



TDM BERHAD

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

INTERIM FINANCIAL STATEMENTS
31 MARCH 2024

**TDM BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024**

(The figures have not been audited)

	Cumulative Quarter Current Quarter To date 31-Mar-24 RM'000	Preceding Quarter To date 31-Mar-23 RM'000
Continuing operations		
Revenue	135,078	131,095
Cost of sales	(84,751)	(98,228)
Gross profit	50,327	32,867
Other items of income		
Finance income	624	510
Other income	4,028	2,835
Other items of expense		
Distribution costs	(936)	(1,055)
Administrative expenses and other operating expenses	(51,616)	(43,987)
Other expenses	(981)	(2,615)
Finance costs	(7,362)	(6,081)
Loss before tax	(5,916)	(17,526)
Taxation	(1,545)	1,472
Loss for the financial period from continuing operations	(7,461)	(16,054)
Discontinued operation		
Loss for the financial period from discontinued operation	(608)	(6,028)
Loss for the financial period	(8,069)	(22,082)
Other comprehensive income:		
Foreign currency translation	3,605	1,439
Fair value movement of investments in securities	(1)	(2)
Other comprehensive income for the financial period	3,604	1,437
Total other comprehensive loss for the financial period	(4,465)	(20,645)



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024**

(The figures have not been audited)

	Cumulative Quarter Current Quarter To date 31-Mar-24 RM'000	Preceding Quarter To date 31-Mar-23 RM'000
Loss attributable to:		
Owners of the parent	(8,962)	(21,118)
Non-controlling interests	893	(964)
	<u>(8,069)</u>	<u>(22,082)</u>
Total comprehensive loss attributable to:		
Owners of the parent	(5,583)	(19,709)
Non-controlling interests	1,118	(936)
	<u>(4,465)</u>	<u>(20,645)</u>
Loss per share attributable to owner of the parent (sen per share):		
Basic (Note 26)	<u>(0.52)</u>	<u>(1.23)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 31 MARCH 2024

(The figures have not been audited)

	As at 31-Mar-24 RM'000	As at 31-Dec-23 RM'000
Assets		
Non-current assets		
Property, plant and equipment	801,011	806,794
Right-of-use assets	466,508	469,260
Intangible asset	1,818	2,032
Goodwill	6,520	6,520
Investment in an associate	150	150
Other investments	25,109	25,109
Investments in securities	36	37
Other receivables	6,847	6,847
Deferred tax assets	4,872	4,872
	1,312,871	1,321,621
Current assets		
Biological assets	5,303	3,753
Inventories	32,113	26,428
Trade and other receivables	72,293	78,199
Prepayments	4,642	5,001
Tax recoverable	13,271	12,699
Cash and bank balances	113,589	168,150
Assets of disposal group classified as held for sale	106,522	106,522
	347,733	400,752
Total assets	1,660,604	1,722,373
Equity and liabilities		
Current liabilities		
Retirement benefit obligations	347	347
Lease liabilities	1,425	1,801
Loans and borrowings	93,860	89,200
Trade and other payables	147,429	178,166
Contract liabilities	53,723	53,723
Income tax payable	5,153	4,070
Liabilities of disposal group classified as held for sale	51,436	51,262
	353,373	378,569
Net current (liabilities)/assets	(5,640)	22,183

**TDM BERHAD**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2024**

(The figures have not been audited)

	As at 31-Mar-24 RM'000	As at 31-Dec-23 RM'000
Non-current liabilities		
Retirement benefit obligations	5,169	5,306
Lease liabilities	69,139	69,111
Loans and borrowings	336,605	356,348
Other payables	8,464	5,430
Contract liabilities	46,396	59,728
Deferred tax liabilities	186,631	187,889
	652,404	683,812
Total liabilities	1,005,777	1,062,381
Net assets	654,827	659,992
Equity attributable to owners of the parent		
Share capital	359,445	359,445
Retained earnings	329,579	338,541
Other reserves	20,612	20,613
Reserves of a disposal group held for sale	(24,500)	(27,880)
	685,136	690,719
Non-controlling interests	(30,309)	(30,727)
Total equity	654,827	659,992
Total equity and liabilities	1,660,604	1,722,373
Net assets per share (RM)	0.38	0.38

