



# **TDM BERHAD**

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

## **INTERIM FINANCIAL STATEMENTS 30 SEPTEMBER 2019**



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>
	<b>Ended</b>	<b>Ended</b>	<b>To date</b>	<b>To date</b>
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	106,113	86,700	310,408	300,752
Cost of sales	(72,752)	(68,322)	(213,371)	(212,084)
<b>Gross profit</b>	<b>33,361</b>	<b>18,378</b>	<b>97,037</b>	<b>88,668</b>
<b>Other items of income</b>				
Interest income	2,387	9,334	6,802	26,655
Other income	3,188	13,187	12,756	18,320
<b>Other items of expense</b>				
Distribution costs	(1,539)	(1,080)	(4,517)	(4,035)
Administrative expenses	(73,119)	(33,780)	(141,351)	(121,912)
Other expenses	(2,285)	(4)	(6,662)	(1,407)
Finance costs	(5,704)	(6,987)	(13,597)	(18,644)
<b>Loss before tax</b>	<b>(43,711)</b>	<b>(952)</b>	<b>(49,532)</b>	<b>(12,355)</b>
Income tax expenses	(107)	(2,841)	(4,796)	(2,745)
<b>Loss for the period, net of tax</b>	<b>(43,818)</b>	<b>(3,793)</b>	<b>(54,328)</b>	<b>(15,100)</b>
<b>Other comprehensive income:</b>				
Fair value movement of investment in securities	(95)	(2)	(95)	(6)
Fair value movement of other investments	3,633	-	3,633	-
Foreign currency translation	4,615	(4,577)	11,658	(4,577)
<b>Other comprehensive income/(loss)</b>				
<b>for the period, net of tax</b>	<b>8,153</b>	<b>(4,579)</b>	<b>15,196</b>	<b>(4,583)</b>
<b>Total comprehensive</b>				
<b>loss for the period</b>	<b>(35,665)</b>	<b>(8,372)</b>	<b>(39,132)</b>	<b>(19,683)</b>



**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>	<b>Quarter</b>
	<b>Ended</b>	<b>Ended</b>	<b>To date</b>	<b>To date</b>
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loss attributable to:</b>				
Owners of the parent	(41,401)	(3,272)	(51,542)	(13,368)
Non-controlling interests	(2,417)	(521)	(2,786)	(1,732)
	<b><u>(43,818)</u></b>	<b><u>(3,793)</u></b>	<b><u>(54,328)</u></b>	<b><u>(15,100)</u></b>
<b>Total comprehensive</b>				
<b>loss attributable to:</b>				
Owners of the parent	(33,248)	(7,851)	(36,346)	(17,951)
Non-controlling interests	(2,417)	(521)	(2,786)	(1,732)
	<b><u>(35,665)</u></b>	<b><u>(8,372)</u></b>	<b><u>(39,132)</u></b>	<b><u>(19,683)</u></b>
<b>Loss per share</b>				
<b>attributable to owners of</b>				
<b>the parent (sen per share):</b>				
Basic (Note 27)	<u>(2.46)</u>	<u>(0.20)</u>	<u>(3.06)</u>	<u>(0.80)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>As at 30-Sep-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,395,820	1,439,260
Right of use asset	198,610	201,554
Intangible asset	5,678	6,321
Investment properties	3,840	10,217
Goodwill	991	991
Other investments	25,927	22,294
Investment securities	43	44
Other receivables	75,041	65,880
Deferred tax assets	18,348	13,974
	<b>1,724,298</b>	<b>1,760,535</b>
<b>Current assets</b>		
Biological assets	4,305	3,041
Inventories	24,410	28,021
Trade and other receivables	89,719	93,501
Prepayments	4,208	1,847
Tax recoverable	5,320	6,984
Cash and bank balances	88,729	75,405
	<b>216,691</b>	<b>208,799</b>
<b>Total assets</b>	<b>1,940,989</b>	<b>1,969,334</b>
<b>Current liabilities</b>		
Lease liability	3,137	1,561
Borrowings	51,417	58,156
Trade and other payables	148,362	140,320
Tax payable	3,714	1,263
	<b>206,630</b>	<b>201,300</b>
<b>Net current assets</b>	<b>10,061</b>	<b>7,499</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	5,018	4,719
Lease liability	205,968	202,014
Borrowings	417,409	427,929
Other payable	26,411	26,411
Deferred revenue	9,247	-
Deferred tax liabilities	162,216	159,739
	<b>826,269</b>	<b>820,812</b>
<b>Total liabilities</b>	<b>1,032,899</b>	<b>1,022,112</b>
<b>Net assets</b>	<b>908,090</b>	<b>947,222</b>



**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>As at 30-Sep-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	350,713	350,713
Retained earnings	591,115	642,657
Other reserves	(18,237)	(33,433)
	<b>923,591</b>	<b>959,937</b>
<b>Non-controlling interests</b>	(15,501)	(12,715)
<b>Total equity</b>	<b>908,090</b>	<b>947,222</b>
<b>Total equity and liabilities</b>	<b>1,940,989</b>	<b>1,969,334</b>
Net assets per share (RM)	0.54	0.56

