TDM BERHAD
196501000477 (6265-P)

ANNUAL REPORT 2020

Building RESILIENCE and IMPLEMENTING GROWTH Strategies

Building **RESILIENCE** and **IMPLEMENTING GROWTH** Strategies

We were not spared the difficulties of operating in a pandemic environment for most of 2020. The devastating effects of the global coronavirus crisis, coupled with the global economic general slowdown, were beyond anything we have experienced. We were exposed to the spread of uncertainty, economic instability, health risks and livelihoods of our workforce and the communities in which we operate.

The importance of **BUILDING RESILIENCE** in the face of adversity, even amidst crisis, is about leveraging on opportunities. We have recalibrated our strategies, plans and operations to ensure our sustainable growth, driven by our commitment to balancing the needs of '**People**, **Planet** and **Profit**' in our core businesses of Plantation and Healthcare.

IMPLEMENTING GROWTH STRATEGIES will strengthen, elevate and propel TDM Berhad forward to achieve our commitment to continue creating and delivering sustainable value to our stakeholders.

56TH ANNUAL GENERAL MEETING

Broadcast Venue
Tricor Business Centre,
Gemilang Meeting Room,
Unit 29-01, Level 29,
Tower A Vertical Business Suite
Avenue 3, Bangsar South, No. 8,
Jalan Kerinchi,
59200 Kuala Lumpur

Date & Time
Thursday
24th June 2021
11.00 a.m.

TDM BERHAD ANNUAL REPORT 2020 DIGITAL VERSION

Scan the QR code to access
www.tdmberhad.com.my

Follow the steps below to scan the QR Code reader in 3 easy steps:

1 Download the "QR CodeReader" on App Store or Google Play.

2 Run the QR Code Reader app and point your camera to the QR Code.

3 Access the soft copy of the Annual Report.

The soft copy version of TDM BERHAD's Annual Report 2020 is also available on our website.

VISION

To be an iconic corporation in the East Coast that creates sustainable values for stakeholders.

MISSION

To be a model corporate citizen in Terengganu:

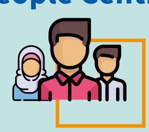
- To create sustainable value for our shareholders.
- To improve the well-being of our stakeholders while protecting the environment.
- To deliver quality products and services that are above the expectation for our customers.
- To widen our regional presence.
- To stimulate human capital development.

CORE VALUES

Shariah Compliance

Environmentally Friendly

People Centric



Good Governance

Teamwork

Innovation

INSIDE THIS REPORT

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WHO WE ARE

TDM Berhad (TDM or the Group) was incorporated on 1 December 1965 and listed on the main market of Bursa Malaysia Securities Berhad under the plantation sector in 1970. Following a successful restructuring exercise and new strategic direction since 2000, TDM has grown into a leading player in the oil palm plantation and healthcare sectors.

PLANTATION DIVISION

Mechanising our operations - loading of fresh fruit bunches (FFB) using crane and grabber.

44,247 Hectares (ha)
of Planted Oil Palm

15
Oil Palm Estates

3
Bio-Composting Plants

3
Palm Oil Mills

3
Biogas Plants
(2 plants are currently under construction)

HEALTHCARE DIVISION

The Operation Theater at KMC is equipped with the latest high-tech medical equipment.

4
Specialist Hospitals

394
Beds

WHO WE ARE

TDM develops and manages 15 oil palm estates and three palm oil mills. Our estates are located in Terengganu, Malaysia and Kalimantan Barat, Indonesia. TDM's three palm oil mills are in Sungai Tong and Kemaman in Terengganu and Nanga Pinoh in West Kalimantan, Indonesia.

The Group also operates three Bio-Composting plants and three Biogas plants located in both Malaysia and Indonesia. Currently, the Group has a total of 44,247 ha of planted oil palm at its plantations in Terengganu (33,520 ha) and Kalimantan (10,727 ha).

TDM's estates are situated at the following locations:

- Sungai Tong Complex, Terengganu estates: Bukit Bidong, Jaya, Fikri, Tayor and Pelung;
- Bukit Besi Complex, Terengganu estates: Jerangau, Pinang Emas, Gajah Mati and Majlis Agama Islam;
- Kemaman Complex, Terengganu estates: Air Putih, Pelantoh, Tebak and Jernih; and
- Nanga Pinoh, West Kalimantan estates: North and South.

Our estates and mills in Terengganu are 100% Roundtable on Sustainable Palm Oil (RSPO) certified except for the Bukit Bidong Estate, and 100% Malaysian Sustainable Palm Oil (MSPO) certified.

The Group's Healthcare Division, Kumpulan Medic Iman Sdn. Bhd. (KMI), owns and operates four specialist hospitals, which offer affordable healthcare services to the community. KMI also manages the Tawau Specialist Centre in Sabah.

The four hospitals operated by KMI are:

- Kelana Jaya Medical Centre (KJMC) in Petaling Jaya, Selangor;
- Kuantan Medical Centre (KMC) in Kuantan, Pahang;
- Kuala Terengganu Specialist Hospital (KTS) in Kuala Terengganu, Terengganu; and
- Taman Desa Medical Centre (TDMC) in Kuala Lumpur.

Trusted Healthcare Provider of Choice is the vision of the Healthcare Division. The services offered at all its hospitals cover key disciplines such as general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics and gynaecology, ear, nose and throat (ENT), dermatology, ophthalmology, urology, anaesthesiology and gastroenterology.

2020 KEY HIGHLIGHTS

4,321
Employees and Workers

PLANTATION

Manages
44,247
ha of Oil Palm Plantation

100%
MSPO Certification

- RSPO Certification for Malaysian operations except for the Bukit Bidong Estate.
- ISCC EU Certification for South Zone operation units in Terengganu.

15 Estates

- Sungai Tong Complex, Bukit Besi Complex and Kemaman Complex in Terengganu
- Nanga Pinoh in Kalimantan Barat, Indonesia

3 Palm Oil Mills & Bio-Composting Plants

- Sungai Tong, Terengganu
- Kemaman, Terengganu
- Nanga Pinoh, Kalimantan Barat, Indonesia

55 Years

Experience in Plantation Operations

3 Biogas Plants

- Nanga Pinoh, Kalimantan Barat, Indonesia
- Sungai Tong, Terengganu *(Under construction)*
- Kemaman, Terengganu *(Under construction)*

HEALTHCARE

Operates
4
Specialist Hospitals

- Kelana Jaya Medical Centre (KJMC), Selangor
- Kuantan Medical Centre (KMC), Pahang
- Kuala Terengganu Specialist Hospital (KTS), Terengganu
- Taman Desa Medical Centre (TDMC), Kuala Lumpur

Certification
ISO 9001:2015

394 Beds as of 31 December 2020

Total number of patients since establishment

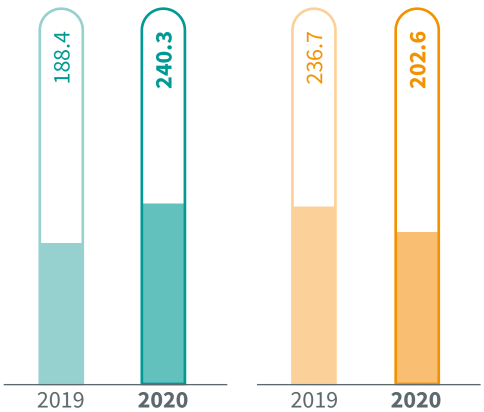
KJMC **359,932**	KTS **397,901**
KMC **1,187,999**	TDMC **805,699**

2020 KEY HIGHLIGHTS

REVENUE

RM442.9 million

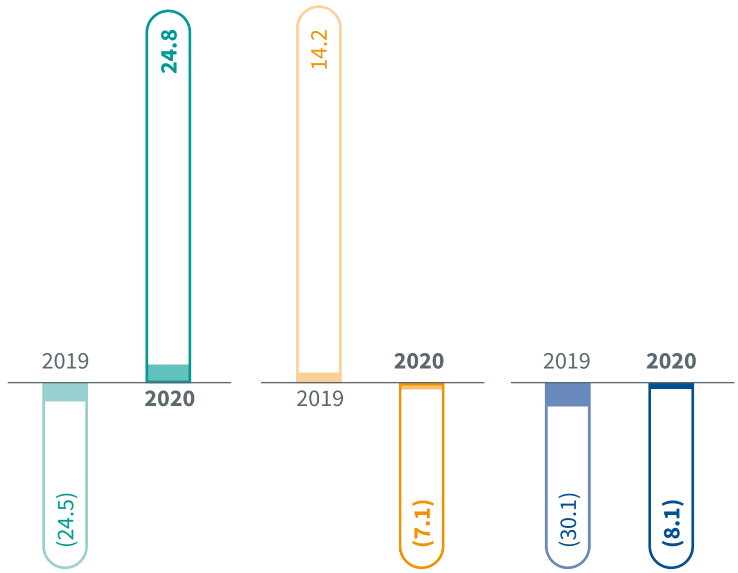
2019: RM425.1 million



PROFIT/(LOSS) BEFORE TAX

RM9.6 million

2019: (RM40.4 million)



PROFIT/(LOSS) PER SHARE

0.11 sen

2019: (2.13 sen)

NET ASSETS PER SHARE

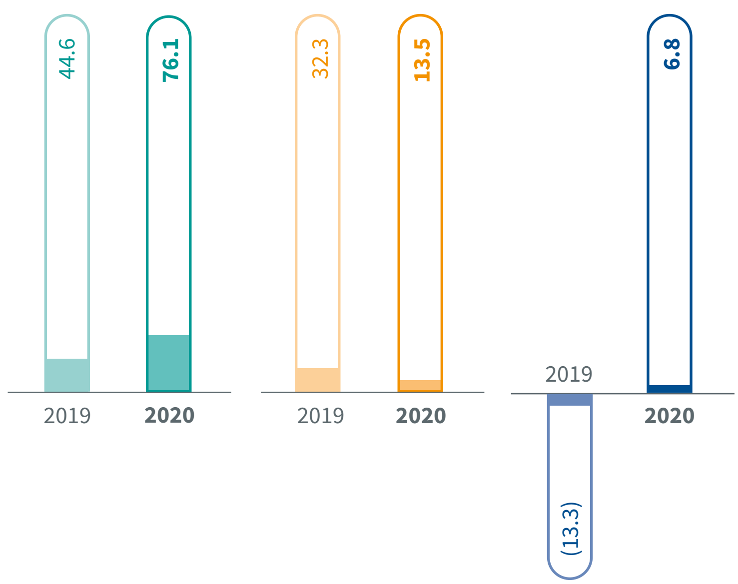
RM0.44

2019: RM0.44

ADJUSTED EBITDA

RM96.4 million

2019: RM63.6 million



PLANTATION

HEALTHCARE

INVESTMENT HOLDING

MILESTONES AND ACHIEVEMENTS

1965 – 2004

1965

Incorporation of TDM.

1970

TDM was listed under the Plantation Sector on the Main Market of the Kuala Lumpur Stock Exchange.

1996

- Kelana Jaya Medical Centre (KJMC) was established.
- Kuantan Medical Centre (KMC) was established.

1997

- Acquisition of Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.

2000-2004

Streamlining of our business to focus on Plantation and Healthcare.

PLANTATION

Total planted area: 33,527 ha.

HEALTHCARE

- Number of hospitals: 2
- Number of beds: 71
- Number of clinics: 3

SOLD OR CLOSED DOWN

- Property
- A&W Restaurant
- Poultry
- Hotel
- Air Ambulance
- Rubber Processing
- Transportation
- Travel Agency
- Fiber Mattress

AWARDS

- TDM Plantation Sdn. Bhd. (TDMP) was awarded the Most Preferred CSPO Supplier by Cargill Palm Products Sdn. Bhd.
- TDMP was awarded the Best Crude Palm Oil (CSPO) Supplier in Kuantan by Cargill Palm Products Sdn. Bhd.

2005 – 2011

2005

PLANTATION

Housing facilities for the estate workers.

- The initiative incured an annual cost of approximately RM4 million and took 10 years to complete.

AWARDS

TDMP was awarded the Most Preferred CSPO Supplier by Cargill Palm Products Sdn. Bhd.

2006

CORPORATE

Maiden dividend declared to shareholders.

HEALTHCARE

Kuala Terengganu Specialist Hospital (KTS) was established.

2007

CORPORATE

TDM expanded its plantation business to Indonesia.

- Entered into joint venture agreement to develop 10,000 ha in Kalimantan.

PLANTATION

- Introduction of RM1,000 as minimum wage for the Group.
- Field Assistant Trainee Programme
  - Introduced to enhance the well-being of estate workers and eradicate poverty amongst the estate communities.

2008

CORPORATE

Introduction of the MBA Scholarship Programme.

- To encourage employees to further develop their knowledge, skill and capabilities.

PLANTATION

- Entered into a joint venture agreement to develop an additional 30,000 ha in Kalimantan.

AWARDS

- KPMG/The EDGE Shareholder Value Award.
  - TDM was ranked 87 out of the top 100 ranking listed companies on percentage returns as calculated by Economic Profit/Invested Capital.

2010

CORPORATE

- Introduction of the Vendor Development Programme (VDP) for Local Entrepreneurs.
  - To support the local businesses and entrepreneurs.
  - To develop sustainable local businesses and in turn, contribute to the betterment of the community.
- Implementation of e-Procurement.
  - To promote healthy competition, fairness and transparency where only the most competitive and qualified vendors are selected.

PLANTATION

- Total planted area: 33,374 ha.

2011

CORPORATE

Introduction of e-Bidding.

- The electronic system where vendors bid electronically, to ensure each competing party has an equal and fair chance to participate.
- To reduce the level of human intervention in the bidding process.

PLANTATION

- Total planted area: 39,034 ha.
- Highest FFB production in 10 years.
- First bio-composting plant started operations in Sungai Tong, Setiu in Terengganu.

HEALTHCARE

- Number of hospitals: 4
- Number of beds: 204
- Acquisition of Taman Desa Medical Centre (TDMC), Kuala Lumpur.
- Construction work started on Kuantan Medical Centre's (KMC) new building in Kuantan, Pahang.

AWARDS

- Awarded a pioneer status for five years by the Ministry of International Trade and Industry Malaysia (MITI) for the bio-composting mill in Sungai Tong, Setiu, Terengganu.
  - The award entitles the company to 100% tax exemption on statutory income for five years.
- Malaysian Corporate Governance Report - published by the MSWG.
  - TDM was ranked 118 out of 820 public listed companies.
- Awarded the Certificate of the Code of Good Agricultural Practices for Palm Oil Estates (CoGAP) and Certificate of the Code of Good Milling Practices for Palm Oil Mills (CoGMP) from the Malaysian Palm Oil Board (MPOB).

MILESTONES AND ACHIEVEMENTS

2012 – 2020

2012

PLANTATION

- Total planted area: 40,518 ha.
- Construction work started on the second bio-composting plant at Kemaman, Terengganu.

HEALTHCARE

Ground breaking ceremony of KTS new building in Batu Burok, Kuala Terengganu, Terengganu. Construction work started in December 2012.

AWARDS

- The Longest Loyal Members Recognition Award.
  - Conferred by the Federation of Public Listed Companies (FPLC) Berhad.
  - TDM has been a member of the FPLC since 1987.
- The EDGE Billion Ringgit Club.
  - Exclusive club for public listed companies with a stock market capitalisation of at least RM1 billion as of 31 March 2012.
  - Ranked amongst the top 150 public listed companies by market capitalisation.
- ISO 9001:2008 Certification for the Provision of Healthcare Services: KMC
  - Lloyd's Register Quality Assurance Ltd.
- ISO 9001:2008 Certification for the Provision of Healthcare Services: KTS
  - Moody International Certification (Malaysia) Sdn. Bhd. and Moody International Certification Ltd.

2013

PLANTATION

Total planted area: 44,005 ha.

AWARDS

- Roundtable on Sustainable Palm Oil (RSPO).
  - TDMP became the first plantation company in Terengganu and among the few elite companies in Malaysia to achieve 100% RSPO certification for its estate and mill operations.
- ISO 9001:2008 Certification for the Provision of Healthcare Services: KJMC
  - Moody International Certification (Malaysia) Sdn. Bhd. and Moody International Certification Ltd.
- ISO 9001:2008 Certification for the Provision of Healthcare Services: TDMC
  - Moody International Certification (Malaysia) Sdn. Bhd. and Moody International Certification Ltd.

2014

HEALTHCARE

Completion of KMC new building.

AWARDS

- Association of Chartered Certified Accountants (ACCA) Approved Employer - Trainee Development Status (Gold Standard).
  - First corporate company in the East Coast to be awarded with this globally recognised certification.
- The Edge Billion Ringgit Club.
  - Top award in the plantation sector.
  - "Best Performing Stock for Plantation Sector".
- Employees Provident Fund.
  - TDMP recognised as Best Employer 2014 in Terengganu.

2015

PLANTATION

- Completion of Front-End Upgrading Project at Sungai Tong Palm Oil Mill.

2016

PLANTATION

Total planted area: 44,451 ha.

- Completion of Front-End Upgrading Project at Kemaman Palm Oil Mill.

HEALTHCARE

- Number of hospitals: 4
- Number of beds: 297

AWARDS

- Certificate of Achievement from Malaysia Productivity Corporation (MPC) to KMC.
  - "Quality Environment Management System"

2017

PLANTATION

- Construction of Bio-Composting Plant Project at Kemaman Palm Oil Mill completed.
- Launching of "*Pusat Timbang Komuniti*".
- Launching of Akademi TDM.
- Construction of Kalimantan Palm Oil Mill completed.

AWARDS

- All of our estates and mills in Terengganu were Malaysian Sustainable Palm Oil (MSPO) certified (1st GLC to achieve 100% certification).

2018

CORPORATE

- Debt Rationalisation to pare down borrowings by RM304.9 million.
- Renewal of lease for approximately 10,117 ha for another 46 years at Kemaman Complex.

PLANTATION

- Total planted are: 43,991 ha.
- Appointment of developer for Biogas project under BOOT (built, operate, own and transfer) concept.

HEALTHCARE

- New KTS opened on 28 January 2018 with 130 beds.
- Achieved record healthcare revenue of RM209 million for FY2018.

2019

HEALTHCARE

- Launching of Cathlab Services at KMC.
- KTS became the first private hospital in Terengganu to be certified as a Baby Friendly Hospital.

2020

CORPORATE

- **TDM reinstated/re-added to list of Shariah Compliant Securities by Security Commission.**
- **TDM inducted into FTSE Bursa Malaysia Palm Oil Plantation Index.**
  - **Scored 3-star out of 4-star Environmental, Social and Governance (ESG) rating.**
- **Signed Memorandum of Understanding (MoU) with Ernst & Young (EY) for Talent Development Programme.**

PLANTATION

- **Acqusition of THP-YT Plantation Sdn. Bhd. (now known as TDM-YT Plantation Sdn. Bhd.) from THP Berhad.**

HEALTHCARE

- **Opening of Cathlab Services at KTS.**

CORPORATE STRUCTURE AS AT 27 APRIL 2021

TDM BERHAD

196501000477 (6265-P)

PLANTATION

100%
TDM Plantation Sdn. Bhd.

100%
Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.

100%
TDM Trading Sdn. Bhd.

100%
TDM Capital Sdn. Bhd.

70%
TDM-YT Plantation Sdn. Bhd.
(Fomerly known as THP-YT Plantation Sdn. Bhd.)

100%
**Kemaman Capital Sdn. Bhd.

93.75%
PT. Rafi Kamajaya Abadi

95%
PT. Sawit Rezki Abadi

95%
*PT. Rafi Sawit Lestari

HEALTHCARE

99.28%
Kumpulan Medic Iman Sdn. Bhd.

- **100%**
  TDMC Hospital Sdn. Bhd.
- **92.33%**
  Kuantan Medical Centre Sdn. Bhd.
- **100%**
  Kuala Terengganu Specialist Hospital Sdn. Bhd.
- **99.54%**
  Kelana Jaya Medical Centre Sdn. Bhd.
- **100%**
  KMI Chukai Medical Centre Sdn. Bhd.
- **100%**
  KMI Tawau Medical Centre Sdn. Bhd.

90.49%
**Kumpulan Mediiman Sdn. Bhd.

OTHER ACTIVITIES

70%
**Indah Sari Travel & Tours Sdn. Bhd.

51%
**TD Gabongan Sdn. Bhd.

* *In the process of winding up*

** *Dormant*

CORPORATE INFORMATION

BOARD OF DIRECTORS

YM Raja Dato' Idris Raja Kamarudin
Non-Independent & Non-Executive Chairman

Dato' Haji Zainal Abidin bin Hussin
Non-Independent & Non-Executive Director

Haji Mazli Zakuan bin Mohd Noor
Non-Independent & Non-Executive Director

Haji Najman bin Kamaruddin
Executive Director

Haji Azlan bin Md Alifiah
Independent & Non-Executive Director

Haji Burhanuddin Hilmi bin Mohamed @ Harun
Non-Independent & Non-Executive Director

Mohd Kamaruzaman bin A Wahab
Independent & Non-Executive Director

AUDIT COMMITTEE

Haji Azlan bin Md Alifiah *(Chairman)*
Haji Burhanuddin Hilmi bin Mohamed @Harun
Mohd Kamaruzaman bin A Wahab

NOMINATION AND REMUNERATION COMMITTEE

Haji Mazli Zakuan bin Mohd Noor *(Chairman)*
Mohd Kamaruzaman bin A Wahab
Haji Azlan bin Md Alifiah

BOARD RISK & COMPLIANCE COMMITTEE

Mohd Kamaruzaman bin A Wahab *(Chairman)*
Dato' Haji Zainal Abidin bin Hussin
Haji Mazli Zakuan bin Mohd Noor
Haji Burhanuddin Hilmi bin Mohamed @Harun
Haji Azlan bin Md Alifiah

BOARD TENDER COMMITTEE

Haji Burhanuddin Hilmi bin Mohamed @ Harun *(Chairman)*
Haji Mazli Zakuan bin Mohd Noor
Haji Azlan bin Md Alifiah
Mohd Kamaruzaman bin A Wahab

EXECUTIVE COMMITTEE (EXCO)

Mohd Kamaruzaman bin A Wahab *(Chairman)*
Haji Mazli Zakuan bin Mohd Noor
Haji Burhanuddin Hilmi bin Mohamed @ Harun
Haji Najman bin Kamaruddin
Haji Azlan Md Alifiah
Hasmadi bin Desa

COMPANY SECRETARIES

Badrol bin Abu Bakar
(LS0009999)
SSM PC No. 202008002474

Wan Muhammad Akmal bin Wan Zawawi
(MACS 01702)
SSM PC No. 201908000307

AUDITORS

Messrs. Ernst & Young PLT
Messrs. Hendrawinata Hanny Erwin & Sumargo (Kreston International)
KPMG Desa Megat PLT

PRINCIPAL BANKERS

Bank Islam Malaysia Berhad
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
CIMB Bank Berhad
RHB Islamic Bank Berhad
Bank Pertanian Malaysia Berhad (Agrobank)
AmBank Islamic Berhad
Bank Muamalat Malaysia Berhad

SOLICITORS

Messrs Azmi & Associates
Messrs Zaid Ibrahim & Co (ZICO LAW)
Messrs Hadi Zamani & Associates
Messrs Hutabarat Halim & Rekan
Messrs Jakarta International Law Office
Messrs Rahmat Lim & Partners

REGISTERED OFFICE

Level 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Telephone No : +609 620 4800/+609 622 8000
Facsimile No : +609 620 4803
Website : www.tdmberhad.com.my
Email : info@tdmberhad.com.my

CORPORATE OFFICE

25th Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone No : +603 2148 0811
Facsimile No : +603 2148 9900

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Telephone No : +603 2783 9299
Facsimile No : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME

TDM

STOCK CODE

2054

PLANTATION DIVISION

Level 3, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Telephone No : +609 620 4800/ +609 622 8000
Facsimile No : +609 620 4805

HEALTHCARE DIVISION

Kumpulan Medic Iman Sdn. Bhd.
25th Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone No : +603 2148 0811
Facsimile No : +603 2148 9900

COMMODITIES TRADING

25th Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone No : +603 2148 0811
Facsimile No : +603 2148 9900

INVESTOR RELATIONS

As one of the largest plantation companies on the East Coast of Peninsular Malaysia, TDM is committed to maintaining a healthy relationship with our shareholders and the broader investment community.

A SUSTAINABLE DIGITAL PLATFORM

Good information creates value, and research shows that the correct information is pertinent when designed to meet its purpose. At TDM we make every effort to verify and feed the chain with reliable information, targetted to the right person, organisation and channel with the appropriate language, and if need be, adapted to the times and its medium.

Under the Corporate Finance and Investor Relations Department, the Chief Financial Officer helms the investor relations activities, which are guided by our Investor Relations policy.

Accurate and timely information allows us to manage and channel pertinent information to best position the Company, mitigate the impact from a crisis or add value to the Company. We use different avenues with multiple stakeholders; including investors, analysts, and the business press to disseminate unprejudiced intelligence on the Group's strategic direction, operational performance, and progress on current projects and growth initiatives.

We issue timely and comprehensive announcements on our quarterly and annual financial results to Bursa Malaysia as required by the Main Market Listing Requirements and is in line with the guidelines of the Malaysian Code on Corporate Governance 2017. These announcements are also posted on our corporate website under our dedicated Investor Relations portal at **https://www.tdmberhad.com.my/investor-relation/**

The portal is continuously updated with the latest information, including Annual Reports, Quarterly Results, Bursa Malaysia announcements, minutes of Annual General Meetings, Press Releases, and relevant corporate information. For more specific investor-related clarification and feedback, we provide a dedicated email address, **investor.relations@tdmberhad.com.my**, whereby enquiries and comments from shareholders, investors, analysts, the media and general public can be addressed in a timely manner.

Throughout the year, we have also conducted numerous face-to-face engagements through investment events that included analyst briefings and non-deal investor roadshows, as well as individual meetings at our offices.

WEBSITE, IR WEBSITE/PORTAL & EMAIL ADDRESS

www.tdmberhad.com.my

info@tdmberhad.com.my

Number of page visits in 2020

160,220

Number of users

35,716

TDM's Share Average Daily Volume 2020 (shares)

20.63 million

FINANCIAL CALENDAR

Notice of Annual General Meeting/ Circulation of Annual Report

25 May 2021

Annual General Meeting

24 June 2021

Announcement on Quarterly Results

29 June 2020 — Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2020.

25 August 2020 — Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2020.

25 November 2020 — Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2020

25 March 2021 — Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2020.

Dividends

25 March 2021 — Announcement of the Interim Dividend of 0.29 sen per ordinary share, tax exempt under the single-tier system for the Financial Year ended 31 December 2020.

26 March 2021 — Announcement of Notice of Book Closure.

9 April 2021 — Date of entitlement.

19 April 2021 — Date of payment.

11 May 2021 — Announcement of the Final Single-Tier Dividend of 0.23 sen per ordinary share in respect of the Financial Year ended 31 December 2020.

12 May 2021 — Announcement of Notice of Book Closure.

08 July 2021 — Date of entitlement.

22 July 2021 — Date of payment.

FINANCIAL HIGHLIGHTS

REVENUE
RM **442.9** million
*From continuing operations

PROFIT BEFORE TAX
RM **9.6** million
*From continuing operations

ADJUSTED EBITDA
RM **96.4** million
*From continuing operations

TOTAL LIABILITIES
RM **1.1** billion

SHAREHOLDERS' EQUITY
RM **0.8** billion

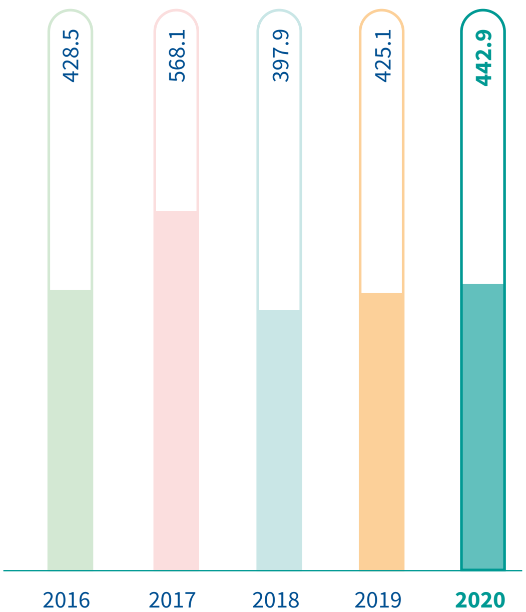
TOTAL ASSETS
RM **1.9** billion

INCOME STATEMENT	2020	2019	2018	2017	2016
Revenue (RM'000)	**442,877**	425,070	397,947	568,126	428,545
Profit/(Loss) Before Tax (RM'000) - continuing operations	**9,590**	(40,385)	(37,586)	(96,877)	35,096
Adjusted EBITDA (RM'000) - continuing operations	**96,385**	63,639	35,451	42,798	91,844
Profit/(Loss) After Tax (RM'000) - continuing operations	**1,364**	(35,837)	(36,020)	(123,469)	17,068
Loss After Tax (RM'000) - discontinued operations	**(12,515)**	(174,084)	(82,025)	-	-
(Loss)/Profit After Tax (RM'000) - Total	**(11,151)**	(209,921)	(118,045)	(123,469)	17,068
STATEMENTS OF FINANCIAL POSITION					
Total Assets (RM'000)	**1,876,872**	1,665,214	1,848,121	2,313,607	2,313,520
Total Liabilities (RM'000)	**1,121,010**	924,629	918,228	1,251,256	1,246,771
Shareholders' Equity (RM'000)	**770,853**	769,274	949,096	1,077,169	1,071,954
KEY FINANCIAL INDICATORS					
PBT/(LBT) Margin (%) - continuing operations	**2.17**	(9.50)	(9.44)	(17.05)	8.19
Return on Average Shareholders' Equity (%)					
- continuing operations	**0.18**	(4.17)	(3.56)	(11.49)	1.42
Profit/(Loss) Per Share (sen) - continuing operations	**0.11**	(2.13)	(2.18)	(7.07)	1.34
Net Assets Per Share (RM)	**0.44**	0.44	0.55	0.64	0.71
Net Dividends Per Share (sen)	**0.52***	-	-	0.50	0.50
Gearing Ratio (times)	**0.48**	0.45	0.41	0.47	0.48
Current Ratio (times)	**1.58**	1.35	0.66	0.79	1.22
Price to Earnings Ratio (times) - continuing operations	**322.73**	(19.72)	(7.80)	(6.36)	50.75
Price to Book Ratio (times)	**0.81**	0.95	0.31	0.70	0.96

*Partly subject to shareholders approval at the 56th Annual General Meeting.

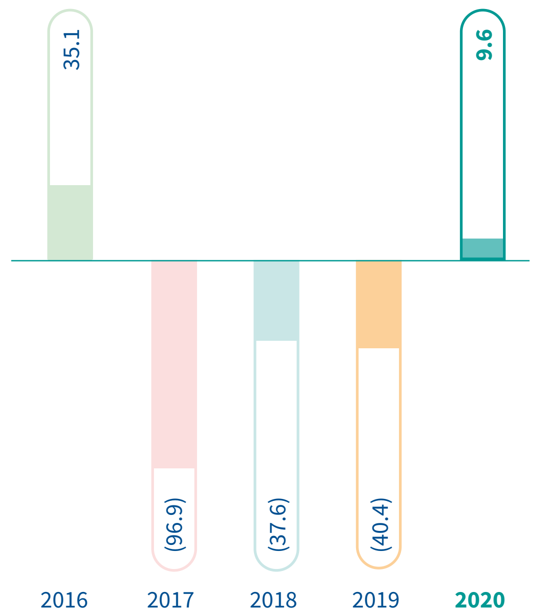
FINANCIAL HIGHLIGHTS

REVENUE
(RM Million)



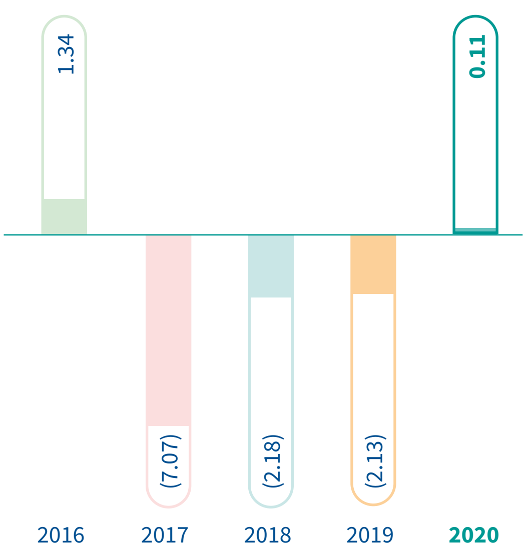
*From continuing operations

PROFIT/(LOSS) BEFORE TAX
(RM Million)



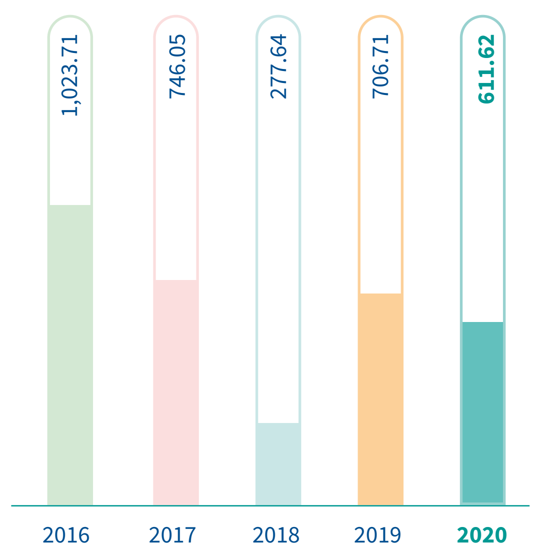
*From continuing operations

PROFIT/(LOSS) PER SHARE
(Sen)



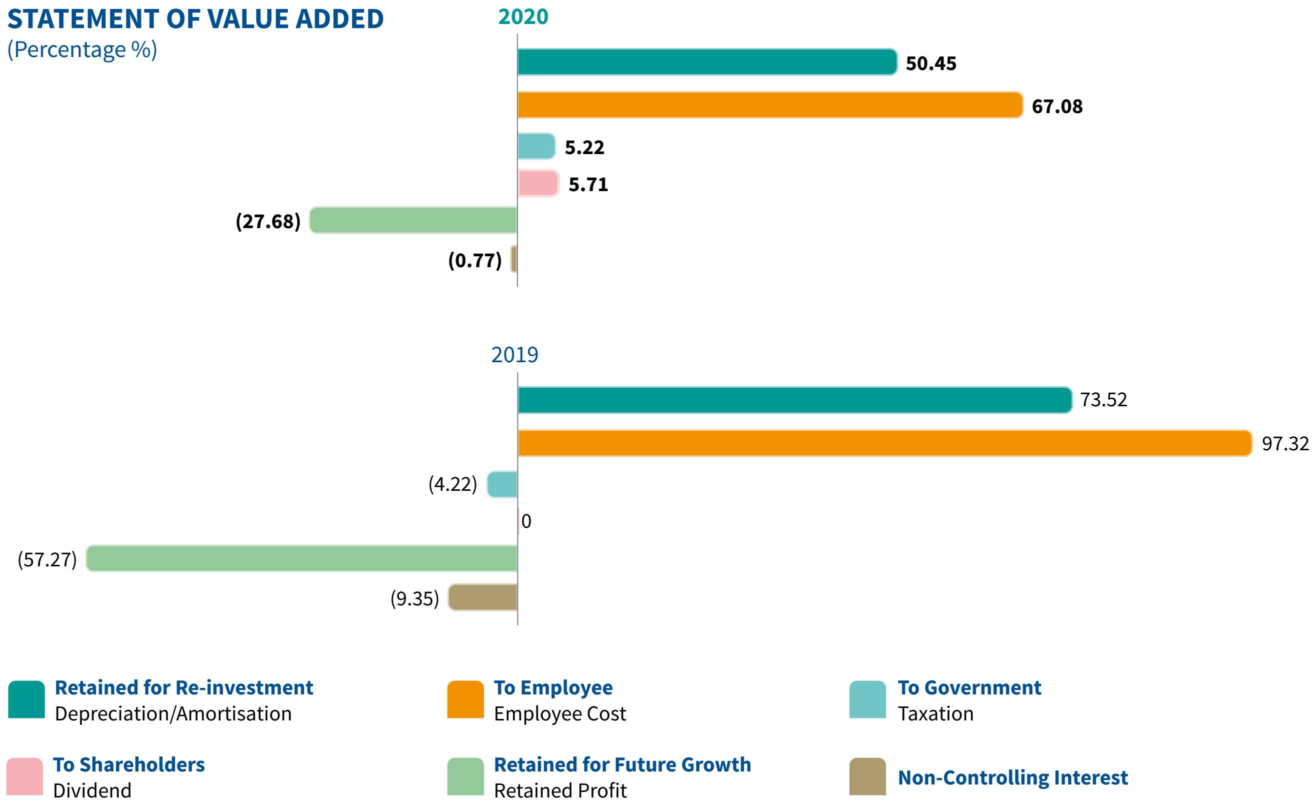
*From continuing operations

MARKET CAPITALISATION
(RM Million)



FINANCIAL HIGHLIGHTS

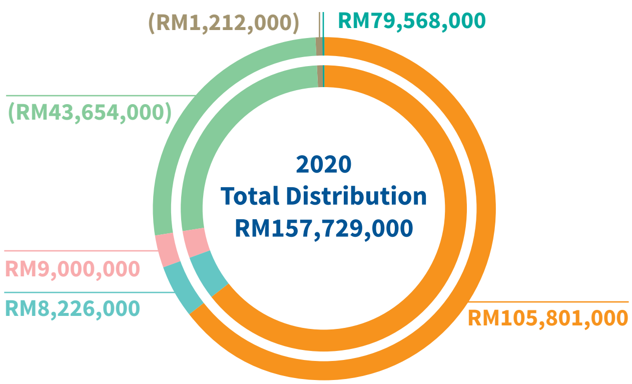
STATEMENT OF VALUE ADDED
(Percentage %)

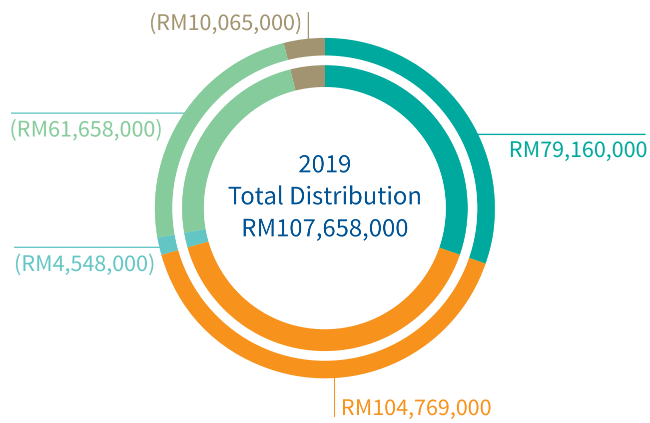


SHARE PERFORMANCE CHART
1 January to 31 December 2020

FINANCIAL HIGHLIGHTS

STATEMENT OF VALUE ADDED





- **Retained for Re-investment** Depreciation/Amortisation
- **To Employee** Employee Cost
- **To Government** Taxation
- **To Shareholders** Dividend
- **Retained for Future Growth** Retained Profit
- **Non-Controlling Interest**

Plantation

Profit/(Loss) Before Tax
RM 24.8 million
2019: (RM24.5 million)
**From continuing operations*

Healthcare

(Loss)/Profit Before Tax
(RM 7.1 million)
2019: RM14.2 million

	2020 RM'000	2019 RM'000
Revenue	442,877	425,070
Purchases of Good and Services	(296,604)	(308,131)
Value Added by Group	146,273	116,939
Interest Income	2,321	2,247
Other Income	31,488	12,012
Finance Expenses	(22,353)	(23,540)
Value added available for distribution	**157,729**	**107,658**

The medical team at KMC and KTS have the capability to perform minimally invasive tests and procedures to diagnose and treat cardiovascular disease at the high tech Cathlabs in both hospitals.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING RESILIENCE AND IMPLEMENTING GROWTH STRATEGIES

Assalamualaikum warahmatullahi wabarokatuh and salam sejahtera.

Despite an unprecedented, prolonged global pandemic that has exacted heavy repercussions on virtually every sector of the global economy, TDM Berhad (TDM or the Group) achieved a remarkable turnaround for the year ended 31 December 2020 (FY2020).

The Group successfully reversed the downward trend that has negatively affected the previous three financial years. In 2020, we recorded healthy profits and ended the year in a strong financial position, putting us on a strong footing to capitalise on post-pandemic prospects. This turnaround year for TDM rounded off with the Group's reinstatement into the Securities Commission's (SC) list of Shariah-compliant companies, and our induction into the FTSE Bursa Malaysia Palm Oil Plantation Index in November 2020.

Oil palm pre-nursery at the Tayor Estate in Terengganu.

MANAGEMENT DISCUSSION AND ANALYSIS

As an essential sector that has endured minimal disruption to operations from pandemic-related measures, the Plantation business led the way with significant gains in revenue and profits. However, due to fears of COVID-19, this was offset in part by a small but significant dip in returns from the Healthcare business owing to a general aversion of hospitals by patients with non-critical medical conditions or requiring elective procedures.

Nevertheless, we are strongly committed towards playing a contributory role in the nation's on-going battle with COVID-19 by testing patients in our hospitals, including employees and migrant workers sent by other companies.

Ironically, the coronavirus pandemic has been a catalyst for a range of positive changes within the Group. It has spurred us on to implement several noteworthy initiatives, such as increased mechanisation at our plantations and greater digitalisation of our healthcare services. In the long run, these measures are expected to enhance our operations and make us more resilient toward any unexpected or catastrophic event, and better prepared for an uncertain future.

With our improved financial and operational positions, the Group is now poised to sustain healthy returns via revenue growth and consistent profits, while having sufficient cash reserves for continuous reinvestment in the years ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR BUSINESSES

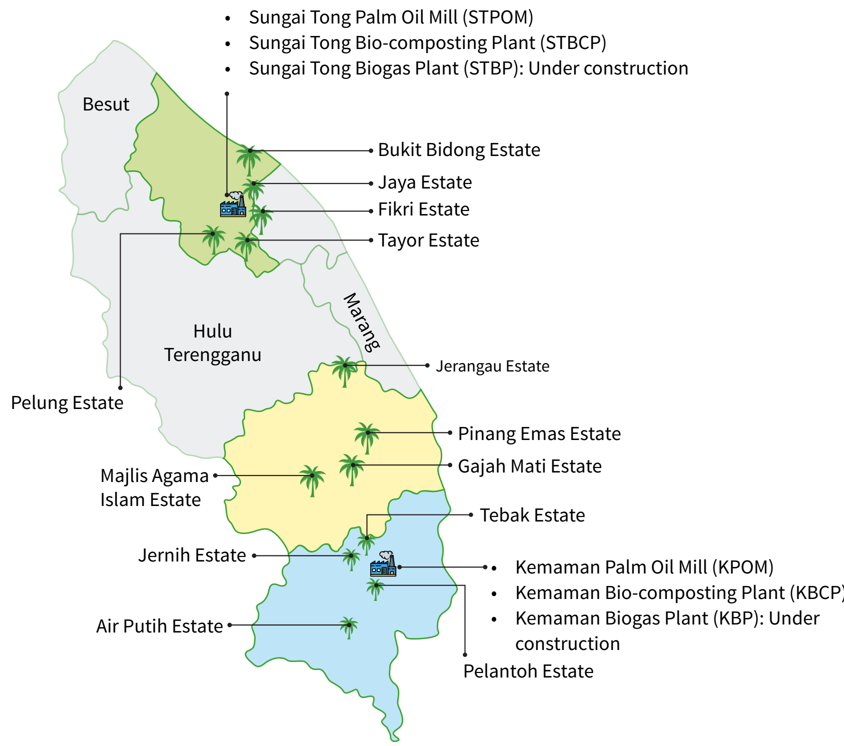
PLANTATION

TDM is a leading producer of palm oil with our primary operations centred, and based in Terengganu, Malaysia, where we operate 13 oil palm estates covering a total planted area of 33,520 ha and two palm oil mills. In addition, the Group owns two estates with a planted area of 10,727 ha and a mill in Kalimantan, Indonesia. It should be noted that the assets in Indonesia have been slated for disposal in the near future.

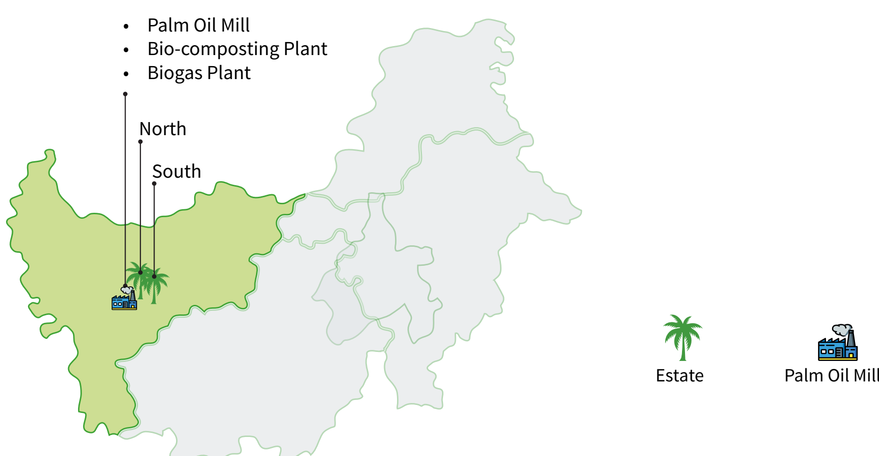
The well managed oil palm nursery at Tayor Estate in Terengganu is the foundation of a successful oil palm plantation.

OUR BUSINESSES

Terengganu, Malaysia:
13 Estates &
2 Mills
Total: 33,520 ha



Kalimantan, Indonesia:
2 Estates &
1 Mill
Total: 10,727 ha



The Group is a premium producer of Certified Sustainable Palm Oil (CSPO), with official certifications from the Roundtable on Sustainable Palm Oil* (RSPO) and the Malaysian Sustainable Palm Oil* (MSPO). These endorsements recognise TDM's compliance with economic, environmental and social standards in our production of CSPO and Certified Sustainable Palm Kernel (CSPK). TDM was listed on the FTSE Bursa Malaysia Palm Oil Index in November 2020, a further recognition of the strength of our business.

** Reference: https://rspo.org & https://www.mpocc.org.my*

MANAGEMENT DISCUSSION AND ANALYSIS

OUR BUSINESSES

HEALTHCARE

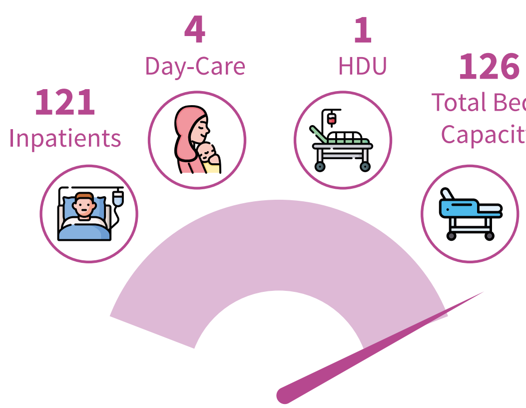
TDM is a preferred provider of secondary healthcare that specifically caters to the needs of local communities providing, efficient, high quality and affordable medical care to every patient regardless of their background. The Group owns and operates four hospitals, spread across the Klang Valley and the East Coast of Peninsular Malaysia, and manages the Tawau Specialist Hospital in Tawau, Sabah. Our Healthcare business is managed by our subsidiary, Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare).

KMC offers a wide range of healthcare services from diagnostic to counselling to ensure that its patients receive the best medical care available.

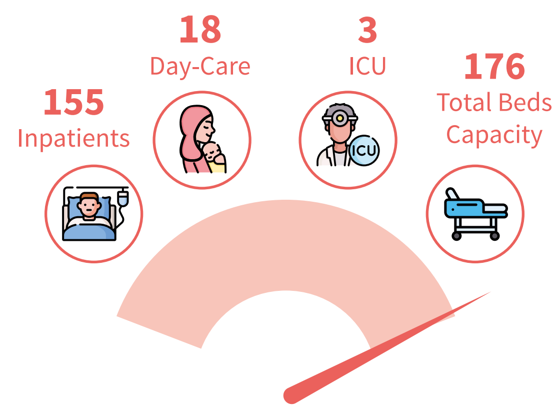
OUR BUSINESSES

HEALTHCARE ASSETS 2020
TOTAL: 394 BEDS

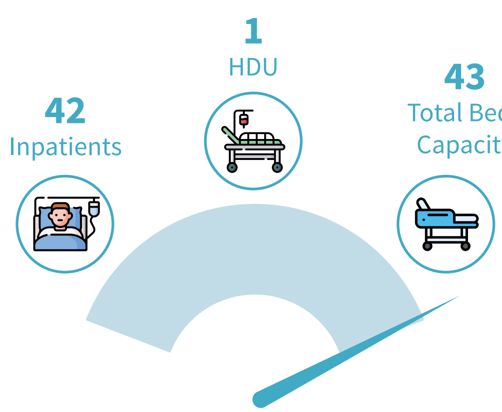
KUALA TERENGGANU SPECIALIST HOSPITAL
(KTS)



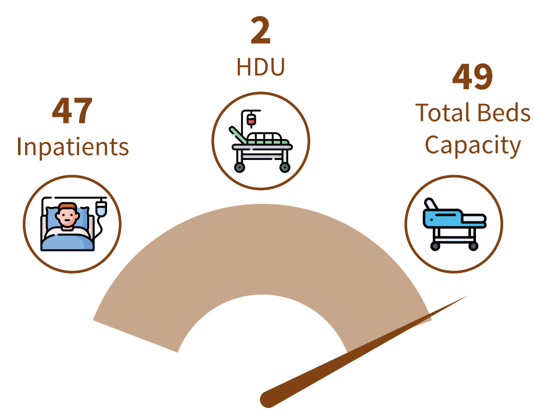
KUANTAN MEDICAL CENTRE
(KMC)



KELANA JAYA MEDICAL CENTRE
(KJMC)



TAMAN DESA MEDICAL CENTRE
(TDMC)



In FY2020, we converted all our inpatient rooms to single-bedded rooms, thus reducing the overall number of beds from 407 to 394 at our four hospitals. At all these facilities we offer essential medical services including general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics, gynaecology, ENT, dermatology, ophthalmology, urology, anaesthesiology and gastroenterology.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OBJECTIVES AND STRATEGIES

TDM was originally envisioned as an entity that would create economic opportunities for the people of Terengganu and beyond. To this day, TDM has fulfilled this mandate by successfully evolving into a profitable, sustainable and socially responsible company.

Our core businesses in Plantation and Healthcare reflect this mission. Plantation operations offer a primary source of income for the people of Terengganu and its neighbouring states. On the other hand, the healthcare sector is expected to grow to RM127 billion (US$30 billion) by 2027, fuelled by the demand for healthcare services from an ageing population, rising affluence, and the increasing life expectancy of the average Malaysian. As a public-listed company, it is TDM's innate responsibility to serve and protect the interests of all shareholders by consistently improving our core businesses to further generate healthy returns in a changing business landscape.

To achieve these objectives, we have established a rolling five-year (2021-2025) Strategic Business Plan, with its accompanying Business Development Plan (BDP) and Value Creation Plan (VCP), which aim to, respectively, enable to acquire new assets for expansion, and to create and unlock value from existing assets.

For the Plantation Division, we will maintain a keen and aggressive stance towards potential mergers and acquisitions (M&A) of brownfield or existing estates, thus enabling us to raise the value of our assets, by increasing our plantation hectarage and overall production volumes, and reducing the average age profile. While our M&A efforts are focussed mainly in Terengganu, nevertheless, we remain open to prospects throughout the East Coast and beyond.

Estate workers attending to oil palm seedlings in one of the nurseries.

FIVE-YEAR STRATEGIC BUSINESS PLAN

KMI Healthcare continues to expand its scope of specialist medical and nursing services for the benefit of the communities we serve.

Implementing greater mechanisation at our plantations contributes to improvement in productivity.

For the Healthcare Division, we are evaluating projects in both brownfield (re-developing existing sites) and greenfield (building new hospitals) developments. This strategy correlates to the increasing demand for hospitals from a growing population increasingly be set by health-related issues, and the emergence of new threats such as the COVID-19 pandemic. Beyond the acquisition of additional healthcare assets, we believe that comprehensive healthcare objectives should embrace a holistic approach. As such, we have been promoting Total Healthcare Solutions which cover preventive, curative and post-care programmes, as well as direct healthcare delivery to patients including nursing, physiotherapy and medication as value-added services under our Healthcare Division.

ROLLING BUSINESS GOALS & STRATEGIES (2021-2025)
5-YEAR BUSINESS GOALS & STRATEGIES

Plantation

Targets

- *PAT: RM90 million
- CSPO Production Costs: <RM2,000 per mt
- **FFB Production: 600,000 mt

Plans

- To increase production volume and yield of **FFB and CSPO.
- To reduce production costs.
- To reduce cost of oil palm maturity.
- To expand agribusiness.

Healthcare

Targets

- PAT: RM10 million
- Number of beds 1,002

Plans

- To employ asset-light business models for capacity growth.
- To venture into new modalities for capability growth.
- To start the platform for Smart Hospitals.
- To strengthen the brand name and market presence.

MANAGEMENT DISCUSSION AND ANALYSIS

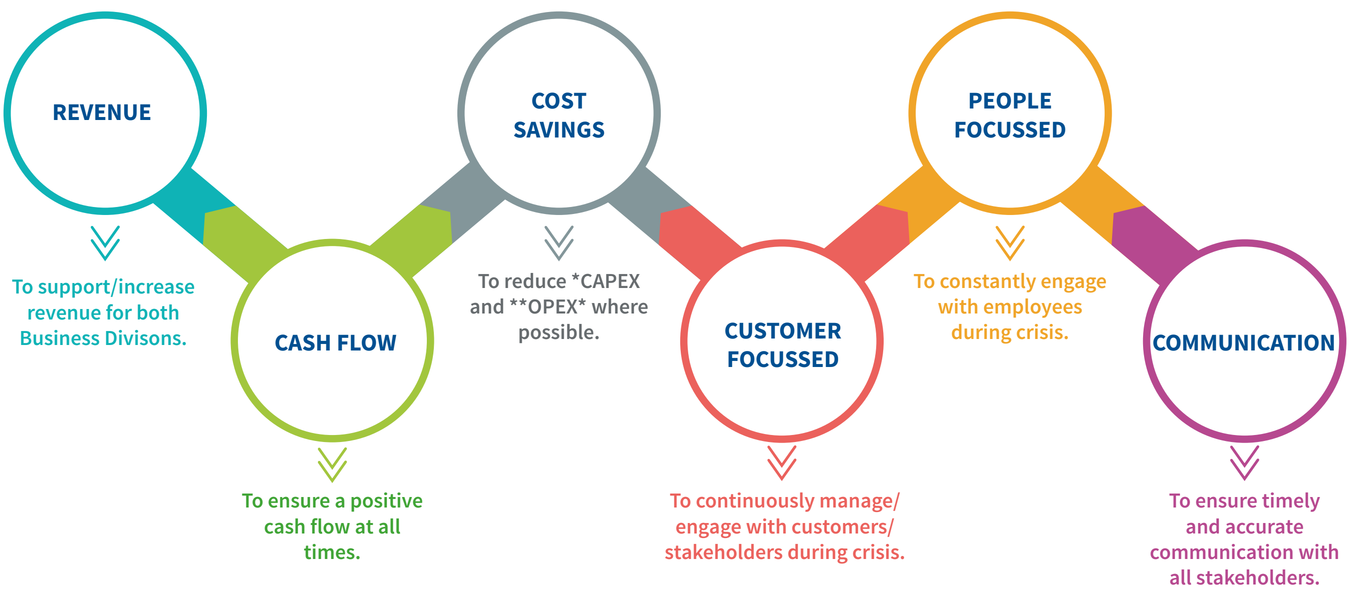
BUSINESS OBJECTIVES AND STRATEGIES

ANCILLARY PLANS

From the onset of the COVID-19 pandemic in Q1 2020, the Group recognised the debilitating impact the global pandemic would have on the Malaysian economy and how it would affect the intended outcomes of our business strategies.

As we reviewed our options, we were acutely aware that the pandemic-related restrictions could extend well into 2021. With this in mind, we formulated several Business Continuity Plans (BCP) and Business Recovery Plans (BRP) designed to build resilience and stimulate business for both the Plantation and Healthcare Divisions. With the BCP and BRP in-hand, the Group established six action teams to carry out the following initiatives:

BUSINESS CONTINUITY PLANS (BCP) AND BUSINESS RECOVERY PLANS (BRP)



**CAPEX – capital expenditure*
***OPEX – operational expenditure*

BUSINESS OBJECTIVES AND STRATEGIES

CORPORATE ACTIVITIES

Entrance signage to THP-YT Plantation's (now known as TDM-YT Plantation) Bukit Bidong Estate.

Bukit Bidong Estate with combined land area of 2,594.50 ha.

Acquisition of THP-YT Plantation

On 31 July 2020, the Group completed the acquisition of a 70% stake in THP-YT Plantation Sdn. Bhd. (THP-YT) from TH Plantation Berhad (THP) for a cash consideration of RM7 million, and an additional RM62 million as settlement for an inter-company advance owed by THP-YT to THP Suria Mekar Sdn. Bhd. (THSM), a wholly-owned subsidiary of THP.

The now renamed TDM-YT Plantation Sdn. Bhd. (TDM-YT), which is currently managed by TDM, has a combined land area of 2,594.50 ha at its Bukit Bidong Estate, of which 2,307 ha have already been planted with oil palm trees aged between two and nine years. With this addition, TDM-YT forms part of our overall strategy to lower the average age profile of our trees and reduce fluctuations in revenue. As the estate is fortuitously located near our existing mill in Sungai Tong, it is poised to optimise the processing capacity and efficiency of FFB (raw material for palm oil mills), thus lowering mill processing costs even further.

Termination of Proposed Disposal of Kalimantan Assets

The proposed sale of TDM's Kalimantan plantation assets, under the management of two of our subsidiaries, PT RKA and PT SRA to PT Aragon Agro Pratama (Aragon) was terminated upon the expiry of the latest execution deadline of the Conditional Sale Purchase Agreement (CSPA) on 31 July 2020. Nevertheless, the Group remains committed towards the disposal of the assets and will continue to identify prospective buyers. The termination of the disposal does not have any material financial impact on the Group's net assets, earnings, gearing, share capital and the equity of majority shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

Essential to the Group's business continuity is its Human Capital. An asset not listed on the balance sheet but essential in a company like TDM. The economic value of this diverse resource pool is evident from the Management Team to professional planters in the Plantations Division, Medical Specialists in Healthcare; and to the general workers at our estates and hospitals.

This is why the Group has always prioritised the recruitment and retention of visionary minds and inspiring leaders at the highest level, with innovative talent and capable managers at the core of our businesses, and diligent and hardworking employees in every position at every level.

With this in mind, we have implemented a judicious and meticulous recruitment policy, strongly supported by a comprehensive and progressive training agenda, both designed to ensure business continuity in today's diversified employment landscape and changing business priorities.

The direct co-relation of continuous knowledge acquisition and consistent upskilling of HR processes represent a robust platform to drive growth and, at the same time, prepare TDM for challenges in the future, whether in Plantation, Healthcare, or any other sector we may venture into.

HUMAN CAPITAL RECRUITMENT AND RETENTION PHILOSOPHY

01	Making the recruitment procedure as transparent, fair and consistent as possible.
02	Following a clearly structured and equal selection process for each applicant.
03	Carrying out interviews by trained employees on relevant subject matters.

KNOWLEDGE ACQUISITION AND UPSKILLING PROGRAMMES

01	In-House Training: Heavy Vehicle Safety & Inspection (First Series)
02	Webinar - Investment Analysis & Research
03	Lembaga Hasil Dalam Negeri (LHDN) - Malaysian Employees Federation (MEF) Seminar 2020
04	MEF Seminar 2020 - "Towards a Drug Free Workplace"
05	Review & Outlook Seminar 2020
06	Baker Tilly Tax & Budget Seminar
07	*Program Konvensyen Perburuhan 2020 Siri 1*
08	Conference on Corporate Communication Professionals
09	Webinar - BDO Tax & Budget 2020
10	Malaysian Financial Reporting Standards (MRFS) Updates
11	The 8th Annual Data Science Show 2020 Bigit
12	In-House Training: MFRS 16
13	Webinar Series - Governance Symposium 2020
14	Malaysian Institute of Accountants (MIA) Webinar Series - Designing Risk Appetite Framework
15	Strategic Procurement, Negotiation Skills & Cost Reduction Techniques

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

PROTECTION AGAINST COVID-19

Over and above the Group's systematic acquisition and nurturing of talent, we paid particular attention to the health of our employees during the pandemic. From the very outset, when the first Movement Control Order (MCO 1.0) was declared in March 2020, the Group and all subsidiaries immediately introduced all the necessary preventive and precautionary measures including mask wearing, social distancing, temperature taking, regular disinfecting and all other standard operating procedures (SOP) prescribed by the National Security Council and Ministry of Health.

At the same time, we recognised the heightened risk of infection faced by our frontline healthcare employees, as well as plantation workers living at our estate quarters, who include both locals and foreigners. Given the virulence of COVID-19, we left no stone unturned to strengthen and widen the safety net in order to safeguard not only the well-being but also the job security of all our employees.

To begin with, we equipped all our medical practitioners and administrative staff at our hospitals with the necessary personal protection equipment (PPE). However, in spite of all these precautions, COVID-19 is an extremely contagious disease, and it was inevitable that some employees were unavoidably exposed to asymptomatic carriers. Employees who tested positive for COVID-19 were provided the appropriate treatment at our hospitals, in accordance with national guidelines and SOPs.

Thankfully, not a single COVID-19 positive case was registered amongst employees at our Terengganu estates during the reporting period. All of our 1,376 foreign workers were sent for swab tests conducted by KTS medical personnel at the Kemaman, Bukit Besi and Sungai Tong complexes.

Stringent COVID-19 SOPs are observed at all our hospitals to safeguard the health and safety of our medical staff, employees and the public.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

EXTENDING JOB OPPORTUNITIES TO LOCALS

Beyond the health and safety issues posed by COVID-19, the global pandemic also gave rise to manpower issues at our plantations following the closure of Malaysia's borders. This action, from the first MCO 1.0, effectively suspended our recruitment of foreigners who, in general, form the majority of our Plantation workforce. At the close of the reporting period, there were 1,376 registered foreign workers compared to 1,432 at the start of the year, and due to attrition, no new workers were recruited; whereas local workers numbered 1,088 as of 31 December 2020.

We conducted various recruitment campaigns throughout the year, including installing banners in strategic locations and handing out leaflets advertising job opportunities at our plantations. As a short-term measure to address the labour shortage, we also hired more than 30 parolees under an arrangement with the Department of Prisons.

Besides this, we have initiated a separate programme to hire immigration detainees under the Illegal Immigrant Depot Recalibration Plan in anticipation that the Government will continue implementing the MCO at various levels right through to 2021.

Nevertheless, we will continue to prioritise the local community for our manpower needs with incentive programmes that will also enable plantation workers to enhance their earnings.

Muster call, daily briefing session for estate workers at the start of the day.

Circle weeding using Mist Blower for weed control.

REVIEW OF FINANCIAL PERFORMANCE

REVENUE

In FY2020, the Group achieved a higher Revenue of RM442.9 million, an increase of 4.2% over RM425.1 million recorded the previous year. This Revenue growth was driven largely by our Plantation Division, which was less affected by the COVID-19 pandemic as compared to the Healthcare Division.

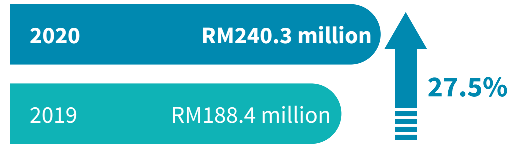
Revenue from our Plantation Division grew by a significant 27.5% to RM240.3 million, up from RM188.4 million the previous year, accounting for 54.3% of the Group's business (FY2019: 44.3%). Revenue from our Healthcare Division dropped to RM202.6 million, compared to RM236.7 million in FY2019, a decrease of 14.4%, with the Division contributing 45.7% to Group Revenue (FY2019: 55.7%).

The Plantation Division's upbeat performance was the result of significantly higher average selling prices for CSPO (an increase of 32.6%) and CSPK (an increase of 28.8%) year-on-year despite the lower total output. Prices surged in Q3 and Q4 2020, fluctuating between RM2,500 and RM3,500 and on the back of heightened demand from stockpiling in anticipation of more COVID-19 restrictions.

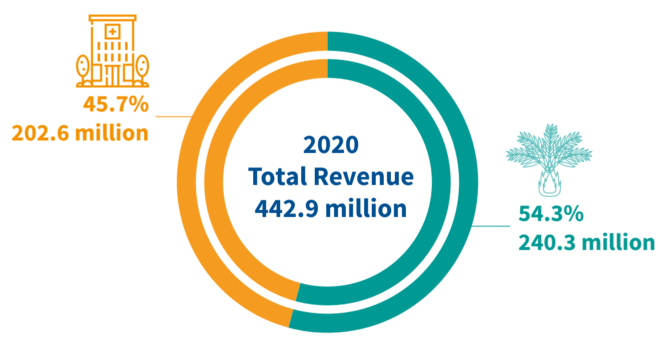
It was a different scenario with our Healthcare business which, like the rest of the industry, suffered from a steep drop in patient loads as people generally shied away from hospitals and medical centres for fear of contracting COVID-19. To illustrate this, the total number of inpatients declined by 28.9% and outpatients by 11.6% during the reporting period, as compared to FY2019. As a result, revenue from all four of our hospitals dipped during the reporting period, as patients opted out of elective procedures or chose to delay or forgo treatments.