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)



(Company No 196501000477 (6265-P))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2024
(The figures have not been audited)

	Attributable to owners of the parent									
	Equity attributable to owners of the parent		Non-distributable			Distributable			Non-distributable	
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves, total 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 2024	659,992	690,719	359,445	338,541	20,613	20,350	294	(31)	(27,880)	(30,727)
Loss for the financial period	(8,069)	(8,962)	-	(8,962)	-	-	-	-	-	893
Other comprehensive income										
Foreign currency translation	3,605	3,380	-	-	-	-	-	-	3,380	225
Fair value movement of investments in securities	(1)	(1)	-	-	(1)	(1)	-	-	-	-
Other comprehensive income for the financial period	3,604	3,379	-	-	(1)	(1)	-	-	3,380	225
Total comprehensive loss for the financial period	(4,465)	(5,583)	-	(8,962)	(1)	(1)	-	-	3,380	1,118
Transactions with owners										
Acquisition of non-controlling interest	(700)	-	-	-	-	-	-	-	-	(700)
Total transactions with owners	(700)	-	-	-	-	-	-	-	-	(700)
Closing balance at 31 March 2024	654,827	685,136	359,445	329,579	20,612	20,349	294	(31)	(24,500)	(30,309)
Opening balance at 1 January 2023	656,890	685,251	359,445	330,624	23,161	22,898	294	(31)	(27,979)	(28,361)
Loss for the financial period	(22,082)	(21,118)	-	(21,118)	-	-	-	-	-	(964)
Other comprehensive income										
Foreign currency translation	1,439	1,411	-	-	-	-	-	-	1,411	28
Fair value movement of other investments	(2)	(2)	-	-	(2)	(2)	-	-	-	-
Other comprehensive income for the financial period	1,437	1,409	-	-	(2)	(2)	-	-	1,411	28
Total comprehensive loss for the financial period	(20,645)	(19,709)	-	(21,118)	(2)	(2)	-	-	1,411	(936)
Closing balance at 31 March 2023	636,245	665,542	359,445	309,506	23,159	22,896	294	(31)	(26,568)	(29,297)

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)

**TDM BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024**

(The figures have not been audited)

	Period Ended	
	31-Mar-24	31-Mar-23
	RM'000	RM'000
Operating activities		
Loss before tax from continuing operations	(5,916)	(17,526)
Loss before tax from discontinued operation	(608)	(6,028)
	<u>(6,524)</u>	<u>(23,554)</u>
<u>Adjustments for:</u>		
Finance expense	7,362	6,081
Depreciation of property, plant and equipment	15,289	15,700
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	2,942	2,894
Amortisation of contract costs assets	-	736
Property, plant and equipment written off		
- Continuing	687	1,992
Inventories written off - Continuing	34	54
Expected credit losses of trade receivables	598	531
Impairment of right-of-use assets		
- Discontinued	72	1,136
Impairment of property, plant and equipment		
- Discontinued	291	4,569
Loss on disposal of property, plant and equipment	-	45
Provision for retirement benefit obligations		
- Continuing	124	125
Profit from al-Mudharabah	(624)	(510)
Utilisation of contract liabilities	(13,332)	(16,677)
Fair value changes of biological assets		
- Continuing	(1,550)	(1,284)
Total adjustments	<u>12,107</u>	<u>15,606</u>
Operating cash flows before changes in working capital	<u>5,583</u>	<u>(7,948)</u>
<u>Changes in working capital</u>		
Inventories	(5,719)	8,224
Receivables	5,308	(1,529)
Payables	(22,093)	24,061
Prepayment	359	2,032
Total changes in working capital	<u>(22,145)</u>	<u>32,788</u>
Cash flows (used in)/generated from operations	<u>(16,562)</u>	<u>24,840</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024**