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



TDM BERHAD (Company No 6265-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	Attributable to owners of the parent								Non-controlling interests RM'000
	Non-distributable					Distributable			
	Equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Foreign currency reserve RM'000	Fair value adjustment reserve RM'000	Transaction with non-controlling interest RM'000		
<b>Opening balance at 1 January 2019</b>	947,222	959,937	350,713	642,657	(33,433)	(50,944)	17,542	(31)	(12,715)
Loss for the period	(54,328)	(51,542)	-	(51,542)	-	-	-	-	(2,786)
<b>Other comprehensive loss</b>									
Fair value movement of investment in securities	(95)	(95)	-	-	(95)	-	(95)	-	-
Fair value movement of other investment	3,633	3,633	-	-	3,633	-	3,633	-	-
Foreign currency translation	11,658	11,658	-	-	11,658	11,658	-	-	-
Other comprehensive income for the period, net of tax	15,196	15,196	-	-	15,196	11,658	3,538	-	-
Total comprehensive loss for the period, net of tax	(39,132)	(36,346)	-	(51,542)	15,196	11,658	3,538	-	(2,786)
<b>Closing balance at 30 September 2019</b>	908,090	923,591	350,713	591,115	(18,237)	(39,286)	21,080	(31)	(15,501)
<b>Opening balance at 1 January 2018</b>	1,012,221	1,022,077	345,017	725,607	(48,547)	(48,468)	(48)	(31)	(9,856)
Adoption of MFRS 9	43,384	43,384	-	-	43,384	-	43,384	-	-
	1,055,605	1,065,461	345,017	725,607	(5,163)	(48,468)	43,336	(31)	(9,856)
Loss for the period	(15,100)	(13,368)	-	(13,368)	-	-	-	-	(1,732)
<b>Other comprehensive income</b>									
Fair value movement of investment in securities	(6)	(6)	-	-	(6)	-	(6)	-	-
Foreign currency translation	(4,577)	(4,577)	-	-	(4,577)	(4,577)	-	-	-
Other comprehensive loss for the period, net of tax	(4,583)	(4,583)	-	-	(4,583)	(4,577)	(6)	-	-
Total comprehensive loss for the period, net of tax	(19,683)	(17,951)	-	(13,368)	(4,583)	(4,577)	(6)	-	(1,732)
<b>Transactions with owners</b>									
Issuance of shares pursuant to dividend reinvestment scheme	-	-	5,696	(5,696)	-	-	-	-	-
Dividends paid on ordinary shares	(2,594)	(2,594)	-	(2,594)	-	-	-	-	-
Total transactions with owners	(2,594)	(2,594)	5,696	(8,290)	-	-	-	-	-
<b>Closing balance at 30 September 2018</b>	1,033,328	1,044,916	350,713	703,949	(9,746)	(53,045)	43,330	(31)	(11,588)

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



**TDM BERHAD** (Company No 6265-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>Period Ended</b>	
	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(49,532)	(12,355)
Adjustments for:		
Interest expense	13,597	18,644
Depreciation of property, plant and equipment	37,908	31,456
Amortisation of bearer plant	9,016	9,726
Amortisation of intangible asset	643	643
Amortisation of investment property	254	138
Amortisation of finance lease	2,944	2,598
Inventories written off	4,824	240
Expected credit losses of receivables	1,656	1,450
Property, plant and equipment written off	33,747	-
Gain on disposal of investment property	(5,205)	-
Dividend income	(1,225)	(2,141)
Unrealised loss on the foreign exchange of investment in fixed income securities	-	23,100
Profit from Al-Mudharabah	(504)	(4,323)
Interest income	(6,298)	(22,332)
Provision for short term accumulating compensated absences	93	64
Provision for retirement benefit obligations	343	286
Fair value movement in other investment	(3,633)	-
Fair value changes in biological assets	(1,264)	549
Total adjustments	<u>86,896</u>	<u>60,098</u>
Operating cash flows before changes in working capital	<u>37,364</u>	<u>47,743</u>
<u>Changes in working capital</u>		
Decrease in inventories	3,611	4,151
Increase in receivables	(7,740)	(49,960)
Increase in payables	17,377	43,592
Total changes in working capital	<u>13,248</u>	<u>(2,217)</u>
Cash flows from operations	50,612	45,526
Interest paid	(13,597)	(18,644)
Interest received	504	4,386
Taxes paid	(9,631)	(15,172)
Tax refund	3,010	381
Retirement benefits paid	(44)	-
Annual leave paid	(44)	3
Net cash flows generated from operating activities	<u>30,810</u>	<u>16,480</u>



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	<b>Period Ended</b>	
	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(27,540)	(34,688)
Dividend received	1,225	2,141
Proceeds from disposal of investment property	12,000	-
Additions of deposit with licensed banks	(2,967)	(9,227)
Increase in deposit with licensed banks pledged as securities for certain banking facilities	(89)	809
Net cash flows used in investing activities	<u>(17,371)</u>	<u>(40,965)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of bank borrowings	37,014	32,064
Drawdowns of hire purchase facilities	142	972
Repayments of bank borrowings	(45,265)	(32,766)
Repayments of hire purchase facilities	(2,417)	(2,656)
(Repayments)/drawdowns of bank overdraft	(1,911)	16,694
Drawdowns of CPO advance	9,247	-
Dividend paid	-	(2,594)
Net cash flows generated from financing activities	<u>(3,190)</u>	<u>11,714</u>
<b>Net increase in cash and cash equivalents</b>	10,249	(12,771)
<b>Cash and cash equivalents at 1 January</b>	38,978	56,980
Effect of foreign exchange rate changes	19	(4,577)
<b>Cash and cash equivalents at end of the period</b>	<u>49,246</u>	<u>39,632</u>
 Cash and cash equivalents at end of the period comprise of the following:		
Cash and banks balances	88,729	83,143
Less: Deposits pledged for bank facilities	(34,326)	(34,045)
Less: Deposits with licensed banks with maturity period more than 3 months	(5,157)	(9,466)
Cash and cash equivalents	<u>49,246</u>	<u>39,632</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)





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

### **Notes:**

#### **1. Accounting policies and basis of preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018. 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 2018.

The interim financial statements of the Group for the financial period ended 30 June 2019 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 2018, except MFRS 16 Leases which the Group adopted from 1 January 2019.

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases—Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group has applied the standard using the modified retrospective approach, under which the cumulative effect of initial recognition is recognised in the retained earnings.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117, therefore did not have an impact for lease where the Group is the lessor.

As for lessee accounting, the adoption of MFRS 16 does not have a material effect on the Group's financial statements. Minor adjustments arising from the initial application of the new lease model in the opening balances as at 1 January 2019 are disclosed as below:

#### **Impact of adoption of MFRS 16 to opening balance 1 January 2019 RM'000**

Right of use asset	201,554
Lease liability	(202,014)
	<u>(460)</u>
Retained earnings	<u>460</u>

Any other revised MFRSs, amendments to MFRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2019 did not give rise to any significant effects on the financial statements of the Group.

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

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

<b>MFRS, IC Interpretation and Amendments to IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3 Business Combinations (Definition of a Business)	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

## **2. Declaration of audit qualification**

The preceding annual financial statements for the year ended 31 December 2018 were reported without any qualification.

## **3. Seasonal or cyclical factors**

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

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

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter ended 30 September 2019.