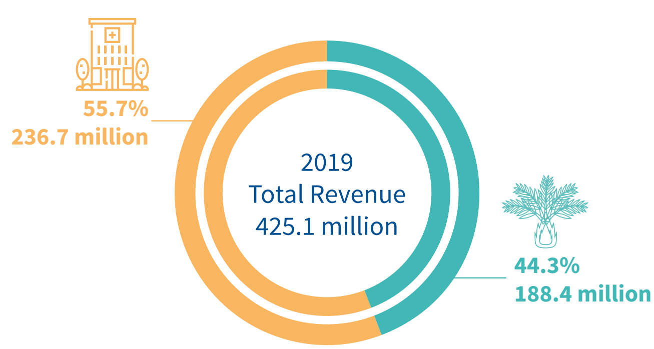
Group Revenue

Plantation Revenue



Healthcare Revenue





MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

PROFITS/LOSSES

Our higher Total Revenue led to a Profit Before Tax (PBT) of RM9.6 million, completing a turnaround following significant losses in FY2019 (-RM40.4 million), and FY2018 (-RM37.6 million); where the results were affected by impairments of FY2019 (RM108.4 million), FY2018 (RM22.6 million) to our plantation assets in Kalimantan, Indonesia.

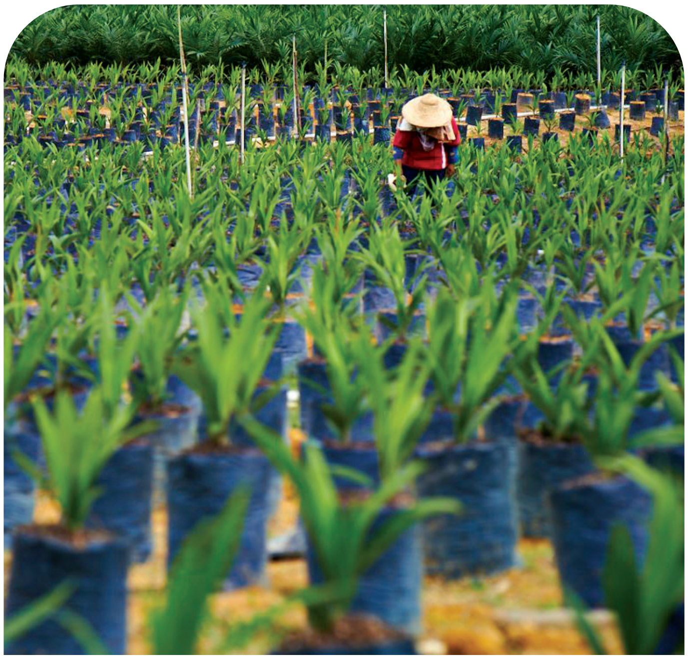
Our Plantation Division recorded a PBT of RM24.8 million (FY2019: -RM24.5 million) with the higher revenue offsetting an increase in operational costs at our estates and mills.

In terms of Profit/Loss After Tax (PAT/LAT), the Group incurred a total comprehensive LAT of -RM11.2 million for FY2020 owing to a loss of -RM12.5 million from discontinued operations (at our Kalimantan plantations), which effectively wiped out the marginal PAT from continuing operations of RM1.4 million. It is worth noting that, in comparison, total comprehensive LAT for FY2019 was -RM209.9 million, while LAT from continuing operations was -RM35.8 million.

Meanwhile, the Group registered an Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA) of RM96.4 million, compared with RM63.6 million in FY2019.

All in, the Group recorded an Earnings Per Share (EPS) of 0.11 sen from continuing operations; in contrast to -2.13 sen in FY2019.

TDM Berhad's Headquarters in Kuala Terengganu.



Managing the oil palm nursery involves proper germination of oil palm seedlings and tending to the young plants, which require regular watering, fertilising, and protecting them against insects and diseases.

We take a patient-centric perspective at all our hospitals to provide them with superior customer service.

REVIEW OF FINANCIAL PERFORMANCE

DIVIDEND

Given the healthy financial results despite a challenging year, the Board has declared an interim dividend of 0.29 sen per share for FY2020. The amount of RM5.0 million to be paid out of retained earnings.

At the forthcoming AGM, a final dividend of RM4.0 million (0.23 sen per share) for FY2020 will be proposed for shareholders' approval.

MARKET CAPITALISATION

TDM’s Market Capitalisation amounted to RM611.6 million (FY2019: RM706.7 million) as of 31 December 2020, with our share price trending downwards to close FY2020 at RM0.355 per share, compared with RM0.420 per share in the previous year. This lower share price does indeed reflect the overall downbeat sentiment of the market in a pandemic year.

SHAREHOLDERS’ EQUITY AND ASSETS

Our Shareholders’ Equity grew to RM770.8 million by the end of the reporting period, representing an increase of 0.2% (RM769.3 million in FY2019). Meanwhile, Total Assets were valued at RM1.88 billion, increasing by 12.6% from RM1.67 billion the previous year, after taking into account the new acquisition as well as the increase in our cash balance, which now stands at RM232.9 million (FY2019: RM90.3 million). Net Assets Per Share remained at RM0.44 from the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

OTHER FINANCIAL INDICATORS AND MATTERS

Return on Equity

The Group achieved a Return on Equity (ROE) of 0.18% during the year in review, which is a marked improvement over the -4.17% the previous year.

Finance Costs

After paring down our loans in FY2020, we incurred lower finance costs of RM22.4 million, down from RM23.5 million the year before. It should be noted that the new loan of RM53.0 million for the M&A of the renamed TDM-YT was only released in Q4 2020.

Tax

The Group incurred taxation charges of RM8.2 million for the year in review, mainly due to the profits recorded by the Plantation Division during the year.

Gearing

Our gearing ratio remained at 0.48x during the year in review. However, our aggregate borrowings increased to RM498.9 million from RM465.8 million in FY2019, inclusive of the RM53.0 million loan taken to finance the acquisition of a 70% stake in THP-YT.

At this stage, we are comfortable with our level of leverage, given that the comparables of selected Malaysian listed plantation companies fall within the 0.60x and 0.70x range. In view of this, TDM has set a desired ceiling of not more than 0.60x in our bid to strike a balance between growth investment (growing our investment portfolio) and managing unforeseen risks arising from internal or external factors.

Capital Management Plan (CMP)

As mentioned earlier, we closed FY2020 with a healthy cash balance amounting to RM232.9 million. With such substantial reserves at our disposal, we have considerable leeway to undertake further investments for sustainable income without unduly risking our position against the uncertainty caused by the pandemic and other volatile economic dynamics.

We will continue to tread the same path in the new financial year, with potential M&A of new assets in the Plantation Division, and smaller hospitals which were severely blighted by the COVID-19 pandemic.

REVIEW OF OPERATIONS

PLANTATION DIVISION

Our Plantation Division delivered better than expected results with a considerably higher revenue of RM240.3 million in FY2020, against RM188.4 million posted in FY2019, and turning in PBT of RM24.8 million instead of the loss incurred in RM2019 of -RM24.5 million. The 27.5% and 201.4% increase in revenue and profit, respectively, was primarily due to the upward movement of palm oil prices.

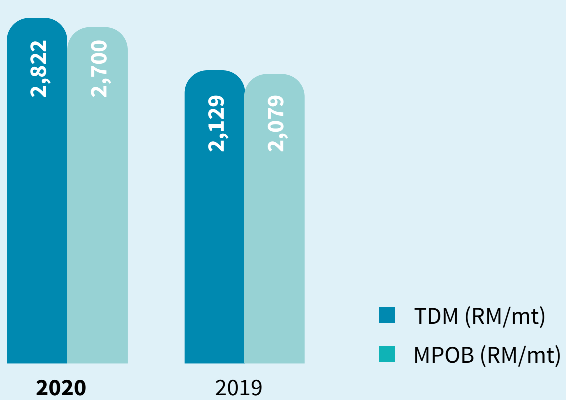
Despite the dire consequences of the COVID-19 pandemic, which led to a temporary crash of the commodity market, disruptions to global demand, the universal closing of borders, as well as new norms affecting both public and private sectors, TDM's Plantation Division returned above-par financial results for FY2020.

Commodity Prices

In FY2020, TDM achieved a significantly higher average selling price of RM2,822 per mt from RM2,129 the year before, an increase of 32.6%. As with previous years, we sold our CSPO stock at a higher price compared to the corresponding average of the Malaysian Palm Oil Board (MPOB).

Our 4.5% premium over the MPOB average during the year in review also represented an increase over the 2.4% premium recorded in FY2019. Likewise, the average selling price of TDM's CSPK was also higher at RM1,697 per mt against RM1,318 per mt previously.

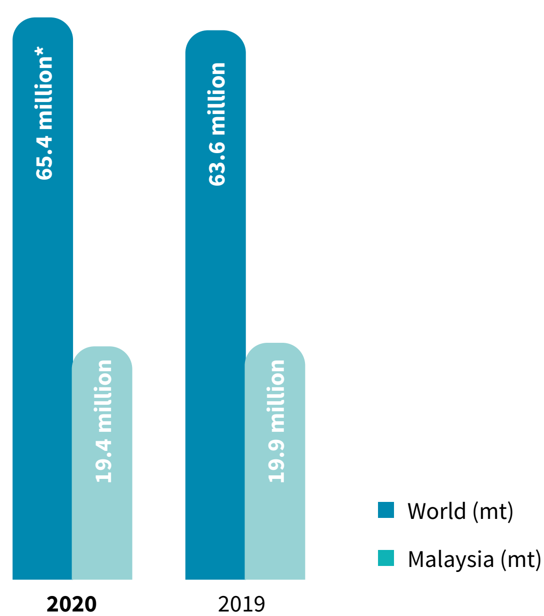
Average Selling Prices of CSPO



Production

Global production of palm oil increased marginally in FY2020 to 65.4 million mt (2019: 63.6 million mt), in contrast to Malaysia's slight decrease to 19.4 million mt (2019: 19.9 million mt). This would indicate that Indonesia, being the other major palm oil producer besides Malaysia, had ramped up its production given the comparatively lesser restrictions on its economic activities, workforce movement and lockdowns at the onset of COVID-19.

Global and Malaysian Output of Palm Oil



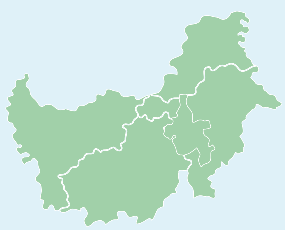
*Estimate

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The restrictions imposed during the first wave of the COVID-19 pandemic led to a temporary labour shortage, which affected harvesting. Our production of FFB was slightly lower, recording 399,363 mt in 2020 (2019: 401,864 mt) due to the lower output from our Terengganu plantations. However, this shortfall was offset by a better harvest from our Kalimantan plantations, and a higher purchase volume of FFB from other external suppliers and smallholders.

FFB PRODUCTION FOR TDM PLANTED MATURE HECTARAGE 2020 VS 2019



Terengganu

393,581 mt

2019: 398,475 mt

Kalimantan

5,782 mt

2019: 3,389 mt

Total Production

399,363 mt

2019: 401,864 mt

***OCP**

31,831 mt

2019: 27,577 mt

Total

431,194 mt

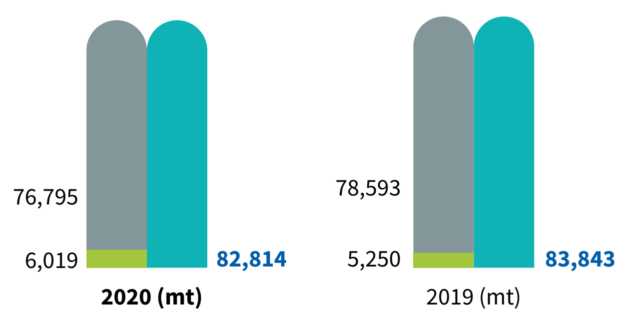
2019: 429,441 mt

**OCP - Outside Crop Purchase*

The decreased FFB production at our estates in Terengganu was further compounded by a lower oil extraction rate (OER) of 19.49% (2019: 19.68%), resulting in a CSPO output of 82,814 mt, compared with 83,843 mt the year before. CSPK production was also lower at 18,101 mt** (2019: 19,617 mt) for the same reasons, with the kernel extraction rate (KER) dropping to 4.26% as opposed to 4.61% in the previous year.

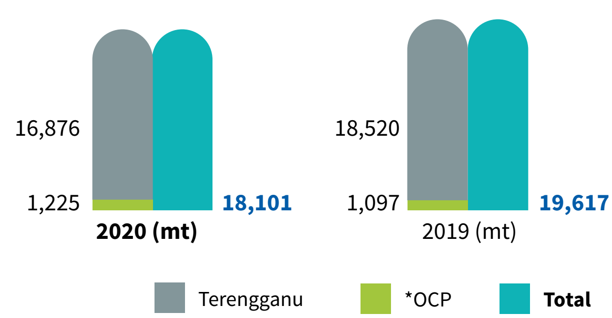
***No CSPK production was carried out in Kalimantan*

CSPO Production for TDM



No CSPO production was carried out in Kalimantan

CSPK Production for TDM



**OCP - Outside Crop Purchase*

REVIEW OF OPERATIONS

Mechanical spreader for fertiliser application at the Jaya Estate in Terengganu.

Mechanisation, Automation and Other Improvements

The consequences of COVID-19, including the labour shortage described earlier, have ironically expedited our Plantation businesses to pivot toward accelerating mechanisation at oil palm estates, automation at mills, and other innovative and technical improvements at all levels of production.

At the beginning of Q3 2020, we implemented mechanised in-field FFB collection and evacuation using Mechanical Buffalo, which we modified to accommodate the unique topographical features of our estates. This resulted in various enhancements to productivity, higher income for our estate workers, and significant cost savings.

The introduction of mechanisation at our plantations has also led to an increase in work specialisation amongst our workers, thus moving them up the skill-set value chain. We have fully committed our resources towards driving further innovation in our plantation operations to achieve continuing improvements in efficiency and effectiveness.

As part of our mill Throughput Improvement Plan, we also placed a high priority on improving our two mills in Sungai Tong and Kemaman by investing approximately RM1.2 million to refurbish old machinery and replace worn-out parts to enhance our efficiencies and OER/KER.

Under the business plans for our Plantation Division, we intend to leverage digital technologies such as the Internet of Things (IoT), and data analytics to better monitor the performance of our machinery; and, at the same time, implement an appropriate preventive maintenance schedule. In the field, we have deployed the Geographic Information System (GIS) and Global Positioning System (GPS) to enhance the layout design of our oil palm tree replanting.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

During the year in review, our Plantation Division also carried out the following improvements:

- A water management programme at our new Bukit Bidong Estate, designed to alleviate flooding and enhance peat soil management.
- An irrigation system using POME at the Fikri Estate.
- Introduction of 15 Best Agriculture Practices in the estates, focussing on achieving faster maturity periods and higher yields.

Age Profile and Replanting

Oil palm age and yield profile management is a critical element in maximising FFB yield and quality. The plantation business is cyclical in nature with yield dependent on the age profile of the oil palm trees. To ensure sustainability and consistency in production, the Plantation Division maintains a 5% replanting policy to achieve a balance between young (0–4 years), prime (5-15 years) and aged trees (16-25 years).

Since 2012, we initiated an aggressive replanting exercise at our Terengganu estates to achieve an optimum prime age profile of above 60% by lowering the average age of the trees from 17 years to the optimum age of 12 years. In FY2020, we accelerated our replanting of trees to cover 8.8% of our total planted areas, compared to 6.2% the year before.

As a result, the number of immature and young trees have gradually increased year-on-year to maximise and maintain our oil palm yields. This increase was further bolstered by our acquisition of the Bukit Bidong Estate, which is populated by younger trees.

AGE PROFILE OF OIL PALM TREES

Malaysian Plantations

Total 33,520 Ha
(2019: 31,295 ha)

Profile/Age (years)	
Very Old (25 and above)	**3,014 ha** (2019: 4,419 ha)
Old (21–25)	**10,276 ha** (2019: 10,086 ha)
Prime-Old (16-20)	**3,999 ha** (2019: 3,701 ha)
Prime-Young (11–15)	**1,504 ha** (2019: 3,339 ha)
Young (4–10)	**6,741 ha** (2019: 4,796 ha)
Immature (0–3)	**7,986 ha** (2019: 4,954 ha)

Kalimantan Plantations

Total 10,727 Ha
(2019: 10,727 ha)

Profile/Age (years)	
Young (4–10)	**9,584 ha** (2019: 9,584 ha)
Immature (0–3)	**1,143 ha** (2019: 1,143 ha)

Grand Total 44,247 ha
(2019: 42,022 ha)

REVIEW OF OPERATIONS

HEALTHCARE DIVISION

The stigma of COVID-19 had a negative impact on the Healthcare Division, leading to a significant decline in revenue, and resulting in a loss for the year in review. Revenue from the Division fell to RM202.6 million (FY2019: 236.7 million) while we incurred an (LBT)/PBT of -RM7.1 million (FY2019: RM14.2 million), after having to account for additional virus-related preventive and precautionary costs.

This was reflected by the falling off in patient loads at all four hospitals: KMC, KTS, TDMC and KJMC, for extended lengths of time in 2020, following the imposition of Malaysia's first MCO. Patient visits gradually picked up during the Conditional MCO (CMCO) and Recovery MCO (RMCO) periods, but the alarming rise in COVID-19 cases since October 2020 once again drove patients away.

For the year in review, the number of inpatients decreased by 28.9% to 18,033 (2019: 25,376) and outpatients by 11.6% to 150,043 (2019: 169,680), although the difference in the average duration of stay for inpatients was negligible.

Cumulative Patient Loads

No. of inpatients
18,033
(2019: 25,376)

Average duration of stay (days)
2.91
(2019: 2.97)

No. of outpatients
150,043
(2019: 169,680)

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Performance of KMI Hospitals

In terms of the individual hospitals, KJMC and TDMC in Klang Valley were the hardest hit, since COVID-19 cases were consistently higher in Selangor and Kuala Lumpur compared to the considerably lower infection rates along the East Coast.

During the reporting period, KTS recorded only a marginal shift in numbers and even recorded a slight increase in outpatient numbers. In contrast, KJMC received 40.1% fewer inpatients during the same period.

Medical Facility Performance: Patient Loads

	KMI Healthcare Kuantan Medical Centre	KMI Healthcare Kuala Terengganu Specialist Hospital	KMI Healthcare Taman Desa Medical Centre	KMI Healthcare Kelana Jaya Medical Centre
No. of inpatients	**8,661** (2019: 12,822)	**6,329** (2019: 7,386)	**1,882** (2019: 3,077)	**1,191** (2019: 2,052)
Average duration of stay (days)	**3.3** (2019: 3.40)	**3.6** (2019: 3.72)	**1.52** (2019: 2.30)	**2.57** (2019: 2.62)
No. of outpatients	**55,999** (2019: 65,650)	**41,572** (2019: 40,258)	**33,817** (2019: 41,851)	**19,169** (2019: 22,535)
Bed occupancy rate (%)	**52%** (2019: 79%)	**60%** (2019: 65%)	**20%** (2019: 41%)	**20%** (2019: 35%)

Business Unusual

In response to the impact of COVID-19, our subsidiary KMI Healthcare approached the complex challenges on two fronts: the first encompassed stringent measures to create and provide a safe environment at all our hospitals, for both frontliners as well as patients and their families. The second was to reinvent products and services to cushion the drop in business by introducing new healthcare delivery mechanisms in what is effectively a new norm for both patient and health provider.

At the outset of the pandemic, our hospitals established a comprehensive safety framework of screening counters, temperature checks, products for sanitisation and maintaining hygiene, while limiting and designating 'safe' entry and exit points. Posters were also prominently displayed at the hospitals and pamphlets were distributed with relevant and appropriate information on COVID-19. KMI Healthcare also contributed to the national effort for COVID-19 testing, offering walk-in RT-PCR tests in early March 2020, and a drive-thru facility at the end of the same month.

REVIEW OF OPERATIONS

On the business front, KMI Healthcare accelerated its shift toward online medical consultation, which will likely be the future of healthcare delivery. KMI launched home delivery of pharmaceuticals, and specialty care such as home-nursing, physiotherapy and even delivering food from their kitchens.

Examples of value-added services offered by KMI Healthcare hospitals

KMC offers a pick-up service for physiotherapy patients.

KTS provides food delivery services.

KJMC and TDMC deliver medication to their patients.

Investments, Improvements and Transformation

Even before the emergence of COVID-19, KMI Healthcare had embarked on a transformation drive towards being a 'Total Solutions Provider' focussing on preventive medicine, and developing 'Smart Healthcare' solutions which capitalises on new technologies including digital tools for greater patient convenience and service efficiencies.

KMI Healthcare expects these initiatives to generate and sustain business growth in the intermediate-to-long terms. With this in mind, a five-year plan to achieve a digital transformation at all our hospitals has been developed which, among other innovations, will intensify the use of telemedicine and remote consultancy.

Few projects have been initiated in 2020 with an initial focus on cybersecurity and digitalisation. What followed was the development of a virtual platform for the collation and storage of our patient Electronic Medical Records (EMR). A pilot run for this system has been scheduled at KMC in 2021.

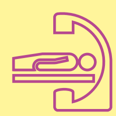
Another area of transformation introduced at our hospitals in early 2020 was the Shariah-inspired '*Hospital Mesra Ibadah*' programme, which emphasised the application of Islamic values, covering the management of patients to the provision of spiritual advice and care.

During the year in review, KMI Healthcare made the following investments and improvements to our hospitals:

KMC:

- **1.5T superconducting standard-bore MRI system (model GE Signa Explorer SV25.2) at a cost of RM4.5 million.**

KTS:



- **Single plane angiography system (Shimadzu Trinias C12 Unity) at a cost of RM3.9 million.**
- **Maquet/Datascope cardiosave hybrid transport/bedside intra-aortic balloon pump (IABP) at a cost of RM459,000.**

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

Managing the myriad risks for a large corporation has become a complex affair, which has been further compounded by the challenges of the COVID-19 pandemic during the reporting period. Nevertheless, we remain vigilant in safeguarding shareholder value as well as the progress of our sustainability agenda.

At TDM, our Risk & Compliance Department is tasked with executing and maintaining the Group's risk management and internal control system to ensure our corporate objectives are met and our strategies implemented in accordance with our established risk profile and levels.

The Group's Enterprise Risk Management (ERM) Framework defines the Group's risk management process in managing significant risks including continuously initiating Action Plans to improve risk management and internal control practices.

Strategic, Business and Market Risk

Capital Management Risk

The Group may face issues with raising funds due to capital depreciation or a downgrade of our corporate credit rating. Inability to secure financing is the result of an ageing age profile of oil palm trees in plantations and repayment challenges due to low crop production. Financial institutions may be reluctant to provide loans due to our high percentage of leased land and lack of asset securitisation loans.

We manage this risk by prioritising based on the pecking order model theory (preferring internal financing, before debt financing, and lastly raising equity) via:

- **Reducing gearing and interest costs, preserving cash, private placement, and cost saving measures by enhancing the Group's treasury function and increasing revenue via BCP and BRP initiatives:**
  a. **Acquiring strategic assets.**
  b. **Planning for rights issue and Initial Public Offering (IPO).**

Strategic, Business and Market Risk

Competitive Environment

The lack of competitive advantages and growing competition could result in potential losses in the Healthcare Division. This could result in our Healthcare business facing difficulties in attracting customers, achieving targetted profits and jeopardising the sustainability of the business.

- **Leverage on IT and digitalisation to improve business processes with the introduction of the Smart Healthcare Blueprint, and Tele Health initiatives at a time when patients are delaying face-to-face visits due to COVID-19 concerns.**
- **Higher single-bedded capacity via investment and expansion of brownfield and greenfield hospital developments.**
- **Organise Community Outreach programmes and improve stakeholder engagement with timely and accurate communication during the pandemic and continue the momentum post-pandemic.**

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

Human Capital Risk

Leadership Bench Strength

A strong leadership bench strength ensures continuity of leadership and operational management in the event of a sudden departure or prolonged leave of any senior management team member/key employee in the Group.

This may cause disruption to the organisation's business activities while affecting the strategic direction and may result in the Company's inability to achieve the expected business growth. Thus, it is important to develop ongoing bench strength to keep TDM ready to take on the latest challenges by implementing proactive strategies to decrease employee burnout and improve work performance.

- To hire the best candidates with leadership qualities that fit with our organisational values and goals based on our established recruitment policies. This includes having certain traits like making measured decisive decisions, engaging proactively and qualified to be able to formulate sound Group Corporate policies and plans. These candidates are expected to lead the development of our short and long-term strategies, provide oversight of our balance sheet and act as the main point of communication between all stakeholders.
- To build the organisation's bench strength through management training and mentoring.
- To develop Leadership Programmes focussed on:
  a. Designed thinking - A Human-Centered approach to innovation, anchored in understanding an organisation and in understanding customer needs.
  b. Professional development.
  c. Financial competencies analysis and financial modelling.
  d. Performance management system:
    - To carry out employee performance reviews on an annual basis with rewards given based on performance.
    - To enhance employee competency levels via in-house and external training courses on soft skills and technical capabilities;
    - To increase activities, and partnerships, with academia to promote valuable solutions for the needs of the businesses,and broaden the field for potential talent.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

Operational Risk

Shortage of Labour

TDM relies mainly on foreign labour especially for FFB harvesting and collection due to the aversion of local labour towards such tasks. The dependence on foreign labour, if not well-managed, would disrupt plantation operational planning and may affect the effectiveness and efficiency of the activities especially during the on-going pandemic.

- **To extend the work permits of all existing workers expiring in 2020 and 2021 by offering new and attractive incentive schemes until the pandemic subsides.**
- **To hire local contractors to provide manpower and engage with external sub-contractors for harvester/field workers in order to cope with production demand.**
- **To collaborate with the Department of Prisons under a Corporate Smart Internship (CSI) Programme for *'Pelepasan Banduan Secara Lesen (BPSL)'* and the Immigration Department's depot in Ajil, Terengganu under a recalibration programme by the Home Ministry.**

Operational Risk

Delay in Replanting

TDM has been rejuvenating its existing plantations via a replanting programme initiated in 2012. Any delay in this process may cause lower yields of FFB and affect the OER, which could prevent us from achieving targetted revenues.

- **To conduct proper planning for replanting.**
- **To develop an alternative plan in the event of disruptions to set schedules.**
- **To study and propose the creation of a replanting fund.**

Operational Risk

Challenges in Achieving Targetted Revenue Due to COVID-19

Following the outbreak of COVID-19, footfall at our hospitals fell significantly especially in Q2 2020 as elective surgeries and preventive healthcare were largely postponed. Medical professionals expect patients to continue avoiding health facilities throughout 2020 and 2021 or until they are vaccinated.

- **To introduce cash flow initiatives by preserving cash, implementing the BCP and BRP via accelerating the shift towards future healthcare delivery in the form of online medical consultation, home delivery of pharmaceuticals and specialty care such as nursing, physiotherapy and even food deliveries from their kitchens.**
- **Adding focus on the expansion programme through the acquisition of brownfield (existing) and greenfield (new) hospitals.**
- **To venture into new medical modalities and related services for capability growth.**
- **To offer 'Total Solutions Provider' services focussing on preventive medicine and 'Smart Healthcare', which capitalises on digital technologies while promoting our medical and healthcare consultants via online webinars and seminars at public forums.**

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

Financial Risk

Cyber Security
The consequences of a global pandemic, such as COVID-19 can increase the risks of data security breaches or financial fraud since businesses and employees rely more on their remote capabilities like WFH. In addition, social isolation can also result in misconfiguration and unauthorised access to data.

- To review and update information technology (IT) security policies.
- To establish a security awareness programme for employees.
- To conduct a security penetration test by a qualified third party to ensure hardware and software components are secure.
- To subscribe to virtual private servers/cloud services.
- To ensure the stability and security of our data centre, and strengthen the capability of our IT resources in supporting all operating units.

Financial Risk

Investment Monitoring
Continuous assessment and monitoring of existing and new investment portfolios are critical to ensure Returns On Investment (ROI) are achieved within the projected timeline. The continuing volatility in CSPO prices poses a risk to our cash reserves to support our plantation operations in Indonesia and potential investments in other plantation assets, and our Healthcare business.

- To periodically review our Investment Policy and procedures.
- To deliberate on proposed investments at Management Investment Risk and Compliance Committee and Board Risk Compliance Committee meetings which cover operations, financial, legal and risk management.
- To conduct continuous monitoring on investment performance via management reports and meetings.

Compliance Risk

Integrity Risk
The risk refers to dishonest actions, bribery and corruption, or misuse of power for personal interests, all of which could damage the reputation of TDM and affect our financial performance. The Group needs, at all times, to comply with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. The Group has established an Integrity Unit on 15 November 2019.

- To conduct an awareness session with the Board of Directors (the Board), Management Team and employees on bribery and corruption.
- To update policies in line with Section 17A of the MACC Act including our Anti-Bribery and Corruption Policy, Whistleblowing Policy and No Gift Policy.
- To engage in continuous communication with MACC on integrity matters and programmes.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS 2021 AND BEYOND

The Group is determined to maintain the momentum of our FY2020 recovery by capitalising on post-pandemic opportunities to accelerate growth. Accordingly, we have taken stock of the comparative advantages that we can harness to stimulate performance while in tandem, we identified shortcomings and challenges which we have already begun to address and redress.

A key consideration to achieve this aspiration is our ability to raise sufficient capital for prospective M&As in both the Plantation and Healthcare Divisions which will in turn, fuel expansion and capture a bigger share of the market. In the Plantation Division, we have monetised our future assets with the signing of Long Term Contracts and Advance Payment Agreements that raised RM189 million.

We are also exploring financially suitable and commercially viable ways to monetise our Healthcare Division to raise more funding for future expansion. We will focus on operating new hospital assets via an asset-light business model through a Sale and Leaseback arrangement.

Maiden planting of MD2 Pineapples in Jerangau Estate.

The 24-hour Accident & Emergency (A&E) Department at KTS is managed by our dedicated medical officers and experienced nurses.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS 2021 AND BEYOND

Plantation

The strong recovery by the Plantation sector in FY2020 has placed us on a firm footing to support our growth trajectory in the new financial year. With palm oil prices projected to average more than RM3,000 per mt in 2021, we will focus on ramping up productivity and production at all our plantations including the newly-acquired Bukit Bidong Estate in Terengganu where we have initiated its value creation.

Among the improvements slated at our estates are construction of close-ended conservation trenches (CECT), installation of mechanisation paths for accessibility of machines such as the Mechanical Buffalo, digital designs for replanting layouts, upgrades in drainage, including utilising better planting material and other agriculture input.

Production Targets 2021

FFB YIELD Increase of **1** mt per ha per year	**OER PERFORMANCE** Increase of **1%**
CSPO PRODUCTION Increase of **11%**	**KER PERFORMANCE** Increase of **0.5%**
CSPK PRODUCTION Increase of **11%**	***COP COST** Reduction by **RM50** per mt COP
***CTM** Reduction by **5%**	**NEW AGRI-BUSINESS REVENUE** **RM5** million

**COP – Cost of Production, CTM – Cost to Maturity*

In 2021, we will also intensify the development of our agribusiness segment on available land deemed unsuitable for palm oil. We are currently exploring planting other crops, including pineapple, chilli and black pepper. This new venture is intended to maximise our revenue per unit of land area while also contributing to food security and sufficiency within Malaysia, and especially in a changing world where carbon-smart agricultural strategies and techniques can aid in reducing the pollution and the negative impacts of climate change.

We are also evaluating opportunities by venturing further into the agri-commodity business in the area of Sustainable Forest Development on lands which are unsuitable for oil palm cultivation.

Looking further ahead, the Plantation Division has set a target of having at least 40% of young prime trees at our estates by 2024. To achieve this, we are continuing with the aggressive replanting of more than 5% of the planted hectarage until 2025, which would amount to a total replanting of 13,800 ha in the 2021 to 2025 five-year period.

PROSPECTS 2021 AND BEYOND

Healthcare

Following a difficult financial and operational year in 2020, the Healthcare business is poised to make a comeback in 2021 and thereafter as Malaysia's COVID-19 national immunisation programme has been scheduled from 26 February 2021 to Q1 2022. Given this scenario, patients are also expected to return to our hospitals after having delayed or opted out of medical procedures, elective or otherwise.

In addition, the business will be augmented by our management of the 11-bedded Tawau Specialist Hospital (TSH) in 2021, which will raise our total complement to 405 beds. TSH represents our pilot to pivot on an asset-light business model to grow our Healthcare operations in order to better achieve economies of scale against a backdrop of increasing competition and higher operating costs.

Nevertheless, we are eyeing a prospective M&A of a healthcare asset in 2021 after owning and operating the same four hospitals for an extended time period. Our target for 2025 is doubling the bed capacity via building of new hospitals and the acquisition of existing hospitals.

VIP Room at KTS.

PROSPECTS 2021 AND BEYOND

Meanwhile, we will press ahead with the development of new modalities for capability growth based on our Smart Healthcare Blueprint for healthcare delivery and the Total Solutions Provider concept of preventive healthcare and other innovations that are currently in the pipeline. In the case of Smart Healthcare, we are already seeing a rising demand for skilled nurses for Homecare, Physical Care and Occupational Therapy, including demand for services like rehabilitation, wound dressing, tube feeding and other services for the elderly.

Beyond 2021, the outlook for the industry is highly favourable according to Fitch Solutions, which is expected to reach a market size of RM127 billion by 2027. The market intelligence provider attributes this growth in Malaysia to be in a direct response to the needs of an ageing population, rising affluence and increasing life expectancy and a growing prevalence of chronic diseases.

Our hospitals are staffed by experienced and committed professionals who ensure that every patient is treated with the utmost respect and receive the highest level of care, while assuring their safety.

Ophthalmology services at TDMC.

BOARD OF DIRECTORS PROFILE

YM RAJA DATO' IDRIS RAJA KAMARUDIN

S.M.T. D.S.I.S.

PGC FBCS FCMI

Non-Independent & Non-Executive Chairman

Age: 68, United Kingdom/Male

APPOINTED AS DIRECTOR

30 July 2018

QUALIFICATIONS

- Post Graduate Certificate (PGC) in Strategic Management, University of Derby, United Kingdom (UK)
- Fellow of The British Computer Society (FBCS), (UK)
- Fellow of The Chartered Management Institute (FCMI), (UK)

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

NIL

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

14/16

BOARD COMMITTEES

YM Raja Dato' Idris is not a member of any Board Committees of the Company.

WORKING EXPERIENCE AND OCCUPATION

YM Raja Dato' Idris has acquired more than 30 years' experience holding top management positions in various private limited, public listed and multinational companies.

From 1994 to 2000, YM Raja Dato' Idris held various positions namely, Managing Director of Nixdorf Computers Malaysia Sdn. Bhd., Executive Director of Siemens Nixdorf Information System (Malaysia) Sdn. Bhd. and Non-Executive Director of Siemens Multimedia Sdn. Bhd. (an MSC Company) at Siemens Group of Companies in Malaysia. YM Raja Dato' Idris then assumed the position of Vice President of Information and Communication Network at Siemens Malaysia Sdn. Bhd. from 1998 to 2000.

YM Raja Dato' Idris was previously the Group Executive Director of TDM Berhad, a public listed entity owned by the Terengganu State Government from 2000 to 2004. He then served as the Executive Chairman of Virgo Tours Sdn. Bhd. from 2004 to 2006. YM Raja Dato' Idris was appointed as a Consultant at the Markfield Institute of Higher Education, Leicestershire, United Kingdom, a position he has held from 2006 to 2011.

YM Raja Dato' Idris has previously served on the Board of Kumpulan Darul Ehsan Berhad (KDEB), the investment holding company of the State of Selangor, where he was appointed on 4 April 2011 and served as the Chairman of KDEB's property and development subsidiaries namely Kumpulan Hartanah Selangor Berhad and Central Spectrum (M) Sdn. Bhd. His leadership qualities and attributes led him to hold the position as the Chairman of Kumpulan Perangsang Selangor Berhad, the flagship public listed corporation of the Selangor State Government, a role he served for seven years from 2011 until 1 June 2018.

On 10 August 2012, he was appointed as the Chairman of Ceres Telecom Sdn. Bhd., and subsequently, was redesignated as the Executive Chairman on 1 June 2018 till June 2019.

YM Raja Dato' Idris was appointed as a Director of Terengganu Incorporated Sdn. Bhd. (TI), the strategic investment arm of the Terengganu State Government on 11 June 2018.

Presently, YM Raja Dato' Idris sits on the Board of TDM Berhad, a public listed subsidiary of TI, as the Chairman from July 2018 and Chairman of its subsidiaries, namely TDM Plantation Sdn. Bhd., Kumpulan Medic Iman Sdn. Bhd. and TDM Capital Sdn. Bhd. and as a Director in TDM Trading Sdn. Bhd. and Kelana Jaya Medical Centre Sdn. Bhd.

YM Raja Dato' Idris is currently a board member of Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK), where he was appointed in January 2017. He was also appointed as a member of the advisory board of Majlis Penasihat Ekonomi Negeri Kelantan (MPEN), in October 2018.

YM Raja Dato' Idris was appointed as the Chairman of the Malaysia Rubber Council (MRC) in May 2020.

DATO' HAJI ZAINAL ABIDIN BIN HUSSIN

Non-Independent & Non-Executive Director

Age: 61, Malaysian/Male

APPOINTED AS DIRECTOR

12 January 2020

QUALIFICATIONS

- Bachelor of Economics from Universiti Kebangsaan Malaysia (UKM)

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

NIL

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

16/16

BOARD COMMITTEES

Appointed as Member of the Board Risk & Compliance Committee: 12 January 2020.

WORKING EXPERIENCE AND OCCUPATION

For over 30 years, Dato' Haji Zainal Abidin has held various positions that contributed to his broad socio-economic understanding of the State of Terengganu. He started his career as Assistant State Secretary (Local Government II), Terengganu State Secretary's Office in September 1984. In July 1985, he served as Assistant State Secretary (Social Development, Welfare and Education), Terengganu State Secretary's Office.

He rose steadily through the ranks and built his experience while serving several Terengganu State District Council and Land Offices such as Kemaman, Hulu Terengganu, Kuala Terengganu, Marang and Dungun from May 1986 until December 2001.

He was then posted to the State Treasury Office as Head of Investment Unit from January 2002 to December 2006. Subsequently, he was appointed as the President of Dungun District Council in January 2007 and later as the President of Municipal Council Dungun from August 2008 until December 2010.

From January 2011 to May 2014, Dato' Haji Zainal Abidin served as Director of Terengganu State Sports Council. In June 2014, he returned to the Terengganu State Secretary's Office as the Chief Assistant Secretary, Local Government Division and was subsequently appointed as Director, State Economic Planning Unit in May 2015. He simultaneously held the position of Deputy State Secretary (Management) until 2016 when he assumed full responsibility of the position.

In May 2018, Dato' Haji Zainal Abidin was appointed as Director of Land and Mines Terengganu, a position held until his appointment as Terengganu State Financial Officer in August 2019. Dato' Haji Zainal Abidin retired as State Finance Officer on 13 March 2021.

BOARD OF DIRECTORS PROFILE

HAJI MAZLI ZAKUAN BIN MOHD NOOR

Non-Independent & Non-Executive Director

Age: 51, Malaysian/Male

APPOINTED AS DIRECTOR

30 July 2018

QUALIFICATIONS

- Master of Business Administration, Universiti Teknologi MARA (UiTM)
- Bachelor of Engineering in Material & Mechanical Engineering, Universiti Kebangsaan Malaysia (UKM)

OTHER DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Eastern Pacific Industrial Corporation Berhad (EPIC), a public company

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

15/16

BOARD COMMITTEES

- Appointed as Member of the Audit Committee: 1 August 2018 (Resigned as Member of the Audit Committee on 24 December 2020)
- Appointed as Chairman of the Nomination and Remuneration Committee: 1 August 2018
- Appointed as Member of Board Risk & Compliance Committee: 1 August 2018
- Appointed as Chairman of the Board Tender Committee: 27 August 2018 (Relinquished his position as Chairman of Board Tender Committee on 7 April 2020 and remained as member)
- Appointed as Member of the Executive Committee (EXCO): 1 February 2019

WORKING EXPERIENCE AND OCCUPATION

Haji Mazli Zakuan started his career as an Application Engineer with Antah Oil Tools & Services Sdn. Bhd. in 1993 and moved on to join Smith International Inc as a Field Engineer. With his considerable experience, knowledge and skills in the oilfield drilling sector, he joined Nalco Exxon Chemicals as a Service Engineer in 1997 and moved up to various management positions in the multinational company.

In 2003, he co-founded Maces Sdn. Bhd. which was the first Malaysian speciality chemicals company for oilfield and water treatment, where he assumed the position of Senior Vice President, Operations. Subsequently, he was promoted to Chief Executive Officer. His entrepreneurial spirit led him to the incorporation of PAV Oilfield Services Sdn. Bhd, another local company specialising in oilfield services, which he co-founded.

Haji Mazli Zakuan was the former Deputy Chief Executive Officer of Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK) from 2016 until March 2018, where his role was to enhance the performance of PKINK in spearheading the economic development of the State of Kelantan.

During this period, he served as a Director of various subsidiaries of PKINK, which has businesses in plantation, properties development and financial services. As a company leader, he was responsible for overseeing the operations of a string of subsidiaries of PKINK that led to his appointment as the Chairman of the Business Recovery and Continuity Committee.

Haji Mazli Zakuan is a registered engineer with the Board of Engineers Malaysia since 1993, and in 1995 he became a member of the Society of Petroleum Engineers International.

Haji Mazli Zakuan is currently a board member of Terengganu Incorporated Sdn. Bhd. (TI), where he was appointed on 11 June 2018. TI is the strategic investment arm of the Terengganu State Government. On 7 June 2018, he was also appointed as the Corporate Advisor for Menteri Besar Incorporated.

In 2020, Haji Mazli Zakuan was appointed as the Chairman of the Board of Trustees of the Malaysian Timber Council.

HAJI NAJMAN BIN KAMARUDDIN

Executive Director

Age: 53, Malaysian/Male

APPOINTED AS DIRECTOR

17 September 2018

QUALIFICATIONS

- Bachelor of Science in Business Administration and Minoring in Economics, Washington University, St Louis, Missouri, USA

OTHER DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

NIL

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

16/16

BOARD COMMITTEES

- Appointed as Member of the Audit Committee: 4 October 2018
- Appointed as Member of the Nomination and Remuneration Committee: 4 October 2018
- Appointed as Chairman of Board Risk & Compliance Committee: 4 October 2018
- Appointed as Member of the Board Tender Committee: 7 November 2019
- Appointed as Member of the Executive Committee (EXCO): 1 February 2019

Upon his redesignation as an Executive Director of the Company on 2 December 2020, he resigned as a Committee Member of the Audit Committee, Nomination and Remuneration Committee, and Board Tender Committee. He also resigned as the Chairman of the Board Risk and Compliance Committee on 24 December 2020.

WORKING EXPERIENCE AND OCCUPATION

Haji Najman started his career as a Marketing Manager at PSSSB, a subsidiary of Terengganu State Economic Development Corporation from 1992 to 1994. He was then attached to Bumiputra Development Department, Maybank as Credit Officer from 1994 to 1996.

Haji Najman then joined Kuwait Finance House (KFH) Ijarah House, a company specialising in Islamic Leasing financing for two years. He subsequently assumed the position of Assistant Manager at EON Bank Berhad, from 1997 to 2000.

From 2000 until 2004, he assumed the position as Executive Director for TDM Trading Sdn. Bhd., a wholly-owned subsidiary of TDM Berhad which is involved in the trading of palm oil and palm kernel. During the same period, he was also given the task to oversee the overall operations of TDM Properties Sdn. Bhd.

Since 2004, he has been appointed as the Executive Director for Significant Technologies Sdn. Bhd., a company involved in developing locally grown telecommunication products and solutions, and providing ISO 17025 certified optical and electrical calibration services to local and multinational companies. The company also provides technical telecommunications training courses certified by Fiber Optic Association of America (FOA).

Haji Najman was redesignated as the Executive Director of TDM Berhad on 2 December 2020 and is currently the Deputy President of Artificial Intelligence Society of Malaysia.

BOARD OF DIRECTORS PROFILE

HAJI AZLAN BIN MD ALIFIAH

Independent & Non-Executive Director

Age: 55, Malaysian/Male

APPOINTED AS DIRECTOR

30 August 2019

QUALIFICATIONS

- Diploma in Accountancy, Institut Teknologi MARA (ITM), now Universiti Teknologi MARA (UiTM)
- Member of The Chartered Institute of Management Accountants (UK), qualifying at ITM.
- Member of the Chartered Institution of Management Accountants CIMA (UK), CGMA and MIA.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

NIL

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

14/16

BOARD COMMITTEES

- Appointed as Chairman of the Audit Committee: 30 August 2019
- Appointed as the Member of the Nomination and Remuneration Committee: 30 August 2019
- Appointed as Member of Board Risk & Compliance Committee: 12 January 2020
- Appointed as Member of the Board Tender Committee: 12 January 2020
- Appointed as Member of the Executive Committee: 24 December 2020

WORKING EXPERIENCE AND OCCUPATION

Haji Azlan started his career as an Accounts Executive at Petronas Carigali Sdn. Bhd. from 1992 to 1993.

He then joined KPFB Holdings Sdn. Bhd. as an Accountant in 1993 until 1994. In October 1994, he joined Celcom Technology Sdn. Bhd. as an Accountant and was subsequently promoted to Finance Manager. He was then transferred and promoted to Celcom Sdn. Bhd. as the Senior Manager/Head of Finance at the Shared Infrastructure Group, in 1997.

From 2001 to 2003, he was the Group Chief Financial Officer of Kumpulan Mediiman Sdn. Bhd. He then joined Malaysia National Insurance Berhad as the Head of Risk Management from 2003 to 2005.

From August 2005 to May 2010, he was designated as the Vice President of Risk Strategy at Etiqa Insurance and Takaful Group.

He was the Associate Director of Risk Management, Syariah and Compliance at BSN Prudential Takaful Berhad from May 2010 to May 2011.

Subsequently, he was duly appointed as the Chief Financial Officer of Kumpulan Darul Ehsan Berhad from June 2011 to January 2014.

From January 2014 to 31 July 2016, he was appointed as the General Manager/Chief Executive Officer of Perbadanan Kemajuan Negeri Selangor (PKNS).

Presently, he serves as the Vice President of Corporate Planning, Strategic Initiatives and Property Division for Ingress Corporation Berhad since November 2016.

BOARD OF DIRECTORS PROFILE

HAJI BURHANUDDIN HILMI BIN MOHAMED @ HARUN

Non-Independent & Non-Executive Director

Age: 51, Malaysian/Male

APPOINTED AS DIRECTOR

30 July 2018

QUALIFICATIONS

- Master of Business Administration (MBA) majoring in International Business, University of Leeds, United Kingdom
- Bachelor of Accounting (Hons), International Islamic University Malaysia (IIUM)
- Chartered Accountant (CA), Malaysian Institute of Accountants (MIA)
- Certified Financial Planner (CFP), Financial Planning Association of Malaysia (FPAM)

OTHER DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Eastern Pacific Industrial Corporation Berhad (EPIC), a public company

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

16/16

BOARD COMMITTEES

- Appointed as Chairman of the Audit Committee: 1 August 2018 (Relinquished his position as Chairman of the Audit Committee on 30 August 2019 and remains as a member)
- Appointed as a Member of the Nomination and Remuneration Committee (NRC): 1 August 2018 (Resigned as a member of the NRC on 30 August 2019 and reappointed as a member on 7 November 2019. Subsequently, he resigned as a member on 24 December 2020)
- Appointed as a Member of the Board Risk & Compliance Committee: 1 August 2018
- Appointed as a Member of the Board Tender Committee: 27 August 2018 and redesignated as Chairman on 7 April 2020
- Appointed as a Member of the Executive Committee (EXCO): 1 February 2019

WORKING EXPERIENCE AND OCCUPATION

Haji Burhanuddin Hilmi was appointed as an Independent & Non-Executive Director of TDM Berhad on 30 July 2018 and was redesignated as a Non-Independent & Non-Executive Director on 28 June 2019.

He was appointed as a Non-Executive Director of Terengganu Incorporated Sdn. Bhd., the strategic investment arm of the Terengganu State Government on 24 June 2019 and subsequently, on 1 November 2020 he was redesignated as its President and Executive Director.

He was also a member of the Malaysia Palm Oil Board (MPOB), a post he held since April 2020.

Haji Burhanuddin Hilmi has wide experience in the audit industry and gained considerable insights on industries such as oil & gas, finance and manufacturing with his stints at two “Big Four” audit firms, PricewaterhouseCoopers from 1993 to 1996 and KPMG from 1998 to 2002.

From 2006 to 2013, he was the Group Chief Financial Officer of Composites Technology Research Malaysia Sdn. Bhd. (CTRM), a high technology manufacturing company producing composite parts for Airbus and Boeing aircraft based in Batu Berendam, Melaka. CTRM was a Government-Linked Company owned by the Ministry of Finance, Inc. until it was acquired by DRB-Hicom Group in 2013.

With his in-depth knowledge and business insight, he was appointed as the Chief Financial Officer of Weststar Aviation Services Sdn. Bhd., a company specialising in offshore helicopter transportation service for numerous oil & gas majors operating in Malaysia, Thailand, Indonesia and several African countries, from 2013 to 2015.

Thereafter, he was appointed as the Group Chief Financial Officer of Zetro Aerospace Corporation group of companies and Director of Chartridge Conference Company Ltd (UK) from 2015 to 2018.

BOARD OF DIRECTORS PROFILE

MOHD KAMARUZAMAN BIN A WAHAB

Independent & Non-Executive Director

Age: 43, Malaysian/Male

APPOINTED AS DIRECTOR

30 July 2018

QUALIFICATIONS

- Bachelor of Laws (LLB) Hons, International Islamic University Malaysia (IIUM)

OTHER DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

NIL

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

15/16

BOARD COMMITTEES

- Appointed as Member of the Audit Committee: 1 August 2018
- Appointed as Member of the Nomination and Remuneration Committee: 27 August 2018
- Appointed as Chairman of Board Risk & Compliance Committee (BRCC): 1 August 2018 (Relinquished his position as Chairman of BRCC on 4 October 2018 and remain as member. However, on 24 December 2020, he has been re-appointed as Chairman of BRCC)
- Appointed as Member of the Board Tender Committee: 27 August 2018
- Appointed as Chairman of the Executive Committee (EXCO): 1 February 2019

WORKING EXPERIENCE AND OCCUPATION

Encik Mohd Kamaruzaman was admitted as an Advocate and Solicitor of the High Court of Malaya in 2003 and started his career as a Legal Assistant at Messrs Abdul Haris & Co. In 2004, he was admitted as a Peguam Syarie for the State of Terengganu.

He later joined Messrs Fariz Halim & Co as Legal Assistant and in 2005 he joined Messrs Khaled Jalil & Co as a Partner.

He was also a part-time lecturer at the Faculty of Laws and Human Relations, Universiti Sultan Zainal Abidin from 2012 until 2019.

Presently, he is a Partner at Messrs Aziz & Co since 2006. He was also appointed as a member of the Marang District Council since June 2018.

Notes:

1. **Family relationship with any director and or major shareholder of the Company:**
   None of the directors has any family relationship with any director and/or substantial shareholder of the Company.
2. **Conflict of interest with the Company:**
   None of the directors has any conflict of interest with the Company or its subsidiary companies.
3. **Conviction of offences**
   None of the directors has been convicted for offences within the past 5 years other than traffic offences, if any and no public sanction or penalty imposed by any regulatory bodies during the financial year.
4. The shareholding of the directors are disclosed on page 318 of the Annual Report.

KEY SENIOR MANAGEMENT PROFILE

HAJI NAJMAN BIN KAMARUDDIN

Executive Director, TDM Berhad

Age: 53, Malaysian/Male

APPOINTED AS DIRECTOR

17 September 2018

Note:
Please refer to page 55 for Haji Najman bin Kamaruddin's complete profile.

HASMADI BIN DESA

Person In-Charge of Finance (PiCoF), TDM Berhad

Age: 54, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

21 March 2021

QUALIFICATIONS

- Professional membership of Chartered Accountant (M), Malaysian Institute of Accountants
- SAP certification – Financial Accounting
- Bachelor in Accountancy, Universiti Teknologi MARA (UiTM), 1992
- Diploma in Accountancy, Universiti Teknologi MARA (UiTM), 1988

SKILLS & EXPERIENCE

Encik Hasmadi has 32 years of experience in financial and accounting management and is involved in the full spectrum of accounting functions, financial policies and procedures, liaison, internal systems, forecast and cash flow management, treasury functions and implementation of business process improvements.

He started his career as an Audit Junior at Payne Davis & Co. back in 1989 and later joined Price Waterhouse & Co. as an Audit Assistant. He also served as an Accounting Lecturer at MARA Institute of Higher Learning, Audit Manager at KPMG, Finance General Manager at Dawama Sdn. Bhd. and Chief Financial Officer at Multimedia Consortium Sdn. Bhd. before taking on the role as the Group Chief Financial Officer & Senior VP at Al Hidayah Group.

Prior to joining TDM Berhad, he was the Deputy CFO at Naza Automotive Manufacuring before assuming the position of Group Finance General Manager at Naza TTDI Group.

KEY SENIOR MANAGEMENT PROFILE

MAT YULA BIN KASIM

Head, Corporate Affairs, TDM Berhad

Age: 60, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

6 September 2018

QUALIFICATIONS

- Master in Business Administration, Universiti Teknologi MARA (UiTM) in, 2006
- Bachelor in Business Administration, Eastern Washington University, United States, 1987
- Diploma in Business Studies, Institut Teknologi MARA (ITM), 1982

SKILLS & EXPERIENCE

Encik Mat Yula has 38 years of Management experience in the Banking, Plantation and Healthcare industries.

He started his working career as an executive at Bank Pertanian Malaysia in 1982. Thereafter, he developed his banking career with Affin Bank Berhad from 1989 to 2003. His last post with the bank was as a Branch Manager, Kuala Terengganu Branch.

He joined the TDM Group in 2003 as the Chief Financial Officer in TDM Plantation Sdn. Bhd. In line with the TDM Berhad and TDM Plantation consolidation exercise in 2007, he was appointed as the Group's Senior Group Manager, Finance Department.

In 2010, he was assigned as the Corporate Affairs Director of PT Rafi Kamajaya Abadi, a newly formed subsidiary of the group, to develop an oil palm plantation in Indonesia. Subsequently, he was then entrusted to spearhead the subsidiary with his appointment as the President Director in October 2010. In mid-2012, he was transferred back to TDM Berhad as the Senior Group Manager, Human Resource & Administration Department. In 2015, he was seconded to Kumpulan Medic Iman Sdn. Bhd., a holding company for the Group's Healthcare Division, as the Senior Group Manager, Finance, Business Development & Human Resource. Prior to his current position, he was the acting Chief Executive Officer, Group Healthcare until July 2020.

BADROL BIN ABU BAKAR

Head, Corporate Services, TDM Berhad

Age: 54, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

1 December 2020

QUALIFICATIONS

- Bachelor of Laws (LL.B) Honours – Second Class Upper, International Islamic University Malaysia (IIUM), 1990
- Non-practising Advocate and Solicitor. Called to the Malaysian Bar, 2001
- Licensed Company Secretary (LS0009999)
- Associate member of the Institute of Internal Auditors Malaysia (AIIA 210319)

SKILLS & EXPERIENCE

Encik Badrol Abu Bakar started his career with the Government of Malaysia in the Judiciary Services as a Magistrate in Butterworth, Pulau Pinang and Pulau Langkawi, Kedah from 1991 until 1996.

Among his past experiences in the legal fraternity were as Manager, Legal & Secretarial Department with Al-Hidayah Group in Kuala Lumpur; Legal Officer at Universiti Teknologi Malaysia (UTM), Skudai, Johor and Senior Legal Executive, MEASAT Broadcast Network Systems Sdn. Bhd. at Technology Park Malaysia, Kuala Lumpur.

He was the Legal Counsel (Penasihat Undang-Undang) at the East Coast Economic Region Development Council (ECERDC) from April 2009 until March 2011.

Prior to joining TDM Berhad as Head Corporate Services, he was the General Manager, Legal & Secretarial Division, Eastern Pacific Industrial Corporation Berhad (EPIC) from April 2011 until November 2020.

KEY SENIOR MANAGEMENT PROFILE

JALAINI BIN CHE KAR

Plantation Advisor, TDM Berhad

Age: 54, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

1 January 2017

QUALIFICATIONS

- Masters in Business Administration from Open University Malaysia in, 2014.
- Bachelor in Business Administration, Universiti Teknologi MARA (UiTM), 2003.
- Diploma in Agriculture, University Putra Malaysia (UPM).

SKILLS & EXPERIENCE

Encik Jalaini has 31 years of experience in Plantation Management with extensive operational and managerial competencies in the oil palm industry. Apart from his official duties with TDM, he is also the Chairman of the Advisory Panel, Malayan Agricultural Producers Association, Terengganu branch and Chairman of the Malaysian Palm Oil Association, Terengganu.

He started his career as Trainee Assistant, The United Malacca Rubber Estate in 1989. He joined TDM Plantation Sdn. Bhd. in 1991 as Assistant Manager. Promoted to Estate Manager in 2005 and Plantation Coordinator, TDM Plantation Sdn. Bhd. in 2010. In 2012 was Acting President Director, PT Rafi Kamayan Abadi for 3 months.

HASNOL ZARIMAN BIN MOHD HASHIM

Head, Strategy & Business Development, TDM Berhad

Age: 45, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

2 December 2019

QUALIFICATIONS

- Currently pursuing a Master in Business Administration from Universiti Utara Malaysia (UUM)
- Bachelor of Science in Business Administration, Upper Iowa University, 2002

SKILLS & EXPERIENCE

Encik Hasnol has 17 years of experience in Strategic Planning, Business Development, Project Management, Transformation Initiatives, Stakeholder Management, Government Relations and Marketing. He has a diverse corporate background, working in various industries from Financial Institutions, Development Financial Institutions and Leisure & Tourism.

He began his career in the Consumer Banking Division of RHB Bank from 2003 until 2004. He was with Maybank from 2005 until 2014, with his last position in Planning & Strategic Execution, Business Enablement, Community Distribution, and Community Financial Services. He was appointed as Head, Business Development and Research, Strategic Planning & Research at Credit Guarantee Corporation Malaysia Berhad from 2014 until 2015. He joined Themed Attractions, Resort and Hotels as Vice President, Government & Regulatory, Group Corporate Affairs and Vice President, Project Management Office, Group Chief Executive Officer's Office from 2015 until 2017.

He was Manager, Strategic Management Department of Bank Negara Malaysia from 2017 until 2018. Prior to joining TDM Bhd, he was Vice President, Stakeholder Management, Regulatory and Land Matters, Corporate Affairs, Chief Executive Officer's Office of Desaru Development Holdings One Sdn. Bhd. from 2018 until 2019.

KEY SENIOR MANAGEMENT PROFILE

HAJI MOHD GHOZALI BIN YAHAYA

Chief Executive Officer, TDM Plantation Sdn. Bhd.

Age: 61, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

2 May 2019

QUALIFICATIONS

- Master in International Business, University of East London, United Kingdom, 2011
- Completed Senior Management Development Programme from Harvard Business School, 2008
- Completed Basic Management Programme from Asian Institute of Management, Philippines, 1993
- Diploma in Planting Industry Management, Institut Teknologi MARA (ITM), 1981

SKILLS & EXPERIENCE

Haji Mohd Ghozali has 35 years of experience in Operations and Management in the plantation industry with expertise in managing oil palm, rubber and cocoa plantations, both in Malaysia and Indonesia.

His other personal competency is in Stakeholder's Engagement. These include those related to NGOs, media and industry associations such as the Malaysian Agriculture Producers Association, Gabungan Asosiasi Pekebun Sawit Indonesia, Roundtable on Sustainable Palm Oil, Indonesia Sustainable Palm Oil, the Association of Plantation Investors from Malaysia in Indonesia and PLASMA Estates schemes.

He started his career with Guthrie as an Assistant Manager in 1981 and was later appointed Training Officer at the Guthrie Training Centre from 1992 until 1994. He was a certified Trainer in Situational Leadership with Blanchard Training and Development Inc. He was Estate Manager with the Guthrie Group from 1994 until 2001. He was appointed General Manager Estates in Riau, Sumatera, Indonesia with the Guthrie Group from 2002 until 2006. From 2007 to 2010 he was Region Head for Northern Malaysia Plantation at Sime Darby from 2007 until 2010. He was appointed President Director of PT Minamas Gemilang and Head of Sime Darby Plantation Indonesia, based in Jakarta from 2010 to 2015.

DR RAYNEY AZMI BIN ALI

Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.

Age: 59, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

Appointed as Chief Executive Officer on 1 July 2020

QUALIFICATIONS

- Attained M.B.B.S, Monash University, Melbourne Australia, 1986
- Qualified trainer in Basic & Advanced Life support since 1991

SKILLS & EXPERIENCE

Dr Rayney has over 30 years of clinical experience and healthcare management. He joined KMI Healthcare as the Chief Operating Officer on 1 January 2020 and was appointed as the Chief Executive Officer on 1 July 2020.

Starting his career at Prince Henry's Hospital in Melbourne, he then worked with Hospital Kuala Lumpur from 1989 to 1994 in the Accident & Emergency Department, where he was also a trainer for Resuscitation in Emergencies. He was also in the team that helped set up the Regional Training Centre for the Ministry of Health.

In 1996 he was Head of Medical Services, later Medical Director, of HMO Pacific Sdn. Bhd., a pioneer group that introduced Managed Care in Malaysia. In 2003 he was the Executive Director at Kelana Jaya Medical Centre. From 2005 to 2014 he was Head of Emergency Department and Chief Trainer of CPR Faculty, Institut Jantung Negara (IJN), where he also served as the trainer for their Train the Trainer Programme.

Prior to joining KMI Healthcare, he was the Regional Medical Coordinator of Columbia Asia Group Hospitals for six years.

KEY SENIOR MANAGEMENT PROFILE

VIJAYAKUMAR SAMBANTHAR

President Director, PT Rafi Kamajaya Abadi

Age: 63, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

23 November 2018

QUALIFICATIONS

- Associate of the Incorporated Society of Planters, 1989
- Higher School Certificate, 1977

SKILLS & EXPERIENCE

Mr. Vijayakumar Sambanthar has 40 years of experience in Supervisory Management, Operational Management and Advisory Services in the Plantation Industry and in the recent past has been engaging in conflict resolutions with Plantation Stakeholders.

He started his career in 1980 at Kuala Lumpur Kepong Berhad as Cadet, Assistant Manager, Senior Assistant Manager, Manager and finally as their Training Manager.

In 2009 he joined Goodhope Asia Limited, which has operations in Kalimantan & Papua, as their Learning & Development Senior Manager. He was the Group Operation Manager of Kwantas Corporation Berhad from 2015 until 2017, overseeing operations in Sabah, Sarawak and East Kalimantan.

He was engaged to provide advisory services for Malaysian Kuwait Investment Corporation in Sabah under Technopalm Sdn. Bhd. from 2017 until 2018.

MOHAMMAD AZRAIN BIN MOHD KASSIM

Manager, TDM Trading Sdn. Bhd.

Age: 60, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

1 January 2008

QUALIFICATIONS

- Malaysian Certificate Education, 1978.

SKILLS & EXPERIENCE

Encik Mohammad Azrain has more than 40 years of experience in Analytical Skills, Financial Management, Communication in Sales and Marketing especially in the Palm Oil Industry.

He began his trading career, and gained knowledge about the US Commodity market, as Research Assistant with Drexcomm Sdn. Bhd. (M) from 1980 to 1983. He joined Palm Brokers and Palmart Sdn. Bhd. and became a Floor Trader in the Kuala Lumpur Commodity Futures market from 1984 to 1985. He was a Physical Palm Oil Trader for the company from 1985 to 1994.

He joined TDM Trading Sdn. Bhd. in 1995. He was promoted to Assistant Manager in 2004 after being a Senior Marketing Executive for 3 years and Marketing Executive for 6 years.

Notes:

None of the Key Senior Management has:-

1) Any directorship in public companies and listed issuers.
2) Any family relationship with any director and/or major shareholder of the Company.
3) Any conflict of interests with the listed issuer and its subsidiaries.
4) Been convicted for offences within the past 5 year other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

None of the Key Senior Management has any interest in the securities of the Company.

MANAGEMENT TEAM

TDM BERHAD

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1. **HAJI NAJMAN BIN KAMARUDDIN**
   Executive Director
2. **HASMADI BIN DESA**
   Person In-Charge of Finance (PiCoF)
3. **MAT YULA BIN KASIM**
   Head, Corporate Affairs
4. **BADROL BIN ABU BAKAR**
   Head, Corporate Services
5. **JALAINI BIN CHE KAR**
   Plantation Advisor, TDM Berhad
6. **HASNOL ZARIMAN BIN MOHD HASHIM**
   Head, Strategy & Business Development
7. **HAJI MOHD MARDI BIN ISMAIl**
   Head, Human Resources, Risk Management, Integrity, Compliance & Sustainability
8. **SYED ZULFADHLIE BIN SYED ZIN**
   Head, Legal & Secretarial
9. **AHMAD SHUKRI BIN MOHD ALI**
   Head, Administration
10. **MUHAMAD NUR FARHAN MUHAMAD FADZIL**
    Head, Corporate Finance & Central Treasury
11. **AZROL HADI BIN ROSALAN**
    Head, Internal Audit
12. **NORFAR'IZAN BINTI HASHIM**
    Head, Corporate Communication
13. **YASMADI BIN YATIM**
    Head, Information Technology
14. **MUHAMAD HAMDI BIN HARUN**
    Head, Shariah & Shakhsiah Development
15. **ISMAWI BIN NGADALI**
    Head, Procurement

MANAGEMENT TEAM

KMDI GROUP

1. **DR RAYNEY AZMI BIN ALI**
   Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.
2. **SALINA BINTI LONG**
   General Manager, Kuala Terengganu Specialist Hospital Sdn. Bhd.
3. **MUHAMMAD GHAZALI BIN ZAINAL YUSOF**
   General Manager, Kuantan Medical Centre Sdn. Bhd.
4. **KHAIRULFAHMI BIN MATSOM**
   General Manager, Kelana Jaya Medical Centre Sdn. Bhd.
5. **NORLIZA BINTI RAZALI**
   General Manager, TDMC Hospital Sdn. Bhd.