(The figures have not been audited)

	Period Ended	
	31-Mar-24	31-Mar-23
	RM'000	RM'000
Operating activities (cont'd.)		
Profit paid	(7,362)	(6,081)
Profit from al-Mudharabah received	624	510
Taxes paid	(1,377)	(5,517)
Retirement benefits paid	(262)	(8)
Net cash flows (used in)/generated from operating activities	<u>(24,939)</u>	<u>13,744</u>
Investing activities		
Purchase of property, plant and equipment	(10,193)	(12,284)
Acquisition of right-of-use assets	(578)	(4,373)
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account	(318)	(249)
Net cash flows used in investing activities	<u>(11,089)</u>	<u>(16,906)</u>
Financing activities		
Drawdowns of term loans	8,670	19,429
Repayments of term loans	(22,581)	(6,937)
Repayments of hire purchase facilities	(1,172)	(1,133)
Repayment of finance lease	(662)	(1,734)
Dividend paid to shareholder	(3,101)	(2,929)
Net cash flows used in financing activities	<u>(18,846)</u>	<u>6,696</u>
Net (decrease)/increase in cash and cash equivalents	(54,874)	3,534
Cash and cash equivalents at 1 January	129,927	69,770
Cash and cash equivalents at end of the period	<u>75,053</u>	<u>73,304</u>
Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances		
- Continuing operations	113,589	110,573
- Discontinuing operations	48	560
Less: Deposits pledged for bank facilities	(38,584)	(37,829)
Cash and cash equivalents	<u>75,053</u>	<u>73,304</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

The interim financial statements of the Group for the financial period ended 31 March 2024 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 2023.

1.1 Changes in accounting policies

On 1 January 2024, the Group adopted the following new and amended MFRSs mandatory for annual periods beginning on or after 1 January 2024.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 - Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101, Presentation of Financial Statement (Classification of Liabilities as Current or Non-current)	1 January 2024
Amendments to MFRS 101, Presentation of Financial Statement Non-current Liabilities with Covenant	1 January 2024
Amendments to MFRS 107, Statement of Cash Flows and MFRS 7 Financial instruments: Disclosures (Supplier Finance Arrangements)	1 January 2024

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
Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 - Consolidated Financial Statement: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 128 - Investment in Associates and joint Ventures: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

2. Declaration of audit qualification

The preceding annual financial statements for the year ended 31 December 2023 were reported without any qualification.

3. Seasonal or cyclical factors

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

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

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 31 March 2024.

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

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

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

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

7. Dividends paid

An interim dividend in respect of the financial year ended 31 December 2023, of 0.18% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM3,101,178 (0.18 sen per ordinary share) was approved on 19 December 2023 and paid on 17 January 2024.

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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 31 March 2024

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	51,205	85,215	-	136,420	-
Intersegment revenue	(776)	(566)	-	(1,342)	-
External revenue	50,429	84,649	-	135,078	-
EBITDA	13,680	11,167	(5,580)	19,267	(608)
Depreciation & amortisation	(12,200)	(4,799)	(1,446)	(18,445)	-
Profit from al-Mudharabah	101	126	397	624	-
Finance costs	(5,200)	(786)	(1,376)	(7,362)	-
(Loss)/profit before tax	(3,619)	5,708	(8,005)	(5,916)	(608)
31 March 2024					
Assets	1,010,965	309,497	233,620	1,554,082	106,522
Liabilities	645,475	152,588	156,278	954,341	51,436
Exchange rate ratio	MYR 1.00	IDR 3,355			