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

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

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

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

## **7. Dividends paid**

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

## 8. Segmental reporting

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

### 3 months ended 30 September 2019

	<b>Plantation</b>				
	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Healthcare RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Total revenue	49,667	186	58,634	-	108,487
Intersegment revenue	(2,151)	-	(223)	-	(2,374)
<b>External revenue</b>	<b>47,516</b>	<b>186</b>	<b>58,411</b>	<b>-</b>	<b>106,113</b>
<b>Adjusted EBITDA</b>	<b>6,732</b>	<b>(6,625)</b>	<b>9,193</b>	<b>-</b>	<b>9,300</b>
Fair value changes in biological assets	1,280	-	-	-	1,280
Property, plant and equipment written off	-	(33,747)	-	-	(33,747)
Inventories written off	-	(4,771)	(25)	-	(4,796)
Expected credit losses of receivables	-	-	(560)	-	(560)
<b>EBITDA</b>	<b>8,012</b>	<b>(45,143)</b>	<b>8,608</b>	<b>-</b>	<b>(28,523)</b>
Depreciation & amortisation	(10,549)	2,919	(4,241)	-	(11,871)
Profit from Al-Mudharabah	37	-	131	-	168
Interest income	-	2,219	-	-	2,219
Finance costs	(4,413)	-	(1,291)	-	(5,704)
<b>(Loss)/Profit before tax</b>	<b>(6,913)</b>	<b>(40,005)</b>	<b>3,207</b>	<b>-</b>	<b>(43,711)</b>

### 3 months ended 30 September 2018

	<b>Plantation</b>				
	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Healthcare RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Total revenue	36,814	16	52,359	-	89,189
Intersegment revenue	(2,092)	-	(397)	-	(2,489)
<b>External revenue</b>	<b>34,722</b>	<b>16</b>	<b>51,962</b>	<b>-</b>	<b>86,700</b>
<b>Adjusted EBITDA</b>	<b>13,385</b>	<b>(4,130)</b>	<b>6,949</b>	<b>(3)</b>	<b>16,201</b>
Unrealised loss on the foreign exchange of investment in fixed income securities	(3,150)	-	-	-	(3,150)
Fair value changes in biological assets	(533)	-	-	-	(533)
Expected credit losses of receivables	(3)	-	(544)	-	(547)
<b>EBITDA</b>	<b>9,699</b>	<b>(4,130)</b>	<b>6,405</b>	<b>(3)</b>	<b>11,971</b>
Depreciation & amortisation	(11,375)	(360)	(3,535)	-	(15,270)
Profit from Al-Mudharabah	55	1,717	69	-	1,841
Interest income	7,469	5	19	-	7,493
Finance costs	(5,642)	(402)	(943)	-	(6,987)
<b>Profit/(loss) before tax</b>	<b>206</b>	<b>(3,170)</b>	<b>2,015</b>	<b>(3)</b>	<b>(952)</b>

## 8. Segmental reporting (cont'd.)

### 9 months ended 30 September 2019

	<b>Plantation</b>		<b>Healthcare</b>	<b>Others</b>	<b>Group</b>
	<b>Malaysia</b>	<b>Indonesia</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>			
Total revenue	144,560	218	172,411	-	317,189
Intersegment revenue	(5,971)	-	(810)	-	(6,781)
<b>External Revenue</b>	<b>138,589</b>	<b>218</b>	<b>171,601</b>	<b>-</b>	<b>310,408</b>
<b>Adjusted EBITDA</b>	<b>24,779</b>	<b>(9,651)</b>	<b>26,667</b>	<b>(7)</b>	<b>41,788</b>
Gain on disposal of investment property	5,203	-	-	-	5,203
Fair value changes of biological assets	1,264	-	-	-	1,264
Property, plant and equipment written off	-	(33,747)	-	-	(33,747)
Inventories written off	-	(4,771)	(53)	-	(4,824)
Expected credit losses of receivables	-	-	(1,656)	-	(1,656)
<b>EBITDA</b>	<b>31,246</b>	<b>(48,169)</b>	<b>24,958</b>	<b>(7)</b>	<b>8,028</b>
Depreciation & amortisation	(31,900)	(7,414)	(11,451)	-	(50,765)
Profit from A/Mudharabah	159	-	345	-	504
Interest income	-	6,298	-	-	6,298
Finance costs	(10,062)	-	(3,535)	-	(13,597)
<b>(Loss)/ Profit before tax</b>	<b>(10,557)</b>	<b>(49,285)</b>	<b>10,317</b>	<b>(7)</b>	<b>(49,532)</b>

### 30 September 2019

Assets	<b>1,242,970</b>	<b>424,310</b>	<b>271,177</b>	<b>2,532</b>	<b>1,940,989</b>
Liabilities	<b>886,066</b>	<b>12,318</b>	<b>133,045</b>	<b>1,470</b>	<b>1,032,899</b>
Exchange rate ratio	MYR 1.00	IDR 3,385			

### 9 months ended 30 September 2018

	<b>Plantation</b>		<b>Healthcare</b>	<b>Others</b>	<b>Group</b>
	<b>Malaysia</b>	<b>Indonesia</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>			
Total revenue	155,626	112	151,445	-	307,183
Intersegment revenue	(5,496)	-	(935)	-	(6,431)
<b>External Revenue</b>	<b>150,130</b>	<b>112</b>	<b>150,510</b>	<b>-</b>	<b>300,752</b>
<b>Adjusted EBITDA</b>	<b>38,444</b>	<b>(9,532)</b>	<b>20,395</b>	<b>(13)</b>	<b>49,294</b>
Unrealised loss on the foreign exchange of investment in fixed income securities	(23,100)	-	-	-	(23,100)
Fair value changes of biological assets	(549)	-	-	-	(549)
Expected credit losses of receivables	(5)	-	(1,445)	-	(1,450)
<b>EBITDA</b>	<b>14,790</b>	<b>(9,532)</b>	<b>18,950</b>	<b>(13)</b>	<b>24,195</b>
Depreciation & amortisation	(32,826)	(990)	(10,745)	-	(44,561)
Profit from A/Mudharabah	584	3,476	263	-	4,323
Interest income	22,165	95	72	-	22,332
Finance costs	(14,741)	(1,104)	(2,799)	-	(18,644)
<b>(Loss)/ Profit before tax</b>	<b>(10,028)</b>	<b>(8,055)</b>	<b>5,741</b>	<b>(13)</b>	<b>(12,355)</b>