TDM PLANTATION SDN. BHD.

HAJI MOHD GHOZALI BIN YAHAYA
Chief Executive Officer

PT RAFI KAMAJAYA ABADI

VIJAYAKUMAR SAMBANTHAR
President Director

TDM TRADING SDN. BHD.

MOHAMMAD AZRAIN BIN MOHD KASSIM
Manager

CALENDAR OF EVENTS

MONTHLY PROGRAMME
BICARA SYARIAH

Spearheaded by the Shariah and Shahksiah department, *Bicara Syariah* is TDM's contribution to educating its employees, and the wider public, of the holistic nature of Islam and its relevance to their corporate and personal lives. This popular panel discussion programme is organised every month via Facebook Live.

Guests speakers are invited to provide an insight, from an Islamic Shariah compliant perspective, to current social and economic challenges.

18 JANUARY 2020
WORKING A BALANCED LIFE: THE STAR WORKXHEALTH VIRTUAL FORUM

A live virtual forum hosted by The Star to discover and spur conversations on current health issues. The CEO of KMI Healthcare, Dr. Rayney Azmi Ali, was invited as one of the panelists to deliberate the topic "Online or Offline Doctors".

21 JULY 2020
***PENANAMAN PERDANA* PROGRAMME**

TDM Plantation officially commenced its first planting this year at Pelung Estate with a newly employed agriculture technology for field design in the presence of TDM Berhad Chairman, YM Raja Dato' Idris Raja Kamarudin and the Board of Directors.

The new technology uses Geographic Information System (GIS) and Unmanned Aerial Vehicle (UAV) for field design to enhance land preparation techniques, considering the terrain and contour in designing the infrastructure, terraces and planting points.

27 JULY 2020
TDM BERHAD'S 55TH AGM

TDM Berhad held its Fifty-Fifth Annual General Meeting (AGM) on 27 July 2020 via live streaming from the broadcast venue at Tricor Leadership Room. The virtual AGM went smoothly with nine resolutions approved by the shareholders.

19 SEPTEMBER 2020
RIVER OF LIFE

River of Life is an initiative spearheaded by TDM Plantation in promoting protection, restoration, and sustainable use of rivers. The first project is to have a river located in Tayor Estate restored and rejuvenated.

This river rejuvenation approach is hoped to trickle towards bigger goals, including building awareness on our sustainability initiatives to the general public, preserving the existing natural biodiversity, and creating corridors for rare, threatened, and endangered (RTE) wildlife to roam freely.

20 - 21 SEPTEMBER 2020
'*MESRA IBADAH*' WORKSHOP

A two day course in collaboration with Al-Islam Specialist Hospital. A few main insights from the course include various prayer methods during illness, Dharurah and Rukhsah in medical practice, as well as basic Standard Operating Procedures (SOP) for *Hospital Mesra Ibadah*.

23 SEPTEMBER 2020
PROFIT PAYMENT TO LTAWNT

TDM Berhad made share of profits payment on Joint Venture for financial year ended 31 December 2019 to Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT) on 23 September 2020 at Wisma Darul Iman, Terengganu. The cheque of profit sharing was handed over to LTAWNT Secretary Abd Razak Abd Rahman by TDM Board of Director Haji Burhanuddin Hilmi Mohamed @Harun and witnessed by Terengganu State Secretary, Dato' Mohd Zahari Md Azahar.

23 DECEMBER 2020
TDM SIGNED MOU WITH EY FOR ACCOUNTING TALENT DEVELOPMENT PROGRAMME

On 23 December 2020, TDM Berhad signed a Memorandum of Understanding (MoU) with the professional services organisation Ernst & Young PLT (EY) at Wisma Darul Iman, Terengganu as part of its long term plan to address the supply of skilled accounting and finance workforce to TDM and its subsidiaries. The signing ceremony was witnessed by Terengganu State Secretary, YB Dato' Mohd Zahari Md. Azahar. The MoU features two programmes; the Trainee Programme for Professional Accounting Qualification and the Staff Secondment Programme, leveraging EY's Assurance and Tax expertise.

MEDIA HIGHLIGHTS

02 January 2020
The STAR
TDM Shares Up 3.5% on Acquisition Move

22 July 2020
Kosmo
Ladang Kelapa Sawit TDM Aplikasi Teknologi GIS dan UAV

03 March 2020
The Edge Markets
TDM To Raise Up to RM38m from Private Placement

27 July 2020
The Edge Markets
TDM to Focus on Sustainable, Profitable Growth In Core Businesse

30 June 2020
The Edge Markets
TDM Records Improved Performance in Q1

04 August 2020
New Straits Times
TDM Completes 70pc THP-YT Stake Buy

27 November 2020
Berita Harian
Saham TDM Kembali Disenarai Patuh Syariah

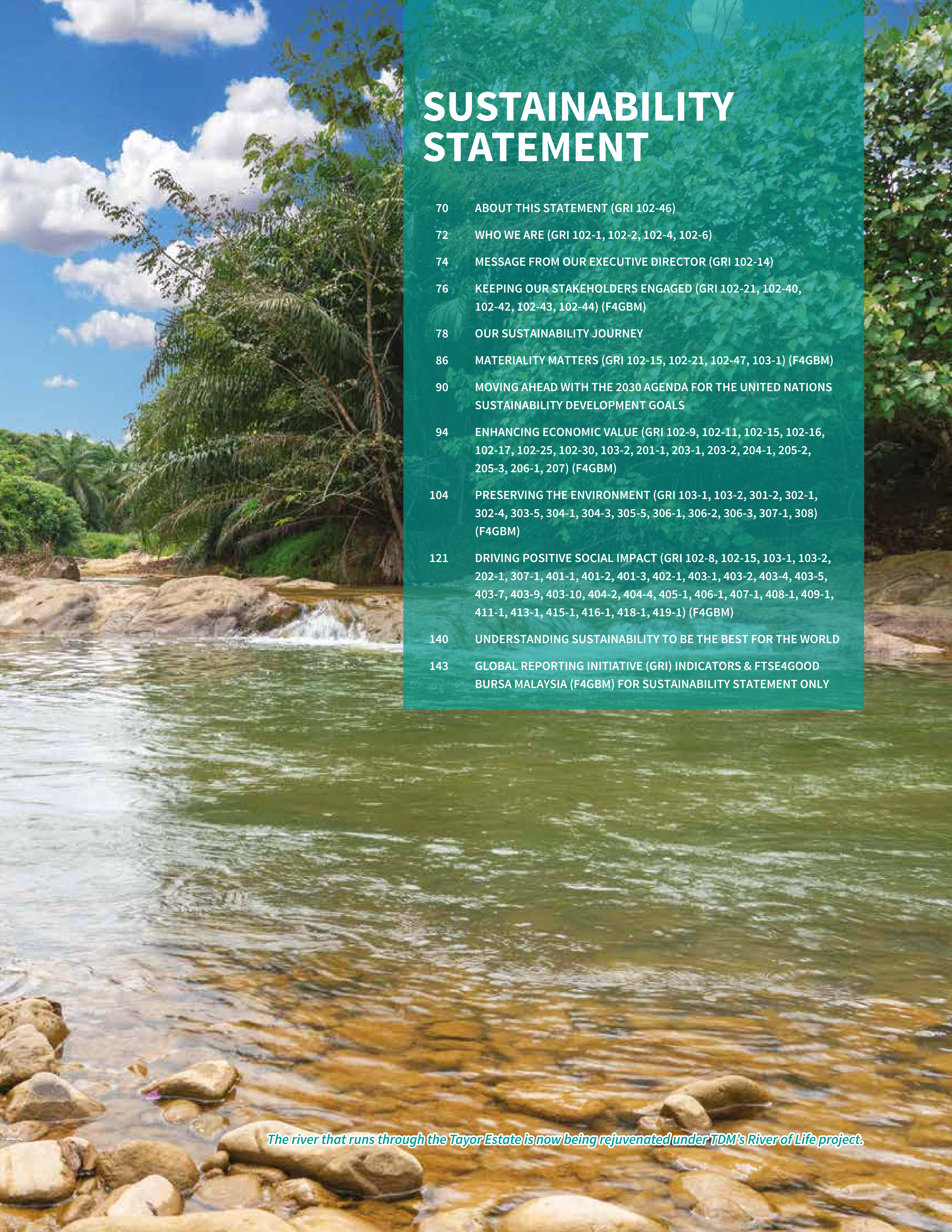
23 September 2020
Bernama
TDM Bayar Perkongsian Keuntungan RM1.04 juta

25 December 2020
Kosmo
Usaha sama TDM, E&Y lahirkan akauntan profesional

25 November 2020
The Edge Markets
TDM Leaps into 3Q Profit on Higher Plantation Income

For more TDM news, please
SCAN HERE.

SUSTAINABILITY STATEMENT

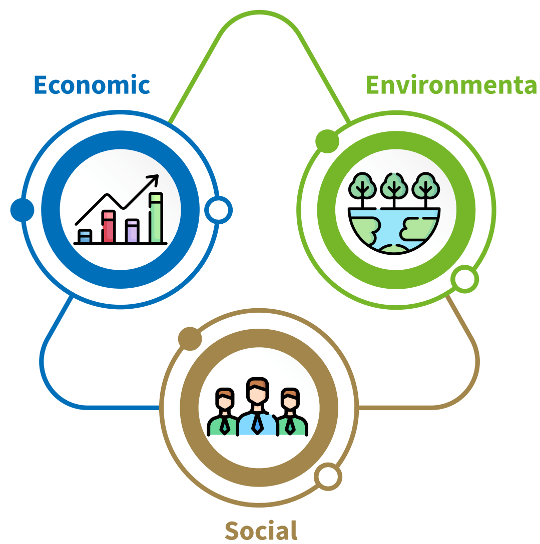


The river that runs through the Tayor Estate is now being rejuvenated under TDM's River of Life project.

ABOUT THIS STATEMENT (GRI 102-46)

TDM Berhad (TDM or the Group) is pleased to present its fourth Sustainability Statement (Statement). The purpose of this Statement is to present the Group's performance, including qualitative and quantitative information on sustainability initiatives undertaken by the Group to address the Economic, Environmental and Social (EES) impact stemmed from its operations.

In this Statement, we have revisited and revised our Most Material Matters taken into account the global risk landscape affected by the COVID-19 pandemic and its consequences to the economy, business and industry, the environment, and society as a whole. The Statement also covers disclosures according to the framework and guidelines of the Global Reporting Initiative (GRI) and FTSE4Good Bursa Malaysia (F4GBM) criteria.



In accordance, and on an annual basis, we will progressively expand the scale of our disclosure and performance to identify areas for improvement.

The main purpose of this Statement is to ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant parties in a timely, accurate, complete, understandable, convenient and affordable manner. This includes Corporate Social Responsibility (CSR) reporting on our social performance which primarily addresses external stakeholders such as customers, investors, and the public.

REPORTING PERIOD AND CYCLE (GRI 102-50, 102-51, 102-52)

Our reporting covers the period from 1 January to 31 December 2020, unless otherwise specified, and is published annually in the form of a Sustainability Statement for inclusion into the Group's Annual Report 2020.

SCALE AND SCOPE OF REPORTING
(GRI 102-2, 102-4, 102-6, 102-46)

The scope of this Statement covers the business activities of the Group, including its Plantation and Healthcare Divisions operating in Malaysia. The reporting includes:

- **13 oil palm estates***
- **2 palm oil mills* located in Terengganu**
- **4 hospitals**

* *The full list of all our operational sites is presented in different sections of this Annual Report, including the Management Discussion and Analysis (MD&A) of pages 19 to 51 of the Annual Report.*

REFERENCE AND GUIDELINES (GRI 102-54)

This Statement has been prepared in compliance with Bursa Malaysia Securities Berhad's (Bursa Malaysia) Main Market Listing Requirements (MMLR) and the Bursa Sustainability Reporting Guide (2nd Edition). The contents of this Statement is guided by the framework outlined by the GRI and F4GBM protocols.

FEEDBACK (GRI 102-53)

We welcome and value any comments, and feedback from our stakeholders to assist us in improving our approach to sustainability. All enquiries and comments can be directed to:

CORPORATE COMMUNICATION DEPARTMENT:

TDM Berhad
Level 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu, Terengganu

+609 620 4800

norfarizan.hldg@tdmberhad.com.my

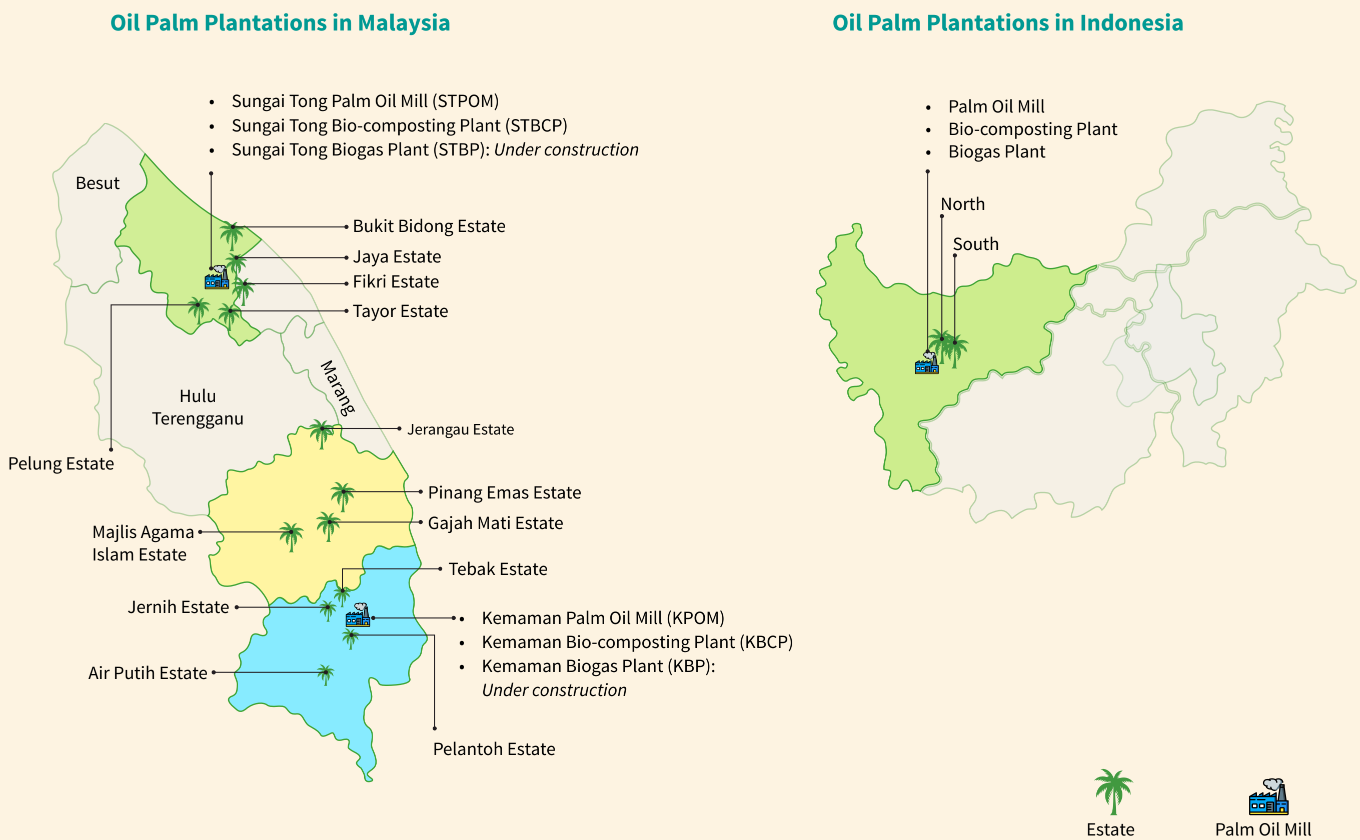
Harvesting of oil palm fresh fruit bunches (FFB) requires physical strength, as well as skilful and experienced workers.

WHO WE ARE (GRI 102-1, 102-2, 102-4, 102-6)

Incorporated on 1 December 1965, TDM Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad (formerly known as the Kuala Lumpur Stock Exchange) under the Plantations Sector in 1970. Following a successful restructuring exercise and new strategic direction in 2000, TDM, also a member of Terengganu Incorporated Sdn. Bhd., has grown into a leading player in the oil palm plantation and healthcare sectors.

The Group's plantation arm, TDM Plantation Sdn. Bhd. (TDMP) manages 13 oil palm estates and two palm oil mills, two bio-composting plants and two biogas plant in Terengganu, Malaysia. TDM Berhad also has plantation operations in West Kalimantan, Indonesia.

TDM OIL PALM PLANTATIONS

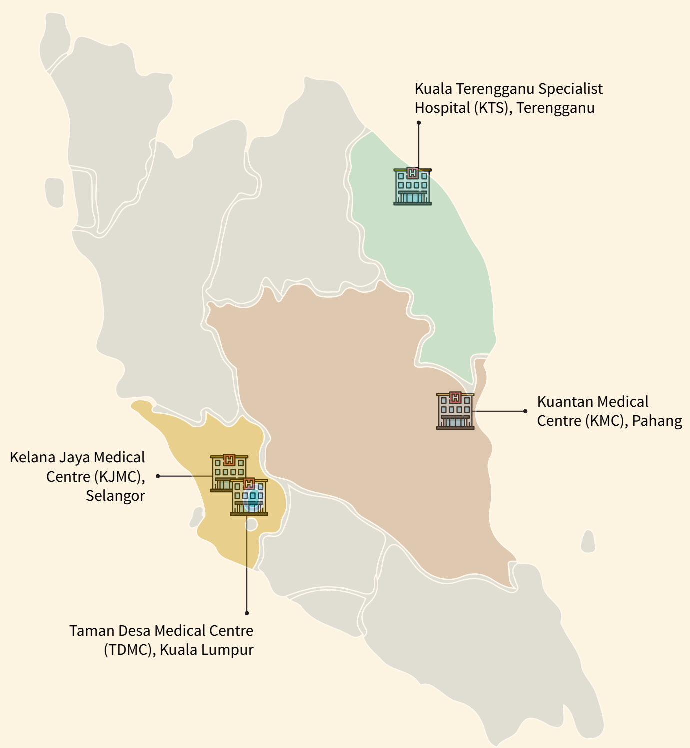


Our estates and mills in Terengganu are Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO) certified, with the exception of the Bukit Bidong estate, which is certified with the MSPO only as of to date. The Bukit Bidong estate is targetted to achieve RSPO certification by 2023. RSPO provides the most suitable framework and takes into account EES features in the development and management of plantations. It also supports economic growth targets, the promotion of rural livelihoods and attention to the ecological integrity of the Company.

RSPO certified sustainable palm oil production specifies that the Group's management and operations is deemed legal, economically viable, environmentally appropriate and socially beneficial. This is delivered through a set of Principles and Criteria, and the accompanying Indicators and Guidance.

Under Kumpulan Medic Iman Sdn. Bhd. (KMI), TDM owns four community Specialist Hospitals that provide quality and affordable secondary healthcare services:

COMMUNITY SPECIALIST HOSPITALS



KMI also manages the Tawau Specialist Hospital in Tawau, Sabah.

Please refer to the MD&A section of this Annual Report for more information on our business activities.

MEMBERSHIP IN ASSOCIATIONS (GRI 102-13)

The Group believes that the best Sustainability Management practices can be developed holistically through the support of industry associations and civil societies. Engagement and participation in various industry associations enable us to gain insights into industry-wide concerns and issues, and allows us to share best practices while deepening our community knowledge and expertise. TDM is a member of the following international and domestic associations and certification bodies:

1. Malaysian Palm Oil Association (MPOA)
2. Malaysian Sustainable Palm Oil (MSPO)
3. Malaysian Palm Oil Board (MPOB)
4. Roundtable on Sustainable Palm Oil (RSPO)
5. International Sustainability & Carbon Certification (ISCC)
6. Incorporated Society of Planters (ISP)
7. Malayan Agricultural Producers Association (MAPA)
8. Association of Private Hospitals of Malaysia (APHM)
9. Malaysian Medical Association (MMA)
10. Malaysian Nurses Association (MNA)
11. Persatuan Perubatan Islam Malaysia (PPIM)

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

HAJI NAJMAN BIN KAMARUDDIN

We have come through a challenging period, forced into sudden life changing situations due to the COVID-19 virus which had rapidly swept across the world. The severe disruptions caused by the pandemic is still being felt today, but in spite of this, businesses and societies have begun recovering and adjusting to a new normal. At TDM, we view the events of 2020 as an opportunity to become an agent of change for ourselves, stakeholders, the nation and the world at large. With this in mind, we are wholeheartedly embracing corporate sustainability as a solution to many of the challenges brought about by the pandemic that stunted both economic and social activities.

By applying sustainability practices throughout our business operations and corporate activities, we will do our utmost to strengthen business sustainability by ensuring that the health and safety, and job security of every employee are protected at all times. Efforts have also been stepped up at all our offices and work sites to ensure health and safety protocols are strictly adhered to, which has been extended to all our stakeholders, including customers, suppliers, vendors, contract workers and visitors.

As for our continued efforts in sustainability, and to improve and safeguard natural resources, we now frequently update programmes to keep abreast with sustainable best practices in both our Plantation and Healthcare Divisions. This has today made the Group a prominent producer of palm oil, and to maintain our position as a leading producer of sustainable palm oil, we intend to further improve our NDPE Policy by implementing and strengthening our engagement throughout the supply chain. In Healthcare, we have started leveraging on technology and innovation to provide high quality patient care-delivery by employing digital tools to enhance monitoring and treatment protocols.

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

Our Sustainability Statement 2020 details the progress we have made in our sustainability efforts, and to reaffirm our commitment on creating long term value for our stakeholders by continuously improving our practices to sustain a healthy growth in our Plantation and Healthcare businesses. We recognise the value of sustainability and will continue to embed our 3Ps Philosophy of '**People**, **Planet** and **Profit**' in all aspects of our business operations and activities to ensure social equity, environmental protection and economic progress. This growth will ensure the Group can continue to provide dividend payments to our shareholders, support job creation and create new business opportunities in communities we work in, as well as, empower employees.

I hope that in addressing the three pillars of sustainability - economic viability, environmental protection and social equity and by effectively managing the economic, environmental and social (EES) risks and opportunities, we will further reduce the environmental footprint of our business operations and activities. Thus, in meeting our own needs and without compromising the ability of future generations to meet their own needs, reinforces our emphasis on safeguarding the well-being and welfare of our employees with stable and continuous access to enough resources to keep their families and communities healthy and secure.

As we progress and advance in our sustainability initiatives with better disclosures and improving the quality of reporting, I now look forward to further closing the gap by translating these efforts into a more robust financial and operational performance.

In Building Resilience and implementing Growth Strategies, we leverage on improving the competencies and capabilities of our people, embracing innovative technologies, digitalisation and, remaining agile to ensure TDM's sustainability well into the future.

To capitalise on the growing patient base, TDM's Healthcare Division has expanded capacity and capability of its hospitals.

Antigonon leptopus, one of the beneficial plants that is planted at our plantations as part of the Integrated Pest Management system to control the insect population.

Our plantation management best practices ensure the productivity improvement of oil palm FFB, which involve appropriate land selection, planting materials, technical management, harvesting and environmental considerations.

KEEPING OUR STAKEHOLDERS ENGAGED

(GRI 102-21, 102-40, 102-42, 102-43, 102-44) (F4GBM)

Regular engagement with our multi-stakeholder groups enables the Group to understand their concerns and expectations concerning specific sustainability topics, identify most material matters and our effectiveness in addressing these issues. It is pertinent for us to maintain a robust relationship with our stakeholders by considering their concerns in our decision-making process.

During the reporting period, we engaged with our stakeholders using several channels and through selected activities, as shown below:

KEY STAKEHOLDERS	ENGAGEMENT CHANNEL (FREQUENCY)
INVESTMENT COMMUNITY, SHAREHOLDERS, FUND MANAGERS AND THE MEDIA	• Financial Reports (Quarterly). • Annual Report (Annually). • Annual General Meeting (Annually). • Engagement and meetings (As and when required).
LOCAL COMMUNITIES AND SMALLHOLDERS	• Engagement and meetings (Four times a year). • Community outreach programmes (Periodically). • Strategic partnerships (Upon mutual agreement).
CUSTOMERS	• Surveys (As and when required). • Feedback form (Periodically). • 24-hr support phone correspondence (Periodically). • Email correspondence (Periodically). • Mobile correspondence (Periodically). • Meetings, visits, seminars, talks and events (Periodically).
CONTRACTORS AND SUPPLIERS	• Strategic partnerships (Upon mutual agreement). • Engagement and meetings (Four times a year). • Site Visits (As and when required).
EMPLOYEES	• Social gatherings (Periodically). • Town hall meetings (At least once a year). • Employee engagement survey (Once every 2 years). • Annual performance appraisal (Annually). • Roll-calls (Weekly for mills/daily for estates). • Morning briefings (Daily).

KEEPING OUR STAKEHOLDERS ENGAGED (GRI 102-21, 102-40, 102-42, 102-43, 102-44) (F4GBM)

STAKEHOLDERS' CONCERNS	OUR RESPONSES	OUTCOMES
• Financial performance • Current industry trends • Prospects • Sustainability issues	• Established and enhanced better relationships. • Provided faster and efficient communication channels with stakeholders in a timely manner.	• Insights on business progress and performance. • Better stakeholder relationships. • Greater shareholders' participation. • Reduced information gap with stakeholders.
• Policy updates • Sustainability issues • Operational progress • Crop quality • Health awareness • Health check-ups • Supply chain	• Held briefings on policies. • Addressed sustainability concerns and progress. • Addressed operational concerns. • Built better community relationships.	• Better understanding on policies. • Greater confidence in sustainability progress. • Assurance on operational concerns. • Better community relationship prospects. • Development of initiatives.
• Quality and productivity • Sustainability • Addressing customer concerns • Sharing updated information	• Raised awareness and implemented initiatives. • Rolled out new strategies to achieve higher customer satisfaction.	• Greater focus on achieving customer satisfaction. • Better customer relationships. • Enhanced policies. • Enhanced operations. • Awareness and initiatives.
• Policy updates • Requirements updates • Sustainability issues • Operational progress • Crop quality • Supply chain	• Increased awareness of policies and implementation. • Addressed operational concerns. • Addressed sustainability concerns and progress. • Built better business relationships. • Drove innovation and enhancement.	• Increased compliance with Group policies and implementation. • Better awareness on sustainability practices. • Improvement in resolving sustainability issues in the Group's supply chain.
• Operational performance • Requirements updates • Sustainability updates • Safety and health • Company business direction • Human resource updates • Business initiatives • Workplace living conditions	• Built better employee relationships. • Balanced work-life activities. • Ensured a conducive work environment.	• Raised awareness and achieved better implementation of updated policies. • Increased awareness of operational improvements. • Greater insights into sustainability initiatives implementation. • Better employee relationships . • Balanced work-life activities. • Conducive work environment. • Achieved higher performance and morale of employees.

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY ROADMAP

At TDM, we continuously incorporate sustainable practices into our operations and activities to consistently create sustainable values for our stakeholders. At our Plantation Division, we do this by creating sustainable ecosystems, protecting natural water sources, incorporating practical waste management protocols and participating in Sustainability programmes and initiatives.

PERFORMANCE AT PLANTATION

PLANTATION DIVISION ATTAINED QUALITY ASSURANCE BY BEING RSPO & MSPO CERTIFIED

2000 – Restructuring
Streamlined business to plantation & healthcare.

2007 – Indonesia
Expansion into Indonesia via JV agreement in Kalimantan.

2011 – Bio-composting Plant
First plant began operating in Terengganu.

2013 – RSPO
Obtained certification for Malaysian operations.

2017 – 100% MSPO
First GLC to achieve 100% certification.

2020

- **NEW AGRIBUSINESS**
  Launched a new agricultural project to maximise land usage deemed not suitable for planting oil palm trees by planting other crops.
- **MECHANISATION AND AUTOMATION**
  Investment in mechanisation and automation technology for more efficient harvesting and transporting of FFB.
- **THP-YT ACQUISITION**
  Announcement of THP-YT Plantation Sdn. Bhd. (now known as TDM-YT Plantation Sdn. Bhd.) acquisition: combined land area of 2,594.50 ha at the Bukit Bidong Estate, Terengganu.
- **BIOGAS PLANT**
  Construction of 2 plants in collaboration with Concord Renewable Energy.

PLANTATION HIGHLIGHTS

1 **TDM, one of the medium size plantation players, has succeeded in generating good financial returns for FY2020 vs FY2019.**

- Higher revenue by +28%
- Higher PBT by +201%
- Higher EBITDA by +112%

2 **TDM has achieved operational improvement, proven by its financial and operational performance for FY2020 vs FY2019.**

- Higher FFB yield by +6%
- Higher price of CSPO and CSPK by +33% and +29% respectively
- Cost savings of almost RM5 million for upkeep and cultivation activities amidst the challenges of COVID-19 and shortage of labour.

3 **By obtaining RSPO and MSPO certifications, the Group is able to gain broader access into international markets and sell products at premium prices.**

- Promoting **sustainability biodiversity** and ensuring a **healthy ecosystem** by setting aside "High Conservation Value" areas, and growing soft grasses and ferns inter-rows of palm trees.
- Turning **waste to wealth** with the existing bio-composting plants and upcoming biogas plant.
- **Protecting natural water sources** and optimising water usage via proper water management and creating buffer zones along water sources.

OUR SUSTAINABILITY JOURNEY

PERFORMANCE AT HEALTHCARE

HEALTHCARE DIVISION HAS GROWN FROM 71 IN 2004 TO 394 BEDS CAPACITY IN 2020

2000 – Restructuring
Streamlined business to plantation & healthcare.

2006 – KTS
First fully licensed private hospital established in Terengganu.

2011 – TDMC
Acquired for RM16.5 million.

2014 – KMC
Completion of new building.

2018 – KTS
Completion of new building.

2018 – TSH
Operate and Manage.

2019 – KMC
Opening of Cath lab.

2020 – KTS
Opening of Cath lab.

HEALTHCARE DIVISION TOTAL BED CAPACITY

1 Kuantan Medical Centre (KMC)

Established 1997

155	Inpatients
18	Day-Care
3	ICU
176	Total Beds Capacity

2 Kelana Jaya Medical Centre (KJMC)

Established 1999

42	Inpatients
1	HDU
43	Total Beds Capacity

3 Taman Desa Medical Centre (TDMC)

Established 1997

47	Inpatients
2	HDU
49	Total Beds Capacity

4 Kuala Terengganu Specialist Hospital (KTS)

Established 2006

121	Inpatients
4	Day-Care
1	HDU
126	Total Beds Capacity

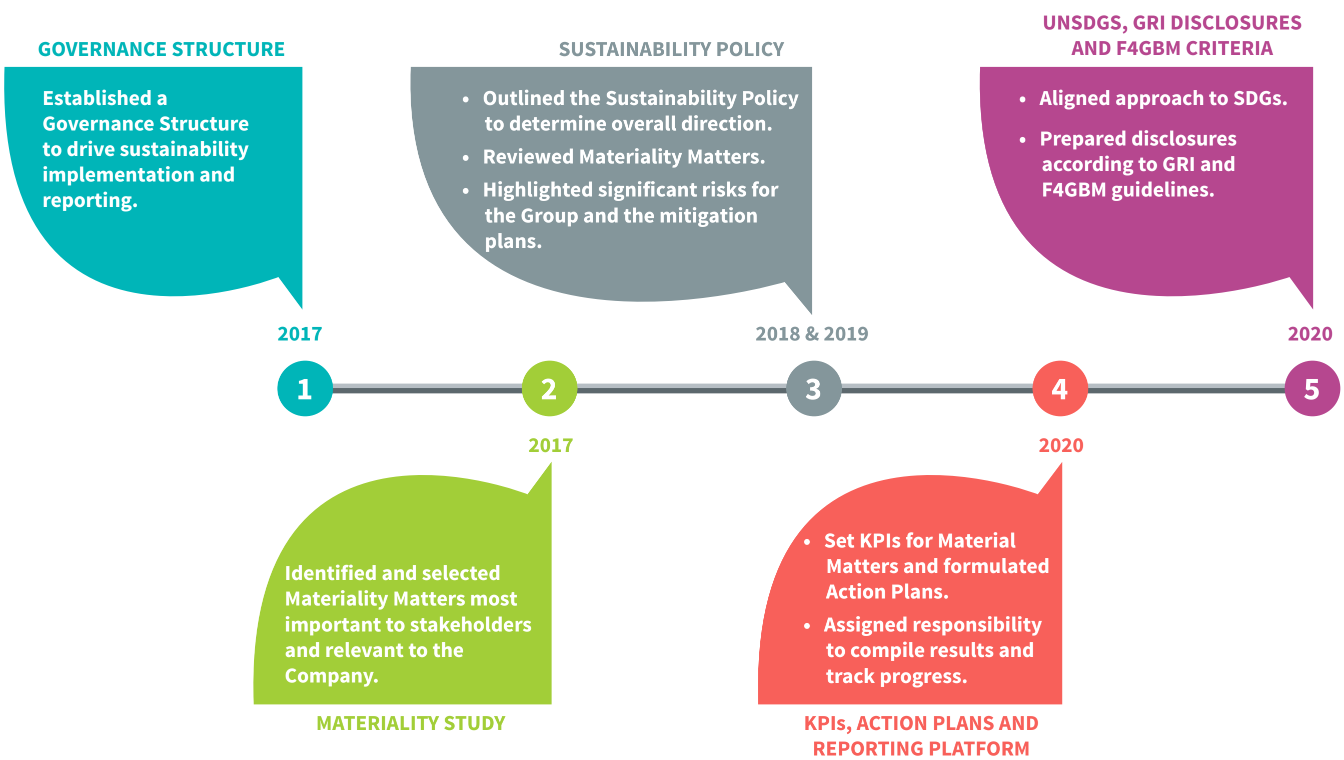
OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY ROADMAP

In our Healthcare Division, considering sustainability from a clinical perspective means allocating resources appropriately (both human and material). The medical staff and employees have been on the frontline of the battle against COVID-19 throughout 2020. Hence, their health, safety and well-being are our utmost priorities in delivering sustainable healthcare services.

Practising and reporting on corporate sustainability is an evolutionary process and improving the gaps requires amendments and adjustments, whenever necessary. We developed a Sustainability Roadmap in 2017 as a holistic framework to embed sustainability within the Group. In 2018, we implemented the Sustainability Policy to ensure consistency in identifying key risks, setting KPIs and action plans throughout the Group's operations.

The first Materiality Matters assessment was conducted in the same year and retained the following year. For this reporting period, the Materiality Matters and KPIs were reviewed and revised accordingly, based on operational priorities following the onset of COVID-19.



COVID-19 highlights the need for us to improve sustainability practice by improving environmental health through better air quality, water and sanitation, waste management, along with efforts to safeguard biodiversity to reduce the vulnerability of communities to pandemics and thus improve overall societal well-being and resilience.

OUR SUSTAINABILITY JOURNEY

GOVERNANCE STRUCTURE (GRI 102-18, 102-20, 102-22, 102-26)

Board of Directors (BOD)

Board Responsibilities:
- Approving policies.
- Oversight of sustainability initiatives and strategies.
- Evaluating sustainability performance.

Group Management Committee (GMC)

Sustainability Committee (SCoM)

Plantation

Healthcare

SCoM Responsibilities:
- Monitoring sustainability initiatives and performance.
- Performing management oversight and provide insight to GMC to ensure the Group's sustainability strategies and goals are aligned.
- Reviewing sustainability issues highlighted by independent audits and assurance report.
- Advising on the Group's Sustainability Reporting.

SCoM Members:	ED/GCEO (Chairman)	CFO	CEO TDMP	CEO KMI	Plantation Advisor	Sustainability Lead

Sustainability Working Group (SWG)

- Plantation Controller
- Mill Managers
- Estate Managers
- Compliance Executives

SWG Responsibilities:
- Review, discuss and communicate the company's sustainability strategies, policies and goals according to the respective zones.
- Monitoring and supervising sustainability performance of the respective zones.
- Deliberate reports of sustainability implementation and sustainable operations monitoring to the SCoM.

Sustainability Department

Sustainability Department Responsibilities:
- Coordinate and monitor all sustainability activities including KPIs and targets.
- Ensuring the Sustainability Reporting is prepared in accordance with the Listing Requirements of Bursa Malaysia and other references and guidelines.

The Group established a Governance Structure to provide leadership and insights to implement all initiatives and keep tabs on the reporting throughout the Group.

Under this structure, the Group's sustainability efforts is governed by the Board of Directors (the Board) who provide oversight on sustainability initiatives and strategies. The Board also evaluates the Group's sustainability performance to ensure the EES dimensions and its linkages between environmental, social and economic issues are adhered to in the short, medium and long-term.

With the support of all employees, the Group Management Committee (GMC) oversees the implementation of the Group's sustainability approach and ensures that key targets are being met. The Sustainability Committee (SCoM), chaired by the Executive Director (ED) or Group Chief Executive Officer (GCEO), meets quarterly and is responsible for managing all sustainability efforts and decisions made on EES matters within the Group.

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY POLICY (GRI 102-16, 102-29)

The Group's commitment to sustainability is reflected in its Sustainability Policy which centres on the 3Ps philosophy of 'People, Planet and Profit'.

OUR VISION

To be an iconic corporation in the East Coast that creates sustainable values for stakeholders

OUR MISSION

To be a model corporate citizen in Terengganu:

- To create sustainable value for our shareholders
- To improve the well-being of our stakeholders while protecting the environment
- To deliver quality products & services that are above the expectation for our customers
- To widen our regional presence
- To stimulate human capital development

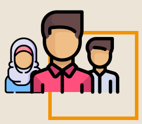
SUSTAINABILITY POLICY (GRI 102-16, 102-29)

OUR CORE VALUES

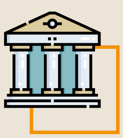
Shariah Compliance

Environmentally Friendly

People Centric



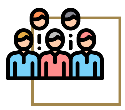
Good Governance



Teamwork

Innovation

Sustainability is most often defined as meeting the needs of the present without compromising the ability of future generations to meet theirs. It has three main pillars: economic, environmental, and social platforms. These three pillars are informally referred to as **People, Planet** and **Profit** to ensure the Group consistently create values for our stakeholders.



PEOPLE

We are committed to creating a safe, healthy, honourable and pleasant work environment where our employees can excel. TDM ardently advocates personal and professional development amongst our Management Team and employees, which extends to the individuals and communities directly connected with our operations. The emphasis on acquiring knowledge and skills is founded on the belief that individuals, especially the underprivileged, can improve both their financial and social standing when given the opportunity.

PLANET

Adopting sustainable practices not only helps the environment as corporations have proven that sustainability initiatives lead to an improved brand image, reduced costs, satisfied shareholders, increased productivity, a harmonious workforce and healthier communities. As such, we are increasingly 'greening' our operations and practices through innovation, technologies and knowledge to lower TDM's carbon footprint and environmental impact.

PROFIT

We are equally committed to our responsibility towards the livelihood of our employees and the financial aspirations of our shareholders. We believe this responsibility is best upheld by capitalising on risks and opportunities to grow the company over the long term.

OUR SUSTAINABILITY JOURNEY

REGULATORY COMPLIANCE

Our Plantation and Healthcare Divisions are guided by these relevant Acts and Regulations:

ECONOMIC

CORPORATE GOVERNANCE

1. Companies Act 2016
2. Local Government Act 1976
3. Bursa Malaysia Securities Berhad Main Market Listing Requirements
4. Malaysian Code on Corporate Governance
5. Malaysian Palm Oil Board Act 1998

INTEGRITY

1. Malaysian Anti-Corruption Commission Act 2009
2. Whistleblower Protection Act 2010
3. Anti-Money Laundering and Anti-Terrorism Financing Act 2001

FINANCIAL AND ACCOUNTING

1. Financial Reporting Act 1997
2. Inland Revenue Board of Malaysia Act 1955
3. Sales Tax Act 2018
4. Service Tax Act 2018
5. Real Property Gains Tax Act 1976
6. Capital Market and Services Act 2007

ENVIRONMENT

LAND

1. National Land Code (Act 56 of 1965) (Revised 2016)
2. Land Acquisition Act 1960 (Revised 2016)
3. Land Conservation Act 1960 (Revised 2006)

ENVIRONMENT

1. Environmental Quality Act 1974
2. Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977 (Revised 1982)
3. Environmental Quality (Clean Air) Regulations 1978 (Revised 2014)
4. Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987 (Revised 2015)
5. Street Drainage and Building Act 1974
6. Sewerage Services Act 1993
7. Solid Waste and Public Cleansing Management Corporation Act 2007
8. Renewable Energy Act 2011
9. Electricity Supply Act 1990
10. Electricity Regulations 1994 (Amendment) 2003
11. Water Services Industry Act 2006
12. Atomic Energy Licensing Act 1984

ENVIRONMENT

PESTICIDE USE

1. Pesticide Act 1974
2. Pesticides (Amendment of First Schedule) Order 2019
3. Pesticide (Highly Toxic Pesticide Regulations 1996
4. Pesticide (Labelling) Regulations 1984

WILDLIFE

1. Protection of Wildlife Act 1972
2. Wildlife Conservation Act 2010
3. RSPO Certification

COMMUNITY

SAFETY & HEALTH

1. RSPO Certification
2. Poison Act 1952 (Revised 1989)
3. Registration of Pharmacists Act 1951 (Revised-1989)
4. Private Healthcare Facilities and Services Act 1998
5. Private Healthcare Facilities & Services (Private Hospitals and other Private Healthcare Facilities) Regulations 2006 [P.U. (A) 138/2006]
6. Private Healthcare Facilities & Services (Compoundable Offences) Regulations 2017 [P.U. (A) 227/2017]
7. Private Healthcare Facilities & Services (Official Identification Card) Order 2006 [P.U. (A) 139/2006]
8. Emergency (Essential Powers) Ordinance 2021
9. Sale of Drugs Act 1952 (Revised 1989)
10. Dangerous Drugs Act 1952 (Revised 1980)
11. Occupational Safety and Health Act 1994
12. Fees Act 1951 - Fees (Medical) Order 1982
13. Fees Act 1951 (Revised 1978)
14. Hydrogen Cyanide (Fumigation) Act 1953 (Revised 1981)
15. Medical Assistants (Registration) Act 1977
16. Destruction of Disease - Bearing Insects Act 1975
17. Medical Act 1971
18. Dental Act 1971
19. Mental Health Act 2001
20. Food Act 1983
21. Prevention and Control of Infectious Diseases Act 1988 (Revised 2020)
22. Allied Health Professions Act 2016
23. Telemedicine Act 1997
24. Human Tissues Act 1974
25. Police Act 1967
26. Auxiliary Police Regulations 1970
27. Arms Act 1960

OUR SUSTAINABILITY JOURNEY

WORKPLACE

EMPLOYEES' SAFETY, RIGHT AND WELFARE

1. Employment Act 1955
2. Minimum Wages Order 2020
3. Industrial Relations Act 1967
4. Children and Young Persons (Employment) (Amendment) Act 2010
5. Penal Code
6. Federal Constitution
7. Employees Provident Fund Act 1991
8. Employees' Social Security Act 1969
9. Trade Unions Act 1959
10. Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020
11. Workers' Minimum Standards of Housing and Amenities Act 1990
12. Estate Hospital Assistants (Registration) Act 1965
13. Income Tax Act 1967
14. Employment Insurance System Act 2017
15. Minimum Retirement Age Act 2012
16. Personal Data Protection Act 2010
17. Whistleblower Protection Act 2010
18. Oath and Affirmation Act 1949
19. Statutory Declaration Act 1960
20. Occupational Safety and Health Act 1994
21. Occupational Safety and Health (Noise Exposure) Regulations 2019
22. Temporary Measures for Reducing Impact of Coronavirus Disease 2019 (COVID-19) 2020
23. Prevention and Control of Infectious Diseases (Amendment of First Schedule) Order 2020
24. Prevention and Control of Infectious Diseases (Measures Within the Infected Local Areas) Regulations 2021
25. Prevention and Control of Infectious Diseases (Declaration of Infected Local Areas) (Extension of Operation) (No. 5) Order 2020
26. Prevention and Control of Infectious Diseases (Compounding of Offences) (Amendment No.7) Regulations 2020
27. Revocation of Declarations of Quarantine Stations 2020
28. Factories and Machinery Act 1967
29. Factories and Machinery (Noise Exposure) Regulations 1989
30. Petroleum (Safety Measures) Act 1984
31. Industry Code of Practice on Chemical Classification and Hazard Communication (Amendment) 2019
32. DOSH: Directive Letter
33. DOSH: Guidelines
34. DOSH: Chief Inspector Special Order
35. Fire Services Act 1988 (Amendment 2018)
36. Fire Services (Fire Certificate) Regulations 2001
37. Fire Services (Designated Premise) Order 1998
38. Atomic Energy Licensing (Basic Safety Radiation Protection) and Regulation 2011

WORKPLACE

HEALTHCARE PROFESSIONAL

1. Medical Act 1971
2. Dental Act 1971
3. Registration of Pharmacists Act 1951 (Revised 1989)
4. Nurses Act 1950
5. Midwives Act 1966 (Revised 1990)
6. Medical Assistants (Registration) Act 1977
7. Estate Hospital Assistants (Registration) Act 1965
8. Allied Health Professions Act 2016
9. Traditional and Complementary Medicine Act 2016

BUSINESS ETHICS

- Anti-Fake News Act 2018
- National Emblems (Control of Display) Act 1949
- National Anthem Act 1968

INDUSTRIAL PRACTICES

1. Contracts Act 1950
2. Competition Act 2010
3. Copyright Act 1987
4. Trademarks Act 2019
5. Digital Signature Act 1997
6. Penal Code
7. Uniform Building By-Laws 1984
8. Road Transport Act 1987
9. Hire Purchase Act 1967
10. Registration of Business Act 1956
11. Stamp Act 1949
12. Securities Commission Act 1993
13. Strata Management Act 2013
14. Pineapple Industry Act 1957
15. Weights and Measures Act 1972
16. Roundtable on Sustainable Palm Oil (RSPO) Certification
17. Malaysian Palm Oil Board (Licensing) Regulations 2005
18. Malaysian Palm Oil Board (Quality) Regulations 2005
19. Malaysian Palm Oil Board (Registration of Contract) Regulations 2005
20. Malaysian Palm Oil Board (Compounding of Offences) Regulations 2005
21. Malaysian Palm Oil Board (Cess) Order 2000
22. Malaysian Palm Oil Board (Cess) Order 2001
23. International Sustainability and Carbon Certification (ISCC)
24. Industry Code of Practice on Chemical Classification and Hazard Communication (Amendment) 2019
25. Private Healthcare Facilities and Services Act 1998
26. Pathology Laboratory Act 2007
27. Medical Device Act 2012
28. Limitation Act 1953

MATERIALITY MATTERS (GRI 102-15, 102-21, 102-47, 103-1) (F4GBM)

Managing Materiality Matters efficiently is crucial to address the concerns and needs of our multi-stakeholders over a range of EES issues that impact our business operations and corporate activities.

We conducted a survey in 2018 amongst various stakeholder groups, including the Board and key management personnel, to identify and prioritise Materiality Matters that were pertinent to the business and that of our stakeholders. Based on the survey, we identified 29 matters and prioritised the top 10 into our Materiality Matters for the Group. In 2019, we revalidated the top 10 Materiality Matters and no changes were made for that year. However, in 2020, we revisited our Materiality Matters assessment of which we either consolidated, eliminated or replaced sections in order to improve the clarity and inculcate a wider array of disclosures.

In addition, Materiality Matters identified and prioritised for this reporting year were selected by taking into account the indicators used under the F4GBM Index. The F4GBM Index measures the performance of public listed companies (PLCs) demonstrating strong environmental, social and governance (ESG) practices. For the record, TDM was rated 3-stars out of a 4-star rating system in the ESG grading band which placed us in the top 26% to 50% by ESG Ratings conducted amongst PLCs that have been assessed by FTSE Russell[1] according to its December 2020 review results. This achievement demonstrates our sound ESG practices when measured against globally recognised standards adopted by national and global corporations in Malaysia.

Aerial view of young oil palm trees at one of our estates in Terengganu.

Note:

1. *FTSE Russell is a leading global index provider that provides clients with sustainable investment data models, ratings, and indexes covering thousands of companies across developed and emerging markets globally. FTSE Russell's ESG Data Model produces ratings that are an objective measure of ESG exposure and performance in multiple dimensions (the FTSE ESG Ratings), which are used in certain FTSE sustainable investment indexes to determine the eligibility of index constituents.*

MATERIALITY MATTERS (GRI 102-15, 102-21, 102-47, 103-1) (F4GBM)

We began reporting on sustainability in 2017, and ever since then, we have endeavoured to expand on our reporting disclosures according to the GRI and F4GBM criteria. We are continuously improving to strengthen the breadth and depth of our reporting with a deeper focus on environmental conservation, community-related social responsibility initiatives and good governance through responsible and ethical decision making. The revised 10 Most Material Matters are featured in the following table, with the KPI targets and milestones of each achievement:

MOST MATERIAL MATTERS	DESCRIPTION	KPI TARGETS	ACHIEVEMENTS
ECONOMIC			
1. Economic & Business Performance	The ability of the company to generate revenue and provide healthy returns to shareholders. This also includes our contributions to the local economy and the wider business community.	To conduct a minimum of 2 initiatives per year to contribute to the local economy and community.	• The Group achieved RM442.9 million and RM9.6 million in Revenue and Profit Before Tax, respectively for FY2020. • Interim dividend payout to shareholders amounted to RM5 million for FY2020. • Proposed final dividend amounted to RM4 million for FY2020. • Improved production and overall reduction of the Group's oil palm age profile through the acquisition of THP-YT Plantation Sdn. Bhd. (subsequently renamed TDM-YT Plantation Sdn. Bhd.). • Rolled out a 5-year Strategic Business Plan incorporating its Business Development Plan and Value Creation Plan for the Group. • Increased revenue through initiatives outlined in the Business Continuity Plan and Business Recovery Plan. • Launched a new agricultural project to maximise land usage deemed not suitable for planting oil palm trees. • TDMB has been reinstated to the list of Securities Commission Shariah-compliant securities. • TDMB has been inducted into the FTSE Bursa Malaysia Palm Oil Plantation Index as of 30 November 2020.
2. Bribery & Corruption	To maintain the highest standard of integrity and professionalism in efforts to prevent corrupt practices in its business dealings.	To conduct a minimum of 2 initiatives per year to enhance business ethics and promote a culture of integrity.	• The Board has approved the revised Anti-Bribery and Corruption Policy, Whistleblowing Policy and No-Gift Policy. • Conducted a talk on integrity in collaboration with MACC that Board members and employees attended. • Engaged with MACC to discuss matters related to integrity.
3. Risk Management	Efforts to balance potential gains from business opportunities against the risk of committing resources, and monitoring the impact on society and the environment.	To conduct a minimum of 2 initiatives per year to cultivate a positive risk management culture.	• Conducted risk awareness sessions to risk representatives. • Conducted quarterly risk assessment for the Group. • Identified significant risks and mitigation plans for the Group for inclusion into the Group Budget & Business Plan. • Identified additional potential risks for disposal of Kalimantan assets.

MATERIALITY MATTERS (GRI 102-15, 102-21, 102-47, 103-1) (F4GBM)

MOST MATERIAL MATTERS	DESCRIPTION	KPI TARGETS	ACHIEVEMENTS
ENVIRONMENTAL			
4. Waste Management & Environmental Initiatives	To step up efforts to reduce waste, enforce responsible solid and liquid waste management, and minimise pollution. This also includes organising and conducting environmental programmes to instill environmentally friendly practices.	To conduct a minimum of 2 initiatives per year to promote waste management and instill environmentally friendly practices.	• Consumption of water and electricity for the Group reduced by 37.75% and 12.27%, respectively for FY2020 as compared to FY2019. • Replaced 70% of the tube bulbs with LEDs in TDMC building for FY2020. • Reduction in carbon emission by 32.35% for FY2020 as compared to FY2019 at KPOM and STPOM. • Designed and constructed biogas plant that are targetted to be fully operational by Q4 2021 in an effort to reduce carbon footprint. Targets will be set for implementing emission controls once plants are fully operational and after testing period. • Initiated the War on Waste programme to closely monitor the usage of electricity, water, stationery items, petrol and diesel in each operational unit under TDMP operational sites by qualified personnel. • Waste generated is disposed of or recycled in accordance with the Environmental Quality Act 1974 (Act 127) protocol.
5. Protecting Land and Biodiversity	Preservation of natural ecosystems and protect the biodiversity at all our business operations sites.	To conduct a minimum of 2 initiatives per year to maintain and preserve the natural ecosystem and its biodiversity.	• Initiated the River of Life Programme to promote the protection, restoration and sustainable use of rivers and to conserve habitats in all surrounding areas. • Organised the Living Together With Elephants programme in response to the intrusion and encroachment of wild elephants at oil palm estates in Kemaman and Setiu.
SOCIAL			
6. Diversity, Inclusivity & Social Justice	Efforts to create a positive working environment that embraces diversity and mutual respect.	To conduct a minimum of 2 initiatives per year to create a positive working environment that embraces diversity and mutual respect.	• Conducted monthly sports, exercise and health-related activities for employees and workers. • No incidents of discrimination recorded for FY2020. • Employees receive fair remuneration, incentives and various benefits.
7. Safety and Health of People	Establishment and enforcement of safe and healthy practices at the workplace.	To conduct a minimum of 2 initiatives per year to cultivate a safe and healthy culture.	• Initiated health and safety protocols to prevent the spread of COVID-19 at the workplace. • Introduced health and safety measures to prevent workplace incidents. • Conducted a total of 402 training sessions related to HSE at our Plantation and Healthcare Divisions.

MATERIALITY MATTERS (GRI 102-15, 102-21, 102-47, 103-1) (F4GBM)

MOST MATERIAL MATTERS	DESCRIPTION	KPI TARGETS	ACHIEVEMENTS
SOCIAL			
8. Training and Career Development	Efforts to attract and retain talent by providing opportunities for career advancement through training and education.	To conduct a minimum of 2 initiatives per year to improve talent.	• Employees attended soft skill and work related training programmes throughout the year. • Provision of education allowances and scholarships for MBA and ACCA to eligible employees continued throughout the year. • Signed an MoU with Ernst & Young to upskill and mentor selected talents through on-the-job learning. The MoU features two programmes namely the "Trainee Programme for Professional Accounting Qualification" and the "Staff Secondment Programme".
9. Quality & Innovation	Efforts to embrace innovation by using tools or technology in business operations that enable efficiency, productivity or promote cost savings. This also includes initiatives conducted to meet client expectations, processes for quality assessments, control and certifications.	To conduct a minimum of 2 initiatives per year to improve quality of product and service deliverables and constantly innovate to promote operational efficiency.	• Conducted quarterly Customer Satisfaction Score and Net Promoter Score surveys for all four hospitals. • The Healthcare Division achieved 91% and 95% scores for Customer Satisfaction and Net Promoter surveys, respectively. • Introduced the *Hospital Mesra Ibadah* Concept at the Healthcare Division. • Participated in Quality Improvement Program in Infusion Therapy (Project Infuze). • Embarked on transformational drive towards a 'Total Solutions Provider'. • Adopted mechanisation, automation and digitalisation at the Plantation Division.
10. Engaging Local Communities	Efforts to promote community capacity building, awareness and engagement events. These included proactive community investments and corporate social responsibilities.	To conduct a minimum of 2 initiatives per year to improve community engagement.	• TDM contributed RM1 million to the 'Terengganu COVID-19 Assistance Fund'. • KMI contributed a total of RM20,500 for donations and sponsorships for various community events. • TDM donated RM20,000 for the 'Terengganu Fund for Yemen' in conjunction with the Yemen Humanitarian Mission 2020. • TDM sponsored RM10,000 for the Women's Leadership Symposium 2020.

The monitoring and results of achievements will be conducted in the next reporting year.

MOVING AHEAD WITH THE 2030 AGENDA FOR THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

In 2015, the United Nations (UN) outlined 17 Sustainable Development Goals (SDGs) as the pathway for all UN member states to meet the objectives of the 2030 Agenda for Sustainability Development. Also known as Global Goals, these initiatives were adopted by all United Nations Member States as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

We have aligned 14 UNSDG initiatives with KPIs and targets for sustainability practices in our Plantation and Healthcare Divisions.

END POVERTY IN ALL ITS FORMS EVERYWHERE

The COVID-19 pandemic will have both immediate and long-term economic consequences for people across the globe. Strong social protection systems are essential for mitigating the effects and preventing many people from falling into poverty.

TDM is committed to empowering communities by going into strategic partnerships and collaborations with government agencies and Non-Governmental Organisations (NGOs). We consistently create job and other opportunities to improve the socio-economic status in communities we work in.

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

The sustainable development goals can only be achieved in the absence of a high prevalence of debilitating diseases while obtaining health gains for the whole population requires poverty eradication. Thus, creating jobs that offer health benefits makes employees healthier and more productive. Therefore, TDM ensures the well-being of employees, and communities through various medical, sports and recreational activities to promote an ideal work-life balance.

MOVING AHEAD WITH THE 2030 AGENDA FOR THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

At TDM, we provide training and development programmes for employees to advance their career aspirations. These programmes are established to nurture lifelong learning. This includes collaborations with professional organisations to upskill and reskill, and via mentoring we offer promising candidates job placements through on-the-job training programmes.

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

It is our responsibility to treat others with respect and we do not tolerate any form of discrimination with regarding age, gender, disability, race or any other basis protected by law.

We encourage women empowerment to build their self-esteem and provide equal opportunities in the workplace for our female employees to pursue their personal goals. We offer support and assistance to underprivileged women through our community outreach programmes.

ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Water and sanitation are at the core of sustainable development, and the range of services they provide underpin poverty reduction, economic growth and environmental sustainability. Now more than ever the world needs to transform the way it manages its water resources and delivers water and sanitation services.

At TDM, we are committed to ensure our water usage is managed efficiently at our Plantation and Healthcare Divisions. We also manage water through rainwater harvesting while wastewater generated from POME is treated via a ponding system to prevent contamination of water bodies at all our estates.

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

We are committed to using reliable, sustainable and modern energy. The Group understands the benefits of sourcing and using affordable and reliable energy resources to minimise our environmental footprint and to combat climate change.

At TDM we are encouraging the use of renewable energy such as solar energy, biogas and biomass. At the same time we also look into improving energy efficiency with the installation of timers and encourage our employees to turn off lights, computers, office equipment and appliances when not in use to reduce energy consumption.

For more information on our energy efficiency initiatives, please refer to the Preserving the Environment segment of this Statement.

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Decent work, job creation, social protection, rights at work and social dialogue represent integral elements of the 2030 Agenda for Sustainable Development. TDM recognises that job creation and job security is critical to economic and social development. In tandem, we continue to create job opportunities in the local market, while simultaneously focussing on growing our businesses.

Read more about our employee engagement and commitment under Driving Positive Social Impact in this Statement.

MOVING AHEAD WITH THE 2030 AGENDA FOR THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Cities are hubs for ideas, commerce, culture, science, productivity, social, human and economic development. As a responsible corporate citizen, TDM places a premium on achieving a balance between our economic aspirations, and the development of eco-friendly and socially-driven infrastructure.

We have built community-related infrastructure such as roads and bridges to provide easier accessibility for the community residing within the vicinity of our operations. We also provide decent accommodation that is regularly maintained for our plantation workers and have built ancillary facilities such as places of worship, kindergartens and nurseries, and recreational facilities.

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

We are fully committed to making fundamental changes in the way that we produce and consume goods and services. TDM acknowledges the importance of managing consumption to ensure resource conservation. In the case of our Plantation business, our mills are equipped with bio-composting and biogas plant, which convert methane gas into electricity while significantly reducing emissions.

For more information on our environmental preservation efforts, please refer to the Preserving the Environment segment of this Statement.

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Addressing global greenhouse gas (GHG) emissions and its adverse impact of climate change needs to start from the ground up. TDM is cognisant of the global threat posed by climate change and is committed to lowering carbon emissions.

The Group today operates three biocomposting plants at our plantations in Malaysia and Indonesia, which convert empty fruit bunches (EFB), shells, fibre and manage wastewater to produce renewable energy. The group also has designed and constructed biogas plant at KPOM and STPOM which are targetted for completion by end of 2021 to further reduce our carbon footprint throughout our operations.

For more information on our environmental preservation efforts, please refer to the Preserving the Environment segment of this Statement.

CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Oceans, seas and coastal areas form an integrated and essential component of the Earth's ecosystem and are critical to sustainable development. In addition, oceans are crucial for global food security and human health. They are also the primary regulator of the global climate, an important sink for greenhouse gases and host huge reservoirs of biodiversity.

As a responsible organisation, TDM ensures effluents discharged from our operations do not pollute water bodies by implementing proper management and treatment measures.

For more information on our water and wastewater management initiatives please refer to the Preserving the Environment segment of this Statement.

MOVING AHEAD WITH THE 2030 AGENDA FOR THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

15 LIFE ON LAND

PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

We are fully aware that we must protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and stop biodiversity losses by putting them within the scope of our operations.

TDM is committed to maintaining sustainable biodiversity and a healthy ecosystem at our operations whereby areas with significant values that are assessed as HCV are set aside. In addition, our Plantation Division has embarked on replanting programmes as part of our initiative to rejuvenate plantations and increase the FFB yield.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

The Group stands firm against all forms of bribery and corruption in our daily business activities. This is consistent with the Group's Core Values to promote good governance. We are an ardent advocate in a culture built on honesty and integrity throughout our organisation.

We ensure responsive, inclusive, participatory and representative decision-making at all levels and give opportunities for people to influence their lives and future, participate in decision-making and voice their concerns; which we believe is fundamental in the promotion of peaceful and inclusive societies, and fundamental for sustainable development.

17 PARTNERSHIPS FOR THE GOALS

STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

We understand and acknowledge that pooling financial resources, knowledge and expertise to form cross-sectorial and innovative multi-stakeholder partnerships for sustainable development demands multi-stakeholder initiatives. While many of them are undertaken voluntarily by Governments, we continue to strive to contribute and implement inter-governmentally agreed development goals and commitments to achieve the 2030 Agenda for Sustainable Development.

Reference: 2030 Agenda for Sustainable Development & Johannesburg Plan of Implementation, adopted in 2002 at the World Summit on Sustainable Development (WSSD).

ENHANCING ECONOMIC VALUE

(GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207) (F4GBM)

Kuala Terengganu Specialist Hospital (KTS) caters to the healthcare needs of the community in the East Coast region of Peninsular Malaysia.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

MARKET PRESENCE

Incorporated on 1 December 1965, TDM Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad (formerly known as the Kuala Lumpur Stock Exchange) under the Plantations Sector in 1970. Following a successful restructuring exercise and new strategic direction in 2000, TDM, a member of Terengganu Incorporated Sdn. Bhd., has grown into one of the prominent players in the Oil Palm Plantation and Healthcare sectors.

TDM, through its subsidiaries, manages oil palm plantations and trades palm oil and related products. Through KMI Healthcare, the Company also owns and operates four specialist hospitals in Terengganu, Pahang and the Klang-Valley, and provides consultancy and management services to the Tawau Specialist Centre in Sabah. In the past more than five decades, TDM has expanded its businesses and achieved several milestones that has elevated its presence in Malaysia and the ASEAN region.

ECONOMIC PERFORMANCE (GRI 201-1)

The Group has grown in size and affluence since its listing on Bursa Malaysia in 1970. Our RSPO and MSPO certifications in the Plantation Division, along with the inclusion of TDM into the FTSE Bursa Malaysia Palm Oil Plantation Index following a favourable score on the FTSE Russell factsheet published on 30 November 2020, reflects our positive contributions toward sustainable development, and recently, has resulted in stable shareholder returns.

In FY2020, the Group achieved a higher Revenue of RM442.9 million, an increase of 4.2% over RM425.1 million recorded in FY2019 which led to a Profit Before Tax (PBT) of RM9.6 million, a sharp contrast to the losses of in FY2019 (-RM40.4 million), and FY2018 (-RM37.6 million); where the results were affected by impairments of FY2019 (RM108.4 million), FY2018 (RM22.6 million) to our plantation assets in Kalimantan, Indonesia. This Revenue growth was driven largely by our Plantation Division, which was less affected by the COVID-19 pandemic as compared to the Healthcare Division.

Revenue from our Plantation Division grew by a significant 27.5% to RM240.3 million, up from RM188.4 million the previous year, accounting for 54.3% of the Group's business (FY2019: 44.3%). The Plantation Division's upbeat performance resulted from significantly higher average selling prices for CSPO (an increase of 32.6%) and CSPK (an increase of 28.8%) year-on-year despite the lower total output.

The Group will remain focussed on improving productivity and optimising production costs for our Plantation business. The recent acquisition of THP-YT Plantation Sdn. Bhd. (subsequently renamed as TDM-YT Plantation Sdn. Bhd.) is vital in our efforts to increase production and improve the overall age profile of our plantations.

