inpatient by 34%. The increase in revenue also driven by higher inpatient days and bed occupancy rate by 24% and 19% respectively. However, there is a decrease in the number of outpatient by 7%, compared to the previous corresponding quarter.

During the quarter, the division recorded a higher LBT of RM2.1 million, compared to LBT of RM0.2 million in the previous corresponding quarter.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q2 2022	Q2 2021	Changes	%
Number of inpatient	5,609	4,195	1,414	34%
Number of outpatient	44,708	47,980	(3,272)	-7%
Inpatient days	15,665	12,626	3,039	24%
Occupancy rate (%)	43%	36%	7%	19%
Average length of stay (day)	2.79	2.70	0.09	3%
Number of bed	401	394	7	2%
Average revenue per inpatient (RM)	8,233	8,868	(635)	-7%

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

Cumulative quarter - 1H 2022 versus 1H 2021

	1H 2022	1H 2021	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	181,771	107,820	73,951	69%
Healthcare	121,254	105,969	15,285	14%
Total revenue	303,025	213,789	89,236	42%
Plantation	75,635	41,084	34,551	84%
Healthcare	9,142	12,116	(2,974)	-25%
Investment holding and others	(14,462)	(7,249)	(7,213)	-100%
EBITDA	70,315	45,951	24,364	53%
Depreciation & amortisation	(37,450)	(39,610)	2,160	5%
Profit from al-Mudharabah	1,404	1,049	355	34%
Finance costs	(12,650)	(12,113)	(537)	-4%
Profit/(loss) before tax	21,619	(4,723)	26,342	-558%

The Group's revenue for the six months ended 30 June 2022 recorded an increase of 42% compared to the previous corresponding period due to the growth in revenue from Plantation Division by RM74.0 million, an improvement of 69% and Healthcare Division by RM15.3 million, an increment of 14%.

The Group recorded a PBT of RM21.6 million during the period, an increase of RM26.3 million as compared to the LBT of RM4.7 million in the same period the previous year.

PLANTATION DIVISION

The Plantation Division recorded a higher revenue by 69% mainly due to higher CPO and PK average prices by 53% and 58% respectively. The increase in revenue also driven by increase in OER and KER by 1% and 4% respectively as compared to the previous corresponding period. However, this is partly offset with lower sales volume of CPO by 3%.

Our Malaysia Plantation business registered an EBITDA of RM75.6 million during the period compared to RM41.1 million in the previous corresponding period.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	1H 2022	1H 2021	Changes	
				%
CPO sales volume (mt)	25,018	25,772	(754)	-3%
PK sales volume (mt)	6,610	6,114	496	8%
FFB production (mt)	120,531	129,173	(8,642)	-7%
CPO average price (RM)	6,164	4,039	2,125	53%
PK average price (RM)	4,238	2,677	1,561	58%
Mature area (hectare)	25,404	26,668	(1,264)	-5%
Immature area (hectare)	7,976	6,652	1,324	20%
Oil extraction rate (%)	19.34%	19.14%	0.20%	1%
Kernel extraction rate (%)	4.77%	4.57%	0.20%	4%

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

Cumulative quarter - 1H 2022 versus 1H 2021 (cont'd.)

HEALTHCARE DIVISION

Our Healthcare Division registered an increase in revenue during the period ended by 14% mainly due to the marked increase in inpatient number by 25% as compared to the previous corresponding period. In addition, the increase in revenue also mainly due to increase in inpatient days and occupancy rate by 14% and 3% respectively. However, there is a decrease in number of outpatient and average revenue per patient by 6% and 4%, respectively as compared to the previous corresponding period.