### 31 December 2018

Assets	<b>1,243,750</b>	<b>454,838</b>	<b>268,209</b>	<b>2,537</b>	<b>1,969,334</b>
Liabilities	<b>881,449</b>	<b>6,490</b>	<b>132,707</b>	<b>1,466</b>	<b>1,022,112</b>
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 September 2019 are as follows:

	<b>RM '000</b>
Authorised by the Directors and contracted	2,481
Authorised by the Directors but not contracted	142,029
	<u>144,510</u>

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENT**

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

**Individual quarter - Q3 2019 versus Q3 2018**

	<b>Q3 2019 RM'000</b>	<b>Q3 2018 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	47,702	34,738	12,964	37%
Healthcare	58,411	51,962	6,449	12%
<b>Total revenue</b>	<b>106,113</b>	<b>86,700</b>	<b>19,413</b>	<b>22%</b>
<b>LOSS BEFORE TAX</b>				
Plantation	107	9,255	(9,148)	-99%
Healthcare	9,193	6,949	2,244	32%
Others	-	(3)	3	100%
<b>Adjusted EBITDA</b>	<b>9,300</b>	<b>16,201</b>	<b>(6,901)</b>	<b>-43%</b>
Unrealised loss on foreign exchange of investment in fixed income securities	-	(3,150)	3,150	100%
Fair value changes of biological assets	1,280	(533)	1,813	340%
Property, plant and equipment written off	(33,747)	-	(33,747)	-100%
Inventories written off	(4,796)	-	(4,796)	-100%
Expected credit losses of receivables	(560)	(547)	(13)	-2%
<b>EBITDA</b>	<b>(28,523)</b>	<b>11,971</b>	<b>(40,494)</b>	<b>-338%</b>
Depreciation & amortisation	(11,871)	(15,270)	3,399	22%
Profit from Al-Mudharabah	168	1,841	(1,673)	-91%
Interest income	2,219	7,493	(5,274)	-70%
Finance costs	(5,704)	(6,987)	1,283	18%
<b>Loss before tax</b>	<b>(43,711)</b>	<b>(952)</b>	<b>(42,759)</b>	<b>-4491%</b>

The Group's revenue for the three months ended 30 September 2019 rose by 22% compared to the previous year corresponding quarter mainly due to higher revenue growth from both and Healthcare businesses.

**PLANTATION DIVISION**

The Plantation Division recorded higher revenue by 37% mainly due to higher CPO and PK sales volume by 59% and 51% respectively.

However, this partly offset with lower average realized prices of CPO and PK by 10% and 32% respectively.

The Malaysia Plantation business registered an adjusted EBITDA of RM6.7 million during the quarter. However, this is partly offset by negative adjusted EBITDA of RM6.6 mil recorded by the Indonesia Plantation during the quarter under review. The Plantation Division recorded losses of RM46.9 mil compared to losses of RM2.9 mil in the same quarter last year, mainly due to the write-off of bearer plants affected by fire incidents during the quarter amounting to RM33.7 mil for a total area of 1,918 ha based on management assessment on the affected area which was supported by a valuation report dated 20 November 2019. The report was received by the management on 24 November 2019. Earlier there were announcements made on 17 September 2019 and 22 October 2019 in relation to the fire incidents in Kalimantan.

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

**Individual quarter - Q3 2019 versus Q3 2018 (cont'd.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	21,191	13,348	7,843	59%
PK sales volume (mt)	4,905	3,251	1,654	51%
FFB production (mt)	96,849	70,685	26,164	37%
CPO average price (RM)	2,066	2,305	(239)	-10%
PK average price (RM)	1,213	1,793	(580)	-32%
Mature area (hectare)	36,191	36,910	(719)	-2%
Immature area (hectare)	7,807	7,081	726	10%
Oil extraction rate (OER)	20.27%	20.59%	-0.32%	-2%
Kernel extraction rate (KER)	4.53%	4.09%	0.44%	11%

**HEALTHCARE DIVISION**

Our Healthcare Division continue to show strong performance during the quarter with 12% increased in revenue. Meanwhile, its adjusted EBITDA grew by 32% compared to the previous corresponding quarter. The strong performance was mainly due to higher average revenue per inpatient by 8% driven by improved case-mix of patient from the opening of Catheterization Laboratory (Cathlab) at Kuantan Medical Center (KMC). In addition, the business also registered higher inpatient number by 2% compared to the previous corresponding quarter.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	6,208	6,081	127	2%
Number of outpatient	40,627	41,555	(928)	-2%
Inpatient days	19,685	19,704	(19)	-0.1%
Occupancy rate (%)	56%	60%	-4%	-7%
Average length of stay (day)	2.95	2.97	(0.02)	-1%
Number of bed	407	407	-	-
Number of available bed	328	298	30	10%
Average revenue per inpatient (RM)	7,327	6,781	546	8%

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

**Cumulative quarter - 9M 2019 versus 9M 2018**

	<b>9M 2019 RM'000</b>	<b>9M 2018 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	138,807	150,242	(11,435)	-8%
Healthcare	171,601	150,510	21,091	14%
<b>Total revenue</b>	<b>310,408</b>	<b>300,752</b>	<b>9,656</b>	<b>3%</b>
<b>LOSS BEFORE TAX</b>				
Plantation	15,128	28,912	(13,784)	-48%
Healthcare	26,667	20,395	6,272	31%
Others	(7)	(13)	6	46%
<b>Adjusted EBITDA</b>	<b>41,788</b>	<b>49,294</b>	<b>(7,506)</b>	<b>-15%</b>
Gain on disposal of investment property	5,203	-	5,203	100%
Unrealised loss on foreign exchange of investment in fixed income securities	-	(23,100)	23,100	100%
Fair value changes of biological assets	1,264	(549)	1,813	330%
Property, plant and equipment written off	(33,747)	-	(33,747)	-100%
Inventories written off	(4,824)	-	(4,824)	-100%
Expected credit losses of receivables	(1,656)	(1,450)	(206)	-14%
<b>EBITDA</b>	<b>8,028</b>	<b>24,195</b>	<b>(16,167)</b>	<b>-67%</b>
Depreciation & amortisation	(50,765)	(44,561)	(6,204)	-14%
Profit from Al-Mudharabah	504	4,323	(3,819)	-88%
Interest income	6,298	22,332	(16,034)	-72%
Finance costs	(13,597)	(18,644)	5,047	27%
<b>Loss before tax</b>	<b>(49,532)</b>	<b>(12,355)</b>	<b>(37,177)</b>	<b>-301%</b>

The Group's revenue for the nine months ended 30 September 2019 rose by 3% compared to the previous year corresponding period mainly due to higher Healthcare revenue.