Plantation Division

REVENUE
RM**240.3**million
(FY2019: RM188.4 million)

REVENUE increased by **27.5%**

PBT
RM**24.8**million
(FY2019:- RM24.5 million)

PBT increased by **201.4%**

CSPO
Average Selling Price (per mt)
RM**2,822**
(FY2019: RM2,129)

CSPO Higher Average Selling Price **32.6%**

CSPK
Average Selling Price (per mt)
RM**1,697**
(FY2019: RM1,318)

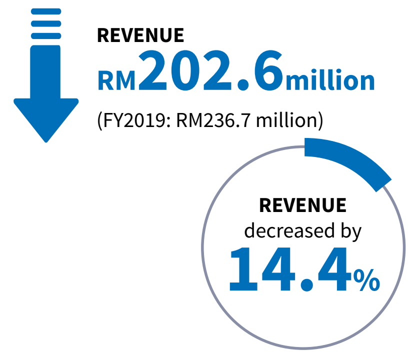
CSPK Higher Average Selling Price **28.8%**

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

In contrast, we experienced a steep drop in patient loads at our hospitals. Revenue from our Healthcare Division dropped to RM202.6 million, compared to RM236.7 million in FY2019, a decrease of 14.4%, with the Division contributing 45.7% to Group Revenue (FY2019: 55.7%). We will continue to reinvent products and services for our Healthcare Division to face economic and business challenges impacted by the COVID-19 pandemic. We have formulated several strategies to address the challenges through our Business Continuity and Business Recovery plans, which have positively impacted the Group's current economic performance. These efforts have significantly contributed towards increased confidence and optimism amongst our key stakeholders.

The Group declared an interim dividend of 0.29 cent per share for FY2020 with the pay-out of RM5.0 million out of retained earnings. At the forthcoming AGM, a final dividend of RM4.0 million (0.23 sen per share) for FY2020 will be proposed for shareholders' approval.

Healthcare Division



SUSTAINABILITY OF THE BUSINESS STRATEGY (GRI 103-2) (F4GBM)

The Group's above-par performance amidst the economic uncertainty precipitated by the global COVID-19 pandemic is a testament to the stability and sustainability of our business strategies. This has fittingly fallen inline with TDM's agenda of creating economic opportunities for the people of Terengganu and Malaysia.

Given this mandate, we resolve to continue with our growth strategies and build sustainability development pillars to achieve financial profitability with our five-year Strategic Business Plan with its accompanying Business Development Plan (BDP) and Value Creation Plan (VCP). The BDP is focussed on acquiring new assets to fuel expansion while the VDP is intended to create and unlock value from our existing subsidiary companies and operations.

Our dedicated and committed healthcare workers have been on the frontlines in the battle against the COVID-19 pandemic.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

Under the BDP, we continue to eye potential mergers and acquisitions (M&A) of brownfield estates to expand our plantation hectarage and boost production volume in the state of Terengganu, and along the East Coast. We are also looking at both brownfield and greenfield ventures for our Healthcare business to capitalise on the growing demand for specialised medical services. At the same time, our strategy is also underpinned by the development of new operational processes, innovations and deliverables within our Healthcare services.

During the year under review, TDM formulated ancillary plans to counter the debilitating effects of the pandemic. We introduced the Business Continuity Plan (BCP) and Business Recovery Plan (BRP) to build resilience and stimulate our core businesses.

Details of the BDP, VCP, BCP and BRP are presented in the Management Discussion & Analysis section of this Annual Report 2020.

HIRING FROM THE LOCAL COMMUNITY (F4GBM)

It is apparent that public-listed and other large corporations are significant contributors in creating jobs for the respective communities in which they operate. Given our mandate to generate economic opportunities, we prioritise local over foreigners for employment, particularly in the less developed East Coast Region of Peninsular Malaysia.

However, our Plantation business has always faced difficulties in attracting locals for difficult, dangerous, dirty and demeaning (4D) jobs. This conundrum came to a head during the reporting period with the closure of Malaysia's borders when the first MCO came into effect, which precluded the recruitment of foreign workers.

To minimise disruptions in harvesting, we turned to mechanisation and, at the same time, increased outreach programmes to local communities in search of semi-skilled labour capable of operating mechanised equipment such as the Mechanical Buffalo for transporting FFB.

As a short-term measure to address the labour shortage, we hired 30 parolees under an arrangement with the Department of Prisons to provide meaningful work opportunities, and promote social integration amongst inmates.

INDIRECT ECONOMIC IMPACTS (GRI 203-1, 203-2)

Over the years, the Group has upgraded over 1,000 km of internal roads within its estates to shorten the journey of transporting FFB from the estates to the mills, thus making transit more sustainable. The shorter the lag-time between harvesting and milling, the less free fatty acids formed in the FFB. Hence, better yield and quality CSPO reaches the mill. In addition, these roads eased commute times and provided better, safer and faster accessibility for members of the communities and in the surrounding areas.

During the year under review, we launched a new agricultural project to maximise land usage by inter-cropping cash crop with oil palm during replanting. This project entails growing cash crops such as pineapple and other fruits to support Terengganu's food security programme, and at the same time, open up opportunities for the local community to participate and generate income. In the Healthcare Division, our hospitals have been at the forefront of the fight against COVID-19 by providing affordable screening and other related medical and healthcare services.

Pruning of palm fronds using Mechanical Cutter.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

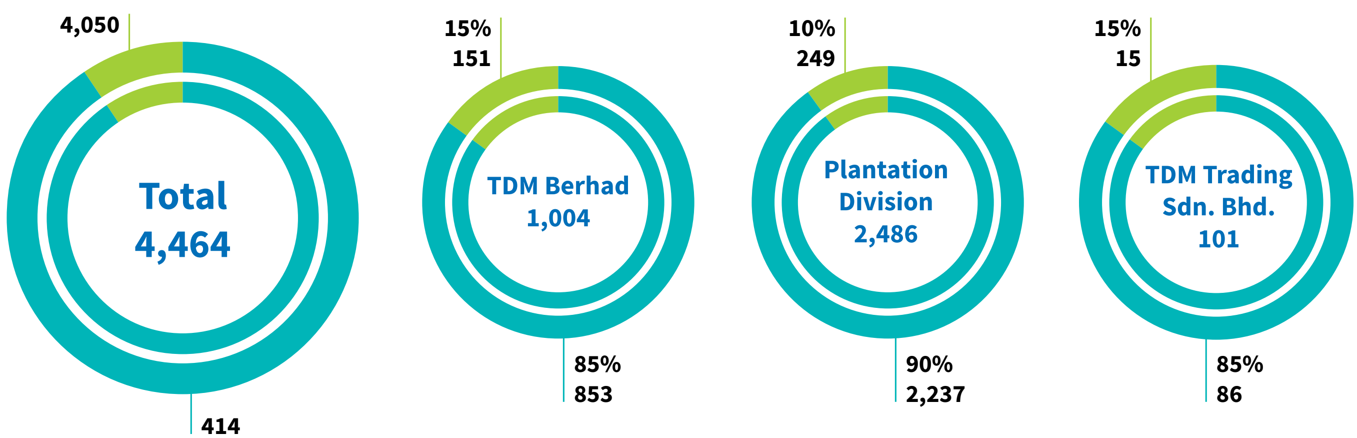
PROCUREMENT PRACTICES (GRI 102-9, 204-1) (F4GBM)

Since 2010, TDM has established an e-procurement system to process the purchase of goods and services electronically. The system automates the procurement process and improves accountability and visibility, thus saving the Group from inefficiency and potential weaknesses in internal controls associated with manual procurement processes. Aside from security, the system eliminates unnecessary tasks to heighten employee productivity levels. The system was upgraded in 2014 to improve procurement process efficiency and is continuously and frequently updated to ensure it is functioning at optimal levels at all times.

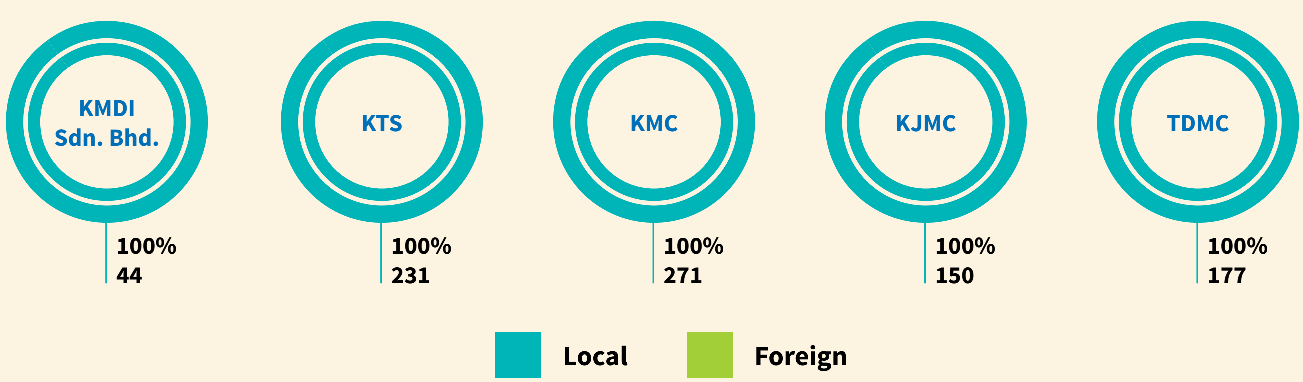
In addition, we are also using the e-bidding system for tenders valued above RM500,000 to ensure fairness and transparency in our dealings with vendors. In our Healthcare business, we conduct our operations with the highest standards, ethics, and transparency to maintain transparent business dealings and forge strong relationships with our supply-chain stakeholders.

We seek to support local suppliers whenever possible, depending on the nature of business, and subject to client requirements. This initiative mirrors our commitment to boost the local economy by using regional materials to reduce environmental impacts caused by freight transportation in our supply chain.

LOCAL VS FOREIGN VENDORS



HEALTHCARE DIVISION



ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

BUSINESS ETHICS AND TRANSPARENCY

(GRI 102-16,102-17,102-25) (F4GBM)

TDM adheres to the highest levels of corporate governance and best practices in compliance, accountability and transparency recommended by the Malaysia Code of Corporate Governance (MCCG). In addition, TDM has also developed its own set of guiding principles, policies and procedures to govern its conduct and direction for the Group and extends to its stakeholders.

There are currently 13 policies which are regularly reviewed and updated, as and when necessary.

TDM'S POLICIES

1. Anti-Bribery and Corruption Policy
   7 December 2020
2. Whistleblowing Policy
   7 December 2020
3. No-Gift Policy
   7 December 2020
4. Sustainability Policy
   27 March 2018
5. Environment and Biodiversity Policy
   27 March 2018
6. No Deforestation, No Peat, No Exploitation Policy
   25 February 2019
7. Social and Humanity Policy
   27 March 2018
8. Occupational Safety and Health Policy
   27 March 2018
9. Gender and Diversity Policy
   27 March 2018
10. Philanthropy Policy
    28 May 2019
11. Profit Distribution Policy
    13 August 2009
12. Dividend Policy
    12 April 2009
13. Board Remuneration Policy
    27 March 2018

Further details of TDM's Policies are on pages 145 to 152 of our Annual Report 2020..

PREVENTING BRIBERY AND CORRUPTION

(GRI 102-17, 205-2, 205-3) (F4GBM)

TDM adopts a firm stand against any form of bribery and corruption. We practise a zero-tolerance approach, believing that such practices and behaviour will damage the Group's reputation and affect the performance of employees and the efficiency of our service delivery.

During the year under review, TDM's Anti-Bribery and Corruption Policy, Whistleblowing Policy and No Gift Policy were revised, all of which were subsequently approved and endorsed by the Board in December 2020.

The revisions were carried out to ensure alignment with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 on Corporate Liability. These three policies were then circulated to all Heads of Companies and Heads of Departments, with briefing and training sessions scheduled for 2021. We will also conduct the risk assessment on bribery and corruption during the same period.

During the year under review, we did not record any incidents of corrupt activities within the Group.


ANTI-BRIBERY AND CORRUPTION POLICY


WHISTLEBLOWING POLICY


'NO GIFT' POLICY

Revision of policies are to ensure alignment with regulatory requirements. In December 2020, TDM's Anti-Bribery and Corruption Policy, Whistleblowing Policy and No Gift Policy were revised, were approved and endorsed by the Board.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

ANTI-COMPETITIVE BEHAVIOUR (GRI 206-1)

TDM is not a monopoly in any of our business activities and as such is not subject to any legal action or otherwise for anti-competitive behaviour or anti-trust practices.

TAX (GRI 207)

The Group honours all our obligations with regards to taxation according to the respective laws in Malaysia such as the Income Tax Act 1967.

MANAGING RISKS (GRI 102-11, 102-15, 102-30) (F4GBM)

In ensuring a more holistic approach to our sustainability practices, we renewed our view towards emerging risks and opportunities as we incorporated Enterprise Risk Management measures into our corporate strategy.

During the year under review, we have identified significant risks for the Group and its mitigation plans are as illustrated below:

STRATEGIC, BUSINESS & MARKET RISK

TYPE OF RISK

CAPITAL MANAGEMENT RISK

The Group may face issues with raising funds due to capital depreciation or a downgrade of our corporate credit rating. Inability to secure financing is the result of an ageing age profile in plantation and repayment challenges due to low crop production. Financial institutions may be reluctant to provide loans due to our high percentage of leased land and lack of asset securitisation loans.

MITIGATION PLANS

We manage this risk by prioritising based on the pecking order model theory (preferring internal financing, before debt financing, and lastly raising equity) via:

- Reducing gearing and interest costs, preserving cash, private placement, and cost saving measures by enhancing the Group's treasury function and increasing revenue via BCP and BRP initiatives:
  a. Acquiring strategic assets.
  b. Planning for rights issue and Initial Public Offering (IPO).

TYPE OF RISK

COMPETITIVE ENVIRONMENT

The lack of competitive advantages and growing competition could result in potential losses in the Healthcare Division. This could result in our Healthcare business facing difficulties in attracting customers, achieving targetted profits and jeopardising the sustainability of the business.

MITIGATION PLANS

- Leverage on IT and use digitalisation to improve business processes with the introduction of the Smart Healthcare Blueprint, and Tele Health initiatives at a time when patients are delaying face-to-face visits due to COVID-19 concerns.
- Higher single-bedded capacity via investment and expansion of brownfield and greenfield hospital developments.
- Organise Community Outreach programmes and improve stakeholder engagement with timely and accurate communication during the pandemic and continue the momentum post-pandemic.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

HUMAN CAPITAL RISK

TYPE OF RISK

LEADERSHIP BENCH STRENGTH

A strong leadership bench strength ensures continuity of leadership and operational management in the event of a sudden departure or prolonged leave of any senior management team member/key employee in the Group.

This may cause disruption to the organisation's business activities while affecting the strategic direction and may result in the Company's inability to achieve the expected business growth. Thus, it is important to develop ongoing bench strength to ensure that TDM is ready to take on the latest challenges by implementing proactive strategies to decrease employee burnout and improve work performance.

MITIGATION PLANS

- To hire the best candidates with leadership qualities that fit with our organisational values and goals based on our established recruitment policies. Talents are evaluated based on certain traits like being able to make measured decisive decisions, engage proactively and are qualified to formulate sound Group Corporate policies and plans. Qualified candidates are expected to lead the development of our short and long-term strategies, provide oversight of our balance sheet and act as the main point of communication between all stakeholders.
- To build the organisation's bench strength through management training and mentoring.
- To develop Leadership Programmes focussed on:
  - Designed thinking: A Human-Centered Approach to innovation, anchored in understanding an organisation and in understanding customer needs.
  - Professional development.
  - Financial competencies analysis and financial modelling.
  - Performance management system:
    - To carry out employee performance reviews on an annual basis with rewards given based on performance.
    - To enhance employee competency levels via in-house and external training courses on soft skills and technical capabilities.
    - To increase activities and partnerships with academia to promote valuable solutions for the needs of the businesses, and broaden the field for potential talents.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

OPERATIONAL RISK

TYPE OF RISK

SHORTAGE OF LABOUR

TDMB relies mainly on foreign labour especially for FFB harvesting and collection due to the aversion of local labour towards such tasks. The dependence on foreign labour, if not well-managed, would disrupt plantation operational planning and may affect the effectiveness and efficiency of the activities especially during the on-going pandemic.

MITIGATION PLANS

- To extend the work permits of all existing workers expiring in 2020 and 2021 by offering new and attractive incentive schemes until the pandemic subsides.
- To hire local contractors to provide manpower and engage with external sub-contractors for harvester/field workers in order to cope with production demand.
- To collaborate with the Department of Prisons under a Corporate Smart Internship (CSI) Programme for *'Pelepasan Banduan Secara Lesen (BPSL)'* and the Immigration Department's depot in Ajil, Terengganu under a recalibration programme by the Home Ministry.

TYPE OF RISK

DELAY IN REPLANTING

TDMB has been rejuvenating its existing plantations via a replanting programme initiated in 2012. Any delay in this process may cause lower yields of FFB and affect the OER, which could prevent us from achieving the targetted revenue.

MITIGATION PLANS

- To conduct proper planning for replanting.
- To develop an alternative plan in the event of disruptions to set schedules.
- To study and propose the creation of a replanting fund.

TYPE OF RISK

CHALLENGES IN ACHIEVING TARGETTED REVENUE DUE TO COVID-19

Following the outbreak of COVID-19, footfall at our hospitals fell significantly especially in Q2 2020 as elective surgeries and preventive healthcare were largely postponed. Medical professionals expect patients to continue avoiding hospitals through 2021 until they are vaccinated.

MITIGATION PLANS

- To introduce cash flow initiatives by preserving cash, implementing the BCP and BRP via accelerating the shift towards future healthcare delivery in the form of online medical consultation, home delivery of pharmaceuticals and specialty care such as nursing, physiotherapy and even food deliveries from their kitchens.
- adding focus on the expansion programme through the acquisition of brownfield (existing) and greenfield (new) hospitals.
- To venture into new medical modalities and related services for capability growth.
- To offer 'Total Solutions Provider' services focussing on preventive medicine and 'Smart Healthcare', which capitalises on digital technologies while promoting our medical and healthcare consultants via online webinars and seminars at public forums.

ENHANCING ECONOMIC VALUE (GRI 102-9, 102-11, 102-15, 102-16, 102-17, 102-25, 102-30, 103-2, 201-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207 (F4GBM)

FINANCIAL RISK

TYPE OF RISK

CYBER SECURITY

The consequences of the COVID-19 pandemic can increase the risks of data security breaches or financial fraud since businesses and employees rely more on their remote capabilities like WFH. In addition, social isolation can also result in misconfiguration and unauthorised access to data.

MITIGATION PLANS

- To review and update Information Technology (IT) Security policies.
- To establish a security awareness programme for employees.
- To conduct a security penetration test by a qualified third party to ensure hardware and software components are secure.
- To subscribe to virtual private servers/cloud services.
- To ensure the stability and security of our data centre, and strengthen the capability of our IT resources in supporting all operating units.

TYPE OF RISK

INVESTMENT MONITORING

Continuous assessment and monitoring of existing and new investment portfolios are critical to ensure return on investment (ROI) is achieved within the projected timeline. The continuing volatility in CSPO prices poses a risk to our cash reserves to support our plantation operations in Indonesia and potential investments in other plantation assets, and our Healthcare business.

MITIGATION PLANS

- To periodically review our Investment Policy and procedures.
- To deliberate on proposed investments at MIRCC and BRCC meetings which cover operations, financial, legal and risk management.
- To conduct continuous monitoring on investment performance via management reporting and meetings.

COMPLIANCE RISK

TYPE OF RISK

INTEGRITY RISK

The risk refers to dishonest actions, bribery and corruption, or misuse of power for personal interests, all of which could damage the reputation of TDM and affect our financial performance. The Group needs, at all times, to comply with Section 17A of the MACC Act 2009. The Group has established an Integrity Unit on 15 November 2019.

MITIGATION PLANS

- To conduct an awareness session with the Board of Directors (BOD), Management Team and employees on bribery and corruption.
- To update policies inline with Section 17A of the MACC Act including our Anti-Bribery and Corruption Policy, Whistleblowing Policy and No Gift Policy.
- To engage in continuous communication with MACC on integrity matters and programmes.

Scenic view of Bukit Inovasi (Innovation Hill) at our estate in Jernih Estate, Kemaman.

PRESERVING THE ENVIRONMENT

(GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

Given the nature of our businesses in Plantation and Healthcare, we naturally have to assume a greater responsibility for the protection and preservation of the environment. Inline with our efforts to continuously improve our business processes and activities, we have consistently implemented, maintained and strictly adhered to best practices with procedures that are accepted as being most effective in our business. This includes periodical reviews of the Quality Management System (QMS)* and Environmental Management System (EMS)** to enhance our quality of reporting and overall sustainability performance. Our estates and mills in Terengganu are RSPO certified since 2013 with the exception of the Bukit Bidong estate, which is targetted to achieve certification by 2023. Meanwhile, our estates and mills have obtained MSPO certification since 2017.

* *The Quality Management System ensures that every time a process is performed, the same information, methods, skills and controls are used and applied in a consistent manner. If there are process issues or opportunities, this is then fed into the quality management system to ensure continuous improvement.*

** *An Environmental Management System (EMS) is a system and database which integrates procedures and processes for training of personnel, monitoring, summarising, and reporting of specialised environmental performance information to internal and external stakeholders of a firm.*

Please refer to the social part of this Statement for the details of our sustainability assurance and certifications.

We established an Environment and Biodiversity Policy on 27 March 2018 to guide our approach to environmental sustainability as disclosed as follows:

TDM is committed to play its part in conserving the fragile balance of the environment through sustainable practices. Our objectives are:

- **To protect the environment and biodiversity through sustainable development that preserves the environment and biodiversity in all aspects and stages of our operations.**
- **To promote conservation and development of biodiversity within the Group.**
- **To ensure that our agricultural operations comply with all relevant laws and national interpretation of MSPO principles and criteria.**

In protecting the environment and conserving biodiversity, we shall:

- Comply with all statutory and regulatory requirements in matters relating to the environment and its biodiversity.
- Create, maintain and continue the improvement of sustainable plantation management systems.
- Eliminate all adverse effects that could potentially impact the environment and its biodiversity that could arise from our plantation activities.
- Implement the Integrated Pest Management (IPM) techniques to reduce the need for chemical pesticides to induce cost savings.
- Reduce and phase out chemicals that fall under the WHO Class 1A & 1B and Stockholm or Rotterdam Conventions.
- Continuously work on sound soil management by determining appropriate amounts and composition of nutrients.
- Continue improving our waste management systems with innovative technology and increase recycling efforts to achieve zero waste.
- Maintain a range of prevention and mitigation measures to reduce the risk of fire and haze.
- Strive to commit our employees, contractors, suppliers, trading partners and stakeholders to adhere to this policy and thereby focussing on traceability within the supply chain.

This section reviews the Group's performance within the respective sustainability indicators outlined by the GRI and F4GBM protocols. For the first time, the information disclosed is prepared based on both sets of sustainability guidelines.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

Palm oil waste management - turning oil palm byproducts into organic fertiliser.

SUSTAINABLE MATERIALS (GRI 301-2) (F4GBM)

Plantation Division

The Group promotes the adoption and implementation of sustainable and good agricultural practices and introduced the 3R practice of 'Reuse' and 'Recycle' of secondary products to 'Reduce' the use of inorganic fertilisers. For instance, during the replanting exercise, old stems and fronds are turned into mulch and applied on the field to maintain moisture and provide organic fertilisation.

Where possible, biomass like empty fruit bunches (EFB), kernel shells and waste like POME are recovered and reused in the operational cycle. The practice of utilising usable materials, including secondary raw materials, along the supply chain minimises wastage in production which is helping us achieve better eco-efficiencies.

Healthcare Division

The Group aims to build environmentally friendly hospitals and streamline processes to reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, and hazardous and non-hazardous waste where possible. Protecting the health and safety of patients, workers and the public is our top priority.

To achieve this we have to ensure that we actively develop and undertake sustainability development initiatives that focus on environmental preservation and minimising the usage of natural resources. We are now looking at new ways t eliminate the adverse environmental impacts from waste generated from hospital activities.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

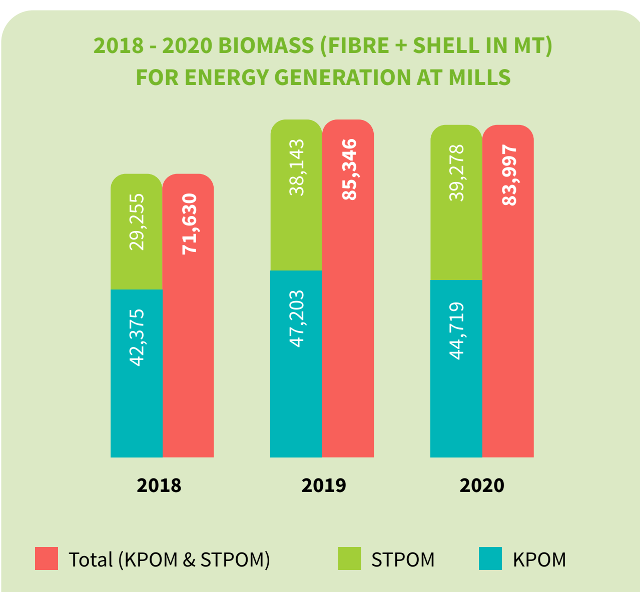
ENERGY MANAGEMENT (GRI 302-1, 302-4) (F4GBM)

Energy management is the means to control energy consumption and energy usually represents 25% of all operating costs in an office building under normal circumstances. Reducing carbon emissions to meet internal sustainability goals and regulatory requirements made us look at how the more energy consumed, the greater the risk that energy price increases and may result in supply shortages, which could seriously affect profitability. With energy management systems, we can reduce this risk, and by reducing demand for energy, and by controlling it with renewable energy, makes it more predictable.

We are tackling this issue in stages with firstly harnessing biomass as the main source of renewable energy at our palm oil mills; and secondly, through energy-saving measures at our corporate office, hospitals, estates and mills.

Plantation Division

The main products produced by our mills are CSPO and CSPK. However, it also produces huge quantities of residues such as sludge palm oil, mesocarp fibre, palm kernel shell and EFB. Some of the byproducts such as palm kernel shell and mesocarp fibre are used as boiler fuel at our mills. The use of biomass as an alternative energy source at our mills at KPOM and STPOM is illustrated in the following diagramme:



Apart from meeting the energy needs of our mills, we are also poised to supply 2 MegaWatts (MW) of electricity to the national grid under Tenaga Nasional Berhad's (TNB) Feed-in-Tariff (FiT) scheme with the installation of biogas plant at KPOM and STPOM. The plants are targetted to be fully operational by Q4 2021. Besides providing supplementary revenue for the Group, the plants will act as a green energy provider to TNB. This commitment could significantly reduce our dependency on fossil fuels which will indirectly mitigate our greenhouse gas (GHG) emissions.

In addition, we have implemented several eco-energy initiatives at our plantations with highlights listed below:

- Solar-powered electric fences have been installed at the Sungai Tong Complex to protect crops from damage by wild boars and elephants.
- Automatic switch timers for lighting systems and machinery at both mills.
- Automatic solar panel timers to power up the water influent meter for irrigation at the wastewater treatment plant at the Kemaman Complex.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

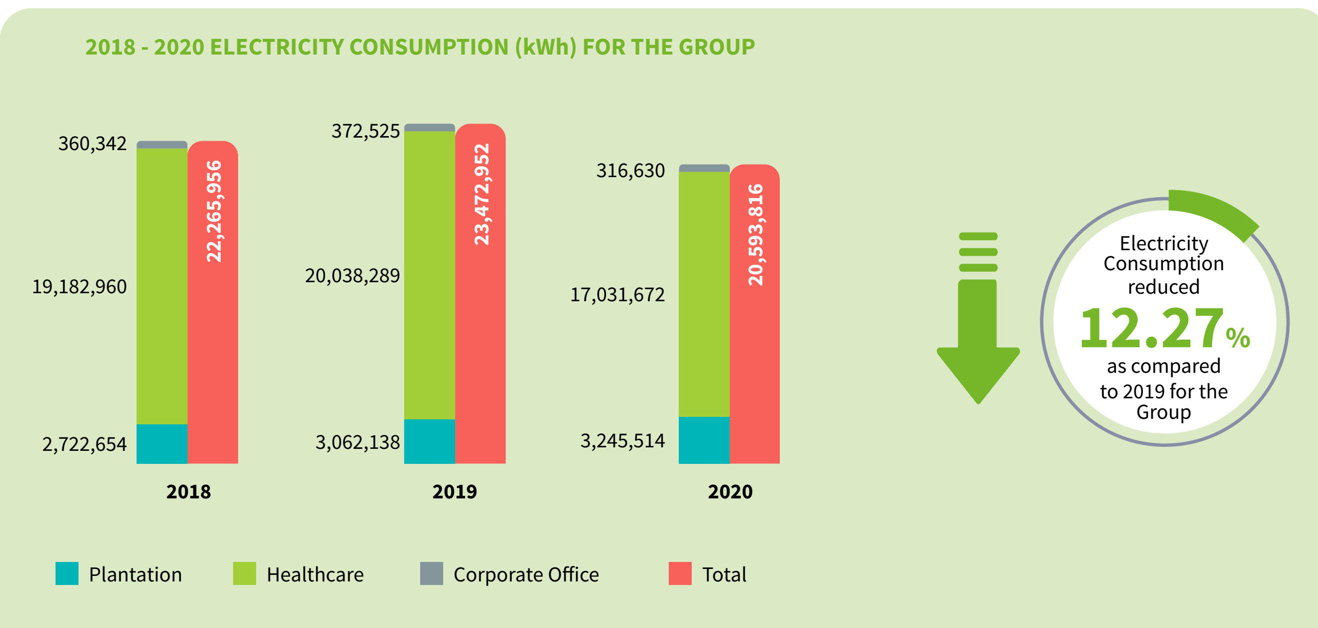
Healthcare Division

Our hospitals are equipped with high-tech eco-optimised heating systems, ventilation and air-conditioning (HVAC) systems that control temperature and air flow to optimise their on-demand 24-hour energy consumption needs. We are also looking at ways to reduce energy consumption from secondary activities such as sterilisation of equipment, refrigeration and food services, and the usage of computers, servers, and medical and lab equipment; which contributes to the high energy consumption at a hospital.

In response, the Group has taken the following measures to enhance energy efficiency at our hospitals:

- The replacement of light bulbs with LEDs at all our hospitals, particularly in areas that require 24-hour lightings such as corridors, lobbies, entrances, and emergency exit signs. During the year under review, we have replaced 70% of tube bulbs with LEDs for one floor in TDMC. In the case of KJMC, we have already commenced this replacement exercise in strategic areas.
- Utilisation of funds and grants under the Ministry of Energy, Green Technology and Water.
- Appointment of Energy Managers at hospitals exceeding 3 million kWh of electricity usage to manage the building's energy intensity and assess and implement energy efficiency programmes.
- Installation of timers at our hospitals to reduce electricity consumption on specific floors.

The Group is aware of its role to monitor the energy consumed to avoid wastage. The diagramme below indicates the electricity consumption for the Group from 2018 to 2020 :

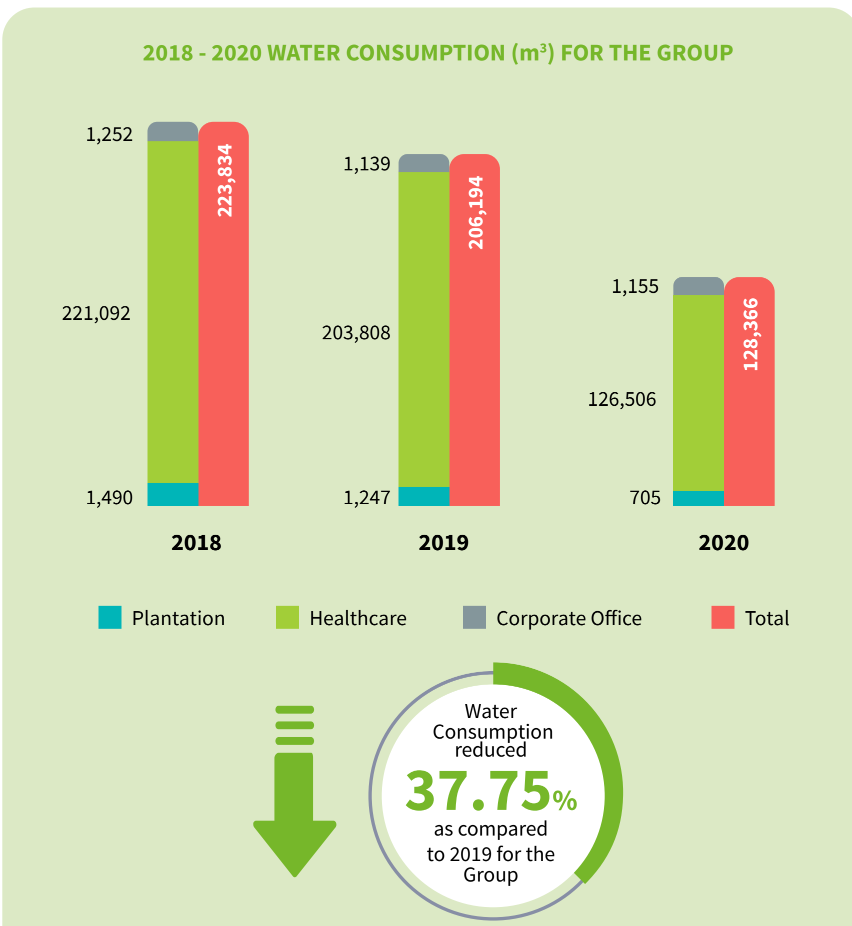


During the year under review, the Group managed to reduce its electricity consumption by 12.27% registering 20,593,816 KwH as compared to 23,472,952 kWh in FY2019, which was mostly attributed to the Government's WFH directive in response to the COVID-19 pandemic.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

WATER AND EFFLUENTS (GRI 303-5, 306-1) (F4GBM)

While Malaysia is rich in water resources, the current water supply situation has been affected and is now becoming scarce. Population growth and urbanisation, industrialisation and the expansion of irrigated agriculture are increasing demands and putting pressure on water resources, while at the same time, industrialisation is contributing to the rising water pollution. To improve our water management practices, we have closely monitored the water usage at our corporate office, hospitals, estates, and mills, where we also implemented measures to encourage our employees and workers to save water throughout 2020. The following diagramme indicates the Group's water consumption from 2018 to 2020.



From 2018 to 2020, the Group has consistently reduced its water consumption, and during the year under review, our water usage was reduced significantly, recording a 37.75% reduction or 128,366 m³ compared with 206,194 m³ in FY2019. This was partly due to our employees working remotely in response to the Government's directive during MCO periods.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

We practice field irrigation using palm oil mill effluent (POME) at our at our oil palm estates to ensure sufficient level of moisture in soil for the oil palm trees during the dry season.

We are also meticulous in complying with the relevant standards on effluent discharge, such as the Environmental Quality (Industrial Effluents) Regulations 2009. All wastewater within our estates flows through grease traps or sumps before being released into estate land or nearby rivers. We also conduct monthly water sampling tests at the final discharge points at all our mills.

We perform annual water sampling tests within the estates at specific entry and exit points, and at each of the estate's river boundaries to ensure efficient wastewater management. While we reuse 20% of wastewater in bio-organic fertiliser plant processes, 80% is treated and released into natural water bodies with permissible Biological Oxygen Demand (BOD) levels of less than 100 parts per million (ppm).

We will continue to ensure that there are no protected or areas rich in biodiversity adjacent to areas where our wastewater or effluents are released. Meanwhile, at all our hospitals, wastewater is properly channelled to the sewerage treatment plants, with a permissible COD of less than 100 mg/L and BOD of less than 12 mg/L; which complies with the Department of Environment's (DOE) Water Quality Index Classification.

We have also been practising rainwater harvesting at our estates using collection tanks to store it for later use. Rainwater has undoubtedly come in handy during the dry season for watering plants and mill compounds. As an example of this initiative, the roof at the Kemaman Bio-Organic Fertiliser (KBOF) plant was designed and constructed to be slanted to harvest rainwater optimally.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

CHEMICAL MANAGEMENT (GRI 306-2) (F4GBM)

Plantation Division

The Group has established chemical management procedures to ensure the health and safety of our workers in our plantations. The procedures provide specific guidelines for receiving, handling, storage and disposal of chemicals. The establishment of this internal control is inline with our compliance with the Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) [USECHH] Regulations 2000 and Pesticide Act 1974.

On the other hand, in minimising the use of pesticides, TDM implements IPM to effectively control pests sustainably and effectively. IPM is an effective, practical and environmentally sensitive approach to pest management that relies on a combination of common-sense practices. We use eco-friendly ways to manage pests in our estates. Part of our practices include planting beneficial plants to absorb harmful emissions and rearing barn owls at our plantations to control the rat population.

Healthcare Division

There are four categories of medical waste: infectious, hazardous, radioactive and general. Biomedical waste or hospital waste encompasses any waste containing infectious (or potentially infectious) materials, including waste sharps which include potentially contaminated used (and unused or discarded) needles, scalpels, lancets and other devices capable of penetrating the skin. All waste is handled and disposed by licensed contractors who specialise in managing hospital waste.

In managing chemical waste, we store and dispose chemicals in adherence to the necessary SOPs, which, where necessary, also includes ensuring optimal temperature and humidity at the storage areas.

We utilise a range of chemical items for disinfection and cleansing to reduce the risk of health-related infections in our hospitals.

CHEMICAL ITEMS	USAGE
515 Glass Kleen	Cleaning windows (all areas).
551 MP7	Multi-purpose floor cleaners (lobbies, corridors, wards).
EKKA 811 Kleen All	Multi-purpose cleaners.
527 Oruo Pine	Clean, disinfectant and deodorise toilets (critical areas, wards, public toilets and common areas).
528 Gel Pine	Clean, disinfectant and deodorise toilets (critical areas, wards, public toilets and common areas).
EKKA 825 Hand Soap	Disinfectants.
556 Sanitiser	Surface sanitisers and disinfectants to curb the spread of the COVID-19 virus (critical areas, wards, public toilets and common areas).
543 Laundry Detergent	Cleaning laundry .
553 OXY Bleach	Remove stains and brightening laundry.
519BR Air Fresh	Air fresheners (for toilets).
EKKA 819 Deodorizer	Air fresheners.
504 Poly Lite	Floor waxing (VINYL) (all areas).
514 Industrial Degreaser	Cleaning oil and grease spills . (kitchen).
MPP-A Marble Powder	Polishing floors.
POLISH 60	Polishing floors.
516 Cement Solve	Removing cement and inorganic dirt (mosaic).
HAZ Tab	Disinfectant (isolation rooms, labour rooms) and Red Zone Areas.
501 Instant Strip	Stripping gum and wax from floor.

All medical and chemical waste at our hospitals are managed by certified hospital waste management specialist to ensure proper disposal procedures.

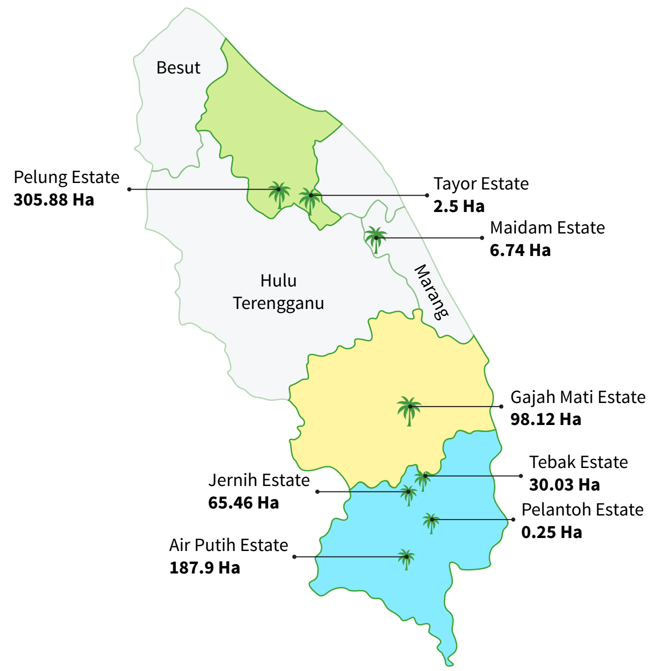
PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

BIODIVERSITY (GRI 304-1, 304-3)

As a responsible business and member of the RSPO, TDM recognises the need to balance cultivation with conservation. We commit to conserve biodiversity by identifying, protecting and maintaining High Conservation Value (HCV) concessionary areas for the protection of Rare, Threatened and Endangered (RTE) species. The following is a list of protected species within our estates of which are registered under the IUCN Red List of Threatened Species™.

In total, we have designated 696.88 ha as HCV areas at our North and South Complexes in Terengganu.

HCV AREAS AT TDMP ESTATES



Our oil palm estates are habitats for rich wildlife including endangered species registered under the IUCN Red List of Threatened Species™.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

PROTECTED SPECIES AT TDMP ESTATES

Abundant wildlife thriving and roaming freely in our plantations. Tight security prevents illegal poaching and hunting of the birds, reptiles and mammals.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)


No Deforestation, No Peat, No Exploitation Policy

The Group has introduced the NDPE Policy which upholds no development on HCV concessionary areas. As a member of the RSPO, the Group is required to safeguard the HCV areas by employing the following measures:

- Applying, enforcing and maintaining formal protection and conservation of these areas.
- Conserving the wildlife habitats of protected and endangered species.
- Record sightings of wildlife in a logbook.
- Preventing any encroachment in these and neighbouring areas.

We also recognise that deforestation may lead to the habitat loss, foraging sites and hunting grounds for wildlife such as wild boars and elephants, which can lead them to encroach our plantations. To reduce the potential for human-wildlife conflict, the Group deploys non-harmful and non-chemical methods to contain it; such as:

- The use of natural predators, in this case, barn owls (Tyto Alba) instead of chemicals to control the rat population in our estates.
- Planting beneficial plants at our estate perimeters with species like Tunera Subulate, Casia Cobanensis and Antigonon Leptopus to prevent bugs from damaging the plant fronds.
- Solar powered electric fences and night patrolling to deter wildlife from encroaching into our plantations. In collaboration with Universiti Malaysia Terengganu (UMT), we are currently testing a new method of using beehive fencing at entry points in the Jernih Estate to ward off elephant encroachments.

Our Plantation Division is also implementing robust replanting at our estates to lower the average age of the oil palm trees.

Further details are presented in the MD&A on pages 19 to 51 of our Annual Report.

The Group adheres to international standards in environmental and social sustainability developments to manage environmental degradation and land rehabilitation, which include efforts to increase the arability of our land for either oil palm or other agricultural purposes.

EMISSIONS (GRI 305-5) (F4GBM)

Scientists have high confidence that global temperatures will continue to rise for decades to come, largely due to GHG produced by human activities. Global climate change has already had observable effects on the environment. Glaciers have shrunk, ice on rivers and lakes is breaking up earlier, plant and animal ranges have shifted and trees are flowering sooner. Effects that scientists had predicted in the past would result from global climate change are now occurring: loss of sea ice, accelerated sea level rise and longer, more intense heat waves are now common place.
Reference: NASA Global Climate Change.

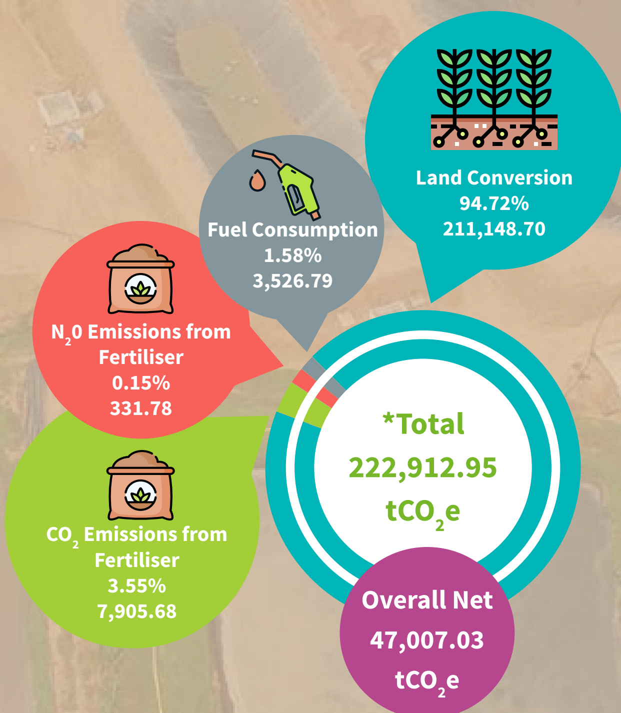
TDM is aware that industrial activities are a major contributor to global warming where GHG is being released into the atmosphere in alarming volumes. Therefore, TDM has in place, controls for emissions for its production activities to comply with the Environmental Quality (Clean Air) Regulations 2014. The figure below indicates the emission sources at plantation operations during the year under review. After taking into consideration crop sequestration and sequestration in conservation area, the overall net carbon emission for FY2020 amounted to 47,007.03 tCO_2e.

The Group continuously monitors and collects data on its GHG emissions, and for our Plantation Division, emissions are measured using the RSPO GHG Calculator V4 where the data is audited and certified annually by BSI Malaysia, an appointed RSPO certification body.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

Following are three years' worth of performance data of our carbon footprint at KPOM and STPOM, starting from 2018 to 2020.

FY2020 tCO2e EMISSION SOURCES AT PLANTATION DIVISION

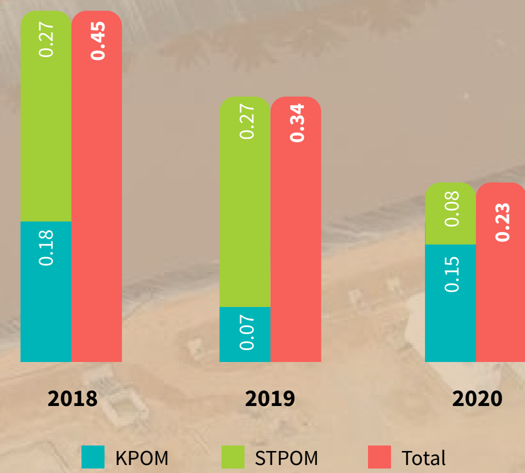


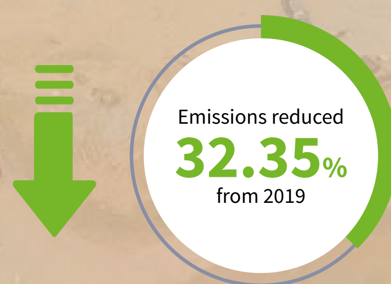
*Total			Net tCO_2e
KPOM	:	136,293.25	33,449.08
STPOM	:	86,619.70	13,557.95
Total	:	222,912.95	47,007.03

**Without taking into account crop sequestration and sequestration in conservation area.*

Sinks		KPOM	STPOM
Crop Sequestration	:	-102,243.91	-73,061.74
Sequestration in Conservation Area	:	-600.27	0
Total	:	-102,844.18	-73,061.74
Grand Total		-175,905.92	

PLANTATION DIVISION (tCO_2e)/TOTAL FFB SCOPE EMISSIONS





We have successfully reduced our carbon emissions since 2018, and in 2020, we registered a 32.35% reduction or 0.23 tCO_2e/t FFB in emissions compared with 0.34 tCO_2e/t FFB in FY2019. Improvement is proof of the Group's continuing thrust toward sustainable operations. A result that shows we are serious about reducing our carbon footprint in all our operations.

One of our sources of emissions comes from the POME, a wastewater byproduct generated from palm oil milling activities. POME produces methane gas which contributes to the effects of climate change. To reduce emissions, we have developed biogas plants at KPOM and STPOM, which trap gases for conversion into electricity. The plants are targetted for completion by the end of 2021. We will continue to explore new technologies and opportunities to reduce our carbon footprint throughout our operations by analysing and employing innovations, including the better utilisation of biomass energy plants as a viable renewable energy source.

Construction in progress for the biogas plant in Kemaman, Terengganu.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

ENVIRONMENTAL INITIATIVES (GRI 103-1, 103-2)

As part of our commitment to sustain the Planet's health, we managed several environmental initiatives in 2020 to effectively reduce the negative impact of our operations. These included:

- **River of Life**
  TDM Plantation spearheaded this initiative to promote the protection, restoration and sustainable use of rivers. The first project involved restoring and rejuvenating a river located at the Tayor Estate in Terengganu. The objective is also to create public awareness of our sustainability initiatives in preserving natural biodiversity by creating corridors for RTE species to roam freely.

- **Living Together with Elephants**
  Living Together with Elephants is an initiative conducted by TDM to find ways to overcome wild elephant encroachments at our estates in Kemaman and Setiu. This initiative also involves a knowledge and research insights sharing platform on wild elephant management with several company representatives from the same industry.

  TDM is actively innovating initiatives to mitigate Human-Elephant Conflict (HEC). These include the use of bees and electric fences, and an upcoming collaboration with the Department of Wildlife and National Parks to install satellite collars onto wild elephants to monitor their movement in the area. We also enlist assistance from the Orang Asal, the local indigeneous people, to monitor areas with frequent encroachments for immediate preventive measures.

Beehive fence at MAIDAM Estate.

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

CIRCULAR ECONOMY/EFFLUENTS AND WASTE

(GRI 306-2, 306-3) (F4GBM)

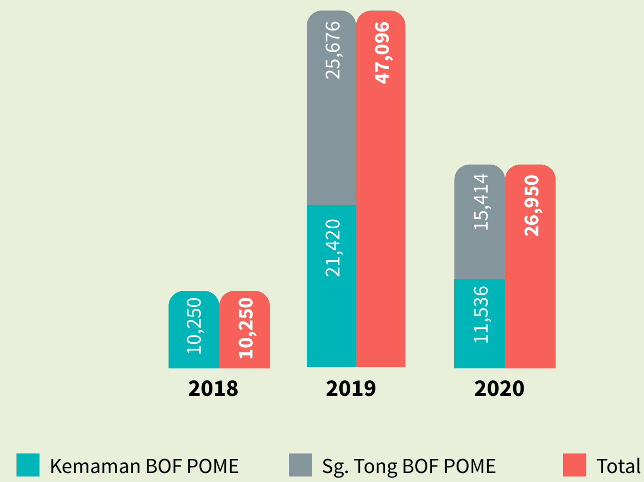
A circular economy prescribes the revolving use and reuse of natural and material resources to reduce or eliminate waste. TDM subscribes to this concept to optimise resources, reduce waste and lower emissions. Reuse and recycling, as a culture, is widely practised at our corporate office, plantation and healthcare operations. At the Group level, we always have made a concerted effort to reduce paper consumption by conducting paperless Board meetings, encouraging our employees to practice double-sided printing of drafts and documents, and avoiding printing unnecessary documents.

As part of our conservation practices, we have been distributing the Annual Report in digital format since 2019. These efforts also help to educate and build awareness amongst our multi-stakeholders on good environmental practices.

In the case on our Plantation Division, we have introduced the "War on Waste" initiative in 2020 to closely monitor the usage of electricity, water, stationeries, papers, petrol and diesel in each operational unit. The objective of this new initiative is to monitor the usage of those utilities and prevent wastage while trying to reduce the operational cost and carbon footprint.

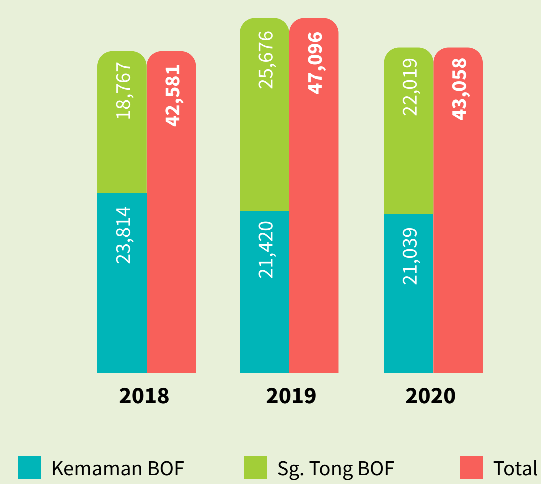
Aside from the above, shredded EFB, sludge and POME are mixed together to be used as bio-organic fertilisers (BOF).

REUSE OF EFFLUENT (MT) IN PRODUCTION OF BIO-ORGANIC FERTILISER



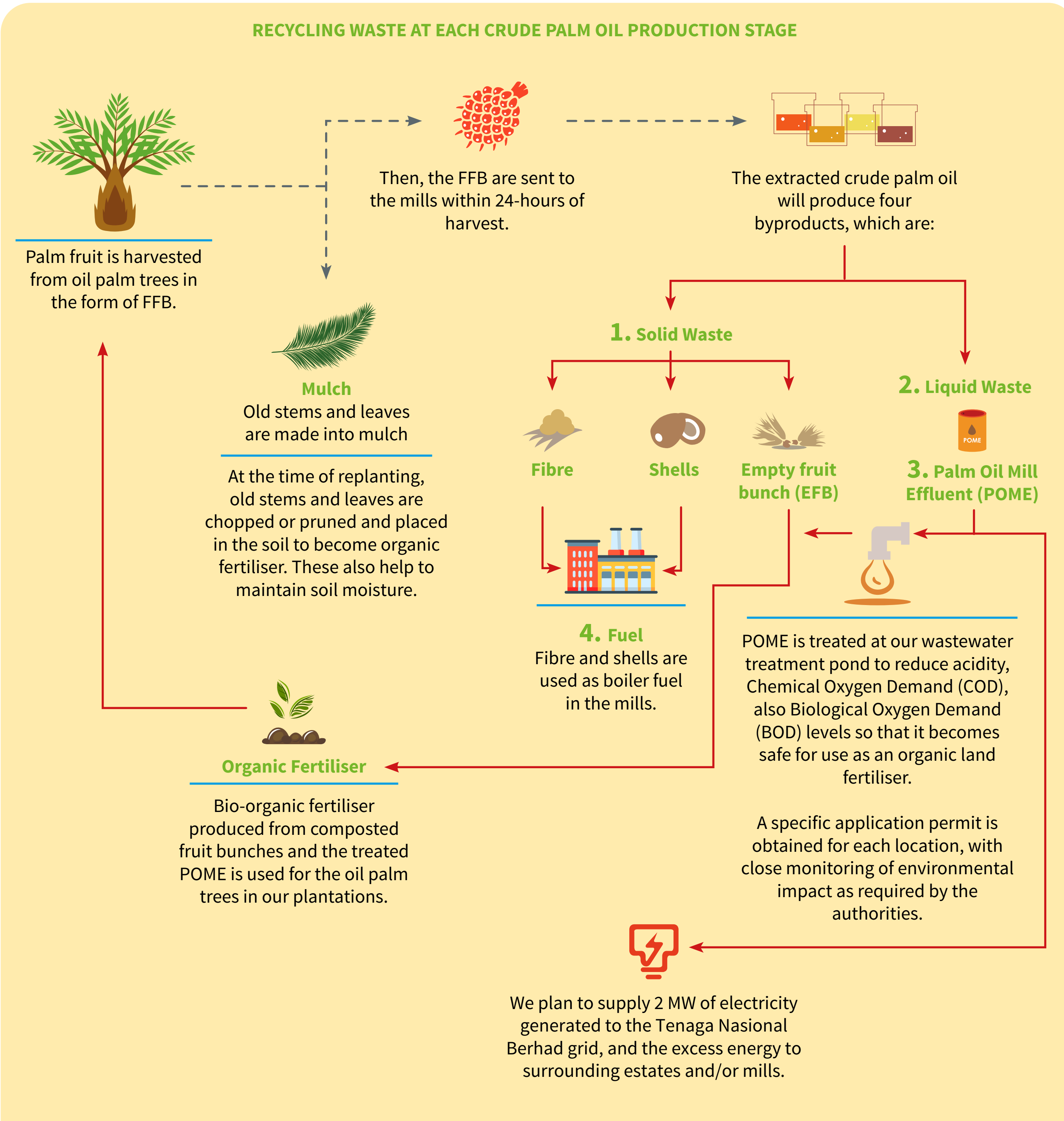
Other forms of biomass such as mesocarp fibres and kernel shells are used as a source of renewable energy to generate steam and electricity for mill processing.

PRODUCTION OF BIO-ORGANIC FERTILISER (MT)



PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

The diagramme below encapsulates the summary of recycled waste at each CSPO production stage at our plantations.



PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

TDM and our business units abide by all relevant laws and regulations in the discharge of effluent and disposal of waste in order to reduce potential pollution and contamination of the natural environment.

All scheduled, domestic and industrial waste produced from our estates are collected, stored and disposed of properly. Scheduled waste is collected by appointed licensed contractors, where domestic waste is either sent to a landfill at the respective estates or recycled, while industrial waste is recycled or used as topsoil mulch.

The waste at all our complexes is monitored by qualified Certified Environmental Professionals in Scheduled Waste Management (CePSWAM) who regularly report to the Environmental Performance Monitoring Committee (EPMC) and Environmental Regulatory Compliance Monitoring Committee (ERCMC).

Meanwhile, the general and clinical waste from our hospitals is handled by appointed waste management vendors who are specialised in the handling and disposing of clinical waste. Non-clinical waste such as paper is recycled. We also ensure that proper handling, labelling, storing, packaging and collection of waste is conducted in accordance with the Environmental Quality Act 1974 (Act 127). Recycling bins have also been placed at all strategic locations in all our hospitals.

During the year under review, total waste generated at our Plantation and Healthcare operations are as follow:

WASTE GENERATED AT PLANTATION DIVISION 2020

Scheduled Waste (SW)

Palm Oil Mill	Quantity (mt)
KPOM	
Electrical and Electronic Equipment (SW 110)	0.04
Spent Lubricating Oil (SW 305)	0.80
Non-halogenated Organic Solvents (SW 322)	0.04
Containers with Chemical, Pesticides and Mineral Oil (SW 409)	0.13
Rags, Plastics and Papers (SW 410)	0.15
STPOM	
Spent Lubricating Oil (SW 305)	0.96
Cotton Rags (SW 410)	0.37
Filter (SW 410)	0.14
TOTAL	**2.63**

Industrial Waste (IW)

KPOM	
Palm Oil Mill Effluent (POME)	211,641.80
Empty Fruit Bunch (EFB)	48,722.54
STPOM	
Palm Oil Mill Effluent (POME)	108,106.21
Empty Fruit Bunch (EFB)	43,242.48
TOTAL	**411,713.03**

WASTE GENERATED AT HEALTHCARE DIVISION 2020

Healthcare	Quantity (mt)
General Waste (GW)	56.38
Clinical Waste (CW)	68.85
TOTAL	**125.23**

PRESERVING THE ENVIRONMENT (GRI 103-1, 103-2, 301-2, 302-1, 302-4, 303-5, 304-1, 304-3, 305-5, 306-1, 306-2, 306-3, 307-1, 308) (F4GBM)

ENVIRONMENTAL COMPLIANCE (GRI 307-1)

TDM complies with all applicable laws, regulations and standards related to the environment as stipulated in the Regulatory Compliance section of this Statement. During the year under review, there were no incidents of non-compliance with any environmental laws or regulations.

SUPPLIER ENVIRONMENTAL ASSESSMENT (GRI 308)

At TDM, we favour suppliers whose environmental practices adhere to circular economy principles. We regularly assess our suppliers using the Material/Chemical Safety Data Sheet obtained from our suppliers.

Aerial view of young oil palm trees at the Fikri Estate in Terengganu.

DRIVING POSITIVE SOCIAL IMPACT

(GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

Security personnel at all our estates ensure the protection of our employees, workers and the Group's assets round the clock.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

SUSTAINABILITY AT THE WORKPLACE

At TDM, we look at positive social impact as how to best balance the well-being of individuals and families in communities we work in, and to be consciously aware of how our actions affect the surrounding community. It may be the result of an activity, project, programme or policy and the impact can be intentional or unintentional, as well as both positive or negative.

Broadly speaking, improving social sustainability at its core is maintaining change in a balanced manner.

TDM promotes social practices by focussing on two agendas:

- Empowering our people; and
- Enhancing the lives of communities

This is in line with our aspirations to contribute towards the betterment of Malaysia and the communities we operate in. Objectives of TDM's primary social responsibilities:

- Safeguarding the job security as well as health and safety of employees and contract workers.
- Meeting the needs of our community, especially patients requiring medical attention at all our hospitals.
- Creating income opportunities and providing support to vulnerable communities.

The Group supports the UNSDGs for decent work and economic growth. Hence, our ambition to raise the bar on sustainable development includes our commitment to create a safe, healthy, honest and pleasant working environment while, at the same time, helping our people find value and meaning in their work and life, as reflected in TDM's Social & Humanity Policy.

SOCIAL & HUMANITY POLICY

TDM are committed to create a safe, healthy, honest and pleasant working environment and helping our people to find value in their work and life.

Our objectives:

1. To conduct our business in a manner that respects the rights and dignity of people and local communities, complying with all legal requirements.
2. To respect and give fair treatment in accordance with the rights of employees for the mutual benefits of the company and the employees.

In fulfilling our Social & Humanity commitments, we shall:

- Enhance employees' work skills and competencies by providing training, exposure and experience.
- Not tolerate the use of child or forced labour, slavery or human trafficking in any of our plantation and facilities.
- Ensure passport of guest worker shall only be submitted to the management for safe custody, with consent by the guest worker and will be readily made available upon request.
- Ensure no difference in rights between guest and local workers.
- We commit to Free, Prior and Informed Consent (FPIC) in all negotiations prior to commencing any new operations as we respect native rights of indigenous and local communities.
- Strive to commit our employees, contractors, suppliers, trading partners and stakeholders to adhere to this policy. This policy approved by the Board of Directors of TDM Berhad on 27 March 2018.

EMPLOYEE DIVERSITY & NO DISCRIMINATION

(GRI 102-8, 401-1, 405-1, 406-1) (F4GBM)

The Group strives to cultivate a harmonious working environment that allows equal opportunities for all. In this regard, ensuring that our people are treated with dignity and respect, regardless of gender, age and designation.

Guided by TDM's Gender & Diversity Policy, we prohibit any form of discrimination, insisting that our employees are hired and rewarded based on their experience, merit and credibility. During the year under review, there were no incidents of discrimination recorded.

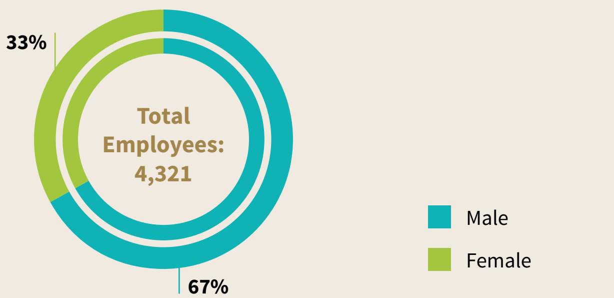
TDM Berhad

Gender & Diversity Policy

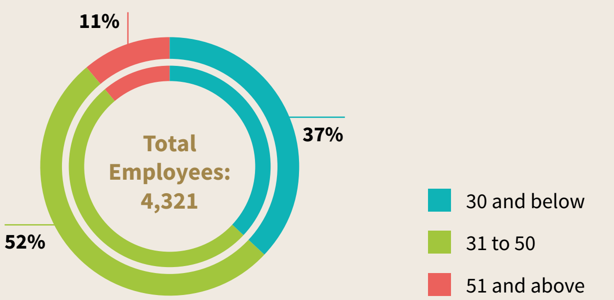
DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

The breakdown of employee demographics, except for our plantation operations in Indonesia, are illustrated in the following figures below:

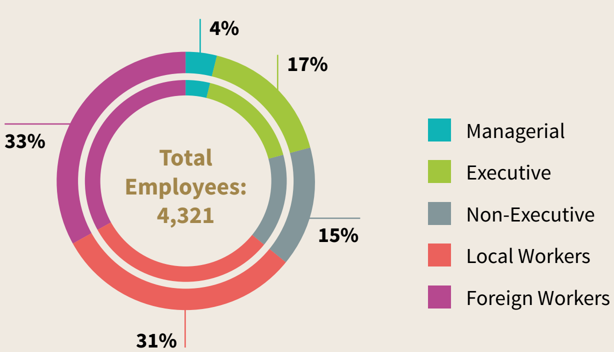
Employees Breakdown by Gender



Employees Breakdown by Age Group



Employees Breakdown by Employment Category



Male employees make up 67% of the total workforce in the Group. Despite our efforts to be fair and unbiased, our workforce continues to be male dominated given the nature of work involved in the Plantation Division. Our employee distribution across the different age groups shows the majority of our employees are in the 31 to 50 age category. Amongst the total 4,321 strong workforce, 33% are foreign workers; indicating TDM's heavy reliance on foreign workers, especially for harvesting and collecting FFB.

EMPLOYEE WELFARE AND REMUNERATION

(GRI 401-2, 401-3)

The Group provides fair remuneration and benefits to our employees as stipulated below:

- 13 months' salary (one-month additional salary as a token of appreciation).
- Housing allowance (not applicable for workers at estates and mills as they are provided free housing).
- Education allowance for children of confirmed employees.
- Car benefits for eligible employees.
- Bonuses for confirmed employees, which are subject to the performance of the company and individual.
- Statutory contributions to the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS).
- Miscellaneous contributions for employee welfare.
- Various categories of employee leave, ranging from annual leave, emergency leave, medical and hospitalisation leave, maternity and paternity leave, special paid leave for those sitting for examinations, replacement leave for those assigned to work on a rest day or public holiday, compassionate leave and Haj pilgrimage leave.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

EMPLOYEE ENGAGEMENT (GRI 402-1) (F4GBM)

At TDM, we believe that a satisfied and happy worker is a productive worker. We encourage team building and promote regular interaction and communication between employer and employee.

