

**TDM Berhad**

Registration No.: 196501000477 (6265-P)
Level 5, Bangunan Umno Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu, Terengganu
Tel: +609-620 4800
Fax: +609-620 4803

MEDIA RELEASE

FOR IMMEDIATE RELEASE

TDM BERHAD DISPOSES UNDERPERFORMING PLANTATION UNITS IN INDONESIA FOR RM115.0 MILLION

Kuala Terengganu, 30 July 2022 – TDM Berhad (“TDM” or “the Group”) and a minority shareholder yesterday entered into conditional sale and purchase agreements (“CSPAs”) for the disposal of 100% equity interests of PT Rafi Kamajaya Abadi (“RKA”) and PT Sawit Rezki Abadi (“SRA”) with purchaser Ikhasas Sawit Sdn Bhd (“Ikhasas Sawit”) for a total cash consideration of RM115.0 million (“Proposed Disposal”). TDM owns 93.8% of RKA and 95.0% of SRA. Based in Indonesia, RKA and SRA were incorporated in 2007 and 2011 respectively. RKA has been loss making since its incorporation up to the financial year ended 31 December 2020 (“FY2020”), while SRA has been loss making since its incorporation.

In addition to the disposal, TDM also signed a Management Services Agreement with PT Ikhasas Indo Makmur for the latter to assume operational control of the disposed assets pending disposal completion in first quarter FY2025.

Excluding the portion attributed to the minority shareholder, TDM will raise gross proceeds of RM112.0 million from the Proposed Disposal, out of which RM74.2 million will be allocated for the repayment of interest-bearing borrowings and RM29.3 million for general working capital. The balance of RM8.5 million is earmarked for expenses in relation to the exercise. In the meantime, the management services arrangement would allow TDM to free significant amount of cashflow that can be redirected into more productive activities that would otherwise be used to operate and maintain RKA.

TDM Executive Director Haji Najman Kamaruddin said “With significant cost saving and working capital generated from the proceeds, TDM would be able to focus its resources and attention on its Malaysian operations. Initiatives would include among others optimising the outputs from TDM’s landbank in the East Coast area by diversifying into other crops besides the mainstay palm oil plantations and crude palm oil (“CPO”) production. With the disposal in place, TDM is determined to expedite efforts to create and enhance value for its stakeholders going forward.”

****END****

About TDM Berhad

Incorporated in 1965, TDM Berhad is one of the Shariah-compliant securities listed on the Main Market of Bursa Malaysia's with core businesses in oil palm plantation and healthcare services.

The Group's plantation arm, TDM Plantation Sdn. Bhd. (TDMP), is a premium producer of Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) with the Malaysian Sustainable Palm Oil (MSPO), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification approved by the European Commission (ISCC EU) certifications. It manages 15 oil palm estates and three palm oil mills, three Bio-Composting plants and three Biogas plants located in Terengganu and Indonesia.

Under Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), TDM owns five community specialist hospitals that provide quality and affordable secondary healthcare services. The hospitals are KMI Kelana Jaya Medical Centre, Petaling Jaya, Selangor, KMI Kuantan Medical Centre, Kuantan, Pahang, KMI Kuala Terengganu Medical Centre, Kuala Terengganu, KMI Taman Desa Medical Centre, Kuala Lumpur and KMI Tawau Medical Centre, Sabah.

For further details, please visit our website www.tdmberhad.com.my

Released on behalf of TDM Berhad by Capital Front Investor Relations.

For media enquiries, kindly contact:

Name: Hong-Ee Tang

Email: hongee@capitalfront.biz