3 months ended 31 March 2023

	Plantation RM'000	Healthcare RM'000	Investment holding and others RM'000	Continuing operations RM'000	Discontinued operations RM'000
Total revenue	53,681	78,240	-	131,921	-
Intersegment revenue	(558)	(268)	-	(826)	-
External revenue	53,123	77,972	-	131,095	-
EBITDA	311	11,803	(4,525)	7,589	(6,028)
Depreciation & amortisation	(13,356)	(4,631)	(1,557)	(19,544)	-
Profit from al-Mudharabah	218	49	243	510	-
Finance costs	(3,286)	(830)	(1,965)	(6,081)	-
(Loss)/profit before tax	(16,113)	6,391	(7,804)	(17,526)	(6,028)
31 March 2023					
Assets	1,058,423	262,857	230,390	1,551,670	102,124
Liabilities	665,670	124,848	174,340	964,858	52,691
Exchange rate ratio	MYR 1.00	IDR 3,410			

9. Material subsequent event

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

10. Changes in the composition of the Group

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

11. Changes in contingent liabilities or contingent assets

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

12. Capital commitments

Capital commitments as at 31 March 2024 are as follows:

	RM'000
Authorised and contracted for	3,189
Authorised and not contracted for	314,872
	<u>318,061</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT

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

Cumulative quarter - Q1 2024 versus Q1 2023

	Q1 2024	Q1 2023	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	50,429	53,123	(2,694)	-5%
Healthcare	84,649	77,972	6,677	9%
Total revenue	135,078	131,095	3,983	3%
Plantation	13,680	311	13,369	>100%
Healthcare	11,167	11,803	(636)	-5%
Investment holding and others	(5,580)	(4,525)	(1,055)	-23%
EBITDA	19,267	7,589	11,678	>100%
Depreciation & amortisation	(18,445)	(19,544)	1,099	6%
Profit from al-Mudharabah	624	510	114	22%
Finance costs	(7,362)	(6,081)	(1,281)	-21%
Loss before tax	(5,916)	(17,526)	11,610	66%

The Group's revenue for the three months ended 31 March 2024 recorded higher by 3% compared to the previous corresponding quarter due to the higher revenue from Healthcare Division by RM6.7 million, an increase of 9% and partly offset with a decrease in Plantation Division by RM2.7 million or 5%.

The Group recorded a Loss Before Tax ("LBT") of RM5.9 million during the quarter, significantly improved by 66% from LBT of RM17.5 million.

PLANTATION DIVISION

For the Q1 FY2024, revenue from the Plantation Division slightly decreased by 5% YoY to RM50.4 million from RM53.1 million in Q1 FY2023, driven by a lower CPO and PK sales volume which decreased by 5% and 12%, respectively.

The division registered an EBITDA of RM13.7 million, significantly higher by RM13.4 million as compared to the previous corresponding quarter. The division also improved its LBT from RM16.1 million to RM3.6 million this quarter mainly to the Group's cost optimisation strategies and initiatives.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q1 2024	Q1 2023	Changes	%
CPO sales volume (mt)	11,176	11,710	(534)	-5%
PK sales volume (mt)	2,382	2,696	(314)	-12%
FFB production (mt)	57,991	53,858	4,133	8%
CPO average price (RM)	4,031	4,107	(76)	-2%
PK average price (RM)	2,376	2,214	162	7%
Mature area (hectare)	23,414	23,624	(210)	-1%
Immature area (hectare)	5,082	4,907	175	4%
Oil extraction rate (%)	19.15%	19.15%	0.00%	0%
Kernel extraction rate (%)	4.53%	4.67%	-0.14%	-3%

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

Cumulative quarter - Q1 2024 versus Q1 2023 (cont'd.)

HEALTHCARE DIVISION

For the quarter under review, the revenue came in stronger by 9% at RM84.6 million, as compared to RM78.0 million from the previous corresponding quarter. The top-line growth was mainly attributed by higher average revenue per inpatient (up 13% YoY).

The division registered an EBITDA of RM 11.2 million, slightly lowered by 5% as compared to the previous corresponding quarter. The division recorded a PBT of RM5.7 million for the current quarter, slightly lower from RM6.4 million in the previous corresponding quarter.