While we do not have a specified timeframe to notify employees of any major operational changes, updates in relation to COVID-19, such as work rotation schedules during MCO, guidelines to prevent the spread of COVID-19 in the workplace, and new employee appointments are announced to all employees via official email blasts. We strive to ensure affected individuals are given an appropriate grace period to adapt and adjust. Any infected individuals are handled according to COVID-19 health SOPs, and will received treatment up till the time of discharge from hospitals with proper documented records, before being allowed to resume work.

BALANCED AND HEALTHY LIFESTYLE

As part of our initiatives to promote a healthy and balanced lifestyle amongst our employees, we have provided recreational activities under Kelab Sukan dan Kebajikan TDM. Several recreational activities such as futsal, badminton and ping pong are held regularly for our employees who enjoy sports to pit their skills against one another. Further activities are highlighted in the Employee Engagement section of this Statement.

2020 EMPLOYEE ENGAGEMENT PROGRAMMES

7 FEBRUARY
Pinang Emas Estate

Sports Programme
To promote a healthy lifestyle and maintain good relationships amongst employees and workers.

15 MARCH
Tebak Estate

Football Competition
To promote outdoor sports as healthy activities and strengthen camaraderie between employees and plantation workers.

20 MAY
Tebak Estate

COVID-19 Assistance Programme
Distribution of financial aid and household items to ease the burden faced by employees and foreign workers during the COVID-19 pandemic.

14 JUNE
TDMB HQ

Internal Hari Raya Aidilfitri Celebration
To forge closer ties and strengthen religious brotherhood amongst the workforce in commemorating Hari Raya Aidilfitri.

1 AUGUST
Jaya Estate

Qurban Programme
To inculcate community spirit between the management team and workers of the Jaya Estate by distributing Qurban meats during Aidil Adha.

1 AUGUST
Legal Day One - First Visit to Bukit Bidong Estate

Completion of THP-YT Acquisition
To forge better relationships with the employees and estate workers and to commemorate the ownership of the estate by the Group.

17 AUGUST
Tayor Estate

Indonesia's Independence Day Celebration
To inculcate closer relationships between the management team and foreign estate workers.

25 AUGUST
Pinang Emas Estate

Merdeka Day and Appreciation for Excellent Employees
Raising the spirit and awareness on the importance of Malaysia's independence.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

2020 EMPLOYEE ENGAGEMENT PROGRAMMES (continued)

26 AUGUST
Jerangau Estate Surau

Religious and Spiritual Talks
To encourage spiritual growth amongst employees and workers to achieve peace and harmony in the workplace.

29 AUGUST
Kuantan Medical Centre lobby

Merdeka Day Celebration at Kuantan Medical Centre
To inculcate a sense of responsibility to the country, companies and families in fighting the COVID-19 pandemic.

31 AUGUST
Gajah Mati Estate

Futsal, Carroms and Darts Competitions
To encourage friendly competition, inculcate teamwork and build rapport between the management and estate workers.

8 SEPTEMBER
Kuantan Medical Centre lobby

Let's Celebrate World Physical Therapy Day with KMC
To promote healthy lifestyle through simple morning workouts.

13-15 SEPTEMBER
Fikri, Jaya and Tayor Estate

6, 8 & 14 DECEMBER
Pinang Emas, Jerangau and Gajah Mati Estate

Kuliah Maghrib
Knowledge sharing on Islamic values, practices and history.

16 SEPTEMBER
Gajah Mati Estate and Jaya Estate

Distribution of *Bubur Asyura* Programme
To celebrate community spirit and fostering better relationship between the management team and employees of the estate through the preparation and distribution of porridge.

19 SEPTEMBER
Tayor Estate

River of Life - *Gotong Royong*
Clean-up efforts at the river body that runs through Ladang Tayor, including the river bank to restore the beauty of its natural landscape and pristine waters. The upcoming plan is to transform the river into a local attraction with the involvement of the community and governing bodies.

29 SEPTEMBER
Hyatt Regency Kuantan

Retreat Programme
To engage in insightful discussions on the changes in the strategic landscape and reaffirming the core strategies of each business division.

30 SEPTEMBER
Kelana Jaya Medical Centre

KJMC CPD Programme
To share knowledge on the risks and problems of Hypertension.

5 OCTOBER
Restoran B'Beteng

Appreciation Dinner - Thanos Project
To fete the team behind the success of the TDM-YT (previously known as THP-YT) acquisition.

10 NOVEMBER
Gajah Mati Estate

Ping Pong Tournament
To encourage friendly competition through sport and inculcate teamwork values amongst employees.

14 NOVEMBER
Jaya Estate

Appreciation Day
To celebrate our workers in appreciation of their hard work and diligence throughout the year

29 NOVEMBER
Stadium Negeri Terengganu

30 DECEMBER
Balora AMBS (Gajah Mati Estate)

29 DECEMBER
Fikri Estate

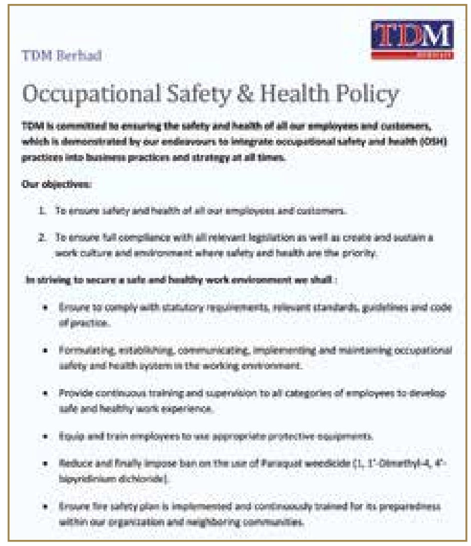
Badminton Competition
To promote a healthy lifestyle and maintain good relationships amongst employees and workers, as well as build teamwork amongst estate workers through sports activities.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

OCCUPATIONAL HEALTH AND SAFETY (GRI 102-15, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4) (F4GBM)

As a responsible Group, we are strongly committed to ensuring a healthy and safe working environment for our people. TDM's Occupational Safety & Health Policy stipulates our commitment to ensure that we achieve the following objectives:

- Ensuring a safe and healthy environment for all employees;
- Providing continuous improvement and training on all aspects of OHS;
- Complying with the relevant legal requirements and legislations; and
- Ensuring a sustainable culture amongst employees.


TDM Berhad

Occupational Safety & Health Policy

TDM is committed to ensuring the safety and health of all our employees and customers, which is demonstrated by our endeavours to integrate occupational safety and health (OSH) practices into business practices and strategy at all times.

Our objectives:

1. To ensure safety and health of all our employees and customers.
2. To ensure full compliance with all relevant legislation as well as create and sustain a work culture and environment where safety and health are the priority.

In striving to secure a safe and healthy work environment we shall :

- Ensure to comply with statutory requirements, relevant standards, guidelines and code of practice.
- Formulating, establishing, communicating, implementing and maintaining occupational safety and health system in the working environment.
- Provide continuous training and supervision to all categories of employees to develop safe and healthy work experience.
- Equip and train employees to use appropriate protective equipments.
- Reduce and finally impose ban on the use of Paraquat weedicide (1, 1'-Dimethyl-4, 4'-bipyridinium dichloride).
- Ensure fire safety plan is implemented and continuously trained for its preparedness within our organization and neighboring communities.

For the Healthcare Division, we strive to ensure all activities carried out are in line with the Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 and ISO 45001 Certification for Occupational Health and Safety Management Systems (OHSMS).

- **Safety and Health Committee**

  TDM continually adheres to the requirements of the Occupational Safety and Health Act (OSHA) 1994, which requires the formation of a Safety and Health Committee should there be more than 40 people employed at the workplace. At TDM, our Safety and Health Committees are jointly managed by the Management Team, the administration representative and our employees. As for the Plantation Division, representatives from the All-Malayan Estates Staff Union (AMESU) and the National Union of Plantation Workers (NUPW) are also members of the committee. The Safety and Health Committee meet once every three months to address the following:

  - to review workplace safety and health procedures;
  - investigate complaints; and
  - engage in regular discussions with the management on issues related to safety and health at the workplace.

- **Safety and Health Statistics**

  We take safety very seriously and strive to reduce the number of incidents in our operations. Unfortunately, we regret to report one occupational fatality during the reporting period, whereby our worker fell from height while carrying out maintenance work. We extend our condolences to the family of the deceased and necessary steps have been taken to prevent future incidents.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

SAFETY AND HEALTH STATISTICS 2020

TYPES OF INJURIES

PLANTATION		HEALTHCARE
1	Fatalities	ZERO
53	*LTI resulting in temporary disability	ZERO
48	Cases requiring medical treatment	ZERO
4	Traffic incidents	ZERO
1	Property damage	1
229	Others	ZERO
336	**Total Incidents**	1

Overall Total
337

**LTI = Lost Time Injury*

SAFETY AND HEALTH STATISTICS 2020 PLANTATION DIVISION

*Injury Rate (IR)	2.87
*Occupational Disease Rate (ODR)	0
Loss Time Injury Frequency Rate (LTIFR)	7.53
*Fatality Rate (FAR)	0.03

** per 1,000 employees*

IR = (YTD Number of Accident Cases x 1,000)/YTD total employees
ODR = (Total no of occupational disease x 1,000)/YTD total employees
LTIFR = (YTD No. of LTI Cases x 1,000,000)/YTD total man hours
FAR = (YTD Number of Fatal Cases x 1,000)/YTD total employees

Total Working Hours for the year (Plantation Division) = 7,167,108

HEALTH AND SAFETY MEASURES AT OUR WORKPLACE

1. Continuous accident analysis and accident alert communication.
2. Daily work briefing and toolbox meeting prior to the commencement of work.
3. Safety Day conducted every Tuesday.
4. Periodic training and briefing for employees, focussing on OHS, Environment, Sustainability and Compliance.
5. Annual compliance and sustainability audit.
6. Annual Medical and health surveillance at TDMP mills and estates.
7. Annual Audiometric test for hearing at TDMP mills.
8. Annual Chemical exposure monitoring at TDMP mills.
9. Periodic Ergonomic training.
10. Noise risk assessment.
11. Monthly health checkup for employees at TDMP mills.
12. Chemical health risk assessment conducted every five (5) years at TDMP mills and estates .
13. New employees are required to undergo safety and health training conducted by the Safety and Health Officer (SHO) or Compliance Executive or appointed OHS coordinator in estates and mills.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

HEALTH, SAFETY AND ENVIRONMENT TRAINING (GRI 403-5)

As part of our efforts to ensure a safe working environment in the workplace, the Plantation Division has conducted a total of 200 training sessions, in which 151 training sessions were related to safety and health, while 49 sessions were related to environmental matters. Meanwhile, for the Healthcare Division, a total of 202 training sessions were conducted, relating to HSE matters. Some of the HSE training sessions were conducted at the plantations and hospitals as follows:

HSE TRAINING PROGRAMMES

PLANTATION DIVISION

1. Safety briefing in response to COVID-19
2. Chemical Handling and Storage
3. Palm Cut Training Programmes
4. First Aid Training
5. Heavy Vehicles Safety and Inspection Source
6. Training SOPs for Working at Heights and Work Permit
7. Manuring and PPE Equipment Training
8. Scheduled Waste Training
9. Oil Spillage Training
10. Chemical Spillage Training

HEALTHCARE DIVISION

11. HPV, PAP Smear and Colposcopy Workshop
12. Occupational Lung Diseases and Spirometry
13. Occupation Hearing Loss and Audiometry
14. Patient Blood Management Workshop
15. Influenza Virus
16. Handling of Sharps and Management of Needle Stick Injury
17. Safety, Health, Environment and Disaster Preparedness Awareness Training as part of Patient and Family Rights
18. Morse Fall Scale for Fall Prevention and Risk Assessment
19. MRI Safety Talk
20. Training on Infection and Control of COVID-19

PRECAUTIONS AGAINST COVID-19 (GRI 103-1, 103-2)

Since the outbreak of the COVID-19 pandemic, the Group has developed preventive measures at our corporate office and operational sites to protect the health and safety of our employees. Safety measures at the workplace were introduced to prevent the spread of the COVID-19 virus which included the following:

- Mask wearing, physical distancing, temperature monitoring, regular sanitising and other SOPs recommended by the National Security Council (NSC) and the Ministry of Health (MoH) .
- Our medical practitioners are equipped with the necessary PPE.
- Tightening security for visitors, contractors and suppliers.
- COVID-19 awareness through various communication channels.

HEALTH, SAFETY AND ENVIRONMENT COMPLIANCE (GRI 307-1, 403-9)

For the Plantation Division, we were issued with one legal notice of non-compliance related to the working at height incident by the Department of Occupational Safety and Health (DOSH) during the year under review. We have addressed the shortcomings and rectified the situation.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

TRAINING, EDUCATION AND CAREER DEVELOPMENT (GRI 404-2) (F4GBM)

At TDM, we encourage professional and personal advancement by providing frequent training programmes. We always encourage our employees to thrive and develop their soft and technical skills. Continuous learning and development are fundamental in creating an efficient workforce.

The Group provides both internal and external training to employees at all levels, including upskilling programmes which were conducted for the Group in 2020 and are as follows:

KNOWLEDGE ACQUISITION AND UPSKILLING PROGRAMMES	
1.	In-House Training: Heavy Vehicle Safety & Inspection (First Series)
2.	Webinar - Investment Analysis & Research
3.	LHDNM - MEF Seminar 2020
4.	MEF Seminar 2020 on “Towards Drug Free Workplace”
5.	Review & Outlook (R&O) Seminar 2020
6.	Baker Tilly Tax & Budget Seminar
7.	*Program Konvensyen Perburuhan 2020 Siri 1*
8.	Conference on Corporate Communication Professionals
9.	Webinar BDO Tax & Budget 2020
10.	MFRS Updates
11.	The 8th Annual Data Science Show 2020 Bigit
12.	In-House Training: MFRS 16
13.	Webinar Series : Governance Symposium 2020
14.	MIA Webinar Series - Designing Risk Appetite Framework
15.	Strategic Procurement, Negotiation Skills & Cost Reduction Techniques
16.	INFUZE: A Quality Improvement Program in Infusion Therapy
17.	ASEAN Healthcare Transformation Summit 2020
18.	Best Work Practices & Radiation Safety in Imaging Procedure
19.	Best Practices in Social Customer Care

RECRUITING & RETAINING EMPLOYEES (F4GBM)

Hiring the right candidate is important to maintain the manpower succession and continued success of our business. We practice a fair recruitment process at every stage, which is in line with TDM’s Human Capital Recruitment and Retention Philosophy. It outlines the following recruitment protocols:

- Making the recruitment procedure as transparent, fair and as consistent as possible.
- Following a clearly structured and equal selection process for each applicant.
- Carrying out interviews by trained employees.

In order to attract and retain talent, we adopt market-competitive, performance driven compensation packages and benefit schemes are offered to the right candidate who fits into the Group’s business aspirations and goals.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 407-1)

Employees have the right to form and become members of labour unions recognised by TDM. Through unions, workers have the right to carry out collective bargaining as permitted under Malaysia law. For the Plantation Division, a total of 3,042 employees were registered as members of the All Malayan Estate Staff Union (AMESU) and National Union of Plantation Workers (NUPW) as of 31 December 2020.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

RESPECTING HUMAN & LABOUR RIGHTS (GRI 202-1, 408-1, 409-1)

As a member of RSPO, the Group is committed to protecting the rights of its employees and treating them with dignity and respect, and in accordance with all relevant legal requirements and regulations, including the Universal Declaration of Human Rights. The Group's commitment is reflected in its Social and Humanity Policy, as well as, with its No Deforestation, No Peat, No Exploitation (NDPE) Policy, of which is stated in our Employee Handbook:

- Apply compliance to minimum wages for workers.
- Apply zero tolerance to any form of forced and child labour, slavery, human trafficking and sexual exploitation.
- Practice two-way communication with representatives of employees, and when the need arises, the Group resolves complaints and grievances through an open, transparent and consultative process.
- Allow a channel for whistleblowing when it is needed.
- Maintain a workplace that is free from abuse, harassment, intimidation and any other unsafe working condition.
- Apply no child labour in any kind of work including external contractors.
- Foreign workers have reached an agreement with the Group's management to safe-keep their passports. However, they may retrieve their passports at anytime.
- Respect the rights of employees to practice their religion during work hours.

The above commitments are applicable to all our operations and along the supply chain.

RIGHTS OF INDIGENOUS PEOPLE (GRI 411-1)

The Group respects the rights of the indigenous people of Malaysia, some of whom live in settlements bordering our estates. We co-exist harmoniously with the Orang Asal (Malaysia's indigenous people), who are also among the beneficiaries of the Group's Corporate Social Responsibility (CSR) programmes. There were no reported violations of Orang Asal rights during the year under review.

PUBLIC POLICY (GRI 415-1)

The Group is a member of several industry associations and consultative bodies that protect and promote the interests of the Malaysian Palm Oil and Healthcare industries. These special interest organisations lobby with industries and governments at local, regional and international levels on behalf of the industry interests.

Although TDM is a Terengganu Government-linked Corporation (GLC), we have no affiliation and do not make any contributions to political parties or partake in their events. This is consistent with TDM's Anti Bribery and Corruption Policy which prohibits any political donations. However, we allow charitable donations and sponsorships to government entities, clubs, associations and community centres such as schools, mosques, libraries, and other community infrastructure, which are approved by regulatory bodies and comply with all relevant laws and regulations.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

SUSTAINABILITY ASSURANCE AND CERTIFICATION (GRI 103-1, 103-2, F4GBM)

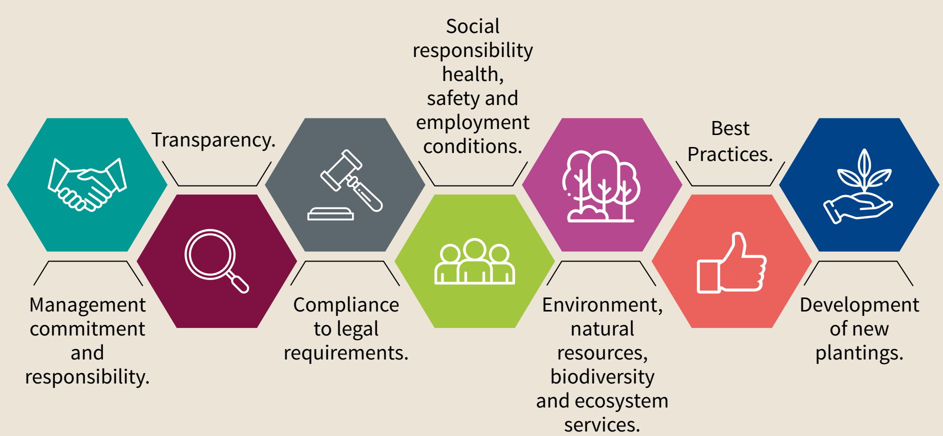
Our sustainability practices for palm oil is guaranteed through various certifications, including the RSPO and MSPO standards. Full RSPO certification has enabled the Group to gain a broader access into international markets and to be able to sell palm oil products at premium prices. Our Healthcare operations are certified with ISO 9001:2015 for hospital management.

All our estates and mills in Malaysia have been RSPO certified since 2013 except for the Bukit Bidong estate in Terengganu. RSPO promotes the growth and use of sustainable palm oil through credible global standards and active engagements with stakeholders. The standards help minimise the negative environmental impacts of oil palm cultivation and in communities within palm oil producing regions. The authorised certification body (CB), BSI Malaysia, conducts an annual audit and renews the certification every five years.
Certifications- RSPO 587626 & RSPO 595564, Production and Management System

Every Malaysian planter is required to be MSPO certified by the end of 2019. TDM was the first Malaysian GLC to be 100% MSPO certified. All our estates and mills in Malaysia were MSPO certified since 2017. The MSPO standards were developed by the Malaysian Palm Oil Certification Council (MPOCC) with representatives from various Palm Oil Special Interest Groups (PO SIG). The MSPO standards have seven principles, and includes a management system framework based on the three pillars of sustainability (3Ps): economic viability, environmental protection and social equity.

They also address good agricultural practices which is essential for sustainable development, and producing high-quality products while enhancing productivity through yield optimisation. BSI Malaysia conducts an annual audit and renews the certification every five years.
Certifications - MSPO 678754, 678572, 686825 & 686877, Malaysian Sustainable Palm Oil

MSPO STANDARDS: 7 PRINCIPLES



The Group received the first ISO 9001:2008 Quality Management Systems certification for its Healthcare Division in 2012. Today, all certifications of all the hospitals under the Group have been revised and upgraded to comply with the ISO 9001:2015 certification. All hospitals undergo an annual audit to certify their management systems are in compliance with the requirements.

This section reviews the Group's performance in the respective sustainability indicators outlined by the GRI and F4GBM. This represents our first attempt that the information disclosed is prepared based on both sets of sustainability guidelines.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

QUALITY OF PRODUCTS/SERVICES & INNOVATION (GRI 103-1, 103-2, F4GBM)

The COVID-19 pandemic has increased the use of mechanisation at our plantations and expedited greater digitalisation with our Healthcare services. Several initiatives were introduced to ensure our continuity in delivering sustainable solutions and innovation in our business operations. These include:

- **Mechanisation, Automation and Digitalisation at Plantation Division**

  The plantation industry relies almost exclusively on foreign workers for field work, especially when harvesting oil palm fruit bunches. The implementation of the Movement Control Order (MCO) worsened the shortage of workers as the closure of borders prevented workers from returning after home leave, and prevented new replacement workers from coming into the country. In response, we initiated the adoption of mechanisation and automation for harvesting and transporting FFB. We provided specialised training on the new machinery including the correct use of the Mechanical Buffalo and mechanical cutters.

  Beyond mechanisation, the Plantation Division is also poised to leverage on digital technologies such as the Internet of Things (IoT), data analytics to better monitor the performance of our machineries and scheduling of preventive maintenance. On the field, Geographic Information System (GIS) and Global Positioning System (GPS) will be deployed for oil palm tree replanting jobs.

- **15 Best Agricultural Practices at Plantation Division**

  An initiative that was developed in-house, with the intention to further improve higher yields and faster maturity periods for our plantations across all estates.

  Following these best practices, we have amped up our efforts in canopy management, ground vegetation and constructing silt pits in efforts to improve biodiversity in our estates.

An estate worker in Air Puteh Estate operating a Mechanical Buffalo to transfer FFB.

Jaya Estate worker operating a Land Surf Crawler, carrying bags of fertiliser.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

- **Project Infuze at the Healthcare Division**

  This programme was initiated by the Infusion Nurses Society of Malaysia (INS) as part of a quality improvement programme for Malaysian hospitals. The programme aims to guide and enable hospitals towards achieving compliance with best practices in vascular access management and infusion therapy.

- ***Hospital Mesra Ibadah* at the Healthcare Division**

  Introduced by KMI, this programme is in line with TDM's vision of being a shariah-compliant corporation. The programme focusses on the application and appreciation of Islamic values such as patient management, performing compliant daily tasks, as well as providing spiritual advice and emotional support. Employees were given training on the basic needs of Muslim patients and the delivery of services such as the direction of Qibla for prayers, availability of prayer mats, performance of prayers by the sick, having ready copies of the *Quran*, and providing ablution kits for *Wudu* and *Tayammum.*

- **Total Solution Provider at the Healthcare Division**

  This initiative started before the advent of COVID-19 when our Healthcare Division embarked on a transformation drive towards being a 'Total Solution Provider' on preventive medicine and 'Smart Healthcare' which focusses on the integration of Healthcare delivery mechanisms. This involves utilising electronic patient records and streamlining processes intending to improve patients' quality of life by reducing health risks and improving their well-being. In addition, we have accelerated the shift towards digital delivery in the form of online medical consultation, home delivery of pharmaceuticals and specialty care such as nursing, physiotherapy and even food deliveries from their kitchens. We are also working towards an accreditation with the Malaysian Society for Quality in Health (MSQH).

Home delivery of medications is safer, more convenient and reduces risk of infections especially during the COVID-19 situation.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

CUSTOMER SATISFACTION (GRI 416-1) (F4GBM)

It is our aim to be one of the most trusted providers of healthcare services in Malaysia. We recognise that patients are the backbone of our business, and we are conscious of the need to continuously improve the quality of life of our patients by providing the very best of healthcare services.

Regular customer feedback is crucial for monitoring our customer service levels. Therefore, we conduct a comprehensive Customer Satisfaction Analysis every quarter as part of our patient-centric and service quality improvement initiatives. For the year under review, we received praiseworthy performance scores for both Customer Satisfaction Score and Net Promoter Score surveys, which is listed below:

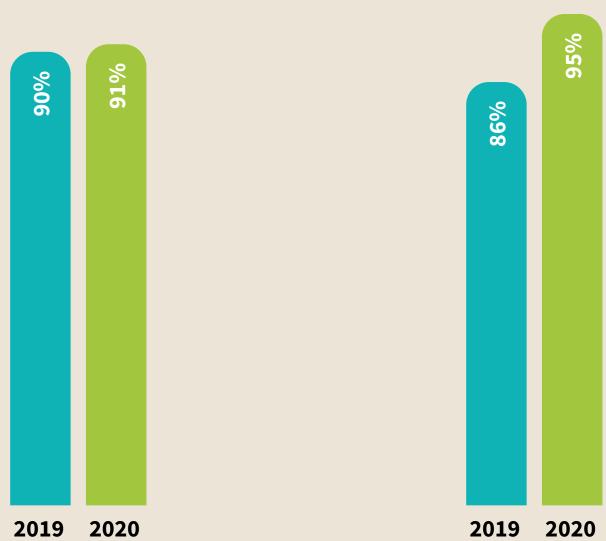
PATIENT SATISFACTION INDEX ACHIEVEMENT

Customer Satisfaction Score*

To measure customer loyalty and overall service satisfaction

Net Promoter Score*

To measure customer loyalty and the likelihood of gaining new and repeat customers



** Average for all four hospitals*

Based on the feedback received, we are able to enhance and upgrade services provided according to current expectations and trends.

CUSTOMER PRIVACY (GRI 418-1 (F4GBM)

For the Healthcare Division, we collect and store relevant personal details and health-related information of our patients with their full consent. However, we respect and strive to protect the confidentiality of the personal information according to the provisions of the Personal Data Protection Act 2010 (PDPA).

SOCIO-ECONOMIC COMPLIANCE (GRI 419-1) (F4GBM)

During the reporting period, TDM did not incur any fines or sanctions for non-compliance with laws and regulations in the socioeconomic area.

ENGAGING LOCAL COMMUNITIES (GRI 413-1) (F4GBM)

Throughout the year, the Group carries out various CSR programmes with the objective of enhancing the lives of the communities we operate in, especially with those who are in need of financial and social help. Due to the COVID-19 pandemic, most of our stakeholder engagements had to be held virtually.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

15 JANUARY 2020

MENJULANG PERADABAN SIRI 5

TDM hosted this event, which was also broadcasted live on Facebook, featuring Professor Dr. Engku Ahmad Zaki, who shared the stories on Tok Ku Tuan Besar and the spread of Islam and *Al-Sunnah Wa Al-Jama'ah* values in Terengganu.

13 MARCH 2020

KJMC'S HEARING LOSS HEALTH TALK WITH GLOBETRONICS

In conjunction with World Hearing Day, KJMC organised the Hearing Loss Health Talk featuring KJMC's Ear, Nose and Throat (ENT) Specialist Dr. Samil Bokari which took place at one of Globetronics Sdn Bhd's offices in Selangor. This session was initiated to inculcate hearing lost awareness at the workplace especially in the manufacturing industry.

27 - 28 MARCH, 6 JUNE, 15 AUGUST, 22 OCTOBER 2020

BLOOD DONATION DRIVE IN KUANTAN

To improve the fragile supply of blood, KMC hosted a blood donation drive on a regular basis in collaboration with the Hospital Tengku Ampuan Afzan (HTAA) Blood Bank.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

6 APRIL 2020

CONTRIBUTION TO TERENGGANU COVID-19 ASSISTANCE FUND

TDM contributed RM1 million to the fund in view of the devastating impact of COVID-19.

15 MAY 2020

KMC - BAKUL RAMADAN 3.0

KMC mobilised volunteers from amongst its employees to help ease the financial burden of vulnerable households or *asnaf* families affected by the pandemic. The team distributed household necessities to 78 *asnaf* families in the Kuantan district.

14 JUNE 2020

HARI RAYA CELEBRATION AT TDM

TDM hosted an internal Hari Raya Aidilfitri celebration for employees and their families.

23 JULY 2020

HULURAN KASIH, KUALA TERENGGANU

TDM continued its “Huluran Kasih” CSR initiatives, where its volunteering employees visited five selected underprivileged families and contributed household necessities and groceries.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

1 AUGUST 2020

HARI RAYA AIDILADHA CELEBRATION AT JAYA ESTATE

TDMP hosted Hari Raya Aidiladha celebration for estate workers and the local community.

7 AUGUST, 19 SEPTEMBER, 13 NOVEMBER 2020

BLOOD DONATION DRIVE IN THE KLANG VALLEY

TDMC and KJMC collaborated with the National Blood Bank to host a blood donation drive at their respective locations.

27 AUGUST 2020

KMI VISIT TO GELANDANGAN TRANSIT CENTRE (PTG)

In conjunction with Merdeka Day with the theme of '*Malaysia Prihatin*', KMI Healthcare organised a visit to PTG KL to help raise awareness on health and hygiene amongst the homeless. Group prayers were conducted, demonstration of handwashing techniques and free medical screening were performed by KJMC medical staff.

11 SEPTEMBER 2020

TDM ZIARAH

Employees from TDM spent time visiting patients at KTS as part of its *Ziarah* Programme.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

16 SEPTEMBER 2020

***BUBUR ASYURA* DISTRIBUTION PROGRAMME**

In conjunction with the month of Muharram 1442H, the Sports and Welfare Club of TDM (KSKIP) organised *Bubur Asyura* distribution programme, handing out the delicacy to employees and workers at the Gajah Mati Estate, Bukit Besi in Teregganu.

25 - 26 SEPTEMBER 2020

TDM CAKNA - SMK SUNGAI TONG

Our focus for this initiative was education, within the context of a broader corporate social responsibility strategy. The two-day programme was attended by 40 students from SMK Sungai Tong who were sitting for the Sijil Pelajaran Malaysia (SPM) examinations.

26 SEPTEMBER 2020

GATEH JEJAK SEJARAH SIRI 2

Gateh Jejak Sejarah is an engagement programme that promotes intellectual, social, and cultural history to empower the Group's employees to inculcate a sense of pride and belonging to the state's unique and rich heritage. Participants were taken on a tour by bicycle to discover Terengganu's rich heritage and culture, swerving from street to street and corner to corner to explore the state's hidden gems and historical sites or landmarks around Kuala Terengganu.

DRIVING POSITIVE SOCIAL IMPACT (GRI 102-8, 102-15, 103-1, 103-2, 202-1, 307-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 403-5, 403-7, 403-9, 403-10, 404-2, 404-4, 405-1, 406-1, 407-1, 408-1, 409-1, 411-1, 413-1, 415-1, 416-1, 418-1, 419-1) (F4GBM)

29 SEPTEMBER 2020

WORLD HEART DAY: *SEMBANG SIHAT OLEH PAKAR KARDIOLOGI DAN PAKAR RADIOLOGI KTS*

KTS, in conjunction with World Heart Day, organised a few activities to create awareness about heart attacks. The programme took place at the hospital's main lobby, where KTS Cardiologist and Radiologist were introduced to guests alongside its other healthcare services. One of the activities held was the Health Talk by Dato' Dr Abdul Hadi Jaafar and Dr Muhammad Fadli Embong on the importance of a healthy heart and the risk of heart attacks amongst adults.

22 OCTOBER 2020

MENJULANG PERADABAN SIRI 9: MEMOIR PUNCAK EVEREST

Menjulang Peradaban Siri 9: *Memoir Puncak Terengganu* featured the story of Rafi Kori, the first man from Terengganu to reach the peak of the Mount Everest, and his wife, Marina Ahmad who earned herself a spot in the Malaysia Book of Records for being the first woman from Malaysia to conquer Mount Everest.

03 OCTOBER 2020

PASAR BUKU GANU

Pasar Buku Ganu is one of TDM's initiatives in organising events or programmes that can directly benefit Terengganu's community, especially where we operate in. The main objective of this event is to encourage reading habits amongst the community in Terengganu.

30 DECEMBER 2020

VISIT TO FORMER PATIENT BY KJMC

Representatives from KJMC paid a visit to a former patient who had fallen on hard times due to his medical condition at his home in PPR Lembah Subang to provide household goods and conducted a health assessment.

UNDERSTANDING SUSTAINABILITY TO BE THE BEST FOR THE WORLD

At TDM we use the Triple Bottom Line principle of People, Planet and Profit (also known as the 3Ps, TBL or 3BL). The 3Ps model is a sustainability framework that examines a company's social, environment and economic impact, but we believe the success or failure on sustainability goals cannot be measured only in terms of profit and loss. It must also be measured in terms of the well-being of the people we work with and have an impact on and evidently, this includes our workforce, partners, communities, country and shareholders, and the health of our planet when taking into account the full cost involved in doing business.

KMI Healthcare strives to serve the people through our Secondary Care community centred specialist hospitals. By focussing on access, delivery and outcome of care, KMI Healthcare positions itself to be the healthcare provider of choice for everybody in line with our business ethos, "Your Health is Our Priority".

UNDERSTANDING SUSTAINABILITY TO BE THE BEST FOR THE WORLD

Our dedicated employees and workers at the Kemaman Bio-composting plant, going green to preserve the Planet.

We have incorporated the 3Ps to measure the financial, social and environmental performance of the Group, and over a period of time, we have collected data to help us manage the economic, social and environmental value added, or disrupted, by our business processes. Today, there are some 2,500 businesses worldwide certified as B Corps which are all configured around the 3Ps principles of striving to be not just the 'best in the world', but 'best for the world'.

2020 is like no other time in our history with COVID-19 creating havoc in all our businesses, and affecting its operational optimisation. We are still very much in the midst of the pandemic where a large number in our eco-system, including employees, families, customers, suppliers, communities, and any other person influenced or affected by the Company are struggling with hardship and disruption. Throughout 2020, we prioritised the job security of our employees and workers, while continually providing job opportunities and stable incomes to the local communities we operate in. We have tirelessly supported society with access to healthcare at all our hospitals, while supporting the Government and NGOs in disbursing financial aid or in-kind humanitarian assistance.

As the Group's core businesses is focussed on agriculture and healthcare, sustainable management of our operations has always been the foundation of our strategies and long-term growth plans. Our Plantation and Healthcare Divisions have adopted different approaches and strategies to achieve, and deliver, annual sustainability KPIs and targets, while continuously monitoring and tracking the performance of previous initiatives, some of which were implemented in 2017.

Since embarking on this sustainability reporting journey, we know for certain that we cannot operate in silos and need to work together to achieve the Group's overall aspiration of creating employment, generating innovation, paying taxes, wealth and value creation and any other economic impact we have as an organisation where we are investing in the future of the people we work with, the planet we work on while creating prosperity through the profit we generate.

UNDERSTANDING SUSTAINABILITY TO BE THE BEST FOR THE WORLD

For our palm oil business, we need to make further inroads in tackling the issues to be a sustainable and responsible agricultural practitioner, which includes looking into supply chain monitoring, deforestation, traceability and exploitation, aside from increasingly 'greening' our operations and practices to lower our carbon footprint and GHG emissions.

Similarly for healthcare, we have implemented green practices in waste management, the use of natural resources and energy management, whether in times of relative stability or in times of crisis. The shift towards accelerating digitalisation at our hospitals will continue by offering COVID-19 testing, medication delivery and virtual consultation.

In our continuing effort to improve our sustainability practices, and to adhere to relevant Acts and Regulations enforced by regulatory bodies, we have put an immediate importance on strengthening the skills and competencies of our workforce by keeping abreast with sustainable best practices, intensifying competency training, and ensuring the adherence to good health and safety practices throughout the Group.

TDM firmly believes in the 3Ps by investing in the future of its **People**, the well-being of the **Planet**, and creating **Profit** to improve prosperity for all.

Reference: Triple Bottom Line By John Elkington

We support the local communities by offering them job opportunities at our plantations to raise their socio-economic status and provide better income levels.

GLOBAL REPORTING INITIATIVE (GRI) INDICATORS & FTSE4GOOD BURSA MALAYSIA (F4GBM)

FOR SUSTAINABILITY STATEMENT ONLY

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GLOBAL REPORTING INITIATIVE (GRI) INDICATORS & FTSE4GOOD BURSA MALAYSIA (F4GBM) FOR SUSTAINABILITY STATEMENT ONLY

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POLICIES

PROFIT DISTRIBUTION POLICY

TDM Group's annual consolidated distributable profits shall be appropriated as follows:

(i) One third for dividends to shareholders;
(ii) One third for capital expenditure of the Group; and
(iii) One third for the reserves of the Group.

This policy was approved by the Board of Directors of TDM Berhad on 13 August 2009.

DIVIDEND POLICY

TDM BERHAD WILL ENDEAVOUR TO PAY OUT DIVIDENDS OF AT LEAST 30% OF ITS CONSOLIDATED ANNUAL NET PROFIT AFTER TAXATION AND MINORITY INTEREST ANNUALLY, SUBJECT TO AVAILABILITY OF DISTRIBUTABLE RESERVES.

Dividends will only be paid-out if approved by the Board of Directors and the shareholders of the Company.

The actual amount and timing of dividend payments will be dependent upon TDM Berhad's cash flow position, returns from operations, business prospects, current and expected obligations, funding needs for future growth, maintenance of an efficient capital structure and such other factors which the Board of Directors of TDM Berhad may deem relevant. The company will take every effort to grow its businesses and it should be reflected in growth in the dividend rate.

The objective of this dividend policy is to provide sustainable dividends to shareholders consistent with the company's earnings growth.

This policy was approved by the Board of Directors of TDM Berhad on 12 April 2009.

WHISTLEBLOWING POLICY

TDM Berhad ("TDMB") is committed to maintain a high standard of good Corporate Governance and adhering to our Code of Business Ethics. The Whistleblowing Policy ("the Policy") acts to support the said values by providing a mechanism for employees and other stakeholders to raise their concerns in relation to any improper conduct within TDMB Group without fear of reprisals if acting in a good faith. The Policy through its procedures, provides a transparent and confidential process when dealing with such raised concerns. The Policy is applicable to all companies within TDMB Group.

All disclosures pursuant to this Policy are to be made to the Designated Recipients as below:
(a) Head of Compliance, Integrity & Sustainability; or
(b) Chairman of Audit Committee.

Disclosures/reports are strictly confidential and can be made to any of the following dedicated reporting channels, in strict confidential manner:
(a) Secured email address at whistleblowing@tdmberhad.com.my; or
(b) By writing; or
(c) Meeting in person with the Head of Compliance, Integrity & Sustainability at:

TDM Berhad
Aras 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu, Malaysia

This revised policy was approved by the Board of Directors of TDM Berhad on 7 December 2020.

POLICIES

ANTI-BRIBERY AND CORRUPTION POLICY

TDM Berhad and its subsidiaries ("TDMB Group") are committed to prevent all forms of bribery and corruption in our daily business activities. This is consistent with the Company Core Values to promote good governance. Directors and employees shall uphold high level of integrity in all business interactions and decisions.

In principle, the Group:

(a) is committed to complying with all applicable anti-bribery and corruption laws in the countries where we operate;
(b) is committed to dealing with business associates in a fair, transparent and ethical manner;
(c) prohibits any receiving, giving or promising of facilitation payments;
(d) adopts "No Gift" Policy;
(e) prohibits offering or accepting hospitality and entertainment, subject to certain limited exceptions;
(f) prohibits any political donations. However, we allow charitable donations and sponsorships for legitimate reasons;
(g) shall conduct due diligence on employees of the Group, its business associates, projects and business activities, particularly where there is a significant exposure to bribery and corruption risk;
(h) provides channels to all stakeholders to disclose any suspected cases of bribery and corruption within the Group without fear of retaliation or reprisal; and
(i) promotes a culture of integrity by conducting an awareness programme for all our employees on the Group's standing with regards to anti-bribery and corruption.

This revised policy was approved by the Board of Directors of TDM Berhad on 7 December 2020.

"NO GIFT" POLICY

The Group adopts "No Gift" Policy whereby all directors and employees shall not solicit, demand or accept directly or indirectly, any gift from third parties, at any time on or off the work premises. The Group strictly prohibited directors and employees to accept gifts in the form of cash or cash equivalent, excessive or lavish entertainment from third parties.

In principle, the gift received by the Group shall not:

- Perceived as extravagant, lavish or excessive which may adversely affect the reputation of the Group;
- Given in the course of their official duties or in connection with any transaction which may affected by the functions of their office;
- Illegal or violation of laws;
- Part of an attempt or agreement to do anything in return;
- Given to influence the actions of directors or employees; or
- Create the appearance of a conflict of interest.

This revised policy was approved by the Board of Directors of TDM Berhad on 7 December 2020.

PHILANTHROPY POLICY

Background

- It is part of TDM's CSR philosophy to be a positive and active participant in the communities where we are present.
- This is through responding and assisting in critical social issues as well as in sports and economic development.

Rationale

- In implementing the CSR activities, TDM is committed to good corporate governance that encourages transparency.

"There were cases where minority shareholders watchdog group raised issues regarding the non-disclosure of CSR policies at company AGMs, particularly where contributions for CSR purposes were deemed exceptionally high and could have been detrimental to minority shareholders' interest."

Malaysia Corporate Governance Report 2010

TDM's Philanthropy Policy

The board is empowered to review the policy as and when required, in the best interest of the Company and its Subsidiaries.

The revised policy was approved by shareholders at the Annual General Meeting on 28 May 2019.

Notes:

1. *Approved organisations = Organisations that qualify for tax deduction by IRB.*
2. *The 2% comes from the "for-cash reserved budget" not from profit to be distributed to the shareholders*

SUSTAINABILITY POLICY

Our commitment to sustainability centers on the 3P Philosophy of "People, Planet & Profit" and is embedded in all aspects of the Group.

Our objectives:

The 3P Philosophy is aimed at ensuring social equity, environment protection and economic progress.

People

We are committed to creating a safe, healthy, honest, and pleasant working environment while helping our people find value in their work. We are an ardent advocator of personal and professional development among our management and employees. This is also extended to communities directly connected to our operations. Our emphasis on the acquisition of knowledge and skills is grounded on the belief that individuals should sustain their ability to meet the economic and social challenges of their own future.

Planet

We champion the preservation of the environment and sustainability of natural resources so as to safeguard the well-being of the people, our natural environment and the general quality of life in the present as well as future. We are increasingly 'greening' our operations and practices through innovation, technologies, and other means in order to lower TDM's carbon footprint and environmental impact.

Profit

We are equally committed to our responsibility towards the livelihood of our employees and financial aspirations of our shareholders. We believe this responsibility is best upheld by capitalising on risks and opportunities in growing the company over the long-term to ensure healthy financial returns to all our stakeholders.

This policy was approved by the Board of Directors of TDM Berhad on 27 March 2018.

POLICIES

ENVIRONMENT & BIODIVERSITY POLICY

TDM is committed to playing our part in conserving the fragile balance of the environment through sustainable practices.

Our objectives:

1. To protect the environment and to preserve biodiversity through sustainable development that preserves the environment and biodiversity in all aspects and stages of our operations.
2. To promote the conservation and development of biodiversity within our group.
3. To ensure that our agricultural operations comply with all relevant laws and National Interpretation of MSPO Principles and Criteria.

In protecting the environment and conserving biodiversity, we shall:

- Comply with all statutory and regulatory requirements in matters relating to the environment and biodiversity.
- Create, maintain, and continue the improvement of sustainable plantation management systems.
- Eliminate all adverse effects that could potentially impact on the environment and biodiversity that may arise from our plantation activities.
- Provide an effective working system based on Akta Kualiti Alam Sekeliling 1974 (Akta 127).
- Ensure zero burning as a priority as stated in Perintah Kualiti Alam Sekeliling (Aktiviti yang Diisytiharkan) (Pembakaran Terbuka) 2003.
- Implement Integrated Pest Management (IPM) technique to reduce the need for chemical pesticides and to induce cost savings.
- Reduce and phase-out chemicals that fall under the WHO Class 1A & 1B and Stockholm or Rotterdam Conventions.
- Continuously working on sound soil management by determining appropriate amount and composition of nutrients.
- Continue with our efforts towards dynamic and innovative waste management with the aim of zero waste and/or recycling or responsible waste management.
- Maintain a range of prevention and mitigation measures to reduce the risk of fire and haze.
- Strive to commit our employees, contractors, suppliers, trading partners and stakeholders to adhere to this policy and thereby focus on traceability within our supply chain.

This policy was approved by the Board of Directors of TDM Berhad on 27 March 2018.

OCCUPATIONAL SAFETY & HEALTH POLICY

TDM is committed to ensuring the safety and health of all our employees and customers, which is demonstrated by our endeavours to integrate occupational safety and health (OSH) practices into business practices and strategy at all times.

Our objectives:
1. To ensure safety and health of all our employees and customers.
2. To ensure full compliance with all relevant legislation as well as create and sustain a work culture and environment where safety and health are the priority.

In striving to secure a safe and healthy work environment we shall:
- Ensure compliance with statutory requirements, relevant standards, guidelines, and code of practice.
- Formulate, establish, communicate, implement, and maintain an occupational safety and health in the working environment.
- Provide continuous training and supervision to all categories of employees to develop a safe and healthy work experience.
- Equip and train employees to use appropriate protective equipment.
- Reduce and finally impose ban on the use of Paraquat weedicide (1, 1'-Dimethyl-4, 4'-bipyridinium dichloride).
- Ensure a fire safety plan is implemented and continuously trained for its preparedness within our organisation and neighbouring communities.
- Develop a culture of individual responsibility and accountability for the employee's own well-being.
- Inculcate the culture of safety and health among employees and stakeholders.

This policy was approved by the Board of Directors of TDM Berhad on 27 March 2018.

GENDER & DIVERSITY POLICY

TDM's social responsibility pays particular attention to creating a climate where gender equality and diversity are self-evident as part of the organisation and where differences are utilised to create business benefits as well as to nurture a fair, just and equitable working environment.

Our objectives:
1. To enrich their work experience amid a conducive environment for professional development and career growth.
2. To maintain a workplace and environment, which is free of harassment in any form, including ethnicity, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, sexual orientation or gender identity.

In line with the policy, we shall:
- Endeavour to ensure working conditions, salaries, benefits, and other employment terms are designed with the aim to provide equal opportunities and making it easier for all employees to combine work, private life and parenthood.
- Prevent sexual harassment and all other forms of violence against women, workers, and community.
- Establish a specific complaints and grievance procedure and mechanism, acceptable by all parties, to address gender-based issues.
- Not tolerate any form of maltreatment of women and enhance internal procedure for handling complaints.
- To communicate, explain and make this policy be understood by all employees, including external contractors and other relevant stakeholders.

This policy was approved by the Board of Directors of TDM Berhad on 27 March 2018.

POLICIES

SOCIAL & HUMANITY POLICY

TDM is committed to creating a safe, healthy, honest and pleasant working environment and helping our people to find value in their work and life.

Our objectives:

1. To conduct our business in a manner that respects the rights and dignity of people and local communities, complying with all legal requirements.
2. To respect and give fair treatment in accordance with the rights of employees for the mutual benefits of the company and the employees.

In fulfilling our Social & Humanity commitments, we shall:

- Enhance employees' work skills and competencies by providing training, exposure and experience.
- Not tolerate the use of child or forced labour, slavery or human trafficking in any of our plantations and facilities.
- Ensure passports of guest workers shall only be submitted to the management for safe custody, with consent by the guest worker and will be readily made available upon request.
- Ensure no difference in rights between guest and local workers.
- Commit to Free, Prior and Informed Consent (FPIC) in all negotiations prior to commencing any new operations as we respect native rights of indigenous and local communities.
- Strive to commit our employees, contractors, suppliers, trading partners and stakeholders to adhere to this policy.

This policy approved by the Board of Directors of TDM Berhad on 27 March 2018.

NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY

TDM is committed to sustainable palm oil production and sourcing, which includes the conservation of biodiversity, reduction of greenhouse gases, improvement of livelihoods and food security. It is critical that all parts of the palm oil supply chain – from plantations to retailers – collaborate and act in an environmentally sustainable and socially responsible manner.

This NDPE policy will enhance our existing commitment to the Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO) which provides a common, shared system for growers, processors, buyers, and institutions to use in order to check that palm oil is sustainably produced.

Our commitments

TDM is working closely with other growers, traders, processors, end- user companies, and other industry stakeholders to protect forests, peatlands, and human and community rights. TDM commits to the following standards in the oil palm supply chain:

1. No Deforestation
2. No Development on Peat
3. No Exploitation of People and Local Communities

1. No deforestation

- **No development of high carbon stock (HCS Forest)**

  TDM recognises primary forests as well as High Density1, Medium Density2, and Low Density3 Forests as High Carbon Stock (HCS) Forests. We will protect all forests identified as the HCS.

- **No development of high conservation value (HCV)**

  TDM commits to identify and protect, restore and/ or co-manage the forests and other areas identified as having High Conservation Value ("HCV") by competent, accredited assessors in accordance with Principle and Criteria 7.12 of the "RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018".

NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY (CONT'D)

- **No burning**
  TDM implements "No Burn" policy, which means that there can be no use of fire in the preparation of new plantings, or re-plantings or any other developments, in accordance with the full scope of this Policy. This policy also follows RSPO commitment under Principle and Criteria section 7.11.
- **Reduction a Greenhouse Gas (GHG) Emissions**
  We will adopt and implement significant GHG emissions reduction targets, and these will be achieved through treating mill effluent and managing methane emissions and avoiding deforestation.

2. No development on peat

- **No development on peat regardless of depth**
  Peat soil contains more than 65% organic matter. TDM will not accept any future development of any peatland, regardless of the depth of peat in accordance with the full scope of this policy.
- **Best management practice for existing plantation on peat**
  TDM remains committed to supporting RSPO Principle and Criteria 7.7.6 and the standards set out in the RSPO Manual on Best Management Practice (BMPs) for existing plantations on peatlands.
- **Where feasible, explore options for peat restoration by working with expert stakeholders and communities.**
  We will work with experts to explore options of peat definition, restoration or alternative uses in areas unsuitable for replanting.

Notes:

1. Remnant forest of advanced secondary forest close to primary condition.

2. Remnant forest but more disturbed than High Density Forest.

3. Appears to be remnant forest but is highly disturbed and recovering with composition of older forest.Berhad on 27 March 2018.

NO DEFORESTATION, NO PEAT, NO EXPLOITATION (NDPE) POLICY (CONT'D)

Our commitments (cont'd.)

3. **No exploitation of people and local communities**

   - **Respect and support the Universal Declaration of Human Rights**
     TDM commits to uphold and promote the Universal Declaration of Human Rights for all workers, contractors, indigenous people, local communities, and anyone affected by our operations under the full scope of this policy.
   - **Respect and recognise the rights of all workers including contract, temporary and foreign workers**
     We commit to respect and protect human rights, the rights of all workers, including contract, temporary, foreign workers, the elimination of discrimination in employment and the promotion of equal rights, the freedom of association and the right to collective bargaining.
   - **Respect land tenure right**
     TDM respects tenure rights, and recognises duty and responsibilities associated with tenure rights, such as respect for the longprotection and sustainable use of land, forests, and fisheries. This is done in cognisance of the national obligations, constitutions, local laws, and regulations of the country TDM is operating in.
   - **Respect the right of indigenous and local communities to give or withhold their free, prior and informed consent (FPIC) to operations on lands to which they hold legal, communal or customary rights**
     We respect the individual rights of indigenous people and other local communities to give or withhold their FPIC to development of land to which they hold legal, communal or customary rights. The Group commits to ensuring legal compliance as well as international best practices in FPIC are implemented, in accordance with the full scope of this Policy, prior to commencing any new operations.
   - **Resolve all complaints and conflicts through an open, transparent and consultative process**
     We support and implement RSPO Principle and Criteria 4.2 and will work with parties to resolve complaints and conflicts though an open, transparent, and consultative process.

General Implementation Statement
TDM will communicate regularly and effectively with all stakeholders to ensure that they are well-informed of the details of this Policy.

We will continue to comply with the principles outlined in the policy and adhere to all other laws and regulations governing biodiversity and conservation in every jurisdiction where we operate.

We recognise that this Policy will need to be constantly reviewed to take into account of changing expectations and circumstances as well as improvements in operational procedures. Any changes must be consistent with the Group's goals to promote positive environmental impacts and positive social outcomes.

This policy was approved by the Board of Directors of TDM Berhad on 25 February 2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is made pursuant to Para 15.25 (1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board has also provided specific disclosures on its application of the principles in the Malaysian Code on Corporate Governance ("MCCG") in its Corporate Governance Report ("CG Report").

Shareholders are advised to read this overview statement together with the CG Report which can be obtained by referring to the Annual Report announcement in Bursa's website or by visiting the Company's website at https://www.tdmberhad.com.my for further details.

The Board remains committed to ensure that the highest standards of corporate governance are practised throughout TDM Group ("TDM Berhad and its Subsidiaries"). The Board recognises the importance of maintaining good corporate governance practices within the Group as it is the Board's fundamental responsibility to protect and enhance long-term shareholder value and the financial performance of TDM Group, whilst taking into account the interest of all stakeholders.

The Board is pleased to present an overview of the Corporate Governance Statement, which provides key highlights on how TDM Berhad ("TDM" or "the Company") complies with the three (3) principles of the MCCG 2017 during the financial year ended 31 December 2020, which are as follows:

Principle A : Board Leadership and Effectiveness;
Principle B : Effective Audit and Risk Management; and
Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

In order to provide the latest status update of the Company, this Overview Statement on Corporate Governance also includes information up to 27 April 2021.

PRINCIPLE A
Part I Board Responsibilities
Intended Outcome 1.0

Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

1.1 Roles & Responsibilities

The Board is responsible for the effective leadership and long-term success of the Group. The Board Charter, which outlines the roles and responsibilities of the Board and those which it delegates to the various Board Committees is available at the Company's website at https:// www.tdmberhad.com.my. In order to retain control of key decisions and ensure a clear division of responsibilities, the Board has also set out in the Charter, "Reserved Matters" that need to be decided by the Board.

The Board leads the Group and plays a strategic role for the oversight and overall management of the Company. The Board's key responsibilities include reviewing and approving strategic and annual business plan and budget, overseeing the conduct of the Company's business, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group to ensure that the Group operates with integrity and in compliance with the rules and regulations.

The Board is responsible for oversight and overall governance of the Group to ensure that the strategic plans of the Group is implemented and accountability is monitored effectively, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of the plans and goals decided by the Board. The Board provides insights and guidance to the Group Chief Executive Officer ("Group CEO") / Executive Director and Management to achieve Corporate objectives of the Group. Independence from the management of the Group is a key principle to the effective functioning of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In discharging the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to the following Board Committees to assist the Board in overseeing the Company's affairs and in deliberation of issues within their respective functions and Terms of Reference ("TOR"), which clearly outline their objectives, duties and powers. The Chairman of each Committee will report to the Board on the outcome of the Committee's meetings and resolutions, which would also include the key issues deliberated at the Committee's meetings.

However, the ultimate responsibility for the final decision on all matters lies with the Board.

- Audit Committee ("AC")
- Nomination & Remuneration Committee ("NRC")
- Board Risk & Compliance Committee ("BRCC")
- Board Tender Committee ("BTC")
- Executive Committee ("EXCO")

The EXCO, which comprises four (4) Non-Executive Directors on the Board was established as a medium between the Board, Board Committees and the Management with a primary function and duty to oversee and ensure all Board decisions and instructions to the Management are implemented smoothly and efficiently vis-a-vis to evaluate and make appropriate recommendation to the Board Committees and/or Board on all matters presented to the EXCO by the Management which requires Board's decision and approval. The EXCO reports the findings and makes subsequent recommendations to the Board.

1.2 Chairman and Executive Director

The Chairman of the Board is a Non-Independent & Non-Executive Director. The Chairman is capable of leading the Board based on his leadership skill, education level and extensive working experience. As the Chairman plays an important role in the Board, the Chairman is able to provide effective leadership to the Board and guide the vision, strategic direction and business development of the Company, and at the same time be guided by the independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board.

The Chairman, whose primary role is to preside over board meetings, has the significant role to ensure that all directors' views are heard, ensure sufficient time for discussion of each agenda, as well as to provide fair opportunity to all directors to participate actively and constructively during the meetings.

The Chairman assumes the formal role as the leader in chairing the Board meetings and Shareholders' meetings.

During the year, the Company experienced changes in its Management leadership. Haji Najman bin Kamaruddin has resumed responsibilities as an Executive Director of the Company following the departure of Encik Zainal Abidin bin Shariff on 27 November 2020 as GCEO. Haji Najman relinquished his position as Independent & Non-Executive Director and was redesignated as an Executive Director on 2 December 2020.

The Executive Director is responsible to overseeing the entire business and operations of the Group and lead the management team in the day-to-day operations of the Company, ensuring that implementation of the Board's strategies, policies, decisions, and strategies are effectively implemented, and that the day-to-day management of the business is effectively managed as delegated by the Board from time to time.

The positions of the Chairman of the Board and Executive Director are held by two (2) different individuals. There is a clear accepted division of responsibilities between the Chairman and the Executive Director such that no individual has an unrestricted amount of power in any Board Decision. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitates an open exchange of views and opinions between the Board and the Management in their deliberation of the business, strategies and key operations of the Group.

1.3 Qualified and Competent Company Secretaries

The Board is supported by Company Secretaries who provide advisory services to the Boards, particularly on corporate governance and compliance issues, including compliance to the relevant rules/ procedures, laws and regulatory requirements. The details of the Company Secretaries relating to qualification, training programmes attended, and others are disclosed in the CG Report. All Directors have unrestricted access to the advice and services of the Company Secretaries.

1.4 Access to Information and Advice

All Directors have the right of access to all relevant Company's information, access to management and may obtain independent professional advice at the Company's expense that are deemed necessary to carry out their duties, subject to prior consultation with the Chairman. To enable them to effectively exercise their duties and responsibilities, Board meetings regularly included sessions on recent key developments in governance and other corporate matters affecting the Company's businesses.

All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting. All information and documents are provided in a timely manner so that members are given sufficient time to prepare and, where necessary, obtain additional information or clarification prior to the meeting to ensure effectiveness of the proceeding of the meeting.

In ensuring the effectiveness of the functions of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal and External Auditors and may seek advice from the Management on issues under their respective purview and compliance with statutory obligations, Bursa Malaysia Listing Requirements for Main Market or other regulatory requirements.

In most instances, the Senior Management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board. Every Director also has unrestricted access to all information with regard to the activities of TDM Group.

Intended Outcome 2.0

There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its Committees and individual Directors.

2.1. Board Charter

The Board has adopted a Board Charter which outlines the composition and balance, roles and responsibilities, operations, and process of the Board. The Board will review the Board Charter and Terms of Reference of the Board Committees as and when needed to ensure they remain consistent with the Board's objective and responsibilities, and relevant standards of corporate governance.

The respective roles and responsibilities of the Board and Board Committees, Independent Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties. The Board Charter is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members, and the various legislations and regulations affecting their conduct, and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of the Company.

The Board Charter incorporates provisions that provide for the clear demarcation of the respective roles and responsibilities of the Board.

The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company and any new regulations. Any amendments to the Board Charter shall be approved by the Board.

The Board Charter also includes an outline on what is expected of Directors in terms of their commitment, roles, and responsibilities as Board Members.

The Board Charter is published on the Company's website at https://www.tdmberhad.com.my.

Intended Outcome 3.0

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

The Code of Business Ethics ("CoBE") and Anti-Bribery and Corruption Policy are applicable to all Directors, Management and employees of the Group, which set forth the ethical and professional standards of corporate and individual behaviour expected to enhance the standard of corporate governance and corporate behaviour. The CoBE sets the foundation on how to conduct operations and provides guidance in maintaining trust and credibility with customers, partners, employees, shareholders, and other stakeholders.

The CoBE requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and to act in good faith in the best interest of the Group and its shareholders. Should there be any transaction to be entered into directly or indirectly with the Company or its subsidiaries, the said Director has a duty to immediately declare to the Board in order to avoid any conflict of interest.

It also entrusts Board members and employees to apply the principles and practices of good Corporate Governance in all their dealings in respect of and on behalf of the Company; to help foster a culture of honesty and accountability, and uphold the core values of integrity when dealing with ethical issues. Further, the CoBE expressly prohibits improper solicitation, bribery, and other corrupt activity not only by employees and directors but also by third parties performing work or services for or on behalf of companies in the TDM Berhad Group.

The Code of Business Ethics and the Anti-Bribery and Corruption Policy are available on the Company's website.

In relation to governance structure and the directives of the Prime Minister for all Government-Linked Companies ("GLC") to set-up Integrity and Governance Unit, the Integrity Unit has been set up to strengthen internal controls to preventing corruption, abuse of power and malpractices thus, enhance company's integrity.

The awareness programs have been carried out to the staff pertaining to the new regulation, adherence to the regulation and impact of non-compliance.

Whistleblowing Policy and Gender & Diversity Policy

The Board has adopted a Whistleblowing Policy to facilitate the whistleblower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns.

Only genuine concerns should be reported under the Whistleblowing Policy. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

The Whistleblowing Policy is published on the Company's website at https://www.tdmberhad.com.my.

The main focus of the Gender & Diversity Policy is to ensure working environment, salaries, benefits and other employment terms are designed with the aim to provide equal opportunities and making it easier for all employees to combine work, private life and parenthood including maintaining a workplace and environment, which is free of harassment in any form, including ethnically, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, sexual orientation or gender identity.

Further, the Group adopts non-discriminatory policy in employing talents to fulfil its human resource needs at all levels including Board especially in ensuring gender diversity. The Board with open arms accepts the gender diversity in the Board's composition and Senior Management.

The Board through the NRC will continue to consider gender diversity as part of its future selection and will look into having female Board representation.

The Gender & Diversity Policy is published on the Company's website at https://www.tdmberhad.com.my.

Part II. Board Composition
Intended Outcome 4.0

Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

4.1. Strengthen Composition of the Board

The current Board has seven (7) Directors comprising four (4) Non-Independent & Non-Executive Directors, two (2) Independent & Non-Executive Directors and the Executive Director.

The Board is made up of a diverse group of individuals with broad experiences and all Members have demonstrated their ability to exercise sound business judgment.

The Board is of the view that the current composition is suitable to reflect and protect the interests of all the shareholders.

The Board recognises the importance and contribution of its Independent & Non-Executive Directors. They represent the element of objectivity, impartiality, and independent judgment of the Board. This ensures that there is adequate check and balance at the Board. The two (2) Independent Directors of the Company provide the Board with vast and varied management exposure, expertise and broad business and commercial experiences.

The ability and effectiveness of an Independent Director is dependent on his calibre, qualification, experience, integrity, and objectivity in discharging his responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Amongst various matters taken into consideration, the Board seeks to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board.

The independent directors participated actively in providing independent advice, views, judgement in the decision-making process, thus ensuring that a balanced and unbiased deliberation process is in place to safeguard the interest of all stakeholders. As and when a potential conflict of interest arises, it is a mandatory practice for the Directors concerned to declare their interest and abstain from the decision-making process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Non-Executive Directors do not participate in the routine operations and they bring unbiased guidance to the Group. They constructively challenge and at the same time contribute to the development of strategies. Being independent of management and free of any business or other relationship, they are therefore able to promote arm's-length oversight and at the same time bring independent thinking, views, and judgments to bear in decision making. The Board monitors the independence of each Director on yearly basis, in respect of their interests disclosed by them.

The Board and its NRC have upon their annual assessment, concluded that each of the two (2) Independent & Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the definition and criteria of independence as set out in the Main LR.

The profile of each member of the current Board is set out in the Directors' Profile of this Annual Report.

4.2. Tenure of an Independent Director

The Board Charter stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to shareholders' approval and the director's re-designation to Non-Independent Director.

The Board is of the view that a Director's independence should not be determined solely based on the tenure of service and the continued tenure of directorship brings considerable stability to the Board. The Company benefits from Directors who have, over time, gained valuable insight into the Group.

None of the Independent & Non-Executive Directors hold office for more than nine (9) years under the reporting period.

4.3. Board Diversity

The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, experience and skills.

The Board believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance.

The Board is judicious of the gender diversity recommendation promoted by the MCCG in order to offer greater depth and breadth to board discussions and constructive debates at senior management level. The Board practices no discrimination in term of appointment of Directors as well as hiring employees wherein the Directors and senior management are recruited based on their merit, skills and experience and not driven by age, cultural background, and gender.

Currently, there are four (4) female directors in three (3) subsidiaries of the Group. Two of the Subsidiaries are led by female General Managers ("GM").

The Group adopts a non-discriminatory policy in employing talents to fulfill its human resource needs at all levels including Board especially in ensuring gender diversity.

The Board will endeavour to have women representation on the Board based on effective blend of required skills, experience and knowledge in areas identified and the needs of the Company.

4.4. Foster Commitment of the Directors

The Board meets on a quarterly basis, with additional meetings convened as and when necessary.

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, financial results as well as key performance indicators.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors as evidenced by their attendance at the Board meetings. Board meetings are also supplemented by resolutions circulated to the Directors for decision between the scheduled meetings.