The division recorded lower EBITDA of RM9.1 million, compared to EBITDA of RM12.1 million in the same period of last year.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	1H 2022	1H 2021	Changes	%
Number of inpatient	10,388	8,294	2,094	25%
Number of outpatient	88,220	93,863	(5,643)	-6%
Inpatient days	28,522	25,084	3,438	14%
Occupancy rate (%)	36%	35%	1%	3%
Average length of stay (day)	2.75	2.70	0.05	2%
Number of bed	401	394	7	2%
Average revenue per inpatient (RM)	8,514	8,870	(356)	-4%

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 - Q2 2022 versus Q1 2022

	Q2 2022	Q1 2022	Changes	%
	RM'000	RM'000	RM'000	
REVENUE				
Plantation	97,204	84,567	12,637	15%
Healthcare	62,150	59,104	3,046	5%
Total revenue	159,354	143,671	15,683	11%
Plantation	34,498	41,137	(6,639)	-16%
Healthcare	2,573	6,569	(3,996)	-61%
Investment holding and others	(7,507)	(6,955)	(552)	-8%
EBITDA	29,564	40,751	(11,187)	-27%
Depreciation & amortisation	(19,510)	(17,940)	(1,570)	-9%
Profit from al-Mudharabah	661	743	(82)	-11%
Finance costs	(6,065)	(6,585)	520	8%
Profit before tax	4,650	16,969	(12,319)	-73%

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 - Q2 2022 versus Q1 2022 (cont'd.)

The Group's revenue for the three months ended 30 June 2022 was higher by 11% compared to the immediate preceding quarter mainly due to higher revenue at both Plantation and Healthcare Division by 15% and 5% respectively.

The Group recorded lower PBT of RM4.7 million during the quarter, compared to PBT of RM17.0 million in the immediate preceding quarter.

PLANTATION DIVISION

During the quarter, our Plantation Division registered lower EBITDA of RM34.5 million, compared to RM41.1 million in the immediate preceding quarter.

The Plantation Division recorded higher revenue by 15% mainly due to higher CPO sales volume and average price by 9% and 8% respectively. The higher volume was mainly due to higher outside crop purchases with an improvement of 6 times as compared to immediate preceding quarter. However, PK sales volume and PK average price are lower by 10% and 25% respectively.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q2 2022	Q1 2022	Changes	%
CPO sales volume (mt)	13,074	11,944	1,130	9%
PK sales volume (mt)	3,129	3,481	(352)	-10%
FFB production (mt)	59,710	60,821	(1,111)	-2%
CPO average price (RM)	6,402	5,904	498	8%
PK average price (RM)	3,606	4,806	(1,200)	-25%
Mature area (hectare)	25,404	25,404	-	0%
Immature area (hectare)	7,976	7,976	-	0%
Oil extraction rate (%)	19.88%	18.74%	1.14%	6%
Kernel extraction rate (%)	4.54%	5.02%	-0.48%	-10%

HEALTHCARE DIVISION

During the quarter, our Healthcare Division registered an EBITDA of RM2.6 million, compared to RM6.6 million in the immediate preceding quarter.

Healthcare Division recorded 5% increased in revenue mainly due to the increase in the number of inpatient and inpatient days by 17% and 22% respectively, compared to the immediate preceding quarter. In addition, there is an increase in occupancy rate and average length of stay by 10% and 4% respectively as compared to the immediate preceding quarter. However, there is a decrease in average revenue per inpatient by 7%.

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 - Q2 2022 versus Q1 2022 (cont'd.)

HEALTHCARE DIVISION (cont'd.)

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q2 2022	Q1 2022	Changes	%
Number of inpatient	5,609	4,779	830	17%
Number of outpatient	44,708	44,653	55	0%
Inpatient days	15,665	12,857	2,808	22%
Occupancy rate (%)	43%	39%	4%	10%
Average length of stay (day)	2.79	2.69	0.10	4%
Number of bed	401	394	7	2%
Average revenue per inpatient (RM)	8,233	8,843	(610)	-7%

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

Malaysia Plantation Division

Malaysian benchmark crude palm oil spot prices averaged RM6,330 per tonne in 1H2022. During June 2022, Crude Palm Oil Futures (FCPO) 3rd position dropped by RM1,857/mt or 22% to a 6-month low of RM4,499/mt, which has erased most of this year's gains. Currently, physical spot-month CPO is being traded at RM3,800 to RM4,200 levels and PK at RM2,200 to RM2,400 levels.