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q1 2024	Q1 2023	Changes	%
Number of inpatient	6,354	6,561	(207)	-3%
Number of outpatient	43,827	45,256	(1,429)	-3%
Inpatient days	17,701	18,961	(1,260)	-7%
Occupancy rate (%)	64%	69%	-5%	-7%
Average length of stay (day)	2.79	2.89	(0.10)	-3%
Number of bed	306	306	-	0%
Average revenue per inpatient (RM)	10,221	9,033	1,188	13%

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

Individual quarter - Q1 2024 versus Q4 2023

	Q1 2024	Q4 2023	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Plantation	50,429	76,860	(26,431)	-34%
Healthcare	84,649	93,798	(9,149)	-10%
Total revenue	135,078	170,658	(35,580)	-21%
Plantation	13,680	32,061	(18,381)	-57%
Healthcare	11,167	19,292	(8,125)	-42%
Investment holding and others	(5,580)	(3,985)	(1,595)	-40%
EBITDA	19,267	47,368	(28,101)	-59%
Depreciation & amortisation	(18,445)	(18,598)	153	1%
Profit from al-Mudharabah	624	992	(368)	-37%
Finance costs	(7,362)	(5,753)	(1,609)	-28%
(Loss)/profit before tax	(5,916)	24,009	(29,925)	>-100%

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

Individual quarter - Q1 2024 versus Q4 2023 (cont'd.)

The Group's revenue for the three months ended 31 March 2024 decreased by 21% as compared to the immediate preceding quarter mainly due to the lower revenue from both Plantation Division and Healthcare Division by 34% and 10% respectively, as compared to the immediate preceding quarter.

The Group recorded a Loss Before Tax ("LBT") of RM5.9 million during the quarter, as compared to a Profit Before Tax ("PBT") of RM24.0 million in the immediate preceding quarter.

PLANTATION DIVISION

The Plantation Division recorded lower revenue of 34% mainly due to lower sales volume of CPO and PK by 37% and 42% respectively, driven by a decrease in FFB production of 29%. The decrease in revenue is compensated by higher CPO and PK average price of 6% and 9% respectively, as compared to the immediate preceding quarter.

During the quarter, our Plantation Division registered an EBITDA of RM13.7 million, a reduction of 57% as compared to RM32.1 million in the immediate preceding quarter.

Below are the key operating statistics for Plantation Division:

Plantation Statistics	Q1 2024	Q4 2023	Changes	%
CPO sales volume (mt)	11,176	17,600	(6,424)	-37%
PK sales volume (mt)	2,382	4,112	(1,730)	-42%
FFB production (mt)	57,991	81,569	(23,578)	-29%
CPO average price (RM)	4,031	3,817	214	6%
PK average price (RM)	2,376	2,176	200	9%
Mature area (hectare)	23,414	22,110	1,304	6%
Immature area (hectare)	5,082	6,421	(1,339)	-21%
Oil extraction rate (%)	19.15%	19.99%	-0.84%	-4%
Kernel extraction rate (%)	4.53%	4.55%	-0.02%	0%

HEALTHCARE DIVISION

Healthcare Division recorded 10% decreased in revenue mainly due to the reduction by 11% in occupancy rate, 9% in number of inpatient and 7% in number of outpatient as compared to the immediate preceding quarter.

During the quarter, the Division registered an EBITDA of RM11.2 million, compared to RM19.3 million in the immediate preceding quarter. The division also recorded a lower PBT of RM5.7 million during the quarter from RM13.6 million in the immediate preceding quarter.

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

Individual quarter - Q1 2024 versus Q4 2023 (cont'd.)

HEALTHCARE DIVISION (cont'd.)