During the financial year ended (FYE) 31 December 2020, the Board met sixteen (16) times and the attendance records are as follows:-

No.	Name of Director	Number of Meeting attended for FYE 2020	%
1.	YM Raja Dato' Idris Raja Kamarudin Non-Independent & Non-Executive Chairman	14/16	88
2.	Dato' Haji Zainal Abidin bin Hussin Non-Independent & Non-Executive Director	16/16	100
3.	Haji Mazli Zakuan bin Mohd Noor Non-Independent & Non-Executive Director	15/16	94
4.	Mohd Kamaruzaman bin A Wahab Independent & Non-Executive Director	15/16	94
5.	Haji Burhanuddin Hilmi bin Mohamed @ Harun Non-Independent & Non-Executive Director	16/16	100
6.	*Haji Najman bin Kamaruddin Executive Director	16/16	100
7.	Haji Azlan bin Md Alifiah Independent & Non-Executive Director	14/16	88

Note: Haji Najman bin Kamaruddin was redesignated from Independent Non-Executive Director to Executive Director on 2 December 2020.*

The attendance of all the Directors at Board meetings held during the FYE 31 December 2020 surpassed the minimum requirements stipulated under the Listing Requirement.

All Directors do not hold more than 5 directorships as required under Rule 15.06 of the Listing Requirements.

4.5. Continuing Education and Training of Directors

Paragraph 15.08 of the Listing requirements of Bursa Securities requires Directors to undertake continuous professional development programs to keep themselves abreast with the changing business environment, regulatory and corporate governance.

Directors were encouraged to continually update their skills and knowledge of the business and to actively participate in continuous professional development programs, so that, the Board is equipped to meet the fast-changing competitive business environment and technological changes.

Some of the training/courses attended by the Directors during the FYE 2020 and as at 27 April 2021 are as follows: -

No.	Name of Director	Training Attended	Date
1.	YM Raja Dato' Idris Raja Kamarudin	Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
2.	Dato' Haji Zainal Abidin bin Hussin	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. Pembentangan Dapatan Impak Pandemik COVID-19 di Terengganu.	09 August 2020
		3. Sesi Dialog YB Menteri Kewangan Bersama Penggiat-penggiat Industri Minyak, Gas dan Petroleum.	06 September 2020
		4. Panel Bengkel Perundingan Pakar - Tadbir Urus Belanjawan 2021 Terengganu Darul Iman	15 September 2020
3.	Haji Mazli Zakuan bin Mohd Noor	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. Board & Management Retreat Session: Strategic Direction For Business Plan 2021 – 2025 And Budget.	28 - 29 September 2020
		3. MIA Audit Committee Conference (MIA)	15 - 16 March 2021
4.	Haji Burhanuddin Hilmi bin Mohamed @ Harun	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. Board & Management Retreat Session: Strategic Direction For Business Plan 2021 – 2025 And Budget.	28- 29 September 2020

No.	Name of Director	Training Attended	Date
5.	Haji Najman bin Kamaruddin	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. MIA Webinar Series: Designing Risk Appetite Framework (MIA).	15 October 2020
		3. Read Interpret & Analyse Financial Statement For Company Directors & Company Secretaries (Advance Level) (COMTRAC)	19 November 2020
		4. MIA Audit Committee Conference (MIA)	15 - 16 March 2021
6.	Haji Azlan bin Md Alifiah	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. MIA Audit Committee Conference (MIA	15 - 16 March 2021
7.	Mohd Kamaruzaman bin A Wahab	1. Taklimat Liabiliti Korporat Seksyen 17A Akta SPRM 2009 (SPRM)	11 June 2020
		2. Board & Management Retreat Session: Strategic Direction For Business Plan 2021 – 2025 And Budget.	28 - 29 September 2020
		3. MIA Audit Committee Conference (MIA)	15 - 16 March 2021

The Directors remain committed and will continue to undergo relevant training programmes to further enhance their skills and knowledge to discharge their duties effectively.

In addition, the Directors were briefed at Board meetings and Audit Committee meetings on any updates or changes to the relevant guidelines on the regulatory and statutory requirements by the Company Secretary, Internal Auditors and External Auditors.

The Directors are also notified of any corporate announcement released to Bursa Securities and the impending restriction in dealing with the securities of the Company prior to the announcement of financial results or corporate proposals. Directors are also expected to observe insider trading laws at all times when dealing with securities within the permitted trading period.

Intended Outcome 5.0

Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

5.1 Nomination and Remuneration Committee ("NRC")

The NRC comprises the following three (3) members: -

Chairman	:	**Haji Mazli Zakuan bin Mohd Noor** Non-Independent & Non-Executive Director
Members	:	**Haji Azlan bin Md Alifiah** Independent & Non-Executive Director
		Mohd Kamaruzaman bin A Wahab Independent & Non-Executive Director
		Haji Burhanuddin Hilmi bin Mohamed @ Harun Non-Independent & Non-Executive Director **(Resigned on 24 December 2020)**
		Haji Najman bin Kamaruddin (Independent & Non-Executive Director) ***(Redesignated as an Executive Director on 2 December 2020 and subsequently resigned as the Committee Member on 24 December 2020)***

All members of NRC are Non-Executive Directors (NED) with majority of them being Independent.

In discharging its duties and responsibilities, the NRC is guided by the Terms of Reference (TOR) and is available on the Company's corporate website.

The NRC is empowered by the Board to amongst others, identify and recommend to the Board suitable candidates for appointment to the Board and Board Committees, re-election and re-appointment of Directors, and review the independence of Independent Directors as well as considering the Board's succession planning and training programme.

The NRC shall evaluate candidates on the aspect of their:

- Integrity, Commitment and Ethics
- Skills, Knowledge, Expertise and Experiences
- Judgement and Decision Making
- Professionalism

For position of Independent & Non-Executive Director, the candidates' abilities to discharge such responsibilities/ functions independently as expected from the Independent Non-Executive Director.

During the financial year, the NRC has undertaken the following key activities in discharging its duties:

1) Reviewed and confirmed the Minutes of the NRC meetings held.
2) Reviewed and recommended Directors' Fees and benefits payable to Non-Executive Directors to the Board for recommendation and approval at the forthcoming AGM.
3) Reviewed and recommended the TOR of NRC for Board's approval.
4) Reviewed and deliberated on Board and Board Committees evaluation forms and recommended to the Board for approval.
5) Reviewed and recommended the re-election of Directors at the forthcoming AGM.
6) Examined the composition of the Board.
7) Reviewed the required mix of skills, experience, and other qualities of the Board.
8) Reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system.
9) Conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees.
10) Reviewed the term of office of the AC and assessed its effectiveness as a whole, the independence of the Independent Directors and assessed their ability to bring independent and objective judgement to Board deliberations.

5.2 Board Effectiveness Evaluation (BEE)

The Board through the NRC and facilitated by the Company Secretaries, annually assesses the effectiveness of the Board, Board Committees, the contribution of each individual Directors including assessment of the independence of each of the Independent Directors to set criteria as prescribed by the Listing Requirements by way of a set of customised questionnaires.

Based on the evaluation, the NRC and the Board concluded that all the Independent Directors of the Company continued to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board is satisfied that the Independent Directors continue to exercise independent and objective judgement and act in the interest of the Company and its stakeholders.

Summary of results of the annual assessment are tabled to the NRC for deliberation and reported to the Board.

5.3 Retirement of Directors

All Directors, including the Managing Director (if any), shall retire by rotation once every three years in accordance with clause 119 of the Constitution of the Company. The directors to retire shall be those longest in service since their last appointment. Retiring Directors may offer themselves for re-election to the Board at the Annual General Meeting.

In addition, any newly appointed Director will submit himself/herself for retirement and re-election at the Annual General Meeting immediately following his/her appointment pursuant to clause 118 of the Constitution of the Company. Thereafter he/she shall be subject to the one-third rotation retirement rule.

The NRC is entrusted to review the retirement of Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Director who is subject to re-election and/or re-appointment at an AGM is assessed by the NRC before a recommendation is made to the Board and shareholders.

Based on the Company's Constitution of the Company, the following Directors are subject to retirement at the forthcoming AGM:-

Directors to Retire under Clause 119 of the Constitution of the Company:-

1. **Haji Mazli Zakuan bin Mohd Noor**
2. **Mohd Kamaruzaman bin A Wahab**

The Board (save for the members who abstained from deliberations on their own re-election) supported the NRC's recommendations.

Part III Remuneration - Level and Composition of Remuneration
Intended Outcome 6.0

The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.

6.1 Remuneration policy

The NRC, which consists majority of Independent Directors, assists the Board on matters relating to the development, establishment, review and revision, and implementation of policies and procedures on remuneration for Directors and Senior Management personnel in the C-Suite Category.

The NRC is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management, and the payment of performance bonus and salary increments for employees of the Group.

For Non-Executive Directors, the level of remuneration commensurates with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, meeting allowance for every Board and Board Committee meeting attended, medical coverage and other claimable benefits. The remuneration of Non-Executive Directors shall be reviewed annually by the NRC and the Board and subject to the approval of the shareholders at the annual general meeting.

The Company will be seeking the shareholders' approval for the Directors' Fees and Benefits payable to Non-Executive Directors for the period from 1 July 2021 until 30 June 2022, for the purposes of facilitating payment of Directors' Fees and Benefits on a monthly basis and/or as and when incurred.

Intended Outcome 7.0

Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurates with their individual performance, taking into consideration the Company's performance

7.1 Remuneration of Directors and Senior Management

The Board applies Practice 7.1 of the MCCG 2017 to disclose Directors' remuneration on named basis for individual Directors with detailed remuneration breakdown. The remunerations received by the Directors in respect of the financial year ended 31 December 2020 are disclosed:

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMPANY LEVEL

No.	Director	Fees (RM)	Salaries (RM)	Chairman & Committee Allowances (RM)	Meeting Allowance (RM)	Other Benefits (RM)	Total (RM)
Executive Director							
1.	Haji Najman bin Kamaruddin*	48,000	33,870	28,420	44,500	49,000	203,790
Independent Non-Executive Director							
2.	Mohd Kamaruzaman bin A Wahab	48,000	Nil	25,667	46,000	24,477	144,144
3.	Haji Azlan bin Md Alifiah	48,000	Nil	28,003	32,500	42,230	150,733
Non-Independent Non-Executive Director							
4.	YM Raja Dato' Idris Raja Kamarudin	48,000	Nil	120,000	18,000	66,405	252,405
5.	Haji Mazli Zakuan bin Mohd Noor	48,000	Nil	31,795	36,000	34,252	150,047
6.	Haji Burhanuddin Hilmi bin Mohamed @ Harun	48,000	Nil	28,121	46,500	49,000	171,621
7.	Dato' Haji Zainal Abidin bin Hussin	46,558	Nil	6,210	20,000	31,500	104,268

* *Tuan Haji Najman bin Kamaruddin was redesignated from Independent Non-Executive Director to Executive Director on 2 December 2020.*

GROUP LEVEL

No.	Director	Fees (RM)	Salaries (RM)	Chairman & Committee Allowances (RM)	Meeting Allowance (RM)	Other Benefits (RM)	Total (RM)
Executive Director							
1.	Haji Najman bin Kamaruddin*	52,000	33,870	64,420	47,000	55,833	253,123
Independent Non-Executive Director							
2.	Mohd Kamaruzaman bin A Wahab	53,000	Nil	25,667	46,500	24,477	149,644
Non-Independent Non-Executive Director							
3.	YM Raja Dato' Idris Raja Kamarudin	63,664	Nil	192,000	24,000	95,696	375,360
4.	Haji Mazli Zakuan bin Mohd Noor	65,664	Nil	67,795	43,500	42,585	219,544
5.	Haji Burhanuddin Hilmi bin Mohamed @ Harun	53,000	Nil	35,621	47,000	49,000	180,621

* *Tuan Haji Najman bin Kamaruddin was redesignated from Independent Non-Executive Director to Executive Director on 2 December 2020.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

With the best interest of the Group in mind, and taking into consideration the sensitivity, privacy, security, issue of staff pinching, the Board has opted not to disclose on a named basis the remuneration of their key senior management. Instead, the Board discloses the key senior management's remuneration on an aggregate basis for the financial year ended 31 December 2020, as follows:

RANGE OF REMUNERATION PER ANNUM (RM)	NO. OF MANAGEMENT
200,001.00 - 250,000.00	1
250,001.00 - 300,000.00	1
300,001.00 - 350,000.00	2
350,001.00 - 400,000.00	1

In addition, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's Key Senior Management.

PRINCIPLE B
Part I Effective Audit & Risk Management
Intended Outcome 8.0

There is an effective and independent AC.
The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of Information.

8.1 Audit Committee ("AC")

The Audit Committee is currently chaired by Haji Azlan bin Md Alifiah who is a member of the Chartered Institute of Management Accountants (CIMA) (UK) and the Malaysian Institute of Accountants (MIA) and has vast experience in finance and corporate matters to lead discussions and deliberations related to financial issues and to review results and statements.

The Board believes that the current composition has the required experience and knowledge for the roles of Audit Committee. The Audit Committee consists of all Non-Executive Directors with majority of them being independent directors and no alternate director is appointed as member of the Audit Committee.

The Company complied with Practice 8.1 of the MCCG 2017 which stipulates that the Chairman of the AC is not the Chairman of the Board.

The AC has responsibility for oversight of the Company's financial statements, related party transactions, system of internal control, the Company's relationship with its external auditors and effectiveness of internal audit procedures. In discharging its duties and responsibilities, the AC is guided by the Terms of Reference which is available on the Company's corporate website.

The AC annually assesses the audit quality, suitability, objectivity, effectiveness, and independence of the external auditors. The AC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

On 7 April 2020, the Board adopted the External Auditors Assessment Policy which sets out the guidelines and procedures to be observed by the AC when performing its annual assessment of the external auditors. This policy is available on the Company's website at https://www. tdmberhad.com.my.

Part II Risk Management and Internal Control Framework
Intended Outcome 9.0

Company makes informed decisions about the level of risk they want to take and implements necessary controls to pursue their objectives. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

9.1 The Board recognises the importance of a sound system of risk management and internal control to ensure good CG practices and to safeguard the shareholders' investments as well as the Group's assets.

The Board is cognisant of its overall responsibility in establishing and maintaining sound risk management and internal control systems as well as reviewing its adequacy and effectiveness. The governance structure that is in place provides reasonable assurance of the effectiveness of the Group's business operations and risk management to safeguard shareholders' investments and the Group's assets as well as to ensure its sustainability.

The Board fulfils its responsibilities in the risk governance and oversight functions through the Board Risk & Compliance Committee ("BRCC") in order to manage the overall risk exposure of the Group. The BRCC ensures that the risk management is embedded in the Group's business operations by continuously reviewing the risk management policies and procedures; responsibilities and assessing whether the said policies and procedures provide reasonable assurance that risks are managed within a tolerable range.

The Board recognises the importance of a sound system of risk management and internal control to ensure good CG practices and to safeguard the shareholders' investments as well as the Group's assets.

The Board recognises that some risks cannot be eliminated completely. Nonetheless, with the implementation of an effective system of risk management and internal control, it provides a reasonable but not absolute assurance against material misstatements of financial and management information and records and/or against any material financial losses or fraud.

The BRCC comprises a majority of Non-Executive & Non-Independent Directors to oversee the Company's risk management framework and policies.

The existing BRCC comprises five (5) members as follows:-

No.	Name of Member	Number of Meeting attended for FYE 2020	%
1.	Mohd Kamaruzaman bin A Wahab ***(Redesignated as Chairman on 24 December 2021)***	11/11	88
2.	Haji Mazli Zakuan bin Mohd Noor	10/11	100
3.	Haji Burhanuddin Hilmi bin Mohamed @ Harun	11/11	94
4.	Dato' Haji Zainal Abidin bin Hussin	11/11	94
5.	Haji Azlan bin Md Alifiah	11/11	100
6.	Haji Najman bin Kamaruddin ***(Redesignated as an Executive Director on 2 December 2020 and subsequently resigned as the Committee Member on 24 December 2020)***	10/10	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The TOR of the BRCC can be found in the Company's website at https://www.tdmberhad.com.my.

An overview of the Group's risk management and internal controls is set out in the Statement on Risk Management and Internal Control ("SORMIC") on pages 181 to 188 of this Annual Report.

Board Tender Committee ("BTC")

The BTC key function is to review, monitor and recommend to the Board matters related to procurement of the Group in line with the Delegated Authority Limit ("DAL") and Group Procurement Policies and Procedures.

The BTC shall also review any related party transactions and conflict of interest that may arise during any transaction, procedure or course of conduct that may raise questions on integrity.

The main objectives of BTC, amongst others: -

- Achievement of maximum level of economic efficiency in obtaining the Group purchases at competitive and fair prices.
- Protection of the Group funds and prevention of any influence of personal interests on tender formalities. reinforce corporate governance, integrity and transparency in the procurement process and contract management.

The members of the BTC are as follows:

Chairman	:	**Haji Burhanuddin Hilmi bin Mohamed @ Harun** Non-Independent & Non-Executive Director
Members	:	**Haji Mazli Zakuan bin Mohd Noor** Non-Independent & Non-Executive Director
		Mohd Kamaruzaman bin A Wahab Independent & Non-Executive Director
		Haji Azlan bin Md Alifiah Independent & Non-Executive Director
		Haji Najman bin Kamaruddin Independent & Non-Executive Director ***(Redesignated as an Executive Director on 2 December 2020 and subsequently relinguished his position as the Committee Member on 24 December 2020)***

Part II Risk Management and Internal Control Framework
Intended Outcome 10.0

Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such framework.

10.1 The Group's internal audit ("IA") function on risks is carried out by the Company's Internal Audit Department ("IAD") which reports directly to the AC on its activities based on the approved annual IA plan.

The internal audit function is carried out by the in-house IAD of the Company. The IAD is led by Head of Internal Audit who reports functionally to the AC. IAD's authority, scope and responsibilities are governed by an Internal Audit Charter, approved by the AC.

Further information on the Group's risk management and internal control framework is made available in the Statement of Risk Management and Internal Control of the Annual Report.

10.2 The IAD is headed by Azrol Hadi bin Rosalan. He holds an Accountancy Professional Qualification from The Association of Chartered Certified Accountants (ACCA).

During the FY2020, the areas audited included audits of the various departments covering the operating subsidiaries within the Group. Internal Audit reports were presented and deliberated in the AC meetings on a regular basis. The reports were subsequently issued to the respective operations management, incorporating audit recommendations and management's responses with regards to any audit finding on the weaknesses in the systems and controls of the operations. The IAD conducted follow-up audit to ensure the agreed audit recommendations were promptly implemented.

In discharging its duties and responsibilities, the Head of IAD received instruction from and reported directly to the AC. The internal audit activities, including the audit scope, procedures, frequency, and the content of the reports, remain free from any management interference. IAD has no direct operational responsibility or authority over the areas audited. Since IAD is not involved in the implementation of controls, development of procedures or engage in any activities that may impair the judgment of the Internal Auditors, it maintains its independence and objectivity.

The Internal Auditors are free from any relationships or conflicts of interest, which could impair the audit objectivity and independence for each audit engagement.

PRINCIPLE C
Part I Effective Audit & Risk Management
Intended Outcome 11.0

There is continuous communication between the Company and stakeholder to facilitate mutual understanding of each other's objectives and expectations.
Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

11.1 Communication with Stakeholders

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Group's business, operations and financial performance and ensures that communication with them is accurate, factual, informative, consistent, transparent, and timely.

The Board ensures that there is effective, transparent, and regular MO communication with its stakeholders through a variety of communication channels as follows:

a) **Announcements to Bursa Securities**
Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities. Shareholders and Investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at https://www.bursamalaysia.com.

b) **Corporate website**
The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

c) **Annual reports**
The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

d) General meetings

The Annual General Meetings ("AGM") / Extraordinary General Meetings ("EGM") which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.

e) Investor Relations

Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone or email to the Company's general email address.

Part II Conduct of General Meetings
Intended Outcome 12.0

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Shareholders' Participation at General Meetings

The AGM, which is the principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

In keeping with Practice 12.1 of the MCCG, the notice to shareholders should be given at least 28 days in advance of the AGM. Hence, the Notice of the 55th AGM was issued on 26 June 2020, in effect being 30 days in advance of the scheduled AGM that was held on 27 July 2020.

We continue to encourage shareholders to attend the AGM and convey their expectations and possible concerns on proposed resolutions and matters relating to the Group's operations before putting each resolution to a vote.

All Directors including the Chairman of the AC, NRC, BRCC, BTC and Key Senior Management as well as the external auditors were present at the last AGM to provide meaningful response to questions addressed to them. The Chairman provided ample time for shareholders to participate in the Questions and Answers session. Suggestions and comments communicated by shareholders were noted by the Board and Management.

The notice of the forthcoming 56th AGM will be circulated to shareholders at least 28 days before the date of the meeting as prescribed by the MCCG 2017 and the said notice will also be advertised in a nationally circulated English or Bahasa Malaysia newspaper.

Poll voting

All resolutions tabled during the AGM or EGM are voted by poll with the voting results and procedures validated by an independent scrutineer. The voting results are disclosed immediately (i.e. percentage of shareholders approving, dissenting and abstaining) for all the resolutions that are tabled.

An independent scrutineer was appointed to validate the votes cast at the AGM. The outcomes of voting were announced to Bursa Securities after the AGM and posted on the Company's corporate website.

This CG Overview Statement was approved by the Board on 6 May 2021.

CODE OF BUSINESS ETHICS

The Code of Business Ethics ("the Code") provides guidelines and ethical standards of conduct of the Group activities in accordance with all the applicable laws and regulations. We strive to perform responsibly, ethically and in a sustainable manner in all our business activities. We believe in applying the principles of our code of business ethics in every transaction, which affects our employees, our customers and all other stakeholders.

The Code is based on integrity, mutual trust and respect, which are essential to long-term, mutually beneficial relationships with all our stakeholders.

All Directors and employees of the Group are required to comply with the Code. Compliance to the Code is also applicable to the external parties who have any dealings or business transactions with the Group.

COMPLIANCE WITH RULES AND REGULATIONS

The Group is required to comply with all relevant laws and regulations in maintaining ethical behaviour and expects the same compliance from our business associates in the course of all related transactions.

While it is the Group's philosophy to address matters internally, the Code takes precedence in not preventing or discouraging any party from reporting any illegal activity including the violation of any Federal, State or International laws, rules or regulations to the appropriate authorities.

Amongst the highlights under the Code are as follows:

1. **Conflict of Interest**
   When dealing with business associates, any actual or apparent conflicts between personal and professional interests shall be avoided and managed in an honest and ethical manner including undergoing a due process of disclosure and approval.

2. **Illegal Gratification and Business Courtesies**
   Employees must not personally get involved in an obligated or compromised position in any business dealing with the third parties. It is the responsibility of all employees to act and perform their duties with transparency and honesty.

   Employees shall practice good business sense and conscience if in a situation of being unable to refuse gifts from third parties. In limited situations, they may accept it but it must comply with the Group No Gift Policy.

3. **Cyber Security**
   As an employee, we are granted access to multiple technology systems e.g., internet, data and equipment like computers, servers and databases. Employees are responsible for safeguarding the information technology and data from any loss, damage, theft, misappropriation, or unauthorised access, using necessary precautions. Therefore, data must be used appropriately, in accordance to the applicable policies and procedures, and rules and regulations.

   Intellectual property can be copyrights, patents, trademarks, inventions and designs, brands, logos, Research & Development or related that has commercial value. The Group expects all employees to safeguard them from misappropriation or any illegal conducts, either internal or external and not misappropriate or disclose any intellectual property to anyone without proper authorisation, even after their employment ends.

4. **Dress Code**
   Identity or access card, uniform or any other attire bearing the Group's name and/ or logo reflect the Group's image. Employees must use and wear them accordingly and responsibly. Employees shall not tamper with or deface their identity/access card or make unauthorised alterations to the uniform.

CODE OF BUSINESS ETHICS

5. **Misbehaviour and Misconduct**
All employees shall conduct themselves responsibly, ethically, honestly and with integrity and respect for one another. Among the acts of misbehavior and misconduct include fraud and dishonesty acts, involvement in drugs, alcohol and gambling activities and other acts of violence and criminal offences.

6. **Workplace Bullying**
The Group views cases of bullying at the workplace seriously and these must be prevented at first place. Any valid and proven case will be subject to the appropriate disciplinary action.

7. **Sexual Related Offence and Harassment**
All forms of harassment including ethnicity, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, sexual orientation or gender identity is strictly prohibited.

8. **Anti-Bribery and Corruption**
The Group stands zero tolerance against corruption, bribery, embezzlement, and abuse of power. In line with this, the Group has formulated the Anti-Bribery and Corruption Policy and Anti-Corruption (AC) Handbook. It functions to detail the guidelines for enforcing this Code, as well as for combating such conduct.

9. **Community Relationships**
The Group is working for both the state and the community. We often engage with the community through a variety of Corporate Social Responsibility (CSR) programmes. We aim to increase value and profit from all business, commercial and investment activities, as well as to give benefit to the community and to ensure long-term sustainable growth.

10. **Occupational Safety and Health**
TDM is committed to ensuring the safety and health of all our employees and customers, which is demonstrated by our endeavours to integrate occupational safety and health practices into the business practices and strategy at all times. This transcends the Group's statutory duty to ensure full compliance with all relevant legislation as well as create and sustain a work culture and environment where safety and health are the priority.

11. **Non-Compliance**
Everyone in the Group is held accountable for their own behaviour. Any violation of the Code shall be viewed as a serious matter and subject to disciplinary action.

AUDIT COMMITTEE REPORT

Pursuant to the Section 15.15 of Main Market Listing Requirement (MMLR), the Board Audit Committee (BAC) of the Group hereby presents the BAC Report for financial year ended 31 December 2020.

MEMBERSHIP AND ATTENDANCE

The members of the BAC for the financial year ended 31 December 2020 are as follows: --

- Tuan Haji Azlan bin Md Alifiah (Chairman) (Member since 30 August 2019)
  Independent Non-Executive Director

- Tuan Haji Burhanuddin Hilmi bin Mohamed @ Harun (Member since 1 August 2018)
  Non-Independent Non-Executive Director

- Encik Mohd Kamaruzaman bin A Wahab (Member since 1 August 2018)
  Independent Non-Executive Director

- Tuan Haji Mazli Zakuan bin Mohd Noor (Resigned on 24 December 2020)
  Non-Independent Non-Executive Director

- Tuan Haji Najman bin Kamaruddin (Resigned on 24 December 2020)
  Independent Non-Executive Director

The Committee is led by its Chairman, Tuan Haji Azlan bin Md Alifiah ("Haji Azlan"), an Independent & Non-Executive Director of the Company. Haji Azlan holds an Accountancy Professional Qualification from the Chartered Institute of Management Accountants (UK) (CIMA). He is a member of the CIMA (UK) and the Malaysian Institute of Accountants (MIA). This is in line with the requirement under paragraph 15.09(1)(c) of the MMLR of Bursa Securities that at least one (1) member of the Committee must be a member of the MIA or have equivalent expertise or experience in the field of accounting and finance.

The BAC of the Company consists of experienced and qualified members. Presently, the BAC consists of two (2) Independent & Non-Executive Directors i.e. 67% of the total members of BAC. All members of BAC have sufficient understanding of the Company's business and financial statements.

The BAC provides an independent oversight of the internal and external audit functions, governance, risk management, internal controls, and reporting requirements.

Whilst the BAC's Terms of Reference (TOR) requires the BAC to meet four (4) times a year, during the financial year under review, the BAC met thirteen (13) times. Aside from the BAC members, the Executive Director, the Group Company Secretary, and the Head of Internal Audit attended all the BAC meetings.

AUDIT COMMITTEE REPORT

The details on attendance of the Committee members during the financial year ended 31 December 2020 are as follows.

Members	Attended/Held	%
Tuan Haji Azlan bin Md Alifiah (Chairman)	12/13	92
Tuan Haji Burhanuddin Hilmi bin Mohamed @ Harun	13/13	100
Encik Mohd Kamaruzaman bin A Wahab	13/13	100
Tuan Haji Mazli Zakuan bin Mohd Noor	11/13	85
Tuan Haji Najman bin Kamaruddin	13/13	100

The Board had established a transparent and appropriate relationship with its external auditors through the BAC. The representatives of the external auditors were present at the BAC meetings during deliberations which required their input and advice. In addition, the BAC met the external auditors without the presence of the Management twice during the financial year under review. During the session without the presence of the Management, the external auditors discussed with the BAC on issues and concerns, arising from the audit and any other relevant matters.

Other officers of the Company and its subsidiary companies were also invited to the BAC meetings during the deliberation of matters related to them as and when necessary.

The Chairman of the BAC regularly provides updates to the Board on key matters deliberated at the BAC meetings through the BAC Reports. Any members of the Board may enquire or seek clarification on the matters deliberated by the BAC as per the BAC Reports.

Minutes of the BAC meetings were circulated to all the BAC members. Significant matters requiring Board approval were tabled at TDM Berhad's Board meetings. The Chairman of the BAC provided reports on recommendations and decisions of the BAC to the Board.

ROLES AND RESPONSIBILITIES OF THE BAC

Governance, Risk Management, and Internal Control

a) Reviews on the adequacy and effectiveness of Governance, Risk Management, and Internal Control (GRC) systems through the assistance of external audit, internal audit, risk management and corporate secretarial functions;

b) Reviews the updates of the internal accounting and auditing process to ensure operational effectiveness, reliable financial reporting in compliance with regulations and policies; and

c) The Terms of Reference establishes the scope, authority, duties and responsibilities of the BAC, and is incorporated into the Board Charter.

Financial Reporting

Reviewed quarterly and annual financial results of the Group and the Company prior to submission to the Board for approval. Details on sequence of reviews conducted are as follows:

Date of meetings	Quarterly results/financial statements reviewed
24 February 2020	Unaudited fourth quarter results for the period ended 31 December 2019 and the unaudited results of the Group for the financial year ended 31 December 2019
14 June 2020	Audited Financial Statements for the year ended 31 December 2019
28 June 2020	Unaudited first quarter results for the period ended 31 December 2020
24 August 2020	Unaudited second quarter results for the period ended 31 December 2020
23 November 2020	Unaudited third quarter results for the period ended 31 December 2020

The review of the unaudited quarterly financial results is to ensure the disclosures are following the Financial Reporting Standard 134 – Interim Financial Reporting and applicable disclosure provisions in the Main Listing Requirement (MLR).

The BAC also reviewed the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2020 to ensure it presented a true and fair view of the financial position and performance for the year and ensure that it complied with all disclosures and regulatory requirements and recommended the Audited Financial Statements to the Board for approval.

External Audit

a) Reviewed and endorsed the External Auditors' audit strategy, scope of work and audit plan for the year, including the review on audit documentation of significant component auditors in the subsidiaries;

b) Met with the External Auditors at least once a year without the presence of Management to review and discuss on the key issues within their duties and responsibilities. There were no major concerns raised by the External Auditors at the meetings;

c) Reviewed and approved the audit and non-audit services provided by the External Auditors;

d) Obtained written assurance from the External Auditors to confirm on their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

e) The BAC was satisfied with the work performed by the External Auditors based on their quality of services, sufficiency of resources, performance, independence and professionalism, and their ability to conduct the external audit within an agreed timeline fixed by Management. Accordingly, it was recommended to the Board to re-appoint Messrs Ernst & Young as the Auditors of the Company and approve their audit fee. A resolution for the re-appointment will be tabled for shareholders' approval at the forthcoming Annual General Meeting.

Internal Audit

a) Reviewed Annual Internal Audit (IA) plan to ensure adequate scope and comprehensive coverage of the Group's activities and principal risk areas were identified and adequately covered;

b) Reviewed the adequacy of resources and competency of the Internal Audit Function (IAF) to ensure it has appropriate expertise in discharging its duties;

c) Assessed performance and effectiveness of the IAF and reviewed the skills and the core competencies requirement of the IA;

d) Reviewed and deliberated the IA reports tabled during the year, the audit recommendations, and the management responses to the IA findings and recommendations; and

e) Held private meetings and discussions with the Head of IA on key internal controls and IA related matters; and

f) Met the senior management of subsidiaries to discuss audit and internal control matters.

Related Party Transactions which include Recurrent Related Party Transactions ("RPT")

a) Reviewed the RPTs entered into by the Company and the Group and disclosure of such transactions pursuant to Chapter 10 of the MLR, Malaysian Financial Reporting Standard 124 and the Companies Act 2016;

b) Reviewed the Circular to Shareholders in relation to the proposed shareholders' mandate for recurrent related party transactions; and

c) Reviewed the processes and procedures in the Policy on RPTs to ensure that they were undertaken on an arm's length basis, fair, reasonable and on normal commercial terms, not more favorable to the related party than those generally available to the public, not detrimental to the minority shareholders, and carried out in the best interest of the Group.

Annual Report Disclosure

a) Report the work of BAC in the discharge of its duties and how it had met its responsibilities, the number of meetings held in a year, details of attendance of each member in respect of the meeting and details of relevant training attended; and

b) Review the accuracy and adequacy of the corporate governance disclosure and statement of risk management and internal control.

The summary on activities of the BAC in the discharge of its duties and responsibilities for the financial year ended 31 December 2020 included the following:

1. Financial Reporting

The BAC assisted the Board in ensuring the financial statements of the Company and its subsidiaries was prepared in accordance with the applicable financial reporting standards. The BAC reviewed and determined whether in the preparation of the financial statements, appropriate accounting policies have been adopted and supported with reasonable and prudent judgement and estimates.

Person In-Charge of Finance (PiCoF), responsible for the financial management of the Company is Hasmadi bin Desa, and the details of his profile is available on page 59 of this Annual Report.

During the year under review, the BAC has discharged its key responsibilities in relation to financial reporting in the following manner:

a) Review on the unaudited quarterly financial report for submission to Bursa Securities with the Management before recommending to the Board of Directors for its approval. When reviewing the report, the BAC would seek for the assurance that the condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Standards 134: Interim Financial Reporting, paragraph 9.22 of the MMLR and International Accounting Standards 34: Interim Financial Reporting issued by the International Accounting Standards Board;

b) Review on the audited statutory accounts of the Group and the Company, raised issues and concerns, if any, arising from the statutory audit with the external auditors, prior to recommending to the Board of Directors for its approval.

The BAC's review included a critical scrutiny of the statutory accounts based on an analytical approach. At the same time, the BAC sought assurance from the Management and the external auditors that the financial statements disclosures were in-compliance with relevant and applicable statutory requirements and the Malaysian Financial Reporting Standards. The BAC's scrutiny of the statutory accounts also included a review of the reasonableness of accounting policies and estimates applied by the Group, and reporting ongoing concerns, as concurred by the external auditors in its Report to the BAC. The BAC also reviewed pertinent audit matters highlighted by the external auditors in their report to the BAC which warrant the BAC attention;

c) Review on the Report of the BAC pursuant to MMLR for inclusion in the Company's Annual Report;

d) Review on the disclosures forming the contents of the Company's Annual Report as required in Part A of Appendix 9C of MMLR; and

e) Review of the updates on the internal accounting control in accounting and auditing process to achieve operational effectiveness and efficiency, reliable financial reporting and compliance with regulations and policies.

2. External Audit

a) Review on the audit plan of the Company and its Group for the year under review (inclusive of key audit matters, audit approach, audit focus areas and scope of work) with external auditors prior to the commencement of the annual audit. The external auditors briefed the BAC on their audit plan pertaining to the statutory audit of the Company and its Group, highlighting areas of audit emphasis, key regulatory developments, involvement of the internal auditors and other experts;

b) Review the results of the annual audit, the External Auditor's Report and the Management Representation Letter together with the Management's corrective action to address the findings from external auditors;

c) Meet with the external auditors without the presence of the Management to discuss issues and concerns if any, arising from the statutory audit and other matters the external auditors may wish to highlight such as level of assistance provided by the Company's and its Group's employees to the external auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information; and

d) Evaluate the performance, independence and suitability of the external auditors and made recommendations to the Board of Directors on their re-appointment and remuneration. In reviewing the performance, independence and suitability of the external auditors, the BAC reviewed the qualifications and experience of the audit team as well as conducted an assessment on the effectiveness and the performance of the external auditors and other areas such as the scope of audit, their independence and objectivity, audit fees and audit experience.

3. Related Party Transaction

a) With the assistance from PiCoF and Internal Auditors, conduct review of related party transactions entered into by the Company and the Group to ensure that the transactions entered into were in compliance with paragraphs 10.08 and 10.09 of the MMLR (Chapter 10 Part E – Related Party Transactions) and pursuant to MFRS 124 disclosures (Related Party Disclosures) ;

b) Review and report to the Board all related party transactions entered by the Company and its Group;

c) Review on the reports of recurrent related party transactions and the Shareholders regarding the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading in nature; and

d) Monitor any potential conflict of interest situations involving Directors and ensured that such situations of conflicts were avoided and that the requirements under the Directors' Code of Ethics were adhered to.

4. Internal Audit

4.1. How Internal Audit Operates

The IAD is a fundamental part of the assurance structure of the Group. Its main responsibility is to provide an independent and reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal control, risk management and governance process. This is accomplished through the following:

a) Establishing a comprehensive and detailed Internal Audit Plan using appropriate and structured risk-based audit methodology that is aligned to the TDM Group's strategic objectives;

b) Adopting a systematic and disciplined approach in evaluating adequacy and effectiveness of controls to manage the risks exposure within TDM Group's business operations;

c) Embracing international standards and best practices such as International Professional Practices Framework (IPPF) and Committee of Sponsoring Organization's (COSO) to further enhance the relevance and effectiveness of the internal audit functions;

d) Reviewing existing internal control systems and reporting on whether these provide reasonable assurances against material misstatement, loss and fraud;

e) Reporting any significant issues that affects the process of controlling the activities and managing the risks faced by the departments, divisions and companies audited; and

f) Seeking the Management's agreed course of actions to rectify weaknesses identified and perform follow-up audits to confirm if the actions have been correctly implemented and are adhered to consistently.

4.2. Independence of Internal Audit

In discharging its duties and responsibilities, The Head of IAD reports directly to the BAC on a functional basis and to the Executive Director administratively.

The internal audit activities, including the audit scope, procedures, frequency and the content of the reports, remain free from any management interferences. IAD has no direct operational responsibilities or authority over the areas audited. Since IAD is not involved in the implementation of controls, development of procedures or engage in any activities that may impair the judgment of the Internal Auditors, it maintains its independence and objectivity.

4.3. Conflict of Interest

The Internal Auditors were free from any relationships or conflicts of interest, which could impair the audit objectivity and independence for each audit engagements.

4.4. IAD Resources

IAD consists of seven (7) resources including of the Head. Details of responsible personnel for Internal Audit as follows:

Name	Professional Certification	Professional Membership	Years of Experience
Azrol Hadi bin Rosalan	The Association of Chartered Certified Accountant (ACCA)	ACCA & IIAM	13

4.5. Internal Audit Framework

IAD has developed its own Internal Audit Framework (IAF) based on the MMLR, MCCG, COSO of the Treadway Commission Integrated Internal Control Framework, COSO Enterprise Risk Management Framework and IPPF to guide the IA activities.

4.6. Evaluation of Internal Audit

To enhance the capability of IAF, the BAC evaluates its effectiveness by considering the following performance criteria:

- Overall comprehensiveness of the internal audit plan and its link to the strategic objectives of the company;
- Efficient implementation of Internal Audit Plan. Speedy rectification of audit recommendation; and
- The competency of the internal auditors and adequacy of resources.

The assessment on the IAF provides assurance to the BAC on the adequacy and effectiveness of the Group's Governance, Risk Management and Control Process.

4.7. Internal Audit Activities For The Year 2020

The summary of the activities of the IAD for the year under review are as follows:

a) Preparation of the Internal Audit Plan for approval of the BAC. The Audit Plan was developed based on assessment of the significant potential risk exposure of the auditable areas. Therefore, the internal audit activities are really focused in giving assurance to the execution of the Company's Strategic and Business Plan;

b) Performing internal audit fieldworks throughout the financial year under review involving head office, healthcare and plantation using the newly adopted methodology. The recommended improvement in term of GRC processes will increase the likelihood of the Group achieving its corporate objectives;

c) Issuance of audit reports to the BAC and Management, identifying control weaknesses and issues as well as highlighting recommendations for improvement. Through the IA reports, the competencies, and capabilities of the management and in driving the targeted result of the Company could be strengthened;

d) Follow-up on the Management corrective actions on audit issues raised by IAD, internal auditor of Terengganu Incorporated and external auditors. Determine whether corrective actions taken had generally achieved the desired results. This is part of the check and balance between the management to ensure the sustainability of the Group. Report to BAC, the review on the adequacy, appropriateness, and compliance of GRC. The BAC and Board of Directors could be kept abreast to the current level of GRC and what are the improvements required, going forward; and

e) Review compliance with relevant legal, regulatory, and internal policies. This is to ensure the management is properly guided and complied with the relevant regulatory requirements and the policies of the Group.

5. Other BAC Activities

a) Review and endorse the Corporate Governance Overview Statement and the Statement of Risk Management and Internal Control for the Board's approval and inclusion in the Annual Report;

b) Review on the proposal of dividend for recommendation to the Board;

c) Review the TDM Group Internal Control Framework for recommendation to the Board;

d) Report to the Board any significant issues and concerns discussed during the BAC meetings together with the relevant recommendations; and

e) Review of the assurance provided by the ED and PiCoF on the scope and performance of the risk management and internal control system established by the Group prior to recommending to the Board for acceptance.

CONCLUSION

During the Financial Year Ended 31 December 2020, the TOR of the BAC was reviewed to reflect the recommendations of MCCG 2017. Based on the annual evaluation on the effectiveness of the Board, its committees, and the members of the Board, it was revealed that the Board was satisfied with the performance of the BAC and its members. The BAC has discharged its duties in accordance with its TOR and in line with the requirements of MMLR and MCCG 2017.

This statement is made in accordance with a resolution of the Board dated 06 May 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

1.0 BOARD RESPONSIBILITIES

1.1 The Board of Directors ("Board") affirms its responsibility for maintaining a sound risk management framework and internal control system to create a sustainable value to stakeholder as well as the Group's businesses, conscientiously to discharge its stewardship in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with the Malaysian Code on Corporate Governance.

1.2 The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's enterprise risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk tolerable ranges.

1.3 The Board has an overall responsibility for the Group's risk management and internal control system and is focused on setting the tone and culture towards their effectiveness. Successful integration of good governance structures and processes with performance-focused risk management and internal control at every level of the Group and across our operations has been key towards the effective pursuit of our objectives.

2.0 RISK MANAGEMENT FRAMEWORK

2.1 OBJECTIVE AND METHODOLOGY OF FRAMEWORK

a. The primary objective of the risk management framework is to support the achievement of the Group's strategic objectives, safeguard the Group's wealth, people, financial, philosophy and reputability through:
   - Assisting the Board to make sound management decisions within an environment of tolerable strategic and business risks, including identifying and leveraging on any opportunity.
   - A structural and consistent approach to identifying, mitigating, managing and monitoring as well as rating the risks.
   - The timely information across clear reporting structures.
   - Planning and execution to monitor and reassess the top quartile risk profile.
   - Continuously monitor the information provided to decision-makers in order to assist them as they manage key risks and protect the interests of shareholders.

b. The Board continuously reviews the adequacy, effectiveness and integrity of the Group's Risk Management Framework and relevant policies on a quarterly basis. Each segment of the Group is exposed to varieties of risks. The objective of the Group's Risk Management is to create value for shareholders whilst optimisation and protection of our performance.

c. The Group defends itself from threats with relevant guidelines on risk reporting and disclosure which cover the type of risks as listed below as disclosed in the Management Discussion and Analysis under section Risk Management in pages 44 to 47 of this Annual Report:

- Strategic Risk
- Human Capital Risk
- Operational Risk
- Financial Risk
- Compliance Risk

2.2 REPORTING STRUCTURE

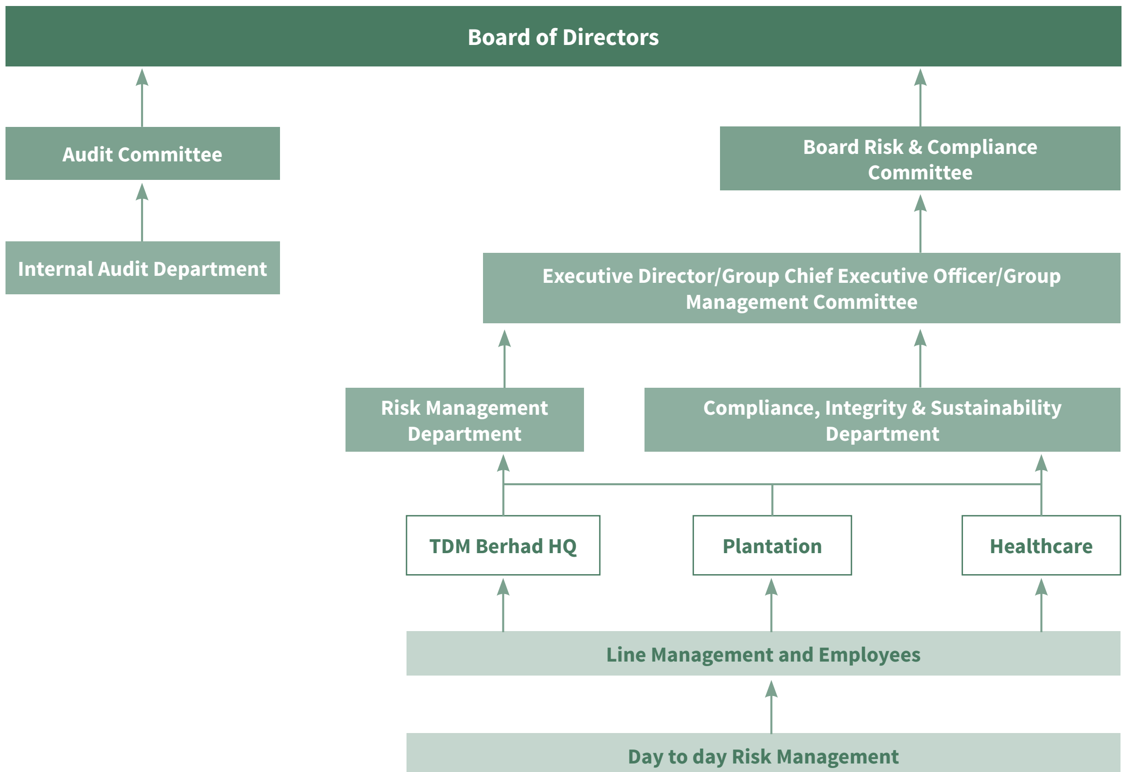
The Group Management Committee ("GMC"), chaired by the Executive Director ("ED")/Group Chief Executive Officer ("GCEO"), reviewed, appraised and assessed the controls and actions to mitigate and manage the overall Group's risk exposure, as well as raised issues of concerns and recommended mitigating actions during FY2020.

a. The Board delegates the responsibility to the ED/GCEO for ensuring the effective implementation and maintenance of the framework and that all personnel adhere to its mandates. The GMC supports the ED/GCEO in ensuring risk management is adequately carried out, as part of their responsibility in evaluating and making key strategic and operational decisions.

b. The Risk Management Department ("RMD") is responsible in providing guidance of the framework in which the business units can operate, identify, and report on the Group's risks exposure. Furthermore, the RMD is also responsible for quarterly reporting the Group's significant risks as well as its progress and reassessment to the Board. The RMD is assisted by Risk Representatives who are responsible for supporting the RMD in facilitating, acquiring, updating, and submitting updated risk report at their respective divisions/departments.

c. ED/GCEO together with GMC and RMD provide leadership and sponsorship for the implementation of the Risk Management Framework. ED/GCEO and GMC shall ensure that risk assessment is explicitly performed during strategic planning exercises, on top of managing risk exposures in the pursuit of the Group's strategies.

d. The structure is encapsulated in the Group's governance framework on risk management and internal controls which assign responsibility to relevant level at the Board and Management as detailed below:



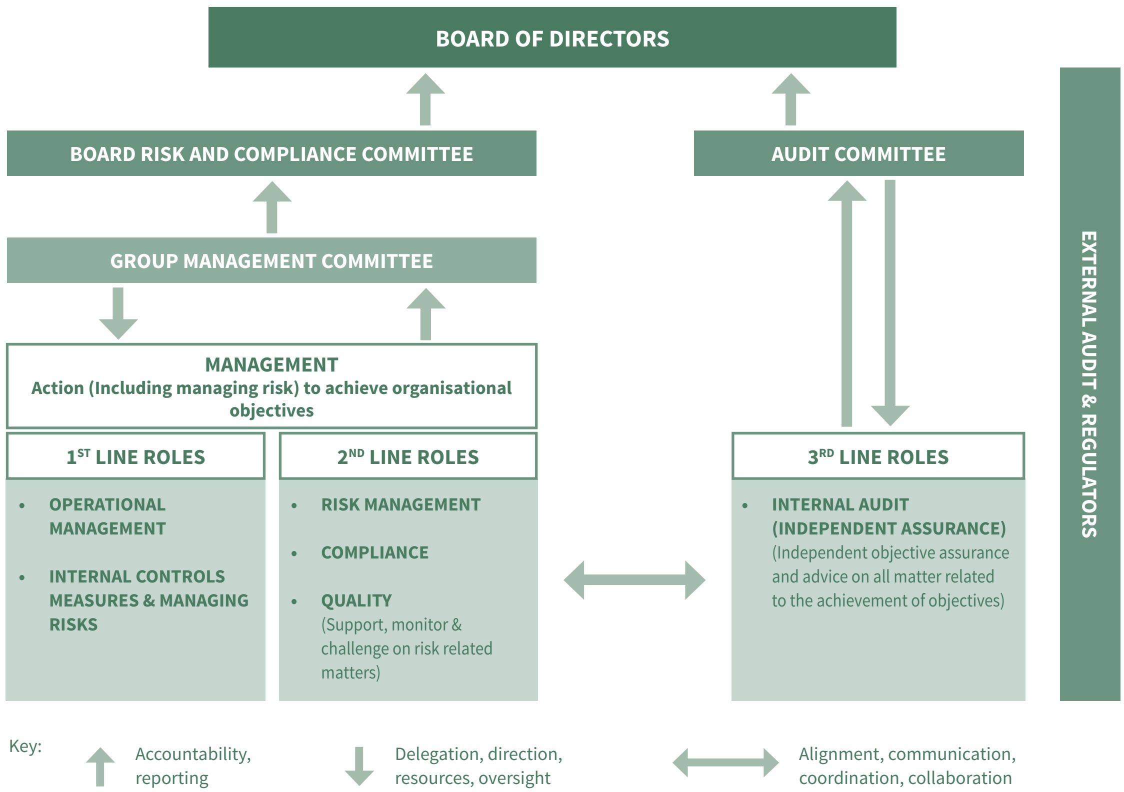
2.3 FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

a. The goal for Risk Management Framework is specifically designed to identify, evaluate, and manage risks rather than to eliminate the risks that would impede the Group's long-term and short-term objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement or loss, and that any adverse impact arising from a foreseeable future event or situation on the Group's objectives is mitigated and managed. This is achieved through a combination of foresight, preventive, detective, and corrective measures.

b. This Risk Management framework defines our Group's risk management process in managing the Group's significant risks and action plans on a continuous basis towards effective risk management and internal control practises. Significant risks affecting the business are presented to the GMC on quarterly basis for reviewing before presented to the Board Risk & Compliance Committee ("BRCC") for deliberation for further approval from the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

c. The arrangements and accountability of relevant levels of management and operations in the Three (3) Lines Model in the exercise of their functions are designed to reinforce each other in the implementation and strengthening of the Group's Risk Management Framework and internal control as shown below:



d. This model enables the Group to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management with the involvement of management, internal audit, and those in charged with governance role. The new model emphasises six principles related to governance, governing body roles, management and first- and second-line roles, third-line roles, third-line independence, and creating and protecting value. In addition, the external assurance providers are responsible to provide additional assurance in order to:

i. Satisfy legislative and regulatory expectations that serve to protect the interests of stakeholders.

ii. Satisfy requests by management and the governing body to complement internal sources of assurance.

Active collaboration and communication among the first and second line roles of management and internal audit is important to ensure no unnecessary duplication, overlap, or gaps occur. The roles of each of the lines are:

✓ First Line Roles: Operational Management

- Leads and directs actions (including managing risk) and application of resources to achieve the objectives of the organisation.
- Maintains a continuous dialogue with the governing body, and reports on planned, actual, and expected outcomes linked to the objectives of the organisation; and risk.
- Establishes and maintains appropriate structures and processes for the management of operations and risk (including internal control).
- Ensures compliance with legal, regulatory, and ethical expectations.

✓ Second Line Roles: Risk Management, Compliance and Quality

- Provides complementary expertise, support, monitor, and challenge related to the management of risk, including:
    - ❖ The development, implementation, and continuous improvement of risk management practices (including internal control) at a process, systems, and entity level.
    - ❖ The achievement of risk management objectives, such as: compliance with laws, regulations, and acceptable ethical behaviour; internal control; information and technology security; sustainability; and quality assurance.
    - ❖ Provides analysis and reports on the adequacy and effectiveness of risk management (including internal control).

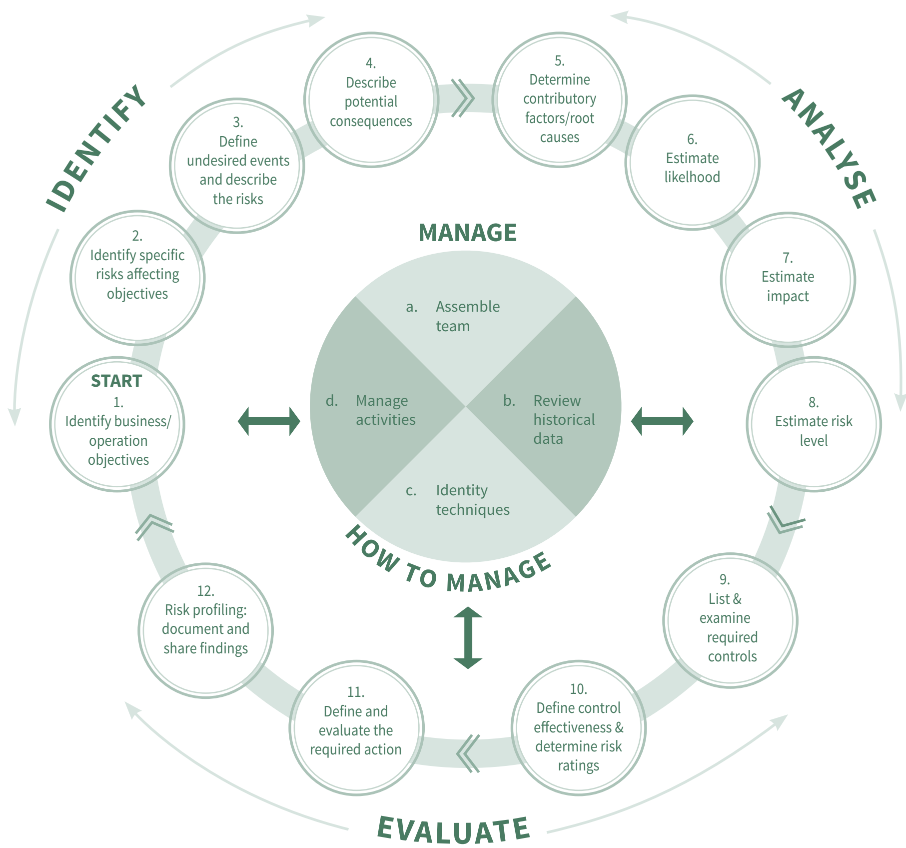
3.0 RISK MANAGEMENT PROCESS OF THE GROUP

For the year ended 31 December 2020, the Group has undertaken seven (7) steps of risk management process which have been practiced on a quarterly basis as follows:

- Identify new risk
- Assess new and existing risk
- Consider existing and additional controls
- Reassess existing risk
- Treatment of the existing risk
- Monitor the risk
- Report movement of the risk

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Diagram below shows the risk management process rolled out across the Group and the risk profile is developed at each business sector of the Group i.e. plantation, healthcare and corporate centres:



4.0 KEY FEATURES OF INTERNAL CONTROL

The Group's Internal Control Framework guides the company towards developing an effective and efficient internal control system in mitigating risks to an acceptable level, and support sound decision making and governance of the Group. Subsequently, it helps the Group to have stronger internal control mechanism in achieving company's targeted objectives, improve performance and render better quality services.

The key elements of the internal control system established by the Board and implemented by Management include:

a. Board's Oversight

The Board's oversight function and responsibility was clearly stated in Board Charter. In discharging its fiduciary duties, the Board delegates the function to Board Committees. The specific duty is indicated in its Terms of Reference ("TOR") of the respective Board's Committee. The Board and management hold meeting on regular basis to review the performance of operations, risk assessments and financial statement of the company. In addition, the Board is also updated on the changes in the business environment that may adversely affect business performance and relevant actions taken.

b. Group Organisational Structure

The Group has established a formal organisational structure that clearly defines lines of responsibility and authority to ensure proper identification of accountability and delegation of duties. The Board has approved the Delegation of Authority Limit ("DAL") that outlines board and management limits and approval authority for various key business processes.

c. Business Plan and Budget

The management has set its corporate and business objectives through establishment of Annual Business Plan and Budget. It was presented to the Board for approval. The achievements of performance are monitored periodically and remedial actions are taken appropriately for any obstacles and risks that have been identified.

d. Policies and Procedures

Policies and procedures were established at the Group and company level for guidance to the employees in the operation of the business to be more effective and efficient. All Group policies are required to be approved by the Board and being reviewed when necessary to meet the changes in business and operational needs and regulatory requirements. Among the revised policies are Anti-Bribery and Corruption, Whistleblowing and No Gift. This is to align with the enforcement of Section 17A of MACC Act 2009 starting from 1 June 2020.

e. Employee's Performance

To enhance the employee's competency level, they are required to attend in-house training or public development courses to furnish their soft skill and technical capability. The Key Performance Indicator for each employee was set to enforce their accountability.

f. Company's Performance

Management and financial reports are generated on monthly basis to accommodate the Group's management in performing the financial and operating reviews of the various segments. This is to ensure that the day-to-day business operations are consistent with the corporate objectives, strategies and business plans and budgets approved by the Board.

g. Code of Ethics and Business Conduct

The Code consists of Company policy statements and guidelines related to the standard of behaviour and ethical conduct of our employees, how we operate our business professionally and ethically, besides maintaining the trust and credibility of our employees, customers, partners, and other stakeholders. Compliance to the Code is mandatory to all employees.

h. Internal Audit Function

The Audit Committee, with the assistance of the Internal Audit Department, provides an independent assessment on the adequacy, effectiveness and efficiency of the Group's internal control system and advises management on areas that require improvements. The Internal Audit Department also reviews the extent to which its recommendations have been accepted and implemented by the management.

i. Management Investment, Risk and Compliance Committee (MIRCC)

The MIRCC assists the Board in reviewing and recommending to them significant matters related to all existing and potential investments of the Group. The Committee shall also review and assess all risks and compliance matters associated with the investments and the management thereof.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.0 ASSURANCE TO THE BOARD

The Board has received assurance from the ED and the Person In-Charge of Finance (PiCoF) that the risk management and internal control system of the Group are operating adequately and effectively. The Board is of the view that the risk management and internal control system in place during the period under review are sound and sufficient to safeguard shareholders' investment, stakeholders' interest, and the Group's assets.

The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and increasing regulatory scrutinisation. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

6.0 REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this statement and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, intended to be included in this Annual Report, nor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon.

The auditors are also not required to consider whether the processes described to deal with internal control aspects of any significant problem disclosed in the annual report will, in fact remedy the problems.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 6 May 2020.

ADDITIONAL COMPLIANCE STATEMENT

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Group did not undertake any corporate proposal to raise proceeds during the financial year.

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2020, the amounts of audit and non-audit fees paid or payable by the Group and the Company to the external auditors are as follows:-

	Group RM'000	Company RM'000
Audit Fees	**672**	**328**
Non-Audit Fees	**5**	**5**

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS AND/OR MAJOR SHAREHOLDERS

During the financial year under review, save as disclosed in the sections under significant related party disclosures set out in Note 33 to the financial statements, there were no existing material contracts of the Company and its subsidiaries involving the interests of the Directors or major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year ended 31 December 2019.

4. LIST OF PROPERTIES

The list of properties is stated on pages 321 to 326 of the Annual Report.

5. RECURRENT RELATED-PARTY TRANSACTIONS

The Company obtained mandate from its shareholders in respect of recurrent related party transactions of a revenue and/or trading nature ("RRPTs") ("RRPT Mandate") at the Annual General Meeting ("AGM") held on 27 July 2020.

Details of the RRPTs are disclosed in Note 33 to the Audited Financial Statements in this Annual Report. The RRPT Mandate will lapse at the conclusion of the forthcoming Annual General Meeting ("56th AGM") unless such authority is renewed by a resolution passed at the 56th AGM. Accordingly, the Company will be seeking its shareholders' approval to renew the RRPT Mandate at the 56th AGM.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

The Directors are responsible to ensure that the financial statements of the Group and the Company are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 in Malaysia ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

(i) adopted appropriate accounting policies and applied them consistently;

(ii) made judgements and estimates that are reasonable and prudent; and

(iii) adhered to all applicable approved accounting standards in Malaysia

The Statement by the Directors pursuant to Section 251 (2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated Annual Audited Financial Statements for the FYE 31 December 2020.

This statement is made in accordance with a resolution of the Board of Directors dated 11 May 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and cultivation of oil palms.

Other information relating to the subsidiaries are as disclosed in Note 17 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year from continuing operations	1,364	234,344
Loss for the financial year from discontinued operations	(12,515)	-
(Loss)/profit net of tax	(11,151)	234,344
(Loss)/profit attributable to:		
Owners of the parent	(9,939)	234,344
Non-controlling interests	(1,212)	-
	(11,151)	234,344

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from gain on bargain purchase, reversal of impairments and allowance for expected credit losses as disclosed in Note 6 to the financial statements.

DIRECTORS' REPORT

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

On 24 March 2021, a single-tier interim dividend in respect of the financial year ended 31 December 2020, of 0.29% per share on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM5,000,000 (0.29 sen per ordinary share) was proposed. The interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2020, of 0.23% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM4,000,000 (0.23 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

YM Raja Dato' Haji Idris Raja Kamarudin #	
Mohd Kamaruzaman bin A Wahab	
Haji Burhanuddin Hilmi bin Mohamed @ Harun	
Haji Mazli Zakuan bin Mohd Noor #	
Haji Najman bin Kamaruddin #	
Haji Azlan bin Md Alifiah	
Dato' Haji Zainal Abidin bin Hussin	(Appointed on 12 January 2020)

Being a director of one or more subsidiaries

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above are:

<u>TDM Plantation Sdn. Bhd.</u>	
Che Alias bin Hamid	
YB. Haji Ab Razak bin Ibrahim	
Mohd Norddin bin Abd Jalil	
Hamdan bin Ibrahim	(Resigned on 18 November 2020)
<u>Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.</u>	
Ahmad Faris bin Abdul Razak	(Appointed 11 November 2020)
YB. Dato' Haji Mohd Zahari bin Md Azahar	(Resigned 1 November 2020)
<u>TDM Trading Sdn. Bhd.</u>	
Naraza bin Muda	
<u>TDM Capital Sdn. Bhd.</u>	
Haji Najman bin Kamaruddin	(Appointed on 19 February 2021)
Zainal Abidin bin Shariff	(Resigned on 19 February 2021)

DIRECTORS (CONT'D.)

Indah Sari Travel & Tours Sdn. Bhd.	
Haji Najman bin Kamaruddin	(Appointed on 26 February 2021)
Zainal Abidin bin Shariff	(Resigned on 26 February 2021)
TD Gabongan Sdn. Bhd.	
Zubaidah Ani binti Mohd Noor	
Hasmadi bin Desa	(Appointed on 24 March 2021)
Amir Mohd Hafiz bin Amir Khalid	(Resigned on 24 March 2021)
TDM-YT Plantation Sdn. Bhd.	
Abdul Raof bin Mohamed	
Mohd Badaruddin bin Ismail	
Ishamudin bin Hashim	
Burhanuddin Hilmi bin Mohamed @ Harun	(Appointed on 31 July 2020)
Mohd Kamaruzaman bin A Wahab	(Appointed on 31 July 2020)
Tengku Farok Husin bin Tengku Abdul Jalil	(Appointed on 31 July 2020)
Wahab bin Jusoh	(Appointed on 31 July 2020)
Dato' Abdul Majit bin Ahmad Khan	(Resigned on 31 July 2020)
Dato' Shari bin Haji Osman	(Resigned on 31 July 2020)
Md Hanif bin Md Nor	(Resigned on 31 July 2020)
Muzmi bin Mohamed	(Resigned on 31 July 2020)
PT Rafi Kamajaya Abadi	
Haji Najman bin Kamaruddin	(Appointed on 28 January 2021)
Zainal Abidin bin Shariff	(Resigned on 26 November 2020)
Amir Mohd Hafiz bin Amir Khalid	
PT Sawit Rezki Abadi	
Haji Najman bin Kamaruddin	(Appointed on 28 January 2021)
Zainal Abidin bin Shariff	(Resigned on 26 November 2020)
Amir Mohd Hafiz bin Amir Khalid	
PT Rafi Sawit Lestari	
Haji Najman bin Kamaruddin	(Appointed on 28 January 2021)
Zainal Abidin bin Shariff	(Resigned on 26 November 2020)
Amir Mohd Hafiz bin Amir Khalid	
Kumpulan Mediiman Sdn. Bhd.	
Haji Wan Abdul Hakim bin Wan Mokhtar	
Major General Dato' Dr. Mohamad Termidzi bin Junaidi (R)	
Raja Halinuddin bin Raja Halid	
(Alternate director to Haji Wan Abdul Hakim bin Wan Mokhtar)	

DIRECTORS (CONT'D.)