Shortage of plantation workers is still a major concern for many plantation companies in Malaysia going into 2H 2022 despite Indonesia has agreed to lift a freeze on sending its migrant workers to Malaysia effective 1st August 2022 as significant return of workers may take longer time due to expected slow government approvals.

Malaysia 2022 CPO production is estimated at best to be 18.1 million tonnes, similar to the previous year CPO production of 18.12 million tonnes. This estimate however may not be achievable if the arrival of sufficient foreign workers, an estimated 32,000 workers are further delayed beyond the peak production period between August and October 2022.

The Malaysia FFB yield and CPO production during the 1H2022 was lower compared to the 1H2021 by 3.6% and 1.1% respectively. Export of Malaysian palm oil for the 1H2022 improved marginally by 2% compared to 1H2021 with significant increased buying interests from Egypt, Saudi Arabia, Turkiye and the Philippines. However, export to both traditional major buyers India and China dropped by 11% and 24% respectively.

The CPO price improved further during the second quarter 2022, averaged RM6,529/mt which was 8% higher compared to the last quarter and 57% higher compared to the second quarter last year. The CPO price is being supported by relatively tight edible oil stocks, high crude oil prices and the uncertainties of sunflower and rapeseed oil supplies coming from the Black Sea region due to the continuing conflicts in Ukraine.

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

The outlook for 3rd quarter and Year 2022

Nagging fears of a potential global recession with US Federal Reserve and Central banks hiking interest rates in efforts to control inflation have limited the gain in palm oil prices.

Indonesia plantation are still under pressure with Indonesian authorities still struggling to resolve the current high palm stocks. Stockpiles in Indonesia has ballooned to as high as 8.5 million tonnes at the end of June 2022 from 6.1 million tonnes two months earlier, whereas typical stock levels in Indonesia is only 3-4 million tonnes. The high palm oil stocks in Indonesia and the potential release of these stocks to the World market has caused significant volatility to global palm oil price and other edible oil prices. Authorities is trying to reduce domestic palm oil stocks to a more sustainable level. An export quota of 5.4 million tonnes was established based on domestic market obligation (DMO) and additional export quota were approved based on export acceleration program. As at 15 July 2022, the government has issued permit to export 2.84 million tonnes of palm oil. The export levy has been cut to zero from US\$200 per tonne for crude palm oil (CPO) and other palm oil products starting from July 15 until 31 August 2022. Reduction of stock levels however is slower than expected, partly due to difficulty to secure vessels for export.

Indonesian government also plan to implement B35 program from 20 July 2022 but, the additional usage of 0.2 million tonnes per month of palm oil from the biodiesel programme is not sufficient to absorb the high inventory level and the peak palm oil output in Indonesia expected in August to September 2022 may add more oil to already high stocks.

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

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

Divestment of Indonesia Plantation Division

The Conditional Share Purchase Agreement (CSPA) was signed between TDM and Ikhasas Sawit Sdn Bhd on the 29th July 2022 for the disposal of PT Rafi Kamajaya Abadi (PT RKA) and PT Sawit Rezki Abadi (PT SRA) for a total consideration of RM115 million. Pending sale completion expected in 1Q2025, PT RKA will be fully operated by PT Ikhasas Sawit Indo Makmur through a management services arrangement started on 1 August 2022.

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

Healthcare Division

The economic uncertainties, rising prices of goods and services and the potential further interest rate hikes remain as the most challenging issues for future quarters. The increase in medical drug and consumable prices is expected to continue due to the unsettled supply chain disruption. The supply instability may interrupt the clinical and patient care processes in the near future if current situation does not show any immediate sign of improvement.

Hospital operational efficiency initiatives shall be intensified to cushion off the rising operational costs in a bid to remain competitive as the community healthcare provider.

The Group is simultaneously focusing in expanding current array of its medical services offered in all its multi-disciplinary hospitals through the introduction of sub-specialty services in addition to the seven core principles for secondary care. The recently opened Eye Centre, serving as a new addition of Centre of Excellence at KMI Kuantan Medical Centre is the evidence of the Group's patient-centric initiatives.