**PLANTATION DIVISION**

The Plantation Division recorded lower revenue by 8% mainly due to lower CPO and PK prices by 16% and 40% respectively.

However, this partly offset with higher sales volume of CPO and PK by 16% and 18% respectively.

The Malaysia Plantation business registered an adjusted EBITDA of RM24.8 mil during the period. However, this is partly offset by negative adjusted EBITDA of RM9.6 mil recorded by the Indonesia Plantation during the period under review. The Plantation Division recorded losses of RM59.8 mil compared to losses of RM18.1 mil in the same period last year, mainly due to the write-off of bearer plants affected by fire incidents during the quarter amounting to RM33.7 mil for a total area of 1,918 ha based on management assessment on the affected area which was supported by a valuation report dated 20 November 2019. The report was received by the management on 24 November 2019. Earlier there were announcements made on 17 September 2019 and 22 October 2019 in relation to the fire incidents in Kalimantan.



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

**Cumulative quarter - 9M 2019 versus 9M 2018 (cont'd.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>9M 2019</b>	<b>9M 2018</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	62,994	54,511	8,483	16%
PK sales volume (mt)	14,566	12,322	2,244	18%
FFB production (mt)	295,789	260,768	35,021	13%
CPO average price (RM)	2,040	2,424	(384)	-16%
PK average price (RM)	1,253	2,077	(824)	-40%
Mature area (hectare)	36,191	36,910	(719)	-2%
Immature area (hectare)	7,807	7,081	726	10%
Oil extraction rate (OER)	19.99%	19.48%	0.51%	3%
Kernel extraction rate (KER)	4.60%	4.57%	0.03%	1%

**HEALTHCARE DIVISION**

Our Healthcare Division continue to show strong performance during the period with 14% increased in revenue. Meanwhile, its adjusted EBITDA grew by 31% compared to the previous corresponding period. The record performance was mainly due to higher inpatient and higher inpatient days by 8% and 7% respectively, compared to the previous corresponding period. In addition, the Healthcare Division also registered higher average revenue per inpatient by 9%, driven by improved case-mix of patient from the opening of Cathlab at KMC and also higher surgery cases.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>9M 2019</b>	<b>9M 2018</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	18,501	17,208	1,293	8%
Number of outpatient	124,842	124,402	440	0.4%
Inpatient days	59,160	55,451	3,709	7%
Occupancy rate (%)	56%	58%	-2%	-3%
Average length of stay (day)	2.95	2.94	0.01	0.3%
Number of bed	407	407	-	-
Number of available bed	328	298	30	10%
Average revenue per inpatient (RM)	7,089	6,529	560	9%

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

**Individual quarter - Q3 2019 versus Q2 2019**

	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>				
Plantation	47,702	44,462	3,240	7%
Healthcare	58,411	55,077	3,334	6%
<b>Total revenue</b>	<b>106,113</b>	<b>99,539</b>	<b>6,574</b>	<b>7%</b>
<b>LOSS BEFORE TAX</b>				
Plantation	107	7,343	(7,236)	-99%
Healthcare	9,193	7,863	1,330	17%
Others	-	(6)	6	100%
<b>Adjusted EBITDA</b>	<b>9,300</b>	<b>15,200</b>	<b>(5,900)</b>	<b>-39%</b>
Gain on disposal of investment property	-	5,203	(5,203)	-100%
Fair value changes of biological assets	1,280	(953)	2,233	-234%
Property, plant and equipment written off	(33,747)	-	(33,747)	-100%
Inventories written off	(4,796)	-	(4,796)	-100%
Expected credit losses	(560)	(866)	306	35%
<b>EBITDA</b>	<b>(28,523)</b>	<b>18,584</b>	<b>(47,107)</b>	<b>-253%</b>
Depreciation & amortisation	(11,871)	(22,618)	10,747	48%
Profit from Al-Mudharabah	168	188	(20)	-11%
Interest income	2,219	3,417	(1,198)	-35%
Finance costs	(5,704)	(3,451)	(2,253)	-65%
<b>Loss before tax</b>	<b>(43,711)</b>	<b>(3,880)</b>	<b>(39,831)</b>	<b>-1027%</b>

The Group's revenue for the three months ended 30 September 2019 was higher by 7% compared to the immediate preceding quarter due to higher revenue growth from both Plantation and Healthcare businesses.

**PLANTATION DIVISION**

The Plantation Division recorded higher revenue by 7% mainly due to;

- Higher CPO and PK sales volume by 1% and 15% respectively; and
- Higher average realized prices of CPO and PK prices by 2% and 4% respectively.

The Malaysia Plantation business registered an adjusted EBITDA of RM6.7 mil during the quarter. However, this is partly offset by negative adjusted EBITDA of RM6.6 mil recorded by the Indonesia Plantation during the quarter under review.

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

**Individual quarter - Q3 2019 versus Q2 2019 (cont'd.)**

Below are the key operating statistics for Plantation division:

<b>Plantation Statistics</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Changes</b>	<b>%</b>
CPO sales volume (mt)	21,191	21,061	130	1%
PK sales volume (mt)	4,905	4,254	651	15%
FFB production (mt)	96,849	90,122	6,727	7%
CPO average price (RM)	2,066	2,018	48	2%
PK average price (RM)	1,213	1,161	52	4%
Mature area (hectare)	36,191	36,191	-	-
Immature area (hectare)	7,807	7,807	-	-
Oil extraction rate (OER)	20.27%	20.10%	0.17%	1%
Kernel extraction rate (KER)	4.53%	4.37%	0.16%	4%

**HEALTHCARE DIVISION**

Healthcare Division recorded 6% increased in revenue mainly due to higher inpatient and inpatient days by 7% and 10% respectively compared to the immediate preceding quarter. In addition, occupancy rate also saw healthy increased by 12% compared to the immediate preceding quarter.

Healthcare Division's adjusted EBITDA has decreased by 17% compared to Q2 2019.