Kumpulan Medic Iman Sdn. Bhd.	
Haji Wan Abdul Hakim bin Wan Mokhtar	
YB. Dr. Azman bin Ibrahim	
YB. Dr. Alias bin Razak	
YB. Dato' Haji Mohd Zahari bin Md Azahar	
Kelana Jaya Medical Centre Sdn. Bhd.	
YB. Dr. Alias bin Razak	
Dr. Mujahid Fauzi bin Sulong	
Roslan Shahir bin Mohd Shahir	
Dr. Halimah binti Ali	
Kuala Terengganu Specialist Hospital Sdn. Bhd.	
Dato' Koh Tat Kim	
Dato' Mazlan bin Ngah	
Prof. Dr. Harmy bin Mohamed Yusoff	
Dr. Muhammad bin Abdullah	
Dr. Mohamad Yusof bin Md Kassim	(Appointed on 5 October 2020)
Dr. Hasnan bin Muhammad Noor	(Appointed on 5 October 2020)
Kuantan Medical Centre Sdn. Bhd.	
Prof. Dr. Mokhtar bin Awang	
Dr. Rosni binti Adam	
Dr. Azmi bin Samat	
YB. Dato' Haji Mohd Azmi bin Mohamad Daham	
Dato' Mohd Zahari bin Md Azahar	
YB. Senator Balasubramaniam A/L Nachiappan	
Dr. Abdullah Zawawi bin Salleh	(Appointed on 2 October 2020)
YB. Dato' Haji Mohd Zahari bin Md Azahar	(Resigned on 30 April 2020)
TDMC Hospital Sdn. Bhd.	
YB. Dr. Azman bin Ibrahim	
Dr. Che Faridah binti Ismail	
Dr. Najihatussalehah binti Ahmad	
Tuan Haji Hadi bin Hassan	
Kemaman Capital Sdn. Bhd.	
Haji Najman bin Kamaruddin	(Appointed on 19 February 2021)
Zainal Abidin bin Shariff	(First director, resigned on 19 February 2021)

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' remuneration are as follows:

	Group RM'000	Company RM'000
Fees and other emoluments	2,499	1,156
Indemnity given to or insurance effected for directors	38	16
Estimated money value of benefits-in-kind	31	-
Total directors' remuneration including benefits-in-kind	2,568	1,172

During the financial year, the Company maintains a liability insurance for the directors of the Group and of the Company. The total amount of sum insured and premium paid for directors of the Group are RM25,500,000 and RM38,367 respectively. The total amount of sum insured and premium paid for directors of the Company are RM9,000,000 and RM16,164 respectively.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the Company and its related corporations during the financial year were as follows:

	I---------------------- Number of ordinary shares ------------------I			
	1 January 2020	Acquired	Sold	31 December 2020
The Company				
YM Raja Dato' Haji Idris Raja Kamarudin	1,529,600	60,400	(590,000)	1,000,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUANCE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM350,713,000 to RM359,445,000 by way of the issuance of 40,240,000 ordinary shares through a private placement for cash, for additional working capital purposes.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

HOLDING COMPANIES

The immediate holding company is Terengganu Incorporated Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Menteri Besar, Terengganu (Incorporated), a corporation incorporated in Malaysia under the Menteri Besar (Incorporation), Enactment No.1, 1951.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

(e) At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 40 to the financial statements.

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event is disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follow:

	Group RM'000	Company RM'000
Statutory audits		
- Ernst & Young PLT	599	328
- other than Ernst & Young PLT	73	-
Other services - Ernst & Young PLT	5	5
	677	333

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2020.

Signed on behalf of the Board in accordance with a resolution of the directors dated 11 May 2021.

YM Raja Dato' Haji Idris Raja Kamarudin

Haji Azlan bin Md Alifiah

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, YM Raja Dato' Haji Idris Raja Kamarudin and Haji Azlan bin Md Alifiah, being two of the directors of TDM Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 208 to 316 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 11 May 2021.

YM Raja Dato' Haji Idris Raja Kamarudin

Haji Azlan bin Md Alifiah

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Hasmadi bin Desa (NRIC: 670926-02-5491), being the officer primarily responsible for the financial management of TDM Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 208 to 316 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed, Hasmadi bin Desa
at Kuala Terengganu in Terengganu Darul Iman
on 11 May 2021

Hasmadi bin Desa
(CA 14613)

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TDM BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of TDM Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 208 to 316.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group and of the Company in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

KEY AUDIT MATTERS (CONT'D.)

IMPAIRMENT ASSESSMENT OF NON-FINANCIAL ASSETS

As at 31 December 2020, the carrying amounts of the Group's property, plant and equipment and right-of-use ("ROU") assets were RM819,440,000 and RM490,714,000 respectively, representing 70% of Group's total assets. The Group performs an impairment on the property, plant and equipment and ROU assets whenever there is an indication of impairment.

For the purpose of impairment assessment, the Group determines the recoverable amounts of the property, plant and equipment and ROU assets based on fair value less cost to sell ("FVLCTS") and compare them to the carrying values of the respective related cash generating units ("CGUs") to determine whether the assets are impaired.

During the financial year, the Group assessed that indicators of impairment of assets exist for the Group's plantation and healthcare segments. The market capitalisation of the Group was lower than the net assets as at 31 December 2020. Further, the performance of the healthcare segment has deteriorated compared to prior financial year and as disclosed in Note 39 to the financial statements, the healthcare segment reported losses for the financial year of RM7,059,000. The directors have engaged registered independent valuer to undertake the valuation of the assets held within plantation and healthcare CGUs. The valuations were carried out based on the market approach.

As significant judgement and estimates are involved in the valuation process as disclosed in Note 3.2(a) to the financial statements, we considered this to be an area of audit focus. The valuations of these assets are highly judgemental and include the use of valuation techniques and estimates to be made on the inputs to the valuation models. The key inputs include adjustment factors to the comparable market value such as tenure, ownership, size, timing, location or condition of the specific assets.

In addressing this area of focus, we performed, amongst others, the following procedures:

- Considered the objectivity, independence and expertise of the independent valuers engaged by management;
- Discussed with the independent valuer to obtain an understanding of the methodology adopted by the independent valuers in estimating the fair value of the abovementioned assets and assessed whether such methodology is consistent with those used in the industry;
- Assessed the methodology and assumptions, including the comparable transactions used by the independent valuers. We also obtained an understanding of the adjustments made by the independent valuers in accounting for differences in, amongst others, the asset's tenure, ownership restrictions, size, timing, location and condition of the specific assets; and
- Assessed the adequacy of disclosures in the financial statements in accordance with MFRS 136. data.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

KEY AUDIT MATTERS (CONT'D.)

ACQUISITION OF A SUBSIDIARY

As disclosed in Note 17 to the financial statements, on 3 March 2020, the Company had entered into the following two agreements with TH Plantation Sdn. Bhd. ("THP"):

- Share Purchase Agreement ("SPA") relating to the acquisition of 70% equity interest in TDM-YT Plantation Sdn. Bhd. ("TDMYT") formerly known as THP-YT Plantation Sdn. Bhd. for a cash consideration of RM7,000,000 ("Consideration") and a sum payable to be agreed by the Company and THP within 7 business day commencing from the completion date ("Sum Payable"); and

- Settlement Agreement ("SA") with THP Suria Mekar Sdn. Bhd. ("THSM") and TDMYT in relation to the settlement of the advances owing by TDMYT to THSM.

Pursuant to the SA, the Company and TDMYT agreed that RM62,000,000 ("Settlement Sum") of the total intercompany advances of RM78,700,000 owing by TDMYT to THSM. This has been settled in the following manner:

- A facility of RM53,000,000 obtained by TDMYT from a bank ("Facility Sum"); and

- Shareholders' advances by the Company of RM9,000,000 for settlement of difference between the Settlement Sum and Facility Sum.

The balance of intercompany advances of RM16,700,000, being the difference between the total intercompany advances and Settlement Sum, was assigned by THSM to the Company for a consideration of RM1.

The Company had completed assessing the fair value of the identifiable assets acquired and liabilities assumed and a gain on bargain purchase of RM17,873,000 is recognised, as disclosed in Note 17 to the financial statements.

Due to the materiality of this transaction and the significant judgement and complexities involved in determining the fair value of the identifiable assets, we consider this as a key audit matter.

We have performed the following audit procedures to address this matter:

- Reviewed Share Purchase Agreement ("SPA") and Settlement Agreement ("SA") and evaluated the appropriateness of the identification of the identifiable assets acquired and liabilities assumed at the date of acquisition;

- Reviewed (including the involvement of our internal specialist when necessary) management's assessment on the identification of fair value of identifiable assets acquired and liabilities assumed; and inquired management to understand the related procedures, in accordance with MFRS 3 and MFRS 10;;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

ACQUISITION OF A SUBSIDIARY (CONT'D.)

We have performed the following audit procedures to address this matter: (cont'd.)

- Obtained valuation report for identifiable assets from the independent valuer and performed the following:

  (i) considered the objectivity, independence and expertise of the independent valuers engaged by management;

  (ii) discussed with the independent valuer to obtain an understanding of the methodology adopted by the independent valuers in estimating the fair value of the abovementioned assets and assessed whether such methodology is consistent with those used in the industry;

  (iii) assessed the methodology and assumptions, including the comparable transactions used by the independent valuers. We also obtained an understanding of the adjustments made by the independent valuers in accounting for differences in, amongst others, the asset's tenure, ownership restrictions, size, timing, location and condition of the specific assets; and;

- Assessed the adequacy of disclosures in the financial statement in accordance with MFRS 3 and MFRS 10.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report which are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TDM BERHAD (CONT'D.)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF0039
Chartered Accountants

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
11 May 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Continuing operations					
Revenue	4	**442,877**	425,070	**293,654**	75,087
Cost of sales		**(296,604)**	(308,131)	**(17,776)**	(17,562)
Gross profit		**146,273**	116,939	**275,878**	57,525
Other items of income					
Interest income		**2,321**	2,247	**1,300**	1,073
Other income		**31,488**	12,012	**14,596**	9,357
Other items of expense					
Distribution costs		**(6,105)**	(5,910)	**(1,101)**	(1,010)
Administrative and other operating expenses		**(135,048)**	(133,937)	**(42,665)**	(180,421)
Other expenses		**(6,986)**	(8,196)	**(3,078)**	(2,250)
Finance costs	5	**(22,353)**	(23,540)	**(9,994)**	(13,636)
Profit/(loss) before tax	6	**9,590**	(40,385)	**234,936**	(129,362)
Taxation	9	**(8,226)**	4,548	**(592)**	1,061
Profit/(loss) for the financial year from continuing operations		**1,364**	(35,837)	**234,344**	(128,301)
Discontinued operation					
Loss for the financial year from discontinued operation	25	**(12,515)**	(174,084)	**-**	-
(Loss)/profit for the financial year		**(11,151)**	(209,921)	**234,344**	(128,301)
Other comprehensive (loss)/income:					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		**(1,488)**	9,230	**-**	-

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Other comprehensive (loss)/income: (cont'd.)					
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Fair value movement of investments in securities		**(10)**	1	**-**	-
Fair value movement of other investment		**4,399**	11,414	**-**	-
Net loss on remeasurement of defined benefit obligations		**(205)**	(32)	**(25)**	(43)
Total other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		**(3,804)**	20,613	**(25)**	(43)
Total other comprehensive (loss)/income for the financial year		**(14,955)**	(189,308)	**234,319**	(128,344)
Loss attributable to:					
Owners of the parent		**(9,939)**	(199,856)	**234,344**	(128,301)
Non-controlling interests		**(1,212)**	(10,065)	**-**	-
		(11,151)	(209,921)	**234,344**	(128,301)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(7,153)**	(179,822)	**234,319**	(128,344)
Non-controlling interests		**(1,302)**	(9,486)	**-**	-
		(8,455)	(189,308)	**234,319**	(128,344)
Loss per share attributable to owners of the parent:					
Basic (loss)/profit per share (sen):	10	**(0.58)**	(11.88)		
- continuing operations	10	**0.11**	(2.13)		
- discontinued operation	10	**(0.69)**	(9.74)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	**819,440**	796,531	**6,064**	5,018
Right-of-use assets	13	**490,714**	446,238	**521**	1,104
Intangible asset	14	**4,605**	5,463	**4,605**	5,463
Investment properties	15	**-**	-	**172,207**	174,339
Goodwill	16	**991**	991	**-**	-
Investments in subsidiaries	17	**-**	-	**224,266**	224,266
Other investments	18	**38,107**	33,708	**-**	-
Investments in securities	19	**35**	45	**-**	-
Other receivables	22	**186**	186	**-**	-
Deferred tax assets	30	**87**	64	**-**	-
		1,354,165	1,283,226	**407,663**	410,190
Current assets					
Biological assets	20	**4,154**	4,645	**-**	-
Inventories	21	**21,787**	21,198	**358**	386
Trade and other receivables	22	**52,713**	58,823	**90,572**	50,475
Contract asset	23	**7,690**	-	**-**	-
Prepayments		**5,049**	1,676	**-**	-
Tax recoverable		**13,738**	14,964	**60**	-
Cash and bank balances	24	**232,899**	90,302	**56,576**	35,731
Assets of disposal group classified as held for sale	25	**184,677**	190,380	**165,571**	175,690
		522,707	381,988	**313,137**	262,282
Total assets		**1,876,872**	1,665,214	**720,800**	672,472
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	29	**436**	-	**-**	-
Lease liabilities	26	**646**	1,414	**315**	871
Loans and borrowings	27	**72,345**	80,632	**37,251**	56,866
Trade and other payables	28	**248,696**	179,011	**136,642**	288,653
Contract liability	23	**634**	16,485	**-**	-
Income tax payable		**173**	818	**-**	225
Liabilities of disposal group classified as held for sale	25	**8,068**	4,706	**-**	-
		330,998	283,066	**174,208**	346,615
Net current assets/(liabilities)		**191,709**	98,922	**138,929**	(84,333)

STATEMENTS OF FINANCIAL POSITION (CONT'D.)
AS AT 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Equity and liabilities					
Non-current liabilities					
Retirement benefit obligations	29	**5,495**	5,327	**490**	428
Lease liabilities	26	**60,995**	61,328	**223**	263
Loans and borrowings	27	**426,629**	385,169	**154,708**	175,825
Other payables	28	**107,881**	-	**-**	1,813
Deferred tax liabilities	30	**189,012**	189,739	**3,256**	2,664
		790,012	641,563	**158,677**	180,993
Total liabilities		**1,121,010**	924,629	**332,885**	527,608
Net assets		**755,862**	740,585	**387,915**	144,864
Equity attributable to owners of the parent					
Share capital	31	**359,445**	350,713	**359,445**	350,713
Retained earnings/(accumulated losses)	32	**408,535**	418,474	**25,802**	(208,542)
Other reserves	33	**33,078**	28,894	**2,668**	2,693
Reserves of a disposal group held for sale	25	**(30,205)**	(28,807)	**-**	-
		770,853	769,274	**387,915**	144,864
Non-controlling interests		**(14,991)**	(28,689)	**-**	-
Total equity		**755,862**	740,585	**387,915**	144,864
Total equity and liabilities		**1,876,872**	1,665,214	**720,800**	672,472

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the parent								
			Non-distributable	Distributable	Non-distributable					
2020 **Group**	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 Non-controlling interest RM'000	Reserve of a disposal group held for sale RM'000	Non-controlling interests RM'000
Opening balance at 1 January 2020	740,585	769,274	350,713	418,474	28,894	28,957	(32)	(31)	(28,807)	(28,689)
Loss for the financial year	(11,151)	(9,939)	-	(9,939)	-	-	-	-	-	(1,212)
Other comprehensive loss:										
Fair value movement of investments in securities	(10)	(10)	-	-	(10)	(10)	-	-	-	-
Fair value movement of other investment	4,399	4,399	-	-	4,399	4,399	-	-	-	-
Foreign currency translation	(1,488)	(1,398)	-	-	-	-	-	-	(1,398)	(90)
Net loss on remeasurement of defined benefit obligations	(205)	(205)	-	-	(205)	-	(205)	-	-	-
Total other comprehensive loss for the financial year	2,696	2,786	-	-	4,184	4,389	(205)	-	(1,398)	(90)
Total comprehensive loss for the financial year	(8,455)	(7,153)	-	(9,939)	4,184	4,389	(205)	-	(1,398)	(1,302)
Transactions with owners										
Acquisition of a subsidiary	15,000	-	-	-	-	-	-	-	-	15,000
Issue of share capital	8,732	8,732	8,732	-	-	-	-	-	-	-
Total transactions with owners	23,732	8,732	8,732	-	-	-	-	-	-	15,000
Closing balance at 31 December 2020	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)

STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the parent									
			Non-distributable	Distributable	Non-distributable						
2019 Group	**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**	**Foreign currency translation reserve 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 2019	929,893	949,096	350,713	618,330	(19,947)	(37,458)	17,542	-	(31)	-	(19,203)
Loss for the financial year	(209,921)	(199,856)	-	(199,856)	-	-	-	-	-	-	(10,065)
Other comprehensive income:											
Fair value movement of investments in securities	1	1	-	-	1	-	1	-	-	-	-
Fair value movement of other investment	11,414	11,414	-	-	11,414	-	11,414	-	-	-	-
Foreign currency translation	9,230	8,651	-	-	8,651	8,651	-	-	-	-	579
Net loss on remeasurement of defined benefit obligations	(32)	(32)	-	-	(32)	-	-	(32)	-	-	-
Total other comprehensive income for the financial year	20,613	20,034	-	-	20,034	8,651	11,415	(32)	-	-	579
Total comprehensive loss for the financial year	(189,308)	(179,822)	-	(199,856)	20,034	8,651	11,415	(32)	-	-	(9,486)
Discontinued operation (Note 25)	-	-	-	-	28,807	28,807	-	-	-	(28,807)	-
Closing balance at 31 December 2019	740,585	769,274	350,713	418,474	28,894	-	28,957	(32)	(31)	(28,807)	(28,689)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Non-distributable		← Non-distributable		→
2020 Company	**Equity, total RM'000**	**Share capital RM'000**	**(Accumulated loss)/ distributable retained earnings RM'000**	**Other reserves, total RM'000**	**Capital reserve RM'000**	**Employee benefits plan reserve RM'000**
Opening balance at 1 January 2020	144,864	350,713	(208,542)	2,693	2,736	(43)
Profit for the financial year	234,344	-	234,344	-	-	-
Other comprehensive income:						
Net loss on remeasurement of defined benefit obligations, representing total other comprehensive loss for the financial year	(25)	-	-	(25)	(25)	-
Total comprehensive income for the financial year	234,319	-	234,344	(25)	(25)	-
Transactions with owners						
Issue of share capital	8,732	8,732	-	-	-	-
Total transactions with owners	8,732	8,732	-	-	-	-
Closing balance at 31 December 2020	387,915	359,445	25,802	2,668	2,711	(43)

2019 Company	**Equity, total RM'000**	**Share capital RM'000**	**Accumulated loss RM'000**	**Other reserves, total RM'000**	**Capital reserve RM'000**	**reserve RM'000**
Opening balance at 1 January 2019	273,208	350,713	(80,241)	2,736	2,736	-
Loss for the financial year	(128,301)	-	(128,301)	-	-	-
Other comprehensive loss:						
Net loss on remeasurement of defined benefit obligations, representing total other comprehensive loss for the financial year	(43)	-	-	(43)	-	(43)
Total comprehensive loss for the year	(128,344)	-	(128,301)	(43)	-	(43)
Closing balance at 31 December 2019	144,864	350,713	(208,542)	2,693	2,736	(43)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020	**2019**	**2020**	**2019**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities					
Profit/(loss) before tax from continuing operations		**9,590**	(40,385)	**234,936**	(129,362)
Loss before tax from discontinued operation		**(12,515)**	(174,078)	**-**	-
		(2,925)	(214,463)	**234,936**	(129,362)
Adjustments for:					
Interest expense	5	**22,353**	23,540	**9,994**	13,636
Depreciation of property, plant and equipment					
- Continuing	6	**68,150**	68,673	**624**	730
- Discontinued	6	**-**	15,026	**-**	-
Amortisation of intangible asset	6	**858**	858	**858**	858
Amortisation of contract assets	6	**431**	-	**-**	-
Amortisation of investment property	6	**-**	202	**3,500**	3,546
Amortisation of right-of-use assets					
- Continuing	6	**10,560**	9,427	**893**	846
- Discontinued	6	**-**	1,797	**-**	-
Gain on settlement of debt	6	**-**	-	**(7,470)**	-
(Reversal of)/additional impairment of right-of-use assets					
- Discontinued	6	**(7,841)**	21,242	**-**	-
(Reversal of)/additional impairment of property, plant and equipment					
- Discontinued	6	**(31,294)**	87,203	**-**	-
Property, plant and equipment written off					
- Continuing	6	**4,499**	5,999	**72**	-
- Discontinued	6	**6**	33,881	**-**	-
Inventories written off					
- Continuing	6	**92**	21	**-**	-
- Discontinued	6	**-**	4,771	**-**	-
Expected credit losses of trade receivables	6	**379**	293	**-**	-
Expected credit losses of other receivables					
- Continuing	6	**1**	-	**-**	158,933
- Discontinued	6	**42,952**	11,942	**17,970**	-
Loss/(gain) on disposal of property, plant and equipment	6	**58**	(78)	**-**	-
Gain on disposal of investment property	6	**-**	(1,734)	**-**	(1,734)
Dividend income	6	**(1,935)**	(1,225)	**(257,950)**	(47,398)
Reversal of expected credit losses of trade receivables	6	**(1,177)**	(2,679)	**-**	-
Reversal of expected credit losses of other receivables	6	**-**	-	**-**	(69)

STATEMENTS OF CASH FLOWS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating activities (cont'd.)					
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	6	**1,868**	1,049	**1,868**	1,049
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	6	**(498)**	(735)	**(498)**	(735)
Gain on bargain purchase	6	**(17,873)**	-	**-**	-
Profit from Al Mudharabah	6	**(2,321)**	(1,204)	**(928)**	(1,073)
Land premium on sublessee land	6	**(1,962)**	-	**-**	-
Interest income					
- Continuing	6	**-**	(1,043)	**(372)**	-
- Discontinued	6	**(3)**	(8,204)	**-**	-
Provision for retirement benefit obligations	7	**859**	788	**37**	35
Fair value changes of biological assets					
- Continuing	6	**843**	(686)	**-**	-
- Discontinued	6	**17**	(258)	**-**	-
Total adjustments		**89,022**	268,866	**(231,402)**	128,624
Operating cash flows before changes in working capital		**86,097**	54,403	**3,534**	(738)
Changes in working capital					
Inventories		**(659)**	4,891	**28**	260
Receivables		**13,453**	(7,937)	**(22,852)**	8,430
Payables		**11,832**	14,509	**(155,692)**	(7,471)
Contract asset	23	**(8,121)**	-	**-**	-
Contract liability	23	**(15,851)**	16,485	**-**	-
Prepayment		**(3,369)**	-	**-**	-
Total changes in working capital		**(2,715)**	27,948	**(178,516)**	1,219
Cash flows from/(used in) operations		**83,382**	82,351	**(174,982)**	481
Interest paid		**(23,103)**	(24,232)	**(10,116)**	(13,754)
Interest received and profit from Al Mudharabah		**2,324**	10,451	**1,300**	1,073
Taxes paid		**(9,081)**	(12,818)	**(285)**	(793)
Taxes refunded		**-**	4,224	**-**	124
Retirement benefits paid	29	**(34)**	(64)	**-**	-
Net cash flows from/(used in) operating activities		**53,488**	59,912	**(184,083)**	(12,869)

STATEMENTS OF CASH FLOWS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Investing activities					
Purchase of property, plant and equipment	12, 25	**(36,508)**	(32,702)	**(1,571)**	(1,574)
Addition to investment properties	15	**-**	-	**(1,368)**	(2,394)
Acquisition of right-of use assets	13, 25	**(685)**	(378)	**-**	-
Dividend received		**1,935**	1,225	**257,950**	47,398
Proceeds from disposal of property, plant and equipment		**48**	80	**-**	-
Proceeds from disposal of investment property		**-**	12,000	**-**	12,000
Net cash outflow on acqusition of subsidiary	17	**(16,478)**	-	**(17,128)**	-
(Placement for)/withdrawal of deposits with licensed banks		**(19,388)**	1,411	**(20,000)**	-
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account		**(949)**	(999)	**(924)**	(999)
Net cash flows (used in)/from investing activities		**(72,025)**	(19,363)	**216,959**	54,431
Financing activities					
Drawdown of term loans		**24,182**	59,147	**-**	2,547
Proceed from hire purchase facilities		**-**	-	**-**	-
Repayments of term loans		**(42,649)**	(74,759)	**(40,656)**	(42,364)
Repayments of hire purchase facilities		**(10,022)**	(3,002)	**(76)**	(102)
Repayment of finance lease		**(6,416)**	(6,353)	**(955)**	(901)
Proceeds from issuance of shares		**8,732**	-	**8,732**	-
Advances received from Ikhasas		**167,676**	-	**-**	-
Net cash flows from/(used in) financing activities		**141,503**	(24,967)	**(32,955)**	(40,820)
Net increase/(decrease) in cash and cash equivalents		**122,966**	15,582	**(79)**	742
Cash and cash equivalents at 1 January		**54,577**	38,978	**1,079**	337
Effect of foreign exchange rate changes		**(38)**	17	**-**	-
Cash and cash equivalents at 31 December	24	**177,505**	54,577	**1,000**	1,079

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Aras 5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin, 20100 Kuala Terengganu, Terengganu Darul Iman.

The principal activities of the Company are investment holding, provision of management services and cultivation of oil palms. The principal activities of its subsidiaries are as disclosed in Note 17.

The immediate holding company is Terengganu Incorporated Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Menteri Besar, Terengganu (Incorporated), a corporation incorporated in Malaysia under the Menteri Besar (Incorporation), Enactment No.1, 1951.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 May 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2020, the Group and the Company adopted the following amended MFRSs mandatory for annual periods beginning on or after 1 January 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020

The adoption of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The new and amended MFRSs that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended MFRSs if applicable, when they become effective.

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 16: Covid-19-related rent concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9 and MFRS 141: Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards will not have a material impact on the financial statements in the period of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement(s) with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements; and
(iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.11.

2.5 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Foreign currency (cont'd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction are also not depreciated as such assets are not available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates.

Buildings	5% - 10%
Plant, machinery, equipment, vehicles and renovation	5% - 20%

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in statement of comprehensive income.

Bearer plants comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop at the following rates which are deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 20 - 22 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Biological assets

Biological assets comprised produce growing on bearer plants and are measured at fair value less costs to sell. Fair value is determined based on the estimated future cash flows expected to be generated from the produce. The expected future cash flows are estimated using projected quantity and the estimated market price of the produce.

Biological assets are classified as current assets as the produce are expected to be harvested and sold or used for production on a date not more than 4 weeks after the reporting date. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

2.10 Investment properties

Investment properties are properties which are held either to earn rental income, capital appreciation, or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated amortisation and accumulated impairment losses.

Leasehold land is amostised on striaght-line basis over the lease term period. Amortisation of buildings is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rate.

Buildings	2%

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment properties are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

2.11 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Goodwill (cont'd.)

Where goodwill forms part of a cash-generating unit and part of the operations within that cash-generating unit is disposed of, the goodwill associated with the operations disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in Ringgit Malaysia at the rates prevailing at the date of acquisition.

2.12 Fair value measurement

The Group and the Company measure financial instruments, and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.13 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model of the Group and of the Company for managing them. With the exception of receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under MFRS 15: Revenue from contracts with customers ("MFRS 15").

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("FVOCI"), it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The business model of the Group and of the Company for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the financial assets of the Group and the Company are classified as:

(a) Financial assets at amortised cost (debt instruments)
(b) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(a) Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

(i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(a) Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets at amortised cost of the Group and of the Company includes cash and bank balances, and trade and other receivables.

(b) Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably their equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of comprehensive income when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its other investments and investment in securities under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(i) The rights to receive cash flows from the asset have expired; or
(ii) The Group and the Company transferred their rights to receive cash flows from the asset or have assumed obligations to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial assets (cont'd.)

Derecognition (cont'd.)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred assets to the extent of their continuing involvement. In that case, the Group and the Company also recognise associated liabilities. The transferred assets and the associated liabilities are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

2.15 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and demand deposits which are subject to an insignificant risk of changes in value and with original maturities of not more than three months. These also include bank overdraft that form an integral part of cash management of the Group and of the Company.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

The Group's and the Company's other financial liabilities include loans and borrowings and trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Financial liabilities (cont'd.)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the Group and the Company have unconditional rights to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

To the extent that the Group and the Company borrow funds specifically for the purpose of obtaining a qualifying asset, the Group and the Company determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Group and the Company borrow funds generally and uses them for the purpose of obtaining a qualifying asset, the Group and the Company determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate represents the weighted average of the borrowing costs applicable to all borrowings of the Group and the Company that are outstanding during the period.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

(a) Short term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised as a liability when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Employee benefits (cont'd.)

(b) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Indonesian companies in the Group are required to provide a minimum amount of pension benefits in accordance with Law 13/2003.

(c) Defined benefit plan

The Group and the Company operate a funded, defined benefit Retirement Benefit Scheme ("the Scheme") for their eligible employees. The Group's and the Company's obligations under the Scheme are determined based on triennial actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in OCI in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service cost, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Leases (cont'd.)

As lessee (cont'd.)

(iii) Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense over the lease term.

(iv) Extension options

The Group and the Company, in applying their judgement, determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company apply judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for them to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise or not to exercise the option to renew or to terminate.

As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

2.23 Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue recognition (cont'd.)

The Group and the Company have generally concluded that they are the principal in their revenue arrangements, because they typically control the goods or services before transferring them to the customer. The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(i) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

If the consideration in a contract includes a variable amount, the Group and the Company estimate the amount of consideration to which they will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Using the practical expedient in MFRS 15, the Group and the Company do not adjust the promised amount of consideration for the effects of a significant financing component if they expect, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(iv) Allocate the transaction price to the performance obligation in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue recognition (cont'd.)

(v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(a) does not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance obligation completed to-date; or

(b) creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) provides benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions are met, revenue is recognised over time at which the performance obligation is satisfied.

For performance obligations that the Group and the Company satisfy over time, the Group and the Company determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's and the Company's effort and the transfer of service to the customer.

The following describes the performance obligation in contracts with customers:

(i) Sale of goods

Revenue from sale of goods is recognised at a point in time net of discounts and returns when control of the goods is transferred to the customer. A performance obligation is satisfied upon delivery of the goods to the customers as per the sale contract.

(ii) Rendering of services

Revenue from services rendered is recognised at a point in time net of service taxes and discounts when services are transferred to the customer. A performance obligation is satisfied when services are transferred to the customer.

(iii) Interest income and profit from Al Mudharabah

Interest income and profit from Al Mudharabah are recognised using the effective interest rate method.

(iv) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(v) Management fees

Management fees is recognised over time when management services are transferred to the customer. A performance obligation is satisfied when services are transferred to the customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue (cont'd.)

(vi) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(vii) Profit distribution from the Sublessees Scheme

Profit distribution from the Sublessees Scheme is recognised when the Group's and the Company's right to receive payment is established.

2.24 Income taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.24 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.25 Segment reporting

For management purposes, the Group is organised into business units based on its products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Intangible asset

Intangible asset of the Group and of the Company represents the rights on the lands belonging to third parties. Intangible asset is initially measured at cost. Following initial recognition, intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses. The cost of intangible asset is amortised over 30 years, being the useful life of the lands.

The carrying value of intangible asset is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The accounting policy for impairment of non-financial assets is set out in Note 2.13.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

2.29 Current and non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.29 Current and non-current classification (cont'd.)

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.30 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.31 Non-current assets held for sale and discontinued operations

The Group and the Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.31 Non-current assets held for sale and discontinued operations (cont'd.)

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statements of comprehensive income.

2.32 Amount due from Plasma

The government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as Plasma Schemes.

The Group assumes responsibility for developing oil palm plantations to the productive stage. When the plantation is at its productive stage, it is considered to be completed and is transferred to the plasma farmers (conversion of plasma plantations). All costs incurred will be reviewed by the relevant authorities and the Group will be reimbursed for all approved costs which are financed by the Group. Conversion value refers to the value reimbursed to the Group upon conversion of the plasma plantations.

The plasma farmers sell all harvest to the Group at a price determined by the Government, which approximates the market price. Part of the proceeds will be distributed to the plasma farmers with the residual retained by the Group as payment for all approved cost financed by the Group.

Accumulated development costs net of reimbursements are presented as amount due from Plasma in the consolidated statement of financial position. Any difference between the accumulated development costs of plasma plantations and their conversion value is charged to profit or loss.

Amount due from Plasma are classified as financial assets carried at amortised cost under MFRS 9. The accounting policy for financial instruments is set out in Note 2.14.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no significant judgements made in applying the accounting policies of the Group and of the Company which may have significant effects on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment and right-of-use assets

Assets are tested for impairment when indications of potential impairment exist. Indicators of impairment which could trigger an impairment review include evidence of obsolescence or physical damage, a significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, and significant adverse industry or economic changes.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Due to the poor performance of the Healthcare segment, the directors have engaged registered independent valuers to undertake the valuation of these assets using fair value less costs to sell.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices, adjusted made on inputs to the valuation models less incremental costs of disposing of the asset.

The carrying amounts of property, plant and equipment and right-of-use assets of the Group and of the Company at the reporting date are disclosed in Note 12 and Note 13 respectively.

(b) Defined benefit plans

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting dates. The carrying amounts of the Group's and of the Company's defined benefit plan at the reporting date and related assumptions are disclosed in Note 29.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(b) Defined benefit plans (cont'd.)

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables in the relevant countries and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

Further details about the assumptions used are provided in Note 29.

(c) Provision for expected credit losses of trade receivables (Healthcare segment)

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for the customers.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product and unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amounts of trade receivables of the Group and of the Company at the reporting date are disclosed in Note 22.

(d) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate present value of those cash flows. Further details of the carrying value, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(e) Fair value measurement of other investments

When the fair values of other investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation model determined based on market approach. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as risk profile, economic assumptions regarding the industry and geographical jurisdiction in which the investee operates and future financial performance of the investee. Changes in assumptions relating to these factors could affect the reported fair value of other investments. The carrying amounts of other investments of the Group at the reporting date are disclosed in Note 18.

(f) Business combination

During the financial year, the Group completed its acquisition of the 70% equity interest in TDM-YT Plantation Sdn. Bhd. by way of cash consideration and settlement of the intercompany advances. Accounting for the business combination requires the Group to determine the fair value of consideration transferred and the net identifiable assets acquired as part of the acquisition. This requires the Group to make a number of estimates, which focus on fair value of the net identifiable assets acquired. The net identifiable assets recognised in the 31 December 2020 financial statements were based on provisional assessment of their fair values. Further details are disclosed in Note 17.

(g) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon on the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 30.

4. REVENUE

The Group and the Company disaggregate revenue by type of goods and services and timing of transfer of services. Transfer of goods and services are wholly carried out in Malaysia.

Type of goods and services

The following tables represent revenue by type of goods and services:

		Group		Company	
		2020	**2019**	**2020**	**2019**
		RM'000	**RM'000**	**RM'000**	**RM'000**
(i)	**Revenue from contracts with customers:**				
	Sale of goods	**279,330**	235,071	**30,791**	24,806
	Rendering of services	**162,255**	189,465	**-**	-
	Management fees from subsidiaries	**-**	-	**4,913**	2,883
	Management fee from Terengganu Oil Palm Development				
	- Sublessees Scheme	**932**	172	**-**	-
	Management fee from a managed hospital	**360**	362	**-**	-
	Total revenue from contracts with customers	**442,877**	425,070	**35,704**	27,689
(ii)	**Other revenue:**				
	Dividend income from subsidiaries	**-**	-	**257,950**	47,398
		442,877	425,070	**293,654**	75,087

Timing of transfer of goods and services

The following tables represent revenue from contracts with customers by timing of transfer of goods and services:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At a point in time	**441,585**	424,536	**30,791**	24,806
Over time	**1,292**	534	**4,913**	2,883
	442,877	425,070	**35,704**	27,689

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. REVENUE (CONT'D.)

Transaction price allocated to the remaining unsatisfied performance obligations

Remaining unsatisfied performance obligations ("RUPO") represent the transaction price for goods and services for which the Group and the Company have a material right but goods have not been transferred or services have not been performed. As of 31 December 2020, the aggregate amounts of the transaction price allocated to the remaining performance obligation of the Group amounted to RM329,242,000 (2019: RM42,530,000). The Group is expected to recognise the revenue over the next three years (2019: next one year).

5. FINANCE COSTS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on:				
- term loans	**22,502**	23,901	**10,107**	13,713
- hire purchase under finance leases	**601**	345	**9**	41
- lease liabilities	**2,932**	2,979	**49**	85
	26,035	27,225	**10,165**	13,839
Less : Amount capitalised in property, plant and equipment	**(3,682)**	(3,685)	**(171)**	(203)
	22,353	23,540	**9,994**	13,636

6. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration:				
- statutory audits - Ernst & Young PLT				
- Continuing	**599**	459	**328**	187
- statutory audits - other than Ernst & Young PLT				
- Continuing	**3**	-	**-**	-
- Discontinued	**70**	78	**-**	-
- other services - Ernst & Young PLT				
- Continuing	**5**	5	**5**	5
Employee benefits expense (Note 7)				
- Continuing	**105,801**	104,769	**7,955**	7,215
- Discontinued	**618**	395	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. PROFIT/(LOSS) BEFORE TAX (CONT'D.)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Executive directors' remuneration (Note 8)				
- Continuing	**170**	1	**170**	-
Non-executive directors' remuneration (Note 8)				
- Continuing	**2,224**	2,029	**986**	932
- Discontinued	**105**	118	**-**	-
Depreciation of property, plant and equipment (Note 12)				
- Continuing	**68,150**	68,673	**624**	730
- Discontinued	**-**	15,026	**-**	-
Amortisation of intangible asset (Note 14)	**858**	858	**858**	858
Amortisation of contract assets (Note 23)	**431**	-	**-**	-
Amortisation of investment properties (Note 15)	**-**	202	**3,500**	3,546
Amortisation of right-of-use assets (Note 13)				
- Continuing	**10,560**	9,427	**893**	846
- Discontinued	**-**	1,797	**-**	-
Rental of premises	**4**	250	**-**	18
Rental of low value equipments	**208**	135	**9**	31
Rental of short term lease	**328**	124	**-**	-
Rental of land	**1,061**	1,057	**144**	140
Rental of parking space	**75**	86	**66**	78
Gain on settlement of debt (Note 17)	**-**	-	**(7,470)**	-
Loss/(gain) on disposal of property, plant and equipment	**58**	(78)	**-**	-
Gain on disposal of investment property	**-**	(1,734)	**-**	(1,734)
Inventories written off				
- Continuing	**92**	21	**-**	-
- Discontinued	**-**	4,771	**-**	-
Property, plant and equipment written off				
- Continuing	**4,499**	5,999	**72**	-
- Discontinued	**6**	33,881	**-**	-
(Reversal of)/additional impairment of right-of-use assets (Note 25)				
- Discontinued	**(7,841)**	21,242	**-**	-
(Reversal of)/additional impairment of property, plant and equipment (Note 25)				
- Discontinued	**(31,294)**	87,203	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. PROFIT/(LOSS) BEFORE TAX (CONT'D.)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Expected credit losses of trade receivables (Note 22(a))	**379**	293	**-**	-
Expected credit losses of other receivables				
- Continuing (Note 22(b))	**1**	-	**-**	158,933
- Discontinued (Note 25(b))	**42,952**	11,942	**17,970**	-
Reversal of expected credit losses of trade receivables (Note 22(a))	**(1,177)**	(2,679)	**-**	-
Reversal of expected credit losses of other receivables (Note 22(b))	**-**	-	**-**	(69)
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	**1,868**	1,049	**1,868**	1,049
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	**(498)**	(735)	**(498)**	(735)
Gain on bargain purchase (Note 17)	**(17,873)**	-	**-**	-
Interest income				
- Continuing	**-**	(1,043)	**(372)**	-
- Discontinued	**(3)**	(8,204)	**-**	-
Profit from Al Mudharabah				
- Continuing	**(2,321)**	(1,204)	**(928)**	(1,073)
Fair value changes of biological assets:				
- Continuing (Note 20)	**843**	(686)	**-**	-
- Discontinued	**17**	(258)	**-**	-
Rental income	**(1,557)**	(1,682)	**(6,516)**	(6,516)
Dividend income	**(1,935)**	(1,225)	**(257,950)**	(47,398)
Wage subsidy from Federal Government	**(2,398)**	-	**-**	-
Land premium on sublessee land	**(1,962)**	-	**-**	-
Proceed from sales of sludge oil	**(2,173)**	(1,863)	**-**	-
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(9,161)**	(2,030)	**(2,734)**	(606)

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Salaries, wages and allowances	**80,175**	74,354	**6,244**	5,047
Contributions to defined contribution plan	**10,878**	9,869	**893**	701
Bonus	**9,793**	11,885	**814**	1,349
Overtime	**1,547**	1,387	**89**	129
Social security contributions	**1,622**	1,321	**65**	58
Provision for retirement benefit obligations (Note 29)	**859**	788	**37**	35
Provision for short term accumulating compensated absences	**100**	128	**15**	63
Other benefits	**4,958**	7,667	**-**	-
	109,932	107,399	**8,157**	7,382
Less: Amount capitalised in property, plant and equipment	**(3,513)**	(2,235)	**(202)**	(167)
	106,419	105,164	**7,955**	7,215

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM170,000 (2019: RM1,000) and RM170,000 (2019: RM Nil) respectively as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Executive directors' remuneration (Note 7):				
Fees and other emoluments	**170**	1	**170**	-
Non-executive directors' remuneration (Note 6):				
Fees and other emoluments	**2,329**	2,147	**986**	932
Total directors' remuneration	**2,499**	2,148	**1,156**	932
Indemnity given to or insurance effected for directors	**38**	30	**16**	10
Estimated money value of benefits-in-kind	**31**	3	**-**	-
Total directors' remuneration including benefits-in-kind	**2,568**	2,181	**1,172**	942

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. TAXATION

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax - continuing operations:				
- Malaysian income tax	**8,967**	4,931	**-**	-
- Under/(over) provision in previous financial years	**701**	(29)	**-**	-
	9,668	4,902	**-**	-
Deferred income tax - continuing operations (Note 30):				
- Relating to origination and reversal of temporary differences	**(2,953)**	(8,941)	**732**	(1,061)
- Under/(over) provision in previous financial years	**1,511**	(509)	**(140)**	-
	(1,442)	(9,450)	**592**	(1,061)
Income tax attributable to continuing operations	**8,226**	(4,548)	**592**	(1,061)
Income tax attributable to discontinued operation (Note 25)	**-**	6	**-**	-
Total income tax expense/(credit) recognised in profit or loss	**8,226**	(4,542)	**592**	(1,061)

<u>Reconciliation between income tax credit and accounting loss:</u>

The reconciliation between income tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2020 and 2019 is as follows:

Group	**2020** **RM'000**	**2019** **RM'000**
Profit/(loss) before tax from continuing operations	**9,590**	(40,385)
Loss before tax from discontinued operation (Note 25)	**(12,515)**	(174,078)
Loss before tax	**(2,925)**	(214,463)
Taxation at Malaysian statutory rate of 24% (2019: 24%)	**(702)**	(51,471)
Effect of different tax rates in foreign jurisdiction	**250**	(1,741)
Adjustments:		
Income not subject to tax	**(4,901)**	(1,383)
Expenses not deductible for tax purposes	**10,919**	10,114
Utilisation of previously unused tax losses and unabsorbed capital allowances	**(483)**	(439)
Deferred tax assets not recognised on unused tax losses, unabsorbed capital allowances and other temporary differences	**931**	40,916
Under/(over) provision of income tax in previous financial years	**701**	(29)
Under/(over) provision of deferred tax in previous financial years	**1,511**	(509)
Income tax expenses/(credit) for the financial year	**8,226**	(4,542)

9. TAXATION (CONT'D.)

Company	2020 RM'000	2019 RM'000
Profit/(loss) before tax	**234,936**	(129,362)
Taxation at Malaysian statutory rate of 24% (2019: 24%)	**56,385**	(31,047)
Adjustments:		
Income not subject to tax	**(68,713)**	(11,849)
Expenses not deductible for tax purposes	**8,060**	41,835
Over provision of deferred tax in previous financial years	**(140)**	-
Income tax expenses/(credit) for the financial year	**592**	(1,061)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable loss for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

10. LOSS PER SHARE

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

The following table reflects the loss and share data used in the computation of basic loss per share for the financial years ended 31 December:

	Group	
	2020 RM'000	2019 RM'000
Loss for the financial year attributable to owners of the parent used in the computation of basic loss per share	**(9,939)**	(199,856)
Add: Loss for the financial year from discontinued operation, attributable to owners of the parent	**11,744**	163,939
Profit/(loss) for the financial year from continuing operations attributable to owners of the parent used in the computation of basic loss per share	**1,805**	(35,917)

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10. LOSS PER SHARE (CONT'D.)

	2020 number of ordinary shares '000	**2019 number of ordinary shares '000**
Weighted average number of ordinary shares in issue for basic (loss)/profit per share computation	**1,701,112**	1,682,641
Loss per share attributable to owners of the parent:		
Basic (loss)/profit per share (sen)	**(0.58)**	(11.88)
- continuing operations	**0.11**	(2.13)
- discontinued operation	**(0.69)**	(9.74)

(a) Continuing operations

The basic (loss)/profit per share from continuing operation are calculated by dividing (loss)/profit for the financial year from continuing operations, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Discontinued operation

The basic (loss)/profit per share from discontinued operation are calculated by dividing loss for the financial year from discontinued operation, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The Group does not have any outstanding convertible equity instrument as at the reporting date. Accordingly, the diluted (loss)/profit per share is presented as equal to the basic (loss)/profit per share.

11. DIVIDENDS

On 24 March 2021, a single-tier interim dividend in respect of the financial year ended 31 December 2020, of 0.29% per share on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM5,000,000 (0.29 sen per ordinary share) was proposed. The interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2020, of 0.23% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM4,000,000 (0.23 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Assets under construction RM'000	Total RM'000
Cost						
At 1 January 2019	9,900	381,317	606,255	472,928	12,075	1,482,475
Additions	-	2,551	26,075	7,743	1,642	38,011
Disposals	-	-	-	(2,060)	-	(2,060)
Write offs	-	-	(47,211)	(293)	-	(47,504)
Reclassification	-	103	-	6,927	(7,030)	-
Transfer from investment properties (Note 15)	-	4,849	-	-	-	4,849
Exchange differences	-	41	5,427	2,602	-	8,070
Attributable to discontinued operation (Note 25)	-	(1,605)	(156,593)	(94,248)	-	(252,446)
At 31 December 2019	9,900	387,256	433,953	393,599	6,687	1,231,395
At 1 January 2020	**9,900**	**387,256**	**433,953**	**393,599**	**6,687**	**1,231,395**
Additions	**-**	**2,013**	**31,668**	**8,995**	**5,240**	**47,916**
Acquisition of a subsidiary (Note 17)	**-**	**3,328**	**43,185**	**1,235**	**-**	**47,748**
Disposals	**-**	**-**	**-**	**(1,415)**	**-**	**(1,415)**
Write offs	**-**	**(268)**	**(15,125)**	**(3,463)**	**-**	**(18,856)**
Reclassification	**-**	**4,647**	**-**	**6,438**	**(11,085)**	**-**
At 31 December 2020	**9,900**	**396,976**	**493,681**	**405,389**	**842**	**1,306,788**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Assets under construction RM'000	Total RM'000
Accumulated depreciation and impairment loss						
At 1 January 2019	-	60,412	133,300	229,438	615	423,765
Depreciation charge for the financial year (Note 6)	-	9,251	47,501	26,947	-	83,699
Impairment (Note 6)	-	222	51,995	34,986	-	87,203
Disposals	-	-	-	(2,058)	-	(2,058)
Write off	-	-	(7,368)	(256)	-	(7,624)
Transfer from investment properties (Note 15)	-	1,033	-	-	-	1,033
Exchange differences	-	30	1,255	406	-	1,691
Attributable to discontinued operation (Note 25)	-	(1,347)	(97,674)	(53,824)	-	(152,845)
At 31 December 2019	-	69,601	129,009	235,639	615	434,864
At 1 January 2020	**-**	**69,601**	**129,009**	**235,639**	**615**	**434,864**
Depreciation charge for the financial year (Note 6)	**-**	**9,493**	**36,764**	**21,893**	**-**	**68,150**
Disposals	**-**	**-**	**-**	**(1,309)**	**-**	**(1,309)**
Write off	**-**	**(180)**	**(11,840)**	**(2,337)**	**-**	**(14,357)**
At 31 December 2020	**-**	**78,914**	**153,933**	**253,886**	**615**	**487,348**
Net carrying amount						
At 31 December 2019	9,900	317,655	304,944	157,960	6,072	796,531
At 31 December 2020	**9,900**	**318,062**	**339,748**	**151,503**	**227**	**819,440**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Equipment and vehicles RM'000	Bearer plants RM'000	Renovation RM'000	Assets under construction RM'000	Total RM'000
Company					
Cost					
At 1 January 2019	9,408	1,008	5,060	523	15,999
Additions	79	1,698	-	-	1,777
At 31 December 2019	9,487	2,706	5,060	523	17,776
At 1 January 2020	**9,487**	**2,706**	**5,060**	**523**	**17,776**
Additions	**31**	**1,711**	**-**	**-**	**1,742**
Write off	**-**	**(72)**	**-**	**-**	**(72)**
At 31 December 2020	**9,518**	**4,345**	**5,060**	**523**	**19,446**
Accumulated depreciation					
At 1 January 2019	8,157	-	3,348	523	12,028
Depreciation charge for the financial year (Note 6)	482	-	248	-	730
At 31 December 2019	8,639	-	3,596	523	12,758
At 1 January 2020	**8,639**	**-**	**3,596**	**523**	**12,758**
Depreciation charge for the financial year (Note 6)	**365**	**11**	**248**	**-**	**624**
At 31 December 2020	**9,004**	**11**	**3,844**	**523**	**13,382**
Net carrying amount					
At 31 December 2019	848	2,706	1,464	-	5,018
At 31 December 2020	**514**	**4,334**	**1,216**	**-**	**6,064**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Hire purchase	**8,662**	1,624	-	-
Interest capitalised	**3,682**	3,685	171	203
Cash	**35,572**	32,702	1,571	1,574
	47,916	38,011	1,742	1,777

The net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Machinery, equipment and vehicles - hire purchase	**21,610**	10,166	**225**	363

(b) The net carrying amounts of the Group's property, plant and equipment pledged to secure loans and borrowings (Note 27) are as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Buildings	**275,326**	281,220
Equipment	**31,955**	28,322
	307,281	309,542

(c) The Group's and the Company's property, plant and equipment include borrowing cost arising from loans and borrowings specifically for the purpose of the improvements and construction of hospital buildings and financing the replanting programme. During the financial year, the borrowing cost capitalised as cost of property, plant and equipment for the Group and the Company amounted to RM3,682,000 (2019: RM3,685,000) and RM171,000 (2019: RM203,000) respectively.

During the financial year, the employee benefits capitalised as cost of property, plant and equipment for the Group and the Company amounted to RM3,513,000 (2019: RM2,235,000) and RM202,000 (2019: RM167,000) respectively.

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(d) In prior year, plantation of a subsidiary in Indonesia has been affected by fire due to the prolonged dry spell and strong wind in Kalimantan Barat since early August 2019. Pursuant to the fire incidents, the subsidiary has written off the related bearer plants amounting to RM33,881,000.

During the financial year, the Group has also written off bearer plant amounting to RM3,285,000 (2019: RM5,962,000) arising from damages on Malaysian plantations due to flood and animal attacks.

13. RIGHT-OF-USE ASSETS

As lessee

The Group and the Company have lease contracts for buildings, office space and various items of office equipment and medical equipment used in their operations. The leases of buildings and office space generally have lease terms between 2 and 3 years, while office equipment and medical equipment generally have lease terms between 2 and 5 years.

The Group and the Company also have certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Finance lease relates to the lease agreement between Kumpulan Ladang-Ladang Trengganu Sdn. Bhd. and Perbadanan Memajukan Iktisad Negeri Terengganu for the use of land for periods ranging from 30 to 99 years, with extension option from the commencement of the effective date as stated in the agreements.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Group			
	Leasehold land under finance leases RM'000	**Leasehold land and building RM'000**	**Other assets* RM'000**	**Total RM'000**
Cost:				
At 1 January 2019	60,841	468,704	3,150	532,695
Additions	-	378	109	487
Exchange differences	-	1,583	-	1,583
Attributable to discontinued operation (Note 25)	-	(57,691)	-	(57,691)
At 31 December 2019	60,841	412,974	3,259	477,074
At 1 January 2020	**60,841**	**412,974**	**3,259**	**477,074**
Additions	**-**	**171**	**365**	**536**
Acquisition of a subsidiary (Note 17)	**-**	**54,500**	**-**	**54,500**
At 31 December 2020	**60,841**	**467,645**	**3,624**	**532,110**

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13. RIGHT-OF-USE ASSETS (CONT'D.)

	Group			
	Leasehold land under finance leases RM'000	Leasehold land and building RM'000	Other assets* RM'000	Total RM'000
Accumulated amortisation and impairment:				
At 1 January 2019	449	30,656	-	31,105
Amortisation for the financial year (Note 6)	526	9,339	1,359	11,224
Impairment (Note 6)	-	21,242	-	21,242
Exchange differences	-	288	-	288
Attributable to discontinued operation (Note 25)	-	(33,023)	-	(33,023)
At 31 December 2019	975	28,502	1,359	30,836
At 1 January 2020	**975**	**28,502**	**1,359**	**30,836**
Amortisation for the financial year (Note 6)	**526**	**8,504**	**1,530**	**10,560**
At 31 December 2020	**1,501**	**37,006**	**2,889**	**41,936**
Net carrying amount				
At 31 December 2019	59,866	384,472	1,900	446,238
At 31 December 2020	**59,340**	**430,639**	**735**	**490,714**

* Other assets consist of building, office space, office equipment and medical equipment.

13. RIGHT-OF-USE ASSETS (CONT'D.)

	Company Other assets*	
	2020 RM'000	2019 RM'000
Cost:		
At 1 January	**1,950**	1,900
Additions	**310**	50
At 31 December	**2,260**	1,950
Accumulated amortisation:		
At 1 January 2019	**846**	-
Amortisation for the financial year (Note 6)	**893**	846
At 31 December 2019	**1,739**	846
Net carrying amount		
At 31 December	**521**	1,104

* Other assets consist of building and office equipment.

The Group's leasehold land with a carrying amount of RM121,755,000 (2019: RM62,031,000) are pledged to secure the Group's loans and borrowings (Note 27).

As lessor

The Company has entered into operating lease on its investment property portfolio consisting of a hospital building. This lease has terms of 3 years, with renewal option for 3 years upon expiry of the tenancy period.

Future minimum rentals receivable under non-cancellable operating lease as at 31 December are as follows:

	Company	
	2020 RM'000	2019 RM'000
Within one year	**5,643**	5,341
After one year but not more than five years	**12,798**	18,441
	18,441	23,782

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14. INTANGIBLE ASSET

	Group and Company	
	2020	**2019**
	RM'000	**RM'000**
Cost		
At 1 January/31 December	**23,638**	23,638
Accumulated amortisation		
At 1 January	**18,175**	17,317
Amortisation (Note 6)	**858**	858
At 31 December	**19,033**	18,175
Net carrying amount		
At 31 December	**4,605**	5,463

15. INVESTMENT PROPERTIES

	Group	
	2020	**2019**
	RM'000	**RM'000**
Cost		
At 1 January	**-**	15,849
Transfer to property, plant and equipment (Note 12)	**-**	(4,849)
Disposal	**-**	(11,000)
At 31 December	**-**	-
Accumulated amortisation		
At 1 January	**-**	1,565
Amortisation (Note 6)	**-**	202
Transfer to property, plant and equipment (Note 12)	**-**	(1,033)
Disposal	**-**	(734)
At 31 December	**-**	-
Net carrying amount		
At 31 December	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. INVESTMENT PROPERTIES (CONT'D.)

	Company	
	2020 RM'000	2019 RM'000
Cost		
At 1 January	**181,910**	190,516
Additions	**1,368**	2,394
Disposal	-	(11,000)
At 31 December	**183,278**	181,910
Accumulated amortisation		
At 1 January	**7,571**	4,759
Amortisation (Note 6)	**3,500**	3,546
Disposal	-	(734)
At 31 December	**11,071**	7,571
Net carrying amount		
At 31 December	**172,207**	174,339

The directors have estimated the fair value of investment properties of the Company as at year end to be RM184,400,000 (2019: RM184,200,000). The fair value have been determined by valuation performed by Messrs. Raine & Horne, independent professional valuer by reference to market evidence of transaction prices of similar properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. GOODWILL

	Group	
	2020 RM'000	2019 RM'000
At 1 January/31 December	**991**	991

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to an individual cash-generating units ("CGU") for impairment testing which is one (2019: one) of the hospitals within the healthcare sector.

The carrying amount of goodwill allocated to the CGU is as follows:

	Group	
	2020 RM'000	2019 RM'000
Healthcare	**991**	991

The recoverable amount of the CGU has been determined based on fair value less costs to sell of the hospital's assets.

Management believes that any reasonable change in any of the assumptions would not cause the carrying amount of goodwill of the Group to materially exceed its recoverable amount.

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares at cost:		
- in Malaysia	**236,736**	236,736
- outside Malaysia	**2,795**	2,795
	239,531	239,531
Less: Accumulated impairment losses - unquoted shares	**(15,265)**	(15,265)
	224,266	224,266

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2020 %	2019 %
TDM Plantation Sdn. Bhd.	Malaysia	Management of oil palm plantation, processing and trading of palm oil and related products.	**100**	100
Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.	Malaysia	Cultivation of oil palms, trading of palm oil and other related products.	**100**	100
TDM Trading Sdn. Bhd.	Malaysia	Trading of crude palm oil and other related products.	**100**	100
TDM Capital Sdn. Bhd.	Malaysia	Investment holding, trading, cultivation of oil palms and other related products.	**100**	100
Kumpulan Medic Iman Sdn. Bhd.	Malaysia	Investment holding and provision of consultancy and management services to specialist medical centres.	**99.28**	99.28
PT Rafi Kamajaya Abadi *@^	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	**93.75**	93.75
PT Sawit Rezki Abadi *@^	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	**95**	95
PT Rafi Sawit Lestari *	Indonesia	Dormant.	**95**	95
Kumpulan Mediiman Sdn. Bhd.	Malaysia	Dormant.	**90.49**	90.49
Indah Sari Travel & Tours Sdn. Bhd.	Malaysia	Dormant.	**70**	70
TD Gabongan Sdn. Bhd.	Malaysia	Dormant.	**51**	51
Kemaman Capital Sdn. Bhd.	Malaysia	Dormant.	**100**	100
TDM-YT Plantation Sdn. Bhd. (TDMYT)*	Malaysia	Cultivation of oil palms, trading of palm oil and other related products.	**70**	-

NOTES TO THE FINANCIAL STATEMENTS
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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2020 %	2019 %
Held by Kumpulan Medic Iman Sdn. Bhd.				
Kuantan Medical Centre Sdn. Bhd.	Malaysia	Specialist medical centre.	**92.33**	92.33
Kelana Jaya Medical Centre Sdn. Bhd.	Malaysia	Specialist medical centre.	**99.50**	99.30
Kuala Terengganu Specialist Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	100
TDMC Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	100

* Audited by firms of auditors other than Ernst & Young.

@ A subsidiary with auditors' report that draws reference to the going concern assumptions. The auditors' report is not qualified.

^ Classified as held for sale. Further details are disclosed in Note 25.

During the financial year, Kumpulan Medic Iman Sdn. Bhd. increased its investment in Kelana Jaya Medical Centre Sdn. Bhd. ("KJMC") by way of the capitalisation of amount due from KJMC of RM5,614,941, which has resulted in an increase in the proportion of ownership interest to 99.50% (2019: 99.30%).

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Summarised financial information of Kuantan Medical Centre Sdn. Bhd. ("KMC") and TDMYT which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination and consolidation adjustments. The non-controlling interests in respect of other subsidiaries are not material to the Group.

(i) Summarised statements of financial position

	2020		2019
	KMC	TDMYT	KMC
	RM'000	RM'000	RM'000
Non-current assets	116,446	79,688	119,964
Current assets	36,587	2,058	43,204
Total assets	153,033	81,746	163,168
Current liabilities	23,930	383	29,926
Non-current liabilities	55,422	77,917	55,024
Total liabilities	79,352	78,300	84,950
Net assets	73,681	3,446	78,218
Equity attributable to owners of the parent	68,029	2,412	72,219
Non-controlling interests	5,651	1,034	5,999

(ii) Summarised statements of comprehensive income

	2020		2019
	KMC	TDMYT	KMC
	RM'000	RM'000	RM'000
Revenue	109,062	4,576	132,797
Profit/(loss) for the financial year	554	(1,394)	8,273
Profit/(loss) attributable to owners of the parent	512	(976)	7,638
Profit/(loss) attributable to non-controlling interests	42	(418)	635
Total comprehensive income/(loss)	554	(1,394)	8,273
Total comprehensive income/(loss) attributable to owners of the parent	512	(976)	7,638
Total comprehensive income/(loss) attributable to the non-controlling interests	42	(418)	635
	554	(1,394)	8,273

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Summarised financial information of KMC and TDMYT which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination and consolidation adjustments. The non-controlling interests in respect of other subsidiaries are not material to the Group. (cont'd.)

(iii) Summarised statements of cash flows

	2020		2019
	KMC	TDMYT	KMC
	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	10,192	(50,697)	16,062
Net cash used in investing activities	(2,028)	(478)	(706)
Net cash (used in)/generated from financing activities	(8,216)	52,898	(12,432)
Net (decrease)/increase in cash and cash equivalents	(52)	1,723	2,924
Cash and cash equivalents at 1 January	17,540	26	14,616
Cash and cash equivalents at 31 December	17,488	1,749	17,540

Business combination

On 3 March 2020, the Company entered into the following agreements with TH Plantations Berhad ("THP"):

i. Share Purchase Agreement ("SPA") relating to the acquisition of 70% equity interest in TDMYT formerly known as THP-YT Plantation Sdn. Bhd. for a cash consideration of RM7,000,000 ("Consideration") and a sum payable to be agreed by the Company and THP within 7 business day commencing from the completion date ("Sum Payable"); and

ii. Settlement Agreement ("SA") with THP Suria Mekar Sdn. Bhd. ("THSM") and TDMYT in relation to the settlement of the advances owing by TDMYT to THSM.

Pursuant to the SA, the Company and TDMYT agreed that RM62,000,000 ("Settlement Sum") of the total intercompany advances of RM78,685,000 owing by TDMYT to THSM. This has been settled in the following manner:

i. A facility of RM53,000,000 obtained by TDMYT from a bank ("Facility Sum"); and

ii. Shareholder's advances by the Company of RM9,000,000 for settlement of difference between the Settlement Sum and Facility Sum.

The balance of intercompany advances of RM16,685,000, being the difference between the total intercompany advances and Settlement Sum, was assigned by THSM to the Company ("Balance Advances") for a consideration of RM1.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Business combination (cont'd.)

On 31 July 2020, the Group has completed the acquisition of the 70% equity interest in TDM-YT and the Sum Payable agreed by the Company and THP is amounted to RM1,128,000. TDMYT is a private limited liability company, incorporated in Malaysia and principally involved in cultivation of oil palms and trading of fresh fruit bunches, crude plam oil, palm kernels and other related products.

Group:

The provisional fair values of the identifiable assets and liabilities of TDMYT as at the date of acquisition were:

	Fair value RM'000
Assets	
Property, plant and equipment	47,748
Right-of-use assets	54,500
Inventories	9
Biological assets	352
Trade and other receivables	1,455
Cash and bank balances	650
	104,714
Liabilities	
Loans and borrowings	53,000
Trade and other payables	1,021
Deferred tax liabilities	692
	54,713
Net identifiable assets at fair value	50,001
Less: Non-controlling interests	(15,000)
Net assets acquired	35,001
Less: Purchase consideration	(17,128)
Bargain purchase arising on business combination	17,873

The net assets recognised in the financial statements for the current financial year were based on provisional assessment of the fair values while the Group is finalising the independent valuation for the property, plant and equipment and right-of-use assets owned by TDMYT.

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Business combination (cont'd.)

Company:

The Company recorded a net gain of RM7,470,000 arising from the assignment of Balance Advances net of the Consideration on acquisition and the Sum Payable.

Cash flows on acquisition:

	Group RM'000	Company RM'000
Cash and bank balances of subsidiaries acquired	650	-
Consideration and Sum Payable paid	(8,128)	(8,128)
Shareholder's advances by the Company	(9,000)	(9,000)
Net cash outflows on acquisition	(16,478)	(17,128)

Effects of the acquisition to the consolidated statement of comprehensive income

Since the date of acquisition, TDMYT recorded revenue of RM4,576,000 and loss for the period of RM1,394,000 to the Group. Assuming the business had been acquired as of 1 January 2020, the contribution for the revenue would have been RM10,102,000 with a corresponding loss for the financial year of RM1,140,000.

18. OTHER INVESTMENTS

	Group	
	2020 RM'000	2019 RM'000
Fair value through other comprehensive income		
Unquoted shares, at fair value		
Within Malaysia - shares	**33,708**	22,294
Fair value recognised in other comprehesive income (Note 33)	**4,399**	11,414
Total other investments	**38,107**	33,708

The amount represents investments in unquoted shares, Ladang Rakyat Trengganu Sdn. Bhd. which is measured at fair value through other comprehensive income.