In respect of East Malaysia operation, post-acquisition plan for KMI Tawau Medical Centre is currently undergoing further enhancement in terms of its capability and capacity growth as well as preparing it as a centre for medical tourism segment in the future.

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 June 2022.

18. Profit/(loss) for the period

	Current period to date	
	30-Jun-22 RM'000	30-Jun-21 RM'000
The following amounts have been included in arriving at loss before tax:		
Finance costs	12,650	12,113
Depreciation of property, plant and equipment	30,346	29,637
Amortisation of intangible asset	429	428
Amortisation of right-of-use assets	5,202	8,096
Amortisation of contract assets	1,473	1,449
Property, plant and equipment written off - Continuing	19	-
Inventories written off - continuing	41	8
Expected credit losses of trade receivables	612	830
Expected credit losses of other receivables - Continuing	-	5
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	2,265	1,247
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	(223)	(241)
Hibah income - discontinued	(3)	(8)
Profit from al-Mudharabah	(1,404)	(1,049)
Impairment of right-of-use assets - Discontinued	165	-
Impairment of property, plant and equipment - discontinued		
- Discontinued	657	-
- Continuing	28	130
Provision for retirement benefit obligations	179	212
Fair value changes in biological assets		
- Continuing	(2,653)	(1,397)

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-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
Current income tax	3,187	1,799	9,377	4,195
Underprovision of income tax in prior year	-	16	-	16
	<u>3,187</u>	<u>1,815</u>	<u>9,377</u>	<u>4,211</u>
Deferred tax:				
Relating to reversal of and origination temporary differences	204	(104)	184	(1,169)
Under/(Over) provision of deferred tax	125	1	483	(1)
Income tax	<u>3,516</u>	<u>1,712</u>	<u>10,044</u>	<u>3,041</u>

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

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

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

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

	Group	
	As at 30-Jun-22 RM'000	As at 31-Dec-21 RM'000
Assets:		
Property, plant and equipment	67,992	67,517
Right-of-use assets	17,095	17,123
Trade receivables	251	136
Other receivables	20,447	19,951
Prepayment	-	14
Biological assets	449	444
Inventories	38	42
Cash and bank balances	422	439
Assets held for sale	<u>106,694</u>	<u>105,666</u>
Liabilities:		
Other payables	(8,936)	(9,192)
Retirement benefit obligations	(1,175)	(1,161)
Tax payable	(79)	(59)
Liabilities directly associated with assets held for sale	<u>(10,190)</u>	<u>(10,412)</u>
Net assets directly associated with disposal group	<u>96,504</u>	<u>95,254</u>

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

	Current period to date	
	30-Jun-22 RM'000	30-Jun-21 RM'000
Revenue	2,951	2,790
Cost of sales	<u>(3,944)</u>	<u>(3,204)</u>
Gross loss	(993)	(414)
Hibah income	3	8
Other income	26	-
Administrative expenses	(451)	(206)
Other expenses *	<u>(822)</u>	<u>-</u>
Loss before tax	(2,237)	(612)
Income tax expense	-	-
Loss for the period from discontinued operations, net of tax	<u>(2,237)</u>	<u>(612)</u>

* Included in other expenses are impairment amounting to RM0.8mil.

21. Corporate proposals

i. Execution of the Heads of Agreement between Mutiara Premier Sdn. Bhd. ("MPSB") and Kumpulan Medic Iman Sdn. Bhd. ("KMI") for the proposed build and lease of a specialist hospital building in Bandar Baru Tunjong, Kota Bharu, Kelantan Darul Naim.

On 07 April 2022, KMI has entered into the Heads of Agreement with MPSB, a wholly owned subsidiary of Pelaburan Hartanah Berhad for the proposed build and lease of a Specialist Hospital Building in Bandar Baru Tunjong, Kota Bharu, Kelantan Darul Naim ("Proposed Project").