Below are the key operating statistics for Healthcare division:

<b>Healthcare Statistics</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Changes</b>	<b>%</b>
Number of inpatient	6,208	5,798	410	7%
Number of outpatient	40,627	40,327	300	1%
Inpatient days	19,685	17,940	1,745	10%
Occupancy rate (%)	56%	50%	0.06	12%
Average length of stay (day)	2.95	2.85	0.10	4%
Number of bed	407	407	-	-
Number of available bed	328	328	-	-
Average revenue per inpatient (RM)	7,327	7,237	90	1%

**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**

**Plantation**

During nine (9) months of 2019, CPO experienced selling pressure from the market with the average price to-date at RM1,998/mt. In July, CPO average selling price dipped to the lowest for the year at RM1,879. The market was pressured due to higher production by 1.3 mil mt (+9%) compared to previous year corresponding period, lower exports during 3rd quarter and higher month end stocks of 2.4 mil mt in Sept 2019.

However, CPO price has seen sharp recovery in the 4th quarter contributed by higher exports to China and other countries, higher Soya Bean and Soya Bean Oil prices in the US, higher Biodiesel mandates from Indonesia (B30) and Malaysia (B20) in 2020 and expectations of lower palm oil production cycle in the first quarter of 2020.

Since 2012, we started our replanting of old palms to rejuvenate our estates in Terengganu which will improve our age profile towards achieving higher yield.

Meanwhile for our Kalimantan plantation - despite of the recent fire incident - the estate is progressing well with the rehabilitation programmes under its Value Creation Plan (VCP).

In addition, we are also undertaking a strategic review of our investment in Kalimantan, which may include a divestment of the asset, and we had, on 2 October 2019, lodged the information memorandum pertaining to Kalimantan asset to the Securities Commission. We are exploring various options to ensure stronger group balance sheet and sustainable growth to the group earnings. If and when there are material developments, the company will, in compliance with the applicable rules, make relevant announcement.

The Group is optimistic on the long term fundamentals of the industry and will remain focused in improving productivity and optimising production cost. We are committed to sustainability agenda, and the RSPO and MSPO certifications to command premiums on the Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) sales.

**Healthcare**

Challenging economic environment and entry of new players to the industry will continue to weigh on the Healthcare sector. Nevertheless we are optimistic that our Healthcare Division growth will be supported by our capacity expansion and introduction of new service modalities.

The increase in the number of beds in Kuala Terengganu Specialists Hospital to 122 (from the existing 92 beds) and the recent opening of Cathlab in KMC will provide positive contribution to the remaining period of 2019.

The Group is cautiously optimistic of achieving satisfactory operating performance in the financial year ending 2019.

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

Not applicable.

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

There was no profit guarantee issued for the quarter ended 30 September 2019.

**18. Loss for the period**

	<b>Current period to date</b>	
	<b>30-Sep-19 RM'000</b>	<b>30-Sep-18 RM'000</b>
<b>The following amounts have been included in arriving at loss before tax:</b>		
Interest expense	13,597	18,644
Profit from Al-Mudharabah	(504)	(4,323)
Interest income	(6,298)	(22,332)
Dividend income	(1,225)	(2,141)
Depreciation of property, plant and equipment	37,908	31,456
Amortisation of bearer plant	9,016	9,726
Amortisation of intangible asset	643	643
Amortisation of investment property	254	138
Amortisation of finance lease	2,944	2,598
Inventories written off	4,824	240
Expected credit losses	1,656	1,450
Property, plant and equipment written off	33,747	-
Fair value changes of biological assets	(1,264)	549
Fair value movement in other investment	(3,633)	-
Unrealised loss on the foreign exchange of investment in fixed income securities	-	23,100
Gain on disposal of investment property	(5,205)	-

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

	<b>Current Quarter</b>		<b>Current period to date</b>	
	<b>30-Sep-19 RM'000</b>	<b>30-Sep-18 RM'000</b>	<b>30-Sep-19 RM'000</b>	<b>30-Sep-18 RM'000</b>
Current income tax	3,470	4,460	9,823	10,397
(Over)/Underprovision of income tax in prio	(2,833)	825	(2,833)	2,199
	637	5,285	6,990	12,596
Deferred tax:				
Relating to origination and reversal of temporary differences	(486)	(2,374)	(1,742)	(4,270)
Overprovision of deferred tax	(44)	(70)	(452)	(5,581)
Income tax	107	2,841	4,796	2,745

Income tax was calculated at the Malaysian statutory tax rate of 24% (2018: 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. Amount of profits on sale of unquoted investments or properties**

There was profit of RM5.2 million recognised from sale of land during the current period.

## **21. Corporate proposals**

### **a. Signing of Medium-Term Supply Agreement for The Supply of Crude Palm Oil (CPO)/RSPO Certified Crude Palm Oil (CSPO) Between TDM Plantation Sdn. Bhd. and Ikhasas CPO Sdn. Bhd.**

On 8 July 2019, the Company had announced that its wholly owned subsidiary, TDM Plantation Sdn. Bhd. (Company No. 110679-W) ("Seller") had entered into a Medium-Term Supply Agreement ("Agreement") with Ikhasas CPO Sdn. Bhd (Company No. 1234756-V) ("Buyer") for the supply of crude palm oil and/or RSPO certified crude palm oil ("Products") for a Supply Period of Forty Three (43) months from the first day of the calendar month following the month when payment of the first tranche of the Upfront Payment is made in accordance with the Agreement.

The sale and purchase transaction of the Products ("Transaction") will:

- i. Enable TDM Group to partly secure placement of its future CPO/CSPO.
- ii. Improve liquidity through the repayment of a portion of TDM Group's borrowings which are due for repayment in the near term, which will result in an improvement in TDM Group's current ratio. In addition, it will also improve its gearing level and thereby will create additional debt headroom for TDM Group to fund its Value Creation Plan ("VCP") and Business Development Plan ("BDP") in support of its growth strategy; and
- iii. Enable TDM Group to raise funds to finance the VCP, BDP and working capital which can be expected to contribute positively to the future earnings of TDM Group.

The execution of the Agreement is not subjected to any approval from the Shareholders and/or any relevant Regulatory Authorities.