Below are the key operating statistics for Healthcare Division:

Healthcare Statistics	Q1 2024	Q4 2023	Changes	%
Number of inpatient	6,354	6,986	(632)	-9%
Number of outpatient	43,827	47,141	(3,314)	-7%
Inpatient days	17,701	20,274	(2,573)	-13%
Occupancy rate (%)	64%	72%	-8%	-11%
Average length of stay (day)	2.79	2.90	(0.11)	-4%
Number of bed	306	306	-	0%
Average revenue per inpatient (RM)	10,221	10,532	(311)	-3%

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

Malaysia Plantation Division

In early April 2024, CPO futures price hit a year-to-date high of RM4,579 per tonne, which reflected the near-term tightness in palm oil inventory, where Malaysia's palm oil stockpile at the end of March 2024 dropped 10.68% to their lowest in 10 months at 1.71 million MT due to the rise in exports although it is partly offset by a rebound in production (compared to the same period last year, the inventories declined steeper by 21% to 1.67 million MT). Palm oil production increased by 8% in March 2024, bringing the total for January 2024 to March 2024 up 3% from the previous year.

However, Malaysian palm oil production in 2024 is expected to be unchanged or marginally higher, and with Indonesian palm oil production is anticipated to be lower by at least 1 million MT and new biofuel announcement could make palm supply even tighter.

The outlook for 2nd quarter and 2HFY2024

In general, Bursa Malaysia Derivatives CPO futures will be supported by the global demand and supply fundamentals. Growth in world production of 8 vegoils is forecast to slow (rapeseed and sunflower production is set to down, soyoil production is forecast to rise but with weather uncertainties) and stocks worldwide are set to decline in 2024. However, currently local market sentiment has been influenced by concerns regarding the anticipated surge in output over the coming weeks, which is perceived as exerting pressure on the market. Palm oil prices declined from their highs of early April 2024 and the palm premium vs other vegoils also narrowed, as the supply tightness is now easing. Palm production is expected to take a stronger pick up from May 2024 and CPO price could continue become bearish towards mid-year but in the event the strong export momentum continues, stock levels will remain below the two-million-tonne mark in the next few months as the peak output month is only likely to be in 3QFY2024.

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

Malaysia Plantation Division (cont'd.)

The outlook for 2nd quarter and 2HFY2024 (cont'd.)

Globally, a slowing down of sun oil production and export supplies from May 2024 onwards will raise import demand for palm oil. A likely bumper harvest of soybean oil in South America in the coming months could put pressure on palm oil prices but the year-on-year increase in world exports of soyoil will be rather limited in April 2024 to September 2024 (due to rising soyoil requirements as a feedstock of biodiesel and Hydrotreated Vegetable Oil, primarily in Brazil and the USA), thus may increase world dependence on the palm oil. Meanwhile India and China are expected to increase their palm oil imports from April 2024 onwards, with vegoil stocks in India hit an 18-month low on 1 March 2024, hence an increase in edible oil imports is expected to replenish the stocks.

In the meantime, the anticipated transition from El Niño to La Niña (with a 60-80 per cent chance of development in 2HFY2024) and the capacity to recruit foreign workers amid a current shortage of 40,000 workers will be crucial factors to monitor in the latter half of 2024. Other watchpoints are the palm oil production and exports, demand for biodiesel (or new biofuel mandates by Indonesian government), developments in soybean and sunflower crops, EU Deforestation Regulation (UEDR), crude oil prices, economic and geopolitical uncertainties especially in the Middle East and change in government policies (export tax, levies, import duties).

Divestment of Indonesia Plantation Division

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

As per announcement to Bursa Malaysia on 2 August 2023, the fulfillment of Condition Precedents has been extended to Long Stop Date of 1 August 2024. Both TDM and the Buyer remain committed to seeing the completion of the disposal.

Healthcare Division

The Group recorded a fair revenue growth in Q1'2024 compared to the Q1'2023. However, revenue level in Q2'2024 is likely to be impacted due to the full effects of fasting month and Hari Raya festive season.

The business environment ahead is expected to remain challenging with inflation rate, even though moderating, will remain elevated. The Overnight Policy Rate (OPR) is anticipated to stay hold at the current level at least for the next quarter. Further to that, Malaysian Ringgit currency exchange is not expected to differ much against the greenback in near future.