(a) Particulars of the Proposed Project:

- (i) Under the Proposed Project, MPSB will construct a specialist hospital building which is able to accommodate 94 beds of single rooms ("Specialist Hospital Building") on the Land with a minimum of 300 parking bays for Phase 1 of the Proposed Project. Upon completion of the construction of the Specialist Hospital Building, MPSB shall lease the Specialist Hospital Building to KMI ("Lease").
- (ii) At a later stage and subject to viability, MPSB and KMI shall discuss a potential expansion of the Specialist Hospital Building for additional 100 beds and 300 parking bays ("Phase 2 Project") and the requirement for Phase 2 Proposed Project shall be mutually agreed by the parties.

(b) Indicative Gross Development Costs ("GDC"):

- (i) MPSB shall fund the development of the Proposed Project which is indicative to be at the GDC of Ringgit Malaysia One Hundred Twenty-Nine Million Three Hundred and Sixty Thousand (RM129,360,000.00) for Phase 1 development only.
- (ii) The GDC shall consist of all related to and/or arising from the Proposed Project, including but not limited to the Land cost, building cost, car parking bays construction and fit-out costs and building professionals fees, infra cost and common professional fees, financial costs, quit rent and assessment charges on the Land during the construction period and development maintenance costs.

(c) Lease Period

The Lease is for a term of fifteen (15) years ("First Term Lease") and renewable for another period of fifteen (15) years ("Second Term Lease").

21. Corporate proposals (cont'd.)

ii. Fulfilment of the Conditions Precedent for the Proposed Acquisition of Business and Assets of Tawau Specialist Hospital, together with the assets for ambulatory care services ("Ambulatory Care Assets") by KMI Tawau Medical Centre Sdn. Bhd. ("KTMC") from Tawau Specialist Hospital Sdn. Bhd. ("TSH") pursuant to the Business Transfer Agreement dated 30 September 2021 ("BTA").

On 12 May 2022, The board of Directors of TDM wishes to announce that all the Conditions Precedent as provided under the BTA have been fulfilled save for the Condition Precedent under sub-clause 4.1(c) (for the lodgement of a private caveat by KTMC on the Land for the New Hospital Building), of which has been waived by KTMC pursuant to clause 4.3.

The Parties have vide a supplemental agreement to the BTA dated 12 May 2022 agreed that said waiver is granted by KTMC upon a condition that KTMC's right to enter a private caveat on the Land for the New Hospital Building shall form part of the conditions subsequent under clause 5 of the BTA, of which shall be fulfilled within three (3) months from the Transfer Date.

As such, the BTA is now unconditional and the Parties will proceed to take necessary actions as to affect the transfer of the Business and Assets of Tawau Specialist Hospital together with the Ambulatory Care Assets, by TSH to KTMC.

The Parties have agreed that the Transfer Date was on 26 May 2022.

22. Trade receivables

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

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

	Group	
	As at 30-Jun-22 RM'000	As at 31-Dec-21 RM'000
Trade receivables - nominal amounts	3,869	3,869
Less: Allowance for expected credit losses	(3,580)	(2,984)
	289	885

	Group	
	As at 30-Jun-22 RM'000	As at 31-Dec-21 RM'000
Movement in allowance accounts:		
At 1 January	2,984	5,775
Provision for expected credit losses	596	96
Reversal of expected credit losses	-	(168)
Written off	-	(2,719)
At 30 June/ 31 December	3,580	2,984

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

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

Details of the Group's borrowings as at 30 June 2022 and 31 December 2021 are as follows:

As at 30 June 2022

	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
Bank loans	375,187	54,195	429,382
Bank overdraft	13,503	-	13,503
Obligation under hire purchase	8,212	2,555	10,767
	396,902	56,750	453,652
Unsecured			
Bank loans	27,080	-	27,080
	423,982	56,750	480,732

As at 31 December 2021

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

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 30 June 2022.