## **21. Corporate proposals (cont'd.)**

### **b. The Development of Biogas Plants With Power Generation Facilities at Kemaman Palm Oil Mill and Sg. Tong Palm Oil Mill**

- i. Signing of built, own, operate and transfer agreements between TDM Plantation Sdn. Bhd. and Concord Biotech Sdn. Bhd.; and**
- ii. Signing of Sub-Lease Agreements between Kumpulan Ladang-Ladang Trengganu Sdn. Bhd. and Concord Biotech Sdn. Bhd.**

On 9 August 2019, the Company had announced that its wholly owned subsidiaries, entered the following agreements pertaining to the development of Biogas Plants with power generation facilities at Kemaman Palm Oil Mill ("KPOM") and Sg. Tong Palm Oil Mill ("STPOM").

1. TDM Plantation Sdn. Bhd. (Company No. 110679-W) ("TDMP") entered into Built, Own, Operate and Transfer ("BOOT") agreement with Concord Biotech Sdn. Bhd. (Company No. 941412-V) ("CBSB") ("BOOT Agreement").

The BOOT agreement entails granting and authorizing CBSB to design, engineer, finance, construct, commission, own, operate, transfer, maintain and manage directly a Biogas Plant with Power Generation Facilities at Sungai Tong Palm Oil Mill, Sungai Tong, Setiu, Terengganu and Kemaman Palm Oil Mill, Padang Kubu, Kemaman, Terengganu on a BOOT basis.

2. Kumpulan Ladang-Ladang Trengganu Sdn Bhd (Company No. 13017-V) ("KLLT") entered into Sub-Lease agreement with CBSB ("Sub-Lease Agreement").

The Lease Agreement is related to the leasing of part of lands under the following titles for the development of Bio-Gas Plants:-

- i. Q.T.(R) Kemanan, Lot PT. LO 28, Mukim Tebak, Daerah Kemaman, Terengganu; and
- ii. GRN6521, Lot 7663, Mukim Belara, Daerah Kuala Terengganu, Terengganu.

### **c. The Incorporation of a New Wholly-Owned Subsidiary known as Kemaman Capital Sdn Bhd (Company No: 1344088-U)**

On 27 September 2019, the Company had announced the incorporation of a new wholly-owned subsidiary known as Kemaman Capital Sdn Bhd (Company No: 1344088-U)

1. Kemaman Capital Sdn. Bhd. ("Kemaman Capital") was incorporated in Malaysia on 27 September 2019 with an issued and paid-up share capital of RM2.00 divided into 2 units ordinary shares.

The intended principal activity of Kemaman Capital is to carry on the business as an Investmet Holding Company and / or to raise funds for or in connection with TDM Berhad and TDM Group of Companies.

- 2 The incorporation of Kemaman Capital is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of TDM and its subsidiaries ("TDM Group") for the financial year ending 31 December 2019.

## 22. Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2018: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Ageing analysis of trade receivables

	<b>As at 30-Sep-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
Neither past due nor impaired	21,992	30,860
1 to 30 days past due not impaired	18,330	5,177
31 to 60 days past due not impaired	3,944	2,475
61 to 90 days past due not impaired	8,225	3,663
	30,499	11,315
Impaired	10,399	10,090
	<u>62,890</u>	<u>52,265</u>

### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM30,499,000 (2018: RM11,315,000) that are past due at the reporting date but not impaired.

Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

### Receivables that are impaired

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:

	<b>Group individually impaired As at 30-Sep-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
Trade receivables-nominal amounts	10,399	10,090
Less: Allowance for impairment	(10,399)	(10,090)
	<u>-</u>	<u>-</u>

Movement in allowance accounts:

	<b>Group As at 30-Sep-19 RM'000</b>	<b>As at 31-Dec-18 RM'000</b>
At 1 January	10,090	10,537
Charge for the year	1,656	151
Written back	(1,347)	(598)
At 30 September 2019/31 December 2018	<u>10,399</u>	<u>10,090</u>

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



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

Details of the Group's borrowings as at 30 September 2019 and 31 December 2018 are as follows:

### As at 30 September 2019

	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Bank loans	359,283	34,318	393,601
Bank overdraft	16,211	-	16,211
Obligation under hire purchase	5,284	2,313	7,598
	<u>380,778</u>	<u>36,631</u>	<u>417,409</u>
<b>Unsecured</b>			
Bank loans	36,417	15,000	51,417
	<u>36,417</u>	<u>15,000</u>	<u>51,417</u>
	<u>417,195</u>	<u>51,631</u>	<u>468,826</u>

### As at 31 December 2018

	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
Bank loans	364,266	42,977	407,243
Bank overdraft	14,299	-	14,299
Obligation under hire purchase	6,208	179	6,387
	<u>384,773</u>	<u>43,156</u>	<u>427,929</u>
<b>Unsecured</b>			
Bank loans	43,156	15,000	58,156
	<u>43,156</u>	<u>15,000</u>	<u>58,156</u>
	<u>427,929</u>	<u>58,156</u>	<u>486,085</u>

Weighted average effective interest rate of the Group borrowings is 4.93% (2018: 5.17%) per annum.

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

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 30 September 2019.

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

**1. KUALA TERENGGANU HIGH COURT [TA23CvC-2-06/2018]**

**Lim Puay Leng - Plaintiff vs**

**1. Dr. Azhar Bin Zainuddin - Defendant**

**2. Kuala Terengganu Specialist Hospital Sdn Bhd - Defendant**

The Plaintiff alleges that the 1st Defendant, a Consultant Ophthalmologist, has negligently fail to carry out a medical procedure on him.

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

- i. General damages of RM1,000,000.00 or any amount as granted by the Court with interest;
- ii. Special damages with interest;
- iii. Exemplary damages of RM100,000.00 or any amount as granted by the Court with interest;
- iv. Aggravated damages of RM200,000.00 or any amount as granted by the Court with interest;
- v. Interest on general damages and special damages calculated at the rate of 4% per annum from the date of the Writ up to the date of full settlement;
- vi. Costs; and
- vii. Such further or other relief as the Court deems fit.

Kuala Terengganu Specialist Sdn Bhd ("2nd Defendant/KTS") has filed its Statement of Defence on 7 August 2018.

We had been informed by KTS's solicitor that the Court has fixed 29 August 2019 for decision of the case.

The court has decided that 2nd Defendant is jointly responsible and awarded to the Plaintiff RM223,895.66.

We have instructed the Solicitor to file an appeal at Court of Appeal.

Notice of Appeal was filed on 14 October 2019. The court fixed for Mention on 3 December 2019.