Q1'2024 has seen an increase in costs for substantial amount of drugs, consumables and medical supplies which poses continuous pressure to maintain Group's profitability margin. Operational efficiencies drive is enhanced to cushion-off the rising costs of business thus mitigating its pass-through to patients.

An increase in medical insurance premium as experienced currently may affect the affordability by the public at large. The situation may lead to the slower growth of medical policy holders thus limiting the expansionary stage of the private health service provider sector as a whole.

The Group continues its initiatives to introduce service offerings in respect of sub-specialty treatments, enhancing clinical care and uplift clinical outcome for better customer experience.

16a. Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)

Not applicable.

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

There was no profit guarantee issued for the quarter ended 31 March 2024.

17. Loss before tax

	Current period to date	
	31-Mar-24 RM'000	31-Mar-23 RM'000
The following items have been included in arriving at loss before tax from continuing operations:		
Finance expenses	7,362	6,081
Depreciation of property, plant and equipment	15,289	15,700
Amortisation of intangible asset	214	214
Amortisation of right-of-use assets	2,942	2,894
Amortisation of contract cost assets	-	736
Property, plant and equipment written off		
- Continuing	687	1,992
Inventories written off - Continuing	34	54
Expected credit losses of trade receivables	598	531
Loss on disposal of property, plant and equipment	-	45
Impairment of right-of-use assets - Discontinued	72	1,136
Impairment of property, plant and equipment - Discontinued	291	4,569
Provision for retirement benefit obligations		
- Continuing	124	125
Profit from al-Mudharabah	(624)	(510)
Utilisation of contract liabilities	(13,332)	(16,677)
Fair value changes in biological assets		
- Continuing	<u>(1,550)</u>	<u>(1,284)</u>

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

	Current period to date	
	31-Mar-24 RM'000	31-Mar-23 RM'000
Current income tax - continuing operations:	2,801	1,257
Deferred income tax - continuing operations:		
Relating to reversal of temporary differences	(1,256)	(3,433)
Underprovision of deferred tax in prior period	-	704
Income tax expense/(benefit)	1,545	(1,472)

Income tax was calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the period.

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

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

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

	Group	
	As at 31-Mar-24 RM'000	As at 31-Dec-23 RM'000
Assets:		
Property, plant and equipment	85,034	85,043
Right-of-use assets	21,215	21,216
Prepayment	36	31
Biological assets	189	189
Cash and bank balances	48	43
	106,522	106,522
Liabilities:		
Other payables	(10,172)	(10,136)
Provision	(41,264)	(41,126)
	(51,436)	(51,262)
Net assets directly associated with disposal group	55,086	55,260

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

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

	Current period to date	
	31-Mar-24 RM'000	31-Mar-23 RM'000
Revenue	-	-
Cost of sales	-	(245)
Gross loss	-	(245)
Other income	-	-
Administrative expenses	(245)	(78)
Other expenses *	(363)	(5,705)
Loss before tax	(608)	(6,028)
Income tax expense	-	-
Loss for the period from discontinued operations, net of tax	(608)	(6,028)

* Included in other expenses are impairment of property, plant and equipments and right-of-use assets amounting to RM0.4 million (2023: RM5.7 million).

20. Corporate proposal

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

21. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 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 31-Mar-24 RM'000	As at 31-Dec-23 RM'000
Trade receivables - nominal amounts	7,355	6,757
Less: Allowance for expected credit losses	(4,594)	(3,996)
	2,761	2,761

Movement in allowance accounts:

At 1 January	3,996	3,207
Provision for expected credit losses	598	789
At 31 December	4,594	3,996

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.

22. Borrowings and debt securities as at the end of the reporting year

Details of the Group's borrowings as at 31 March 2024 and 31 December 2023 are as follows:

As at 31 March 2024

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	274,596	79,612	354,208
Bank overdraft	9,864	-	9,864
Obligation under hire purchase	4,645	4,248	8,893
	289,105	83,860	372,965
Unsecured			
Bank loans	47,500	10,000	57,500
	336,605	93,860	430,465

As at 31 December 2023

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Bank loans	279,026	71,751	350,777
Bank overdraft	11,705	-	11,705
Obligation under hire purchase	5,867	4,199	10,066
	296,598	75,950	372,548
Unsecured			
Bank loans	59,750	13,250	73,000
	356,348	89,200	445,548

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 31 March 2024.