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

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

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

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

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

APPEAL:

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

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

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

The Court has also fixed tentative hearing dates as follows:

- i. 7 March 2022 (adjourned);
- ii. 24 March 2022 (adjourned);
- iii. 31 March 2022 (adjourned);
- iv. 14 April 2022 for Plaintiff to produce its documentary evidence;
- v. 25 April 2022 for parties to produce any additional documentary evidence;
- vi. 9 May 2022 for the examination of the Plaintiff's witnesses;
- vii. 23 May 2022 for the examination of the Plaintiff's witnesses;
- viii. 11 July 2022 for the parties to file its submission of the case;
- ix. 25 July 2022 for the decision of the case; and
- x. 8 August 2022 for the decision of the case.

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

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

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

- i. The Court rejected the Plaintiff's claims on the followings:
 - a. For the Defendant to stop all its activities on the affected land area until the full and final disposal of the case; and
 - b. For the Defendant to pay compensation of IDR50,000 for every affected oil palm tree.
- ii. The Court rejected the Defendant's Exception against the Plaintiff claims.
- iii. The Court allow part of the Plaintiff's claims
- iv. The Court is of the view that the Plaintiff's claims is based on the 'strict liability' principle.
- v. The Defendant is responsible on the loss due to the fire incident based on the 'strict liability' principle
- vi. The Defendant is to pay a compensation of IDR270,807,710,959 (Approximately RM81,242,313) for the environmental loss to the National Account of Indonesia as per the claim by the Plaintiff.
- vii. The Defendant is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of IDR646,216,640,000 (Approximately RM193,864,992) as per the claim by the Plaintiff.
- viii. The Court rejected the rest of the Plaintiff's claims against the Defendant.
- ix. The Court rejected the Defendant's counterclaims against the Plaintiff.
- x. The Defendant to bear the cost of IDR2,519,000.00 (Approximately RM756.00)

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

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

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

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

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

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

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

The Court has fixed mention dates as follows:

- i. 7 March 2022 (adjourned);
- ii. 24 March 2022 (adjourned);
- iii. 31 March 2022 (adjourned);
- iv. 14 April 2022 and for defendant to file its defense;
- v. 9 May 2022 for prosecution to file its reply to the defense;
- vi. 30 May 2022 for examination of the Prosecution’s witnesses;
- vii. 18 July 2022 for continued examination of the Prosecution’s witnesses;
- viii. 8 August 2022 for continued examination of the Prosecution’s expert witnesses; and
- ix. 29 August 2022 for the Prosecutor to state their ‘Tuntutan’ to the Court.

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

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

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

Plaintiff claims against Defendant for the sum of RM1,298,415 being rental arrears from September 2018 to September 2019 for building known as No 1-9, Jalan Tun Ismail 9, Kuantan, Pahang (“The Said Premise”). The Plaintiff also claims for the sum of RM187,420 being cost of repair and/or rectify the defect of the said premise.

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

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

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

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

26. Dividend proposed

On 23 June 2022, a single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,030,079 (0.35 sen per ordinary share) was proposed and has been paid on 20 July 2022. A final dividend is accounted for an equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

27. Profit/(loss) per share

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30-Jun-22 RM'000	Preceding Quarter Ended 30-Jun-21 RM'000	Current Quarter To date 30-Jun-22 RM'000	Preceding Quarter To date 30-Jun-21 RM'000
Profit/(loss) net of tax attributable to owners of the parent used in the computation of basic loss per share	571	(2,743)	10,281	(6,964)
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	1,234	310	2,063	574
Profit/(loss) net of tax from continuing operations attributable to owners of the parent used in the computation of basic loss per share	1,805	(2,433)	12,344	(6,390)
	30-Jun-22 number of ordinary shares '000	30-Jun-21 number of ordinary shares '000	30-Jun-22 number of ordinary shares '000	30-Jun-21 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic loss per share computation	1,722,881	1,722,881	1,722,881	1,722,881
Profit/(Loss) per share attributable to owners of the parent (sen per share):				
Basic profit/(loss) per share (sen per share)	0.03	(0.16)	0.60	(0.40)
- continuing operations	0.10	(0.14)	0.72	(0.37)
- discontinued operation	(0.07)	(0.02)	(0.12)	(0.03)

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

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary

Kuala Terengganu
29 August 2022