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

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

**Dato' Mohamad Alias A Bakar bin Ali - Plaintiff vs**

**1. Kuantan Medical Centre Sdn Bhd - Defendant**

**2. Dr. Abdul Aziz Bin Awang - Defendant**

**3. Dr. Md Lukman Bin Mohd Mokhtar - Defendant**

The Plaintiff alleges that the 2nd Defendant and 3rd Defendant, as the agents of the 1st Defendant, have negligently fail to carry out medical procedures on him.

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

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

The Kuantan High Court has fixed a further case management hearing on 31 January 2019 with the following directions:-

1. Plaintiff's solicitor to file and serve the Statement of Agreed Facts, Issues To Be Tried and Supplementary Common Bundle of Documents;
2. Parties to file and serve their respective list of witnesses; and
3. Parties to file and serve their respective expert reports.

The next continued trial dates fixed on:-

- i. 24 February 2020;
- ii. 28 February 2020;
- iii. 9 March 2020;
- iv. 20 April 2020; and
- v. 22 April 2020.

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

**3. SHAH ALAM HIGH COURT [BA-22NCVC-298-07/2019]**

**Dato' Haji Mohamat Bin Muda - Plaintiff vs  
TDM Berhad & 6 Others - Defendants**

The Company and its members of Board of Directors had on 25 July 2019 received a Writ of Summons together with a Statement of Claims, both dated 17 July ("Writ") filed by Dato' Mohamat bin Muda ("Plaintiff") through his solicitor Messrs. S Murthi & Associated.

TDM is named as the Defendant 1 and its members of the Board as Defendant 2 to Defendant 7. The Plaintiff claims against all the Defendants for the breach of Contract of Services and tortious act against the Contract of Services.

The Plaintiff claims against the Defendant 1 for the following:-

- a) RM1,050,025.00 on breach of Contract of Services;
- b) Alternatively, damages assessed by the court calculated from the date of judgement, payable to the Plaintiff within 14 days from the date of the court order; and
- c) Interest of 5% on the judgment sum up to full settlement.

The Plaintiff claims against the Defendant 2 to the Defendant 7 for the following:-

- a) Compensation on the tortious act including the damage to the Plaintiff's reputation as assessed by the Court payable to the Plaintiff within 14 days from the court order;
- b) Interest of 5% on the assessment amount from the date of assessment until full settlement;
- c) Cost; and
- d) Such further or other relief as the court deems fit.

We have instructed Messrs Azman Wan Helmi & Associates to represent all Defendants in this suit.

Notice of Appearance was filed on 31 July 2019.

New court directive for this suit as follows:-

- i) Defendants to file Statement of Defence by 20 August 2019;
- ii) Plaintiff to file Reply to Statement of Defence by 3 September 2019; and
- iii) New Case Management fixed on 5 September 2019 to Parties update to the Court the status of pleading.

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

**3. SHAH ALAM HIGH COURT [BA-22NCVC-298-07/2019]**

**Dato' Haji Mohamat Bin Muda - Plaintiff vs  
TDM Berhad & 6 Others - Defendants**

a. Main Suit.

The Case Management date on 5 September 2019 has been vacated by the Court and the Court has given a new date on 10 September 2019. The Company's Solicitor received Reply to Statement of Defense on 8 September 2019. The Company has been informed by its Solicitor that there is no Reply to the Reply to Statement of Defense and the pleading has been closed.

b. Application to Transfer Proceedings.

The Company's Solicitor filed an application to Transfer Proceeding from Shah Alam High Court to Kuala Terengganu High Court on 22 August 2019 and the Court had fixed the Case Management on 10 September 2019. The Company's Solicitor received Affidavit in Reply from the Plaintiff's Solicitor on 8 September 2019. Further to the Case Management on 10 September 2019, the Court directed the Parties as follows:-

- i. Defendants to file Affidavit in Reply on or before 24 September 2019.
  - ii. Both parties to file Written Submission on or before 8 October 2019.
  - iii. Both parties to file Reply Written Submission on or before 22 October 2019.
  - iv. Case Management fixed on 7 November 2019 to Parties served filed written submission to the Deputy Registrar.
  - v. Trial Date fixed on 18 November 2019 before High Court Judge.
- c. Application on Order 14A for Determination of Construction/Interpretation of Dato' Mohamat's Contract of Service.

The Company's Solicitor filed an Application on Order 14A on 12 September 2019 and the Court has fixed the Case Management date on 26 September 2019.

The pleading of the main case has been closed. The Court will decide the trial date upon the completion of the following applications:

- 1) Application to transfer proceeding from Shah Alam to Kuala Terengganu; and
- 2) Application under Order 14A RHC (determination of contract of services).

Plaintiff and Defendants has submitted written submission for the above Applications on 7 November 2019 and the court has fixed for trial on 16 January 2020 for the aforementioned application.

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

**4. SHAH ALAM HIGH COURT [BA-23NCVC-36-08/2019]**

**Ozzman Niqzeiard bin Zainal Abidin - Plaintiff vs**

**1. Kelana Jaya Medical Centre Sdn Bhd - Defendant**

**2. Dr. Bazam bin Abdul Rani - Defendant**

The Plaintiff alleges that Defendants has negligently fail to carry out a medical procedure in care and provides suitable equipment and/or facilities and/or machinery before conducting the surgery and/or treatment on him.

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

- i. General damages;
- ii. Special damages of RM500,000.00;
- iii. Exemplary damages of RM3,000,000.00;
- iv. *Gantirugi malu* (to be assessed);
- v. 8% Interest of Judgment from the date of Writ up to the date of full settlement;
- vi. 8% interest of Judgement from the date of order up to the full settlement;
- vii. Costs; and
- viii. Such further notice or other relief as the Court deems fit.

New Case Management fixed on 28 November 2019.

## 26. Dividend proposed

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

## 27. Loss per share

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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Quarter	Quarter	Quarter
	Ended	Ended	To date	To date
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Loss for the period, net of tax, attributable to owners (RM'000)	(41,401)	(3,272)	(51,542)	(13,368)
Weighted average number of ordinary shares in issue for basic loss per share computation ('000)	1,682,641	1,674,387	1,682,641	1,663,381
Basic loss per share (sen)	<u>(2.46)</u>	<u>(0.20)</u>	<u>(3.06)</u>	<u>(0.80)</u>

- 28.** The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 November 2019.

### BY ORDER OF THE BOARD

WAN HASLINDA WAN YUSOFF  
Company Secretary

Kuala Terengganu  
26 November 2019