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

a) Ministry of Environment and Forestry of Indonesia - Plaintiff vs PT Rafi Kamajaya Abadi ("PT RKA")

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

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

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

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

- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- ii. PT RKA is to pay a compensation of Rp270,807,710,959 (approximately RM81,242,313) for the environmental loss to the National Account of Indonesia as per the claim by the Plaintiff.
- iii. PT RKA is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of Rp646,216,640,000 (approximately RM193,864,992) as per the claim by the Plaintiff.

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

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

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

- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- ii. PT RKA is to pay a compensation of Rp188,977,440,000 (approximately RM53,504,371) for the environmental loss to the National Account of Indonesia as per the claim.
- iii. PT RKA is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of Rp731,036,640,000 (Approximately RM206,975,266).

On 18 November 2022, PT RKA has filed an appeal against the above decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta.

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

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

On 2 November 2023, PT RKA was officially served with the decision of the Supreme Court that the Court rejected the appeal and upheld the decision of Pengadilan Tinggi Pontianak as follows:

- i. PT RKA is to pay a compensation of IDR188,977,440,000 (approximately RM56,677,646) for the environmental loss to the National Account of Indonesia as per the claim by the Respondent; and
- ii. PT RKA is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of IDR731,036,640,000 (approximately RM219,250,698).

PT RKA's legal counsel is diligently assessing new evidences and is prepared to file a judicial review against the above decision.

b) Jaksa Penuntut Umum Negeri Sintang, Indonesia ("Public Prosecutor") vs PT RKA

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

PT RKA is charged under Article 99(1) and Article 116(1) of the Indonesian Laws No. 32 year 2009 on Environmental Protection and Management where upon conviction will subject to imprisonment of not less than 1 year and not more than 3 years, and fine of not less than Rp1,000,000,000 (approximately RM292,000) and not more than Rp3,000,000,000 (approximately RM875,000).

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

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

On 18 November 2022, PT RKA has filed an appeal against the above the decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta.

On 2 November 2023, PT RKA was officially informed by its legal counsel that the Supreme Court has rejected PT RKA's appeal and upheld the decision of Pengadilan Tinggi Pontianak (i.e a fine of IDR2,500,000,000 (approximately RM749,794).

The said amount of IDR2,500,000,000.00 was paid to Kejaksaan Sintang on 12 December 2023.

PT RKA's legal counsel is diligently assessing new evidence and prepared to file a judicial review against the decision on the Supreme Court.

The directors are of the opinion, based on legal advice and management assessment, there is probable outflow of resources embodying the economic benefits of RM41,264,000 (2023: RM41,126,000) to settle the above claims. The carrying amount of provision of the Group at the reporting date is disclosed in Note 19.

25. Dividend

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

26. Loss per share

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

	Cumulative Quarter Current Quarter To date 31-Mar-24 RM'000	Preceding Quarter To date 31-Mar-23 RM'000
Loss for the financial year attributable to owners of the parent used in the computation of basic loss per share	(8,962)	(21,118)
Add: Loss for the financial year from discontinued operation, attributable to owners of the parent	570	5,651
Loss for the financial year from continuing operations attributable to owners of the parent used in the computation of basic loss per share	(8,392)	(15,467)
	31-Mar-24 number of ordinary shares '000	31-Mar-23 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
Loss per share attributable to owners of the parent:		
Basic loss per share (sen)	(0.52)	(1.23)
- continuing operations	(0.49)	(0.90)
- discontinued operation	(0.03)	(0.33)

27. The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2024.

BY ORDER OF THE BOARD

BADROL ABU BAKAR
Company Secretary

Kuala Terengganu
27 May 2024