18. OTHER INVESTMENTS (CONT'D.)

The investments are valued using valuation model determined based on market approach which uses both observable and non-observable data. The non-observable inputs to the model includes assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Sensitivity analysis

A 10% increase/decrease in the marketability discount would result in the following changes to the fair value of the investments:

	Group	
	2020	**2019**
	RM'000	**RM'000**
10% increase	**3,811**	3,371
10% decrease	**(3,811)**	(3,371)

19. INVESTMENTS IN SECURITIES

	Group	
	2020	**2019**
	RM'000	**RM'000**
Fair value through other comprehensive income		
Equity instruments (quoted in Malaysia)	**35**	45

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20. BIOLOGICAL ASSETS

	Group	
	2020 **RM'000**	**2019** **RM'000**
At 1 January	**4,645**	3,973
Fair value changes (Note 6)	**(843)**	944
Acquisition of subsidiaries (Note 17)	**352**	-
Reclassified as held for sale (Note 25)	**-**	(272)
At 31 December	**4,154**	4,645

The biological assets of the Group comprise oil palm fresh fruit bunches (""FFB"") prior to harvest. The valuation model to be adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 4 weeks to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 50% for FFB that are 3 to 4 weeks prior to harvest and 83% for FFB that are 1 to 2 weeks prior to harvest, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from tests. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss. The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

The key assumptions used to determine the fair value are as follows:

	Group	
	2020 **RM'000**	**2019** **RM'000**
Oil palms		
Average crude palm oil ("CPO") selling price (RM/MT)	**3,670**	2,843
FFB production (MT)	**12,637**	17,686
Average FFB cost (RM/MT)	**164**	140

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21. INVENTORIES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
At cost:				
Produced inventories	**5,315**	5,071	**358**	386
Pharmaceutical products	**3,142**	3,339	**-**	-
Consumables	**3,499**	3,457	**-**	-
Spare parts, equipment and store	**5,719**	5,835	**-**	-
Seedlings	**4,112**	3,496	**-**	-
	21,787	21,198	**358**	386

During the financial year, the amounts of inventories recognised as an expense in cost of sales of the Group and of the Company were RM186,932,000 (2019: RM183,890,000) and RM12,939,000 (2019: RM13,300,000) respectively.

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current				
Trade receivables				
Third parties	**45,417**	55,080	**-**	-
Less: Allowance for impairment				
Third parties	**(5,775)**	(8,515)	**-**	-
Trade receivables, net	**39,642**	46,565	**-**	-
Other receivables				
Due from subsidiaries	**-**	-	**66,691**	785,061
Less: Reclassified as held for sale (Note 25)	**-**	-	**-**	(757,740)
	-	-	**66,691**	27,321
Sundry receivables	**25,645**	24,831	**32,438**	31,711
	25,645	24,831	**99,129**	59,032
Less: Allowance for impairment				
Due from subsidiaries	**-**	-	**(1,470)**	(583,520)
Less: Reclassified as held for sale (Note 25)	**-**	-	**-**	582,050
	-	-	**(1,470)**	(1,470)
Sundry receivables	**(12,574)**	(12,573)	**(7,087)**	(7,087)
	(12,574)	(12,573)	**(8,557)**	(8,557)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Other receivables (cont'd.)				
Other receivables,net	**13,071**	12,258	**90,572**	50,475
Total trade and other receivables (current)	**52,713**	58,823	**90,572**	50,475
Non-current				
Other receivables				
Sundry receivables, representing total other receivables (non-current)	**186**	186	**-**	-
Total trade and other receivables (current and non-current)	**52,899**	59,009	**90,572**	50,475
Add: Cash and bank balances (Note 24)	**232,899**	90,302	**56,576**	35,731
Total financial assets carried at amortised cost	**285,798**	149,311	**147,148**	86,206

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2019: 30 to 90 day) 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	
	2020 RM'000	**2019 RM'000**
Trade receivables - nominal amounts	**26,477**	26,622
Less: Allowance for expected credit losses	**(5,775)**	(8,515)
	20,702	18,107

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22. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Movement in allowance accounts:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**8,515**	10,901
Provision for expected credit losses (Note 6)	**379**	293
Reversal of expected credit losses (Note 6)	**(1,177)**	(2,679)
Written off	**(1,942)**	-
At 31 December	**5,775**	8,515

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

(b) Other receivables

Amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for an amount of RM25,027,000 (2019: RM nil) which bore interest of 2% per annum (2019: nil).

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Other receivables - nominal amounts	**20,159**	19,814	**61,591**	792,301
Less: Allowance for expected credit losses	**(12,574)**	(12,573)	**(8,557)**	(590,607)
	7,585	7,241	**53,034**	201,694

22. TRADE AND OTHER RECEIVABLES (CONT'D.)

(b) Other receivables (cont'd.)

Movement in allowance accounts:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
At 1 January	**12,573**	12,573	**8,557**	431,743
Provision for expected credit losses (Note 6)	**1**	-	**-**	158,933
Reversal of expected credit losses (Note 6)	**-**	-	**-**	(69)
	12,574	12,573	**8,557**	590,607
Less: Reclassified as held for sale	**-**	-	**-**	(582,050)
At 31 December	**12,574**	12,573	**8,557**	8,557

23. CONTRACT BALANCES

Contract asset

Contract asset pertaining to incremental costs of obtaining a contract with a customer.

The movements in the contract asset balance during the financial year were as follows:

	Group	
	2020 RM'000	**2019 RM'000**
As at 1 January	**-**	-
Addition during the financial year	**8,121**	-
Less: Amortisation during the financial year (Note 6)	**(431)**	-
As at 31 December	**7,690**	-

Contract liability

Contract liability represents advance payment received by the Group for the supply of CPO and/or Roundtable on Sustainable Palm Oil ("RSPO") certified sustainable palm oil from customers. The Group is contractually required to deliver committed volume on a monthly basis at agreed discount to the market price over a period of 12 months. Revenue is recognised in the profit or loss based on the committed volume of CPO and/or RSPO certified sustainable palm oil delivered to the customers under the supply contracts.

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23. CONTRACT BALANCES (CONT'D.)

Contract liability (cont'd.)

The movements in the contract liability balance during the financial years were as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
As at 1 January	**16,485**	-
Add: Amounts received during the financial year	**10,000**	20,500
Less: Amounts recognised as revenue during the financial year	**(25,851)**	(4,015)
As at 31 December	**634**	16,485
Revenue recognised which was included in contract liability at the beginning of the financial year	**16,485**	-

24. CASH AND BANK BALANCES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash at banks and on hand	**169,660**	33,411	**1,000**	1,079
Deposits with licensed banks	**63,239**	56,891	**55,576**	34,652
Cash and bank balances	**232,899**	90,302	**56,576**	35,731

Cash at banks earns interest at floating rates based on daily bank deposits rates. Deposits are made for varying periods of between one day to 365 days (2019: one day to 365 days) depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective deposits rate. The weighted average effective interest rates as at 31 December 2020 of the Group and of the Company were 2.03% (2019: 3.06%) and 1.91% (2019: 2.95%) per annum respectively.

Deposits with licensed banks of the Group and of the Company amounting to RM36,185,000 (2019: RM35,236,000) and RM35,571,000 (2019: RM34,647,000) respectively are pledged for bank guarantee facility and Finance Service Reserve Account (Note 27).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. CASH AND BANK BALANCES (CONT'D.)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash and bank balances				
- Continuing operations	**232,899**	90,302	**56,576**	35,731
- Discontinued operation (Note 25)	**958**	290	**-**	-
Less: Deposits pledged for bank guarantee facility and Finance Service Reserve Account (Note 27)	**(36,185)**	(35,236)	**(35,571)**	(34,647)
Less: Deposits with maturity period more than 3 months	**(20,167)**	(779)	**(20,005)**	(5)
Cash and cash equivalents	**177,505**	54,577	**1,000**	1,079

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 26 April 2019, the Board of the Company ("the Board") has approved the disposal of the Indonesian subsidiaries, PT Rafi Kamajaya Abadi ("RKA") and PT Sawit Rezki Abadi ("PT SRA") as a strategic direction of the Company. On 28 February 2020, the Company publicly announced the decision of the Board to dispose Indonesian subsidiaries following the acceptance of offer from a potential buyer.

In the previous financial year, the directors had assessed that the criteria were met in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operation ("MFRS 5") prior to classifying the assets and liabilities of the Indonesian subsidiaries as held for sale based on the following criteria:

(a) the assets and liabilities of the Indonesian subsidiaries are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and

(b) the sale is highly probable in view that:

- (i) the appropriate level of management has committed to a plan to sell the asset (or disposal group);
- (ii) an active programme to locate a buyer and complete the plan have been initiated;
- (iii) the assets (or disposal group) are actively marketed for sale at a price that is reasonable in relation to its current fair value;
- (iv) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification unless a delay is caused by events or circumstances beyond the Company's control while the Company remains committed to its plan to sell the assets (or disposal group);
- (v) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn; and
- (vi) it is probable in obtaining the necessary approval from its shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

On 3 August 2020, the Company announced that the Board had decided to withdraw the said acceptance of offer, which expired on 31 July 2020. The decision was made after due consideration that the execution deadline had been extended several times since the acceptance of offer by the Board on 28 February 2020, coupled with the uncertainties posed by COVID-19 outbreak which is further discussed in Note 41 which affected the finalisation of the transaction.

The directors assessed the above event does not preclude the disposal group from being classified as held for sale as the delay is caused by events or circumstances beyond the Company's control and there is sufficient evidence that the Company remains committed to its plan to sell the disposal group. An exception to the one year requirement shall therefore apply in this situation and the disposal group continues to met the requirement of MFRS 5 to be classified as held for sale as at 31 December 2020.

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

		Group	
		2020	**2019**
	Note	**RM'000**	**RM'000**
Assets:			
Property, plant and equipment	a	**128,629**	99,601
Right-of-use assets	a	**32,300**	24,668
Trade receivables		**134**	109
Amount due from Plasma	b	**22,369**	65,391
Prepayment		**22**	26
Biological assets		**255**	272
Inventories		**10**	23
Cash and bank balances		**958**	290
		184,677	190,380
Liabilities:			
Other payables		**(7,156)**	(4,287)
Retirement benefit obligations	d	**(828)**	(391)
Income tax payable		**(34)**	(28)
Lease liabilites		**(50)**	-
		(8,068)	(4,706)
Net assets directly associated with disposal group		**176,609**	185,674

	Group	
	2020	**2019**
Amounts included in accumulated OCI:	**RM'000**	**RM'000**
Foreign currency translation reserve :		
At 1 January	**(28,807)**	-
Foreign currency translation during the financial year	**(1,398)**	-
Transfer from foreign currency translation reserve (Note 33)	**-**	(28,807)
At 31 December	**(30,205)**	**(28,807)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

The assets classified as held for sale in the Company's statement of financial position are as below:

	Note	Company 2020 RM'000	Company 2019 RM'000
Assets:			
Investments in subsidiaries			
Unquoted shares at cost		**48,191**	48,191
Less: Accumulated impairment losses		**(48,191)**	(48,191)
		-	-
Trade and other receivables			
Due from subsidiaries	c	**765,591**	757,740
Less: Accumulated impairment losses	c	**(600,020)**	(582,050)
		165,571	175,690

The results of RKA and PT SRA for the financial year are presented below:

	Note	Group 2020 RM'000	Group 2019 RM'000
Revenue		**2,998**	931
Cost of sales		**(6,948)**	(20,187)
Gross loss		**(3,950)**	(19,256)
Interest income		**3**	8,204
Other income		**-**	2,622
Administrative expenses		**(4,172)**	(18,551)
Other expenses *		**(4,396)**	(147,097)
Loss before tax		**(12,515)**	(174,078)
Income tax expense (Note 9)		**-**	(6)
Loss for the financial year from discontinued operations		**(12,515)**	(174,084)

* Included in other expenses are reversal of impairments and allowance for expected credit lossed as disclosed in the Note 6.

The net cash flows of RKA and PT SRA are as follows:

	Group 2020 RM'000	Group 2019 RM'000
Operating	**(4,619)**	(6,530)
Investing	**(2,598)**	(1,432)
Financing	**7,923**	7,634
Effect of foreign exchange rate changes	**(38)**	17
Net cash inflow/(outflow)	**668**	(311)

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

(a) Property, plant and equipment and right-of-use assets

The Group recorded (reversal of)/additional impairment loss during the financial year based on the fair value less cost to sell of the disposal group as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Property, plant and equipments	**(31,294)**	87,203
Right-of-use assets	**(7,841)**	21,242

During the financial year, the Group acquired property, plant and equipment and right-of-use assets at aggregate costs of RM936,000 and RM514,000 by means of cash.

The fair value less cost to sell is based on management estimates of the realisable value of the respective assets, taking into consideration of directors' valuation.

(b) Amount due from Plasma

	Group	
	2020 RM'000	**2019 RM'000**
Amount due from Plasma	**89,941**	90,992
Less: Provision for expected credit losses	**(67,572)**	(25,601)
Amount due from Plasma, net	**22,369**	65,391

Amount due from Plasma relates to advances by RKA to the Plasma Programme which was initiated pursuant to the Indonesian government's policy for partnerships between plantation companies and their respective surrounding communities. This amount will be recovered by RKA upon maturity and operation of the plantation under Plasma before the profits are distributed to Plasma.

Amount due from Plasma that is impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Amount due from Plasma - nominal amounts	**89,941**	90,992
Less: Allowance for expected credit losses	**(67,572)**	(25,601)
	22,369	65,391

Movement in allowance accounts:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**25,601**	13,209
Provision for expected credit losses (Note 6)	**42,952**	11,942
Exchange differences	**(981)**	450
At 31 December	**67,572**	25,601

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25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

(c) Other receivables

The directors have estimated the expected credit losses ("ECL") relating to the amount due from RKA based on the subsidiary's expected future cash flows and as a result of the assessment, the carrying value of the amount due from PT Rafi Kamajaya Abadi was impaired by RM17,970,000 (2019: RM158,933,000) during the financial year.

Movement in allowance accounts:

	Company	
	2020 RM'000	**2019 RM'000**
At 1 January	**582,050**	-
Reclassified from receivables (Note 22)	**-**	582,050
Provision for expected credit losses (Note 6)	**17,970**	-
	600,020	582,050

(d) Retirement benefit obligations

The principal assumptions used in determining the retirement benefit obligations are shown below:

	2020	**2019**
Discount rate	**7%**	8%
Future salary increase	**10%**	10%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 6 January 2021. Further details are disclosed in Note 29.

26. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group		
	Finance lease RM'000	**Other assets* RM'000**	**Total RM'000**
At 1 January 2019	60,824	3,150	63,974
Additions	-	109	109
Accretion of interest	4,871	141	5,012
Payments	(4,903)	(1,450)	(6,353)
At 31 December 2019	60,792	1,950	62,742
Current	35	1,379	1,414
Non-current	60,757	571	61,328
	60,792	1,950	62,742

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. LEASE LIABILITIES (CONT'D.)

Set out below are the carrying amounts of lease liabilities and the movements during the financial year: (cont'd.)

	Group		
	Finance lease RM'000	Other assets* RM'000	Total RM'000
At 1 January 2020	**60,792**	**1,950**	**62,742**
Additions	**-**	**365**	**365**
Accretion of interest	**4,868**	**82**	**4,950**
Payments	**(4,903)**	**(1,513)**	**(6,416)**
At 31 December 2020	**60,757**	**884**	**61,641**
Current	**38**	**608**	**646**
Non-current	**60,719**	**276**	**60,995**
	60,757	**884**	**61,641**

	Company Other assets*	
	2020 RM'000	2019 RM'000
At 1 January	**1,134**	1,900
Additions	**310**	50
Accretion of interest	**49**	85
Payments	**(955)**	(901)
At 31 December	**538**	1,134
Current	**315**	871
Non-current	**223**	263
	538	1,134

* Other assets consist of building and office equipment.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Less than one year	**646**	1,414	**315**	871
Non-current				
More than 1 year less than 2 years	**191**	550	**97**	233
More than 2 years and less than 5 years	**268**	190	**126**	30
5 years and more	**60,536**	60,588	**-**	-
	60,995	61,328	**223**	263
Total	**61,641**	62,742	**538**	1,134

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27. LOANS AND BORROWINGS

		Group		Company	
		2020	2019	2020	2019
	Maturity	RM'000	RM'000	RM'000	RM'000
Current					
Secured					
Obligations under hire purchase (Note 35(b))	2021	**2,871**	1,907	**104**	109
Bank loans:					
- Business Financing-i at Base Financing Rate - 1.0% per annum	2021	**672**	641	**-**	-
- Business Financing-i at Base Financing Rate - 2.0% per annum	2021	**718**	1,099	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2021	**30,293**	28,873	**24,647**	23,331
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2021	**6,667**	2,083	**-**	-
- Term Financing-i at Cost of Fund +1.0% per annum	2021	**6,336**	11,095	**-**	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2021	**1,508**	1,508	**-**	-
		49,065	47,206	**24,751**	23,440
Unsecured					
Bank loan:					
- Revolving Credit Facility-i at Cost of Fund +1.0% per annum	2021	**12,500**	33,426	**12,500**	33,426
- Revolving Credit Facility-i at Cost of Fund +1.25% per annum	2021	**10,780**	-	**-**	-
		72,345	80,632	**37,251**	56,866

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. LOANS AND BORROWINGS (CONT'D.)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Maturity	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current					
Secured					
Obligations under hire purchase (Note 35(b))	2022 - 2025	**9,286**	4,605	**105**	176
Bank loans:					
- Business Financing-i at Base Financing Rate -1.0% per annum	2022 - 2027	**5,307**	5,516	**-**	-
- Business Financing-i at Base Financing Rate -2.0% per annum	2022	**497**	713	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2022 - 2028	**190,872**	206,827	**144,762**	158,803
- Term Financing-i at Cost of Fund +1.0% per annum	2022 - 2026	**17,686**	19,043	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2022 - 2026	**189,385**	127,567	**-**	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2022 - 2026	**3,755**	4,052	**-**	-
- Cash Line-i at Base Financing Rate +0.0% per annum	2022	**9,841**	16,846	**9,841**	16,846
		426,629	385,169	**154,708**	175,825
Total loans and borrowings		**498,974**	465,801	**191,959**	232,691

NOTES TO THE FINANCIAL STATEMENTS
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27. LOANS AND BORROWINGS (CONT'D.)

The remaining maturities of the loans and borrowings as at year end are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
On demand or within one year	**72,345**	80,632	**37,251**	56,866
More than 1 year and less than 2 years	**55,694**	49,356	**25,535**	16,846
More than 2 years and less than 5 years	**230,271**	110,235	**95,204**	385
5 years and more	**140,664**	225,578	**33,969**	158,594
	498,974	465,801	**191,959**	232,691

Business Financing-i at Base Financing Rate -1.0% per annum

The facility is secured by way of a first party first legal charge over a leasehold land and building known as Kelana Jaya Medical Centre Sdn. Bhd. bearing postal address of FAS Business Avenue, No.1, Jalan Perbandaran, 47301 Kelana Jaya, Petaling Jaya, Selangor and held under H.S (D) 259689, PT No. 14532 Mukim of Damansara, Daerah Petaling, State of Selangor.

The facility is repayable over 120 months. The grace period is 6 months from the first drawdown on 3 June 2015.

The subsidiary has deposited 3 months security equivalent to the instalment amount held on lien in the form of Term Deposit Tawaruq-i account.

Business Financing-i at Base Financing Rate -2.0% per annum

The facilitiy is secured by way of first party first legal charge and first party second legal charge over a freehold land and a hospital building belonging to TDMC Hospital Sdn. Bhd. erected on GRN 47712, Lot 51913 Mukim and District of Kuala Lumpur, Wilayah Persekutuan bearing postal address No. 45 Jalan Desa, Taman Desa, Off Old Klang Road, 58100 Kuala Lumpur.

The subsidiary has opened a Finance Service Reserve Account ("FSRA") with the Bank, where the subsidiary shall maintain a Minimum Reserve Requirement of an equivalent amount of two monthly payments amounting to RM214,819 (2019: RM225,261) as at the reporting date.

27. LOANS AND BORROWINGS (CONT'D.)

Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum

(i) Fresh first party first legal charge for RM80,000,000 over a piece of commercial land with a hospital building belonging to Kuantan Medical Centre Sdn. Bhd. erected thereon at Bandar Indera Mahkota, Kuantan held under land title of PN 7723, Lot 54559, Mukim of Kuala Kuantan, Kuantan, Pahang Darul Makmur. The facility is repayable over 180 months with a monthly payment of RM632,635.

(ii) Fresh first party first legal charge over land and building of the Company erected on GM569 - 575, Lot 3046 - 3052, Mukim Batu Burok, District of Kuala Terengganu, Terengganu, Terengganu Darul Iman. The facility is repayable over 120 months with a monthly payment of RM762,384. The grace period is 24 months from the first drawdown on 27 August 2013. During the grace period, interest payments are to be serviced monthly and are subject to yearly review.

(iii) Fresh first party second legal charge over land and building of the Company erected on HSD 9357, Lot PT 2407, Mukim Batu Burok, District of Kuala Terengganu, Terengganu, Terengganu Darul Iman. The facility is repayable over 120 months with a monthly payment of RM944,880, from the first drawdown on 28 November 2014.

(iv) Fresh first party fourth legal charge over land and building of the Company erected on HSD 9357, Lot PT 2407, Mukim Batu Burok, District of Kuala Terengganu, Terengganu, Terengganu Darul Iman. The facility is repayable over 120 months with a monthly payment of RM1,039,190, from the first drawdown on 3 June 2015.

Memorandum of Deposit ("MoD") of General Investment Accounts ("GIA") amounting to 30% of the amount disbursed or equivalent to RM30,000,000 has been emplaced and deposited as one of the security arrangements for a banking facility.

Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum

(i) The term loan facility is secured by specific debenture over the plantation land held under H.S.(D) 1779, PT. No: PT 1666, Mukim Tebak, District of Kemaman owned by TDM Capital Sdn Bhd. The facility is repayable over 120 months. The grace period is 48 months from the first drawdown on 21 July 2016. During the grace period, interest payments are to be serviced monthly and are subject to yearly review.

(ii) Open Monies Third Party Second Legal charge over the leasehold plantation land in Terengganu held under tittle with Lot No. 51902 owned by the Kumpulan Ladang-Ladang Trengganu Sdn Bhd. The facility is repayable over 120 months inclusive 24 months, from the first drawdown on 25 August 2020. During the grace period, interest payments are to be serviced monthly and are subject to yearly review.

(iii) Open Monies First Party Second Legal charge over the leasehold plantation land in Terengganu held under tittle with Lot No. 51902 owned by the Kumpulan Ladang-Ladang Trengganu Sdn Bhd. The facility is repayable over 120 months. The grace period is 48 months from the first drawdown on 16 December 2020. During the grace period, interest payments are to be serviced monthly and are subject to yearly review.

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27. LOANS AND BORROWINGS (CONT'D.)

Term Financing-i at Cost of Fund +1.0% per annum

The term loan facility is secured by specific debenture over the equipment and machinery in relation to the capital expenditure items on a TDM Plantation Sdn. Bhd.'s existing palm oil mills in Kemaman and Sungai Tong, Terengganu. The facility is repayable over 120 months from the first drawdown on 29 September 2015.

Revolving Credit Facility-i at Cost of Fund +1.25% per annum

The unsecured Revolving Credit Facility-i at Cost of Fund +1.25% per annum is to finance Shariah-compliant working capital purpose. Amount disbursed is payable in full at the end of each profit period, unless deferred. The deferment is permissible during the availability period for the Revolving Credit Facility-I facility which is 3 years.

Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum

These obligations is secured by specific debenture over the equipment or machines to be financed by Kuala Terengganu Specialist Hospital. The facility is repayable with a maximum period of 8 years, including 30 months of grace profit period, commencing from the first drawdown on 30 October 2016. During the grace period, interest payment is to be serviced monthly and subject to yearly review.

Revolving Credit Facility-i at Cost of Fund +1.0% per annum

The unsecured Revolving Credit Facility-i at Cost of Fund +1.0% per annum to part finance general requirement for the development and maintenance cost for oil palm plantation activities in Indonesia and Malaysia. Payment in the form of annual limit reduction, commencing on the 25th month from facility first disbursement as scheduled. This facility has been fully settled subsequent to the financial year end.

Cash Line-i at Base Financing Rate +0.0% per annum

Fresh first party third legal charge over property held of the Company under HSD 9357, Lot PT 2407, Mukim Batu Burok, District of Kuala Terengganu, Terengganu, Terengganu Darul Iman. The facility is repayable over 60 months with a profit portion shall be realised on a monthly basis on the Effective Profit Rate and the principal portion payable by bullet payment upon maturity. The first drawdown was dated on 27 August 2013.

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27. LOANS AND BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities:

Group	**At 1 January 2019 RM'000**	**Cash flows RM'000**	**Other Changes RM'000**	**At 31 December 2019 RM'000**
Obligations under hire purchase and finance leases	7,890	(3,002)	1,624	6,512
Revolving Credit Facility-i at Cost of Fund +1.0% per annum	51,982	(18,556)	-	33,426
Bank loans:				
- Business Financing-i at Base Financing Rate -1.0% per annum	6,890	(733)	-	6,157
-Business Financing-i at Base Financing Rate -2.0% per annum	3,040	(1,228)	-	1,812
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	264,408	(28,708)	-	235,700
- Term Financing-i at Cost of Fund +1.0% per annum	39,979	(9,841)	-	30,138
- Commodity Murabahah Term Financing at Cost of Fund +1.25% per annum	88,000	41,650	-	129,650
- Muamalat Term Financing-i at 1.5% per annum above 3 months Cost of Fund	6,303	(743)	-	5,560
- Cash Line-i at Base Financing Rate +0.0% per annum	14,299	2,547	-	16,846
	482,791	(18,614)	1,624	465,801

NOTES TO THE FINANCIAL STATEMENTS
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27. LOANS AND BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities (cont'd.)

Group	At 1 January 2020 RM'000	Cash flows RM'000	Other Changes RM'000	At 31 December 2020 RM'000
Obligations under hire purchase and finance leases	6,512	(3,017)	8,662	12,157
Revolving Credit Facility-i at Cost of Fund +1.0% per annum	33,426	(20,926)	-	12,500
Revolving Credit Facility-i at Cost of Fund +1.25% per annum	-	10,780	-	10,780
Bank loans:				
- Business Financing-i at Base Financing Rate -1.0% per annum	6,157	(178)	-	5,979
-Business Financing-i at Base Financing Rate -2.0% per annum	1,812	(597)	-	1,215
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	235,700	(14,535)	-	221,165
- Term Financing-i at Cost of Fund +1.0% per annum	30,138	(6,116)	-	24,022
- Commodity Murabahah Term Financing at Cost of Fund +1.25% per annum	129,650	13,402	53,000	196,052
- Muamalat Term Financing-i at 1.5% per annum above 3 months Cost of Fund	5,560	(297)	-	5,263
- Cash Line-i at Base Financing Rate +0.0% per annum	16,846	(7,005)	-	9,841
Advances (Note 28)	-	167,676	-	167,676
	465,801	139,187	61,662	666,650

Company	At 1 January 2019 RM'000	Cash flows RM'000	At 31 December 2019 RM'000	Cash flows RM'000	At 31 December 2020 RM'000
Obligations under hire purchase and finance leases	387	(102)	285	(76)	209
Revolving Credit Facility-i at Cost of Fund +1.0% per annum	51,982	(18,556)	33,426	(20,926)	12,500
Bank loans:					
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	205,942	(23,808)	182,134	(12,725)	169,409
- Cash Line-i at Base Financing Rate +0.0% per annum	14,299	2,547	16,846	(7,005)	9,841
	272,610	(39,919)	232,691	(40,732)	191,959

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28. TRADE AND OTHER PAYABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current					
Trade payables					
Third parties	a	53,339	49,623	54	69
Due to Sublessees	c	76,925	78,508	-	-
		130,264	128,131	54	69
Other payables					
Due to subsidiaries	b	-	-	124,969	280,145
Sundry payables		25,964	22,803	3,252	4,117
Deposits		-	-	1,813	-
Accruals		26,710	28,077	6,554	4,322
Advances	d	64,855	-	-	-
Other advances	c	903	-	-	-
		118,432	50,880	136,588	288,584
Total current trade payables and other payables		248,696	179,011	136,642	288,653
Non-current					
Other payables					
Deposit		-	-	-	1,813
Advances	d	102,821	-	-	-
Other advances	c	5,060	-	-	-
		107,881	-	-	1,813
Total trade and other payables (current and non-current)		356,577	179,011	156,642	290,466
Add: Lease liabilities (Note 26)		61,641	62,742	538	1,134
Add: Loans and borrowings (Note 27)		498,974	465,801	191,959	232,691
Less: Other advances		5,963	-	-	-
Total financial liabilities carried at amortised cost		911,229	707,554	329,139	524,291

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company are up to one month (2019: one month).

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

28. TRADE AND OTHER PAYABLES (CONT'D.)

(c) Amount due to Sublessees and other advances

Included in trade payables is amount due to Sublessees which relates to the Sublessees Scheme managed by a subsidiary. The lease term of the Scheme expired on 17 April 2012. The subsidiary continues to cultivate the related plantation. Profit distribution from cultivation of the Sublessees Scheme has been accrued pending renewal of the Sublessees arrangement. During the financial year, the subsidiary has issued Notice To Exercise Of Option For Fresh Sub-Leases ("Notice") to the Sublessees and also advertised the said Notice in the newspapers. The Sublessees is given until 31 March 2021 to exercise the renewal option in accordance with the Notice. As at 31 December 2020, partials of the Sublessees have exercised their option to renew the lease term retrospectively since year 2012 for a period of 30 years.

Persuant to the renewal of the Sublessees agreement above, the Sublessees required to pay the subsidiary RM6,900 per acres for the renew of lease term for 30 years ("Premium Income") and RM3,819 per acres for the purpose of replanting reserved fund for the first eighteen (18) years of the Sub-lease Period, commencing from year 2021 to year 2038 ("Replanting Reserved Fund"). Other advances represent Premium Income and Replanting Reserves Fund.

(d) Advances

Advances represent cash received from Ikhasas CPO Sdn. Bhd. ("Ikhasas"). The Group had on 8 July 2019 entered into a Medium-Term Supply Agreement ("MTSA") with Ikhasas 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 of RM189,000,000 is made in accordance with the MTSA. On 17 April 2020, the Group had entered into supplemental agreement to vary certain terms including the volume of the products to be supplied and the payment obligations under the MTSA in order to commence the implementation of the MTSA. On 5 May 2020, Ikhasas had made payment on the first tranche of the upfront payment. The advances will be offset against the sales of CPO and/or RSPO certified sustainable palm oil on a monthly basis over a period of 43 months. The advances will be offset against goods delivered in following years, as follows:

		Group	
		2020	2019
	Year	RM'000	RM'000
Current			
Advances from Ikhasas	2021	**64,855**	-
Non-current			
Advances from Ikhasas	2022-2025	**102,821**	-

The advances bore an average effective interest rate at the reporting date of 4.87% per annum.

29. RETIREMENT BENEFIT OBLIGATIONS

The Company and certain subsidiaries operate an unfunded, defined benefit Retirement Benefit Scheme for their employees. All employees who were employed by the Company and certain subsidiaries prior to January 1999 are eligible for the scheme. Benefits are payable based on the last drawn salary of the employee and the number of years of service with the Company and certain subsidiaries.

The following tables summarise the components of retirement benefit obligation/expense recognised in the statements of financial position and statements of comprehensive income.

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Present value of unfunded defined benefit obligations	**5,931**	5,327	**490**	428

The amounts recognised in the statements of comprehensive income are determined as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current service cost	**523**	378	**18**	16
Past service cost	**83**	183	**-**	-
Interest cost on defined benefit obligations	**253**	227	**19**	19
Net benefit expense, included under employee benefits expense (Note 7)	**859**	788	**37**	35
Analysed as:				
- Continuing	**433**	640	**37**	35
- Discontinued	**426**	148	**-**	-
	859	788	**37**	35

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29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	5,327	4,962	428	350
Net loss on remeasurement of defined benefit obligations recognised in other comprehensive income	205	32	25	43
Amount recognised in profit or loss				
Continuing operation (Note 7)	433	640	37	35
Discontinued operation (Note 7)	-	201	-	-
Exchange difference	-	(53)	-	-
Less: Reclassified as held for sale (Note 25)	-	(391)	-	-
	5,965	5,391	490	428
Contribution paid	(34)	(64)	-	-
At 31 December	5,931	5,327	490	428
Analysed as:				
Current:				
Not later than 1 year	436	-	-	-
Non current:				
Later than 1 year	5,495	5,327	490	428
	5,931	5,327	490	428

The principal assumptions used in determining the retirement benefit obligations are shown below:

	Group and Company	
	2020	2019
Discount rate	3.70%	4.30%
Future salary increase	6.00%	6.00%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 25 January 2021 for the Group.

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 December 2020 are as shown below:

	Group Defined benefit obligations		Company Defined benefit obligations	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1% movement)	**338**	**(389)**	**41**	**(46)**
Future salary increase (1% movement)	**382**	**(340)**	**47**	**(43)**

The sensitivity analysis above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting date.

30. DEFERRED TAX

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	**189,675**	199,486	**2,664**	4,141
Recognised in profit or loss (Note 9)	**(1,442)**	(9,450)	**592**	(1,061)
Recognised in equity	**-**	(501)	**-**	(416)
Acquisition of a subsidiary (Note 17)	**692**	-	**-**	-
Exchange differences	**-**	140	**-**	-
At 31 December	**188,925**	189,675	**3,256**	2,664

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30. DEFERRED TAX (CONT'D.)

Group
Deferred tax liabilities:

	Property plant and equipment RM'000	Other assets* RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2019	213,642	6,979	-	220,621
Recognised in profit or loss	(4,514)	(545)	(1,385)	(6,444)
Recognised in equity	(85)	(416)	-	(501)
Transfer	(103,247)	-	103,247	-
Exchange differences	137	8	-	145
At 31 December 2019	105,933	6,026	101,862	213,821
At 1 January 2020	**105,933**	**6,026**	**101,862**	**213,821**
Recognised in profit or loss	**(876)**	**(764)**	**(2,077)**	**(3,717)**
Acquisition of a subsidiary	**15,224**	**-**	**-**	**15,224**
At 31 December 2020	**120,281**	**5,262**	**99,785**	**225,328**

* Other assets consist of biological assets, intangible asset and investment properties.

Deferred tax assets:

	Provisions RM'000	Lease liabilities RM'000	Unused tax losses, unabsorbed capital allowances and reinvestment allowances RM'000	Total RM'000
At 1 January 2019	(2,406)	(14,598)	(4,131)	(21,135)
Recognised in profit or loss	(361)	(332)	(2,313)	(3,006)
Exchange differences	(5)	-	-	(5)
At 31 December 2019	(2,772)	(14,930)	(6,444)	(24,146)
At 1 January 2020	**(2,772)**	**(14,930)**	**(6,444)**	**(24,146)**
Recognised in profit or loss	**602**	**219**	**1,454**	**2,275**
Acquisition of a subsidiary	**-**	**-**	**(14,532)**	**(14,532)**
At 31 December 2020	**(2,170)**	**(14,711)**	**(19,522)**	**(36,403)**

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30. DEFERRED TAX (CONT'D.)

Group
Presented after appropriate offsetting as follows:

	2020 RM'000	2019 RM'000
Deferred tax assets	**87**	64
Deferred tax liabilities	**(189,012)**	(189,739)
	(188,925)	(189,675)

Company
Deferred tax liabilities:

	Property plant and equipment RM'000	Intangible asset and investment properties RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2019	337	5,520	-	5,857
Recognised in profit or loss	351	(259)	265	357
Recognised in equity	-	(416)	-	(416)
At 31 December 2019	688	4,845	265	5,798
At 1 January 2020	**688**	**4,845**	**265**	**5,798**
Recognised in profit or loss	**358**	**(195)**	**(179)**	**(16)**
At 31 December 2020	**1,046**	**4,650**	**86**	**5,782**

Deferred tax assets:

	Provisions RM'000	Lease liabilities RM'000	Unused tax losses, unabsorbed capital allowances and reinvestment allowances RM'000	Total RM'000
At 1 January 2019	(278)	-	(1,438)	(1,716)
Recognised in profit or loss	(327)	(273)	(818)	(1,418)
At 31 December 2019	(605)	(273)	(2,256)	(3,134)
At 1 January 2020	**(605)**	**(273)**	**(2,256)**	**(3,134)**
Recognised in profit or loss	**134**	**143**	**331**	**608**
At 31 December 2020	**(471)**	**(130)**	**(1,925)**	**(2,526)**

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30. DEFERRED TAX (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Unused tax losses	**138,901**	94,215
Unabsorbed capital allowances	**49,991**	49,812
Other temporary differences	**138,136**	181,134
	327,028	325,161

Deferred tax assets have not been recognised in respect of the above items as it is not probable that the future taxable profits will be available against which these items can be utilised.

The unused tax losses and unabsorbed capital allowances are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority. Other temporary differences are available for offsetting indefinitely.

In accordance with the provision in Finance Act 2018, the unused tax losses are available for utilisation in the next seven years from the year it was accumulated, for which, any excess at the end of the seventh year, will be disregarded.

31. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares '000	**Share capital RM'000**
At 1 January 2019/31 December 2019	1,682,641	350,713
Issuance of shares	40,240	8,732
At 31 December 2020	**1,722,881**	**359,445**

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM350,713,000 to RM359,445,000 by way of the issuance of 40,240,000 ordinary shares through a private placement for cash, for additional working capital purposes.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

32. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under single-tier system.

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33. OTHER RESERVES

Group	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Employee benefits plan reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Total RM'000
At 1 January 2019	(37,458)	17,542	-	(31)	(19,947)
Other comprehensive loss:					
Fair value movement of investments in securities	-	1	-	-	1
Fair value movement of other investment (Note 18)	-	11,414	-	-	11,414
Foreign currency translation	8,651	-	-	-	8,651
Net loss on remeasurement of defined benefit obligations	-	-	(32)	-	(32)
Discontinued operation	28,807	-	-	-	28,807
Total comprehensive income for the financial year	37,458	11,415	(32)	-	48,841
At 31 December 2019	-	28,957	(32)	(31)	28,894
At 1 January 2020	**-**	**28,957**	**(32)**	**(31)**	**28,894**
Other comprehensive income:					
Fair value movement of investments in securities	**-**	**(10)**	**-**	**-**	**(10)**
Fair value movement of other investment (Note 18)	**-**	**4,399**	**-**	**-**	**4,399**
Net loss on remeasurement of defined benefit obligations	**-**	**-**	**(205)**	**-**	**(205)**
Total comprehensive income for the financial year	**-**	**4,389**	**(205)**	**-**	**4,184**
At 31 December 2020	**-**	**33,346**	**(237)**	**(31)**	**33,078**

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33. OTHER RESERVES (CONT'D.)

Company	Capital reserve RM'000	Employee benefits plan reserve RM'000	Total RM'000
At 1 January 2019	2,736	-	2,736
Other comprehensive loss:			
Net loss on remeasurement of defined benefit obligations, representing total other comprehensive loss	-	(43)	(43)
At 31 December 2019	2,736	(43)	2,693
At 1 January 2020	**2,736**	**(43)**	**2,693**
Other comprehensive loss:			
Net loss on remeasurement of defined benefit obligations, representing total other comprehensive loss	**-**	**(25)**	**(25)**
At 31 December 2020	**2,736**	**(68)**	**2,668**

The nature and purpose of each category of the reserves are as follows:

(a) Foreign currency translation reserve

This relates to foreign exchange differences arising from the translation of the financial statements of the foreign subsidiaries as well as the translation of foreign currency loans used to finance investments in the foreign subsidiaries.

(b) Fair value adjustment reserve

This relates to the cumulative fair value changes, net of tax, of financial assets designated at fair value through other comprehensive income until they are disposed of.

(c) Premium paid on acquisition of non-controlling interests

This relates to the premium paid on acquisition of non-controlling interests in a subsidiary without a change in control.

(d) Capital reserve

This reserve, which is eliminated on consolidation, relates to the surplus arising from the sale of property, plant and equipment in 1986 to a subsidiary.

(e) Employee benefits plan reserve

This relates to the remeasurement gains and losses arising from the defined benefit obligations.

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34. RELATED PARTY DISCLOSURES

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(9,161)**	(2,030)	**(2,734)**	(606)
Dividend income from subsidiaries	**-**	-	**(257,950)**	(47,398)
Management fees charged to subsidiaries	**-**	-	**(4,913)**	(2,883)
Interest income from a subsidiary	**-**	-	**(372)**	-
Rental income from a subsidiary	**-**	-	**(6,516)**	(6,516)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Short term benefits	**2,917**	3,032	**797**	880
Post-employment benefits:				
- Defined contribution plan	**361**	384	**120**	132
- Defined benefit plan	**7**	8	**2**	2
	3,285	3,424	**919**	1,014

Included in the total compensation of key management personnel are:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Executive and non-executive directors' remuneration excluding benefits-in-kind (Note 8)	**2,499**	2,148	**1,156**	932

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35. COMMITMENTS

(a) Capital commitments

Capital commitments as at the reporting date are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Capital expenditure:				
Approved and contracted for:				
Acquisition and expansion	**-**	7,000	**-**	7,000
Property, plant and equipment	**1,042**	507	**-**	-
Approved but not contracted for:				
Acquisition and expansion	**155,000**	-	**155,000**	-
Property, plant and equipment	**105,436**	122,138	**3,147**	8,060

(b) Hire purchase commitments

Future minimum hire purchase under finance leases together with the present value of the net minimum hire purchase are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Minimum hire purchase :				
Not later than 1 year	**3,659**	2,172	**116**	122
Later than 1 year and not later than 2 years	**3,552**	1,621	**81**	116
Later than 2 years and not later than 5 years	**6,315**	3,516	**37**	81
	13,526	7,309	**234**	319
Less: Future finance costs	**(1,369)**	(797)	**(25)**	(34)
Present value of hire purchase	**12,157**	6,512	**209**	285
Analysis of present value of hire purchase :				
Not later than 1 year	**2,871**	1,907	**104**	109
Later than 1 year and not later than 2 years	**3,144**	1,414	**73**	104
Later than 2 years and not later than 5 years	**6,142**	3,191	**32**	72
	12,157	6,512	**209**	285
Less: Due within 12 months	**(2,871)**	(1,907)	**(104)**	(109)
Due after 12 months	**9,286**	4,605	**105**	176

The Group and Company have hire purchase for certain items of plant and machinery, equipment and vehicles (Note 12). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term. The hire purchase bore an average effective interest rate at the reporting date of 2.71% (2019: 2.70%) per annum.

36. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	22
Other receivables (non-current)	22
Loans and borrowings (current)	27
Loans and borrowings (non-current)	27
Trade and other payables (current)	28
Other payables (non-current)	28

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature, the effect of discounting is not significant or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of loans and borrowings or hire purchase at the reporting date.

Unquoted other investments and quoted investments in securities

The fair values of unquoted other investments are valued using valuation model determined based on market approach and quoted investments in securities are determined directly by reference to their published market bid price at the reporting date.

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D.)

(b) Fair value hierarchy (cont'd.)

Financial instruments

The following table shows carrying amounts of financial assets measured at fair value including their levels in the fair value hierarchy.

Group

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2020					
Financial assets					
Other investments	18	**-**	**-**	**38,107**	**38,107**
Investments in securities	19	**35**	**-**	**-**	**35**
31 December 2019					
Financial assets					
Other investments	18	-	-	33,708	33,708
Investments in securities	19	45	-	-	45

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

Non-financial instrument measurement

The following table shows carrying amounts of non-financial instrument measured at fair value and non-financial instrument whose fair value is disclosed including their levels in the fair value hierarchy.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D.)

(b) Fair value hierarchy (cont'd.)

Non-financial instrument measurement (cont'd.)

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group:					
31 December 2020					
Non-financial instruments					
Biological assets	20	-	-	4,154	4,154
31 December 2019					
Non-financial instruments					
Biological assets	20	-	-	4,645	4,645
Company:					
31 December 2020					
Non-financial instruments					
Investment properties	15	**-**	**-**	**184,400**	**184,400**
31 December 2019					
Non-financial instruments					
Investment properties	15	**-**	**-**	**184,200**	**184,200**

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and commodity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer, all heads of the subsidiaries and certain managers of the Company. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposures to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date is as follows:

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Plantation	**18,906**	**48%**	15,944	34%
Healthcare	**20,736**	**52%**	30,621	66%
	39,642	**100%**	46,565	100%

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

At the reporting date, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount of RM21,006,099 (2019: RM15,379,000) due from eight customers (2019: four customers), representing approximately 53% (2019: 33%) of the net trade receivables of the Group.

Recognition and measurement of impairment losses

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets recognised in the statements of financial position. The Group does not hold collateral as security.

i) Trade receivables

Management has a credit policy in place and the exposure of credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. Impairment losses are provided for either partially or full on the carrying amounts of credit impaired trade receivables when there is no realistic prospect of recovery.

31 December 2020			**Days past due**		
	Current	**<30 days**	**30-240 days**	**>241 days**	**Total**
	RM	**RM**	**RM**	**RM**	
Expected credit losses rate	**0.0%**	**25.3%**	**35.1%**	**100.0%**	**12.7%**
Estimated total gross carrying amount at default	**37,986,000**	**1,362,00**	**985,000**	**5,084,000**	**45,417,000**
Expected credit losses	**-**	**345,000**	**346,000**	**5,084,000**	**5,775,000**

31 December 2019			**Days past due**		
	Current	**<30 days**	**30-240 days**	**>241 days**	**Total**
	RM	**RM**	**RM**	**RM**	
Expected credit losses rate	0.0%	10.0%	39.2%	100.0%	15.5%
Estimated total gross carrying amount at default	44,894,000	1,090,000	1,134,000	7,962,000	55,080,000
Expected credit losses	-	109,000	444,000	7,962,000	8,515,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Recognition and measurement of impairment losses (cont'd.)

ii) Sundry receivables

At the reporting date, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount in the statements of financial position. These financial assets are written off when there is no reasonable expectation of recovery. Management has assessed the sundry receivables and determined that the majority of the sundry receivables are fully recoverable and adequate allowance for impairment has been provided for.

iii) Amounts due from subsidiaries

There is minimal risk of default as these companies are either profitable or prospectively profitable except for subsidiaries for which allowances have been made in respect of amounts estimated to be not recoverable as disclosed in Notes 22 and 25 respectively. The credit standing of these companies are periodically monitored and reviewed.

iv) Cash and bank balances

There is minimal risk of default as cash and bank balances are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

At the reporting date, approximately 14% (2019: 17%) and 19% (2019: 24%) of the Group's and of the Company's loans and borrowings (Note 27) will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

Group	2020 On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	255,058	107,623	-	362,681
Lease liabilities	5,672	19,923	637,806	663,401
Loans and borrowings	89,456	308,698	121,021	519,175
Total undiscounted financial liabilities	350,186	436,244	758,827	1,545,257

Group	2019 On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	179,011	-	-	179,011
Lease liabilities	6,352	20,198	647,021	673,571
Loans and borrowings	97,479	277,841	172,606	547,926
Total undiscounted financial liabilities	282,842	298,039	819,627	1,400,508

Company	2020 On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	136,642	-	-	136,642
Lease liabilities	349	254	-	603
Loans and borrowings	46,190	141,753	35,954	223,897
Total undiscounted financial liabilities	183,181	142,007	35,954	361,142

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2019			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Company				
Financial liabilities:				
Trade and other payables	288,653	1,813	-	290,466
Lease liabilities	912	269	-	1,181
Loans and borrowings	67,597	132,027	70,144	269,768
Total undiscounted financial liabilities	357,162	134,109	70,144	561,415

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

Sensitivity analysis for interest rate risk

The Group's and the Company's exposure to interest rate risk arise primarily from their loans and borrowings. The Group's and the Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

At the end of the reporting year, if interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's profit/(loss) before tax would have been RM2,495,000 (2019: RM2,329,000) lower/higher, and the Company's profit/(loss) before tax would have been RM960,000 (2019: RM1,163,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings of the Group and of the Company. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Commodity price risk

Volatility in the commodity market exposes the Group and the Company to the risk of price fluctuations on oil palm products. To manage and mitigate the risk, the Group and the Company monitor the Malaysian Derivative Exchange ("MDEX") CPO prices daily as a basis for spot contract sales price, whereas long term contract sales prices are based on Malaysian Palm Oil Board ("MPOB") Monthly Peninsular Malaysia Average Price.

As at 31 December 2020, sensitivity analysis had been performed based on the Group's and the Company's exposure to commodity prices. If the CPO or palm kernel prices had been RM100 higher/lower, with all other variables being held constant, the Group's and the Company's loss before tax would (decrease)/increase, by approximately:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Effect to profit/(loss) before tax if CPO price:				
- increased by RM100 (2019: RM100)	**8,266**	(8,502)	**965**	(1,005)
- decreased by RM100 (2019: RM100)	**(8,266)**	8,502	**(965)**	1,005
Effect to profit/(loss) before tax if palm kernel price:				
- increased by RM100 (2019: RM100)	**1,817**	(1,937)	**228**	(244)
- decreased by RM100 (2019: RM100)	**(1,817)**	1,937	**(228)**	244

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain strong credit ratings and healthy capital ratios in order to support their businesses and maximise shareholders value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020 and 31 December 2019.

The Group and the Company monitor capital using gearing ratio.

The gearing ratio is the net debt divided by total capital plus net debt. The policy of the Group and of the Company is to keep the gearing ratio at a reasonable level. The Group and the Company include within their net debt, loans and borrowings, lease liabilities, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Loans and borrowings	27	**498,974**	465,801	**191,959**	232,691
Trade and other payables	28	**356,577**	179,011	**136,642**	290,466
Lease liability	26	**61,641**	62,742	**538**	1,134
Less: Cash and bank balances	24	**(232,899)**	(90,302)	**(56,576)**	(35,731)
Net debt		**684,293**	617,252	**272,563**	488,560
Equity attributable to the owners of the parent		**770,853**	769,274	**387,915**	144,864
Add: Fair value adjustment reserve	33	**(33,346)**	(28,957)	**-**	-
Total capital		**737,507**	740,317	**387,915**	144,864
Capital and net debt		**1,421,800**	1,357,569	**660,478**	633,424
Gearing ratio		**48%**	45%	**41%**	77%

39. SEGMENT INFORMATION

Business segments

For management purposes, the Group is organised into business units based on its products and services, and has three reportable operating segments as follows:

(i) Plantation - which involves activities such as cultivation of oil palms, sale of fresh fruit bunches and management of plantation operation services.

(ii) Healthcare - which involves activities such as provision of healthcare consultancy and specialist medical centre services.

(iii) Investment holding and others - which involves group level corporate services and dormant companies.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in two geographical areas:

(i) Malaysia - the operations in this area are principally investment holding, cultivation of oil palms, trading of palm oil and other related products and provision of healthcare services. Other operations include provision of management services.

(ii) Indonesia - the operations in this area are principally cultivation of oil palms, trading of palm oil and other related products.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39. SEGMENT INFORMATION (CONT'D.)

Business segments

	Plantation Malaysia Continuing operation		Plantation Indonesia Discontinued operation		Healthcare		Investment holding and others			As reported in consolidated financial statements	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**Note**	**2020 RM'000**	**2019 RM'000**
Revenue:											
Total revenue	**241,319**	190,177	**2,998**	931	**203,145**	237,696	**-**	-		**447,462**	428,804
Inter-segment	**(1,009)**	(1,737)	**-**	-	**(578)**	(1,066)	**-**	-	A	**(1,587)**	(2,803)
External revenue	**240,310**	188,440	**2,998**	931	**202,567**	236,630	**-**	-		**445,875**	426,001
Results:											
Interest income	**1,196**	131	**3**	8,204	**197**	1,043	**928**	1,073		**2,324**	10,451
Dividend income	**1,935**	1,225	**-**	-	**-**	-	**-**	-		**1,935**	1,225
Depreciation and amortisation	**58,095**	60,784	**-**	14,466	**16,029**	14,753	**5,875**	5,980		**79,999**	95,983
Finance cost	**8,071**	6,182	**-**	-	**4,369**	3,722	**9,913**	13,636		**22,353**	23,540
Other non-cash items	**2,726**	5,659	**4,249**	159,188	**457**	(2,408)	**(16,503)**	(1,420)	B	**(9,071)**	161,019
Total segment (loss)/profit:											
Other segment (loss)/profit	**24,808**	(24,458)	**(12,515)**	(174,078)	**(7,059)**	14,160	**(8,159)**	(30,087)		**(2,925)**	(214,463)
Total segment (loss)/profit	**24,808**	(24,458)	**(12,515)**	(174,078)	**(7,059)**	14,160	**(8,159)**	(30,087)		**(2,925)**	(214,463)

39. SEGMENT INFORMATION (CONT'D.)

Business segments (cont'd.)

	Plantation (Malaysia) Continuing operation		Plantation (Indonesia) Discontinued operation		Healthcare		Investment holding and others			As reported in consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	Note	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Assets:											
Additions to non-current assets	34,383	27,122	1,450	2,832	12,016	6,718	2,053	1,826	C	49,902	38,498
Segment assets	967,139	741,767	184,677	190,380	257,341	282,580	467,715	450,487		1,876,872	1,665,214
Segment liabilities	763,629	521,909	8,068	4,706	141,279	149,227	208,034	248,787		1,121,010	924,629

Geographical segments

	Total revenue		Segment assets		Capital expenditure	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	442,877	425,070	1,692,195	1,474,834	48,452	35,666
Indonesia	2,998	931	184,677	190,380	1,450	2,832
	445,875	426,001	1,876,872	1,665,214	49,902	38,498

39. SEGMENT INFORMATION (CONT'D.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Other non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2020 RM'000	2019 RM'000
Loss/(gain) on disposal of property, plant and equipment	6	**58**	(78)
Gain on disposal of investment property	6	**-**	(1,734)
Inventories written off	6	**92**	4,792
Property, plant and equipment written off	6	**4,505**	39,880
(Reversal)/impairment of right-of-use assets	6	**(7,841)**	21,242
(Reversal)/impairment on property, plant and equipment	6	**(31,294)**	87,203
Expected credit losses of trade receivables	6	**379**	293
Expected credit losses of other receivables	6	**42,953**	11,942
Reversal of expected credit losses of trade receivables	6	**(1,177)**	(2,679)
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	6	**1,868**	1,049
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	6	**(498)**	(735)
Gain on bargain purchase	6	**(17,873)**	-
Fair value changes of biological assets	6	**860**	(944)
Land premium on sublessee land	6	**(1,962)**	-
Provision for retirement benefit obligations	7	**859**	788
		(9,071)	161,019

C Additions to non-current assets consist of:

	Note	2020 RM'000	2019 RM'000
Property, plant and equipment	12,25	**48,852**	38,011
Right-of use assets	13,25	**1,050**	487
		49,902	38,498

40. CONTINGENT LIABILITY

(a) Kuantan High Court - Dato' Mohamad Alias A Bakar bin Ali vs Kuantan Medical Centre Sdn Bhd, Dr. Abdul Aziz Bin Awang and Dr. Md Lukman Bin Mohd Mokhtar

The Plaintiff alleges that the 2nd Defendant and 3rd Defendant, as the agents of the 1st Defendant, have negligently failed to carry out anaesthetic procedures on him which caused 'circumferential disc bulge with desiccation at L 4/5 level with severe spinal stenosis'.

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

i. General damages and aggravated damages;

ii. Interest thereon calculated at the rate of 8% per annum from the date of service of the Write up to the date of judgement;

iii. Special damages of RM1,104,414.51;

iv. Interest thereon calculated at the rate of 4% per annum from 3 July 2012 up to the date of judgment;

v. Interest on the judgment sum calculated at the applicable statutory rate from the date of judgment up to the date of payment;

vi. Costs; and

vii. Such further or other relief as the Court deems fit.

The Court has set this matter down for continued trial on 21 June 2021 to 22 June 2021.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

41. SIGNIFICANT EVENT

(a) Outbreak of Coronavirus (“COVID-19”)

In March 2020, the World Health Organisation has officially announced the outbreak of COVID-19 as a global pandemic. In order to combat the spread of COVID-19, the Government of Malaysia had declared a Movement Control Order (“MCO”) which encompasses restriction of movement and closure of premises, except for those involved in essential services. The MCO which came into effect on 18 March 2020, followed by different MCO levels throughout 2020 had resulted in restrictions in business activities and directly impacted the demand for the Group’s products and services. In response to the COVID-19 pandemic, the Group had reviewed its business portfolios and adapted work methods and business strategies to respond to the immediate challenges, including streamlining procedures and moving some teams to work remotely, while prioritising the safety and health of its employees and protecting the interests of stakeholders.

Plantation segment:

The operations for plantation segment have been running largely as usual during the MCO period. The Group has seen macro-economic uncertainty with regards to price and demand for palm oil products, as a result of the COVID-19 outbreak.

Healthcare segment:

For healthcare segment, various initiatives were implemented during this time including cost control and cash conservation measures as well as new services which include online healthcare consultation and promotion of home delivery of pharmaceutical products.

The Group and the Company have accounted for the impact of the pandemic and the consequential effects on the results in their financial statements for the current financial year ended 31 December 2020.

As at 31 December 2020, the Group and the Company are at net current assets position of RM191,709,000 (2019: RM98,922,000) and RM138,929,000 (2019: net current liabilities of RM84,333,000) respectively with an amount of cash and cash equivalents of RM177,505,000 (2019: RM54,577,000) and RM1,000,000 (2019: RM1,079,000) respectively. The Group and the Company maintain a net gearing ratio of 48% (2019: 45%) and 41% (2019: 77%) respectively.

STATISTICS OF SHAREHOLDINGS
AS AT 27 APRIL 2021

Analysis of Shareholdings

Issued and Paid-up Capital	:	RM359,444,698 comprising 1,722,881,001 units of Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share

Analysis by Size of Holdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	205	1.648	7,615	0.000
100 - 1,000	437	3.513	216,740	0.012
1,001 - 10,000	3,691	29.679	22,464,098	1.303
10,001 - 100,000	6,977	56.103	229,742,541	13.334
100,001 - 86,144,049 (*)	1,124	9.038	442,372,454	25.676
86,144,050 AND ABOVE (**)	2	0.016	1,028,077,553	59.672
TOTAL	**12,436**	**100.000**	**1,722,881,001**	**100.000**

Remark : * less than 5% of issued shares
** 5% and above of issued shares

List Of Top 30 Holders

No.	Size of Holdings	No. of Shares	Percentage %
1	Terengganu Incorporated Sdn Bhd (A/C No: 098-001-045464245)	776,809,843	45.087
2	Terengganu Incorporated Sdn Bhd (A/C No: 087-055-045755196)	251,267,710	14.584
3	Lembaga Tabung Amanah Warisan Negeri Terengganu	23,482,107	1.362
4	Lim Hock Leong	7,200,000	0.417
5	Low Keng Joo	6,400,000	0.371
6	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	6,331,600	0.367
7	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	5,053,700	0.293
8	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Boon Huat	3,660,010	0.212
9	Toh Hooi Hak	3,600,000	0.208
10	Lee Bee Geok	3,500,000	0.203
11	Tan Kian Ser	3,380,000	0.196
12	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Ng Boon Huat	3,356,800	0.194
13	Tan Hock Kien	3,258,600	0.189
14	Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd	3,140,016	0.182
15	Ronie Tan Choo Seng	3,079,100	0.178
16	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Yuen Yuen (8112164)	3,000,000	0.174

STATISTICS OF SHAREHOLDINGS
AS AT 27 APRIL 2021

List Of Top 30 Holders (Continued)

No.	Size of Holdings	No. of Shares	Percentage %
17	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ronie Tan Choo Seng	3,000,000	0.174
18	Ronie Tan Choo Seng	3,000,000	0.174
19	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Cheu Leong	2,970,000	0.172
20	Megategas Sdn Bhd	2,938,610	0.170
21	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Chua Chen Ni	2,856,400	0.165
22	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Kok Choy (8092812)	2,700,000	0.156
23	Maybank Nominees (Tempatan) Sdn Bhd Mohd Iskandar Lau bin Abdullah	2,600,000	0.150
24	Huang, Yu-Ling	2,573,060	0.149
25	Lim Ken Hong	2,571,200	0.149
26	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	2,484,695	0.144
27	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Han Keong (201074)	2,400,000	0.139
28	Tai Tsu Kuang @ Tye Tsu Hong	2,250,000	0.130
29	Soon Lian Huat Holdings Sdn. Berhad	2,233,000	0.129
30	Yeong Cherng Sdn Bhd	1,980,000	0.114

Information on Substantial Holders' Holdings

No.	Name	Holdings	%
1	Terengganu Incorporated Sdn Bhd	1,028,077,553	59.672

Information on Directors' Holdings

No.	Name	Holdings	%
1	Haji Burhanuddin Hilmi bin Mohamed @ Harun	0	0.000
2	Mohd Kamaruzaman bin A Wahab	0	0.000
3	YM Raja Dato' Idris Raja Kamarudin	1,000,000	0.058
4	Haji Azlan bin Md Alifiah	64,000	0.003
5	Haji Mazli Zakuan bin Mohd Noor	0	0.000
6	Haji Najman bin Kamaruddin	0	0.000
7	Dato' Haji Zainal Abidin bin Husin	0	0.000

GROUP PLANTATION HECTARAGE STATEMENT

OIL PALM		Total Hectarage Managed By Groups (Hectares)
Mature Hectarage		35,117
Immature Hectarage		9,130
Total Planted		**44,247**
Hectarage by Company/Division	Mature	8,159
Sublease	Immature	1,890
TDM Capital Sdn. Bhd.	Mature	584
	Immature	997
Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.	Mature	13,072
	Immature	4,419
Ladang Tabung Warisan	Mature	1,336
	Immature	0
Ladang Majlis Agama Islam Terengganu	Mature	500
	Immature	256
TDM-YT Plantation Sdn Bhd	Mature	1,882
	Immature	425
PT Rafi Kamajaya Abadi	Mature	9,584
	Immature	1,143
TOTAL PLANTED	**Mature**	**35,117**
	Immature	**9,130**
GRAND TOTAL		**44,247**

5-YEAR GROUP PLANTATION STATISTICS

PLANTED AREA		UNIT	2020	2019	2018	2017	2016
Oil Palm Area							
Malaysia Operation							
Immature	(0 - 3 Year)	Ha	7,986	4,954	5,606	4,986	5,151
Young	(4 - 10 Year)	Ha	6,741	4,796	3,568	2,417	1,607
Prime-Young	(11 - 15 Year)	Ha	1,504	3,339	3,339	3,363	3,149
Prime-Old	(16 - 20 Year)	Ha	3,999	3,701	4,219	4,361	11,593
Old	(21 - 25 Year)	Ha	10,276	10,086	9,852	13,444	9,832
Very Old	(25 Year Above)	Ha	3,014	4,419	4,762	2,982	487
Total Planted Area			**33,520**	**31,295**	**31,346**	**31,553**	**31,819**
Indonesia Operation							
Immature	(0 - 3 Year)	Ha	1,143	1,143	3,752	3,752	3,752
Young	(4 - 10 Year)	Ha	9,584	9,584	8,893	8,893	8,893
			10,727	10,727	12,645	12,645	12,645
Total Planted Area			**44,247**	**42,022**	**43,991**	**44,198**	**44,464**
Oil Palm							
Malaysia Operation							
FFB Production		MT FFB/Ha	393,581	398,475	373,213	453,608	401,020
Yield per mature hectare		MT FFB/Ha	15.94	15.13	14.50	17.07	15.04
Indonesia Operation							
FFB Production		MT FFB/Ha	5,782	3,389	2,082	1,897	2,598
Mills FFB Processed							
- own		MT	386,192	394,497	364,255	445,063	397,457
- outside		MT	5,640	3,852	6,444	5,396	206
FFB Purchase by Mills		MT	31,831	27,577	2,385	0	796
Total			**423,663**	**425,926**	**373,084**	**450,459**	**398,459**
FFB Sold		MT	1,541	142	2,779	2,868	6,029
Average selling prices:							
- Crude Palm Oil		RM/MT ex-mill	2,822	2,129	2,313	2,872	2,696
- Palm Kernel		RM/MT ex-mill	1,697	1,318	1,955	2,614	2,258
- Fresh Fruit Bunch		RM/MT	492	347	383	488	363
Production							
- Crude Palm Oil		MT	82,814	83,843	72,550	84,027	78,494
- Palm Kernel		MT	18,101	19,617	17,308	21,969	20,262
Extraction Rate							
- Crude Palm Oil		%	19.49	19.68	19.32	18.56	19.57
- Palm Kernel		%	4.26	4.61	4.61	4.85	5.05
Palm Product Per Mature Hectare (With Bukit Bidong Estate)		MT/Ha	3.79	3.68	3.47	3.99	3.70

5-YEAR GROUP HEALTHCARE STATISTICS

HEALTHCARE GROUP	2020	2019	2018	2017	2016
No. Beds	394	407	407	297	297
Key Drivers of Growth:					
Occupancy Rate	41%	67%	59%	56%	60%
Consultants - Resident	57	56	54	53	45
Doctor: Patient - Ratio	2,957	3,486	3,557	3,377	4,129
No. of Inpatient	18,033	25,431	23,507	21,579	21,706
No. of Outpatient	150,043	169,820	168,576	162,335	164,093
Average Length of Stay	2.91	2.96	2.96	2.66	2.80

LIST OF PROPERTIES

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
						Oil Palm Plantation	**94,251,837**
HS (D) 1779 Lot PT 1666	Jernih Estate		Leasehold 2052		3,681.10		
GRN 18274 Lot 2514	Jernih Estate		Leasehold 2078		218.20		
HS (D) 2872 Lot PT 402 B	Jernih Estate		Leasehold 2078		198.19		
GRN 12509 Lot 821	Pelantoh Estate	South	Leasehold 2078		35.45		
GRN 12510 Lot 2444	Pelantoh Estate	South	Leasehold 2078		82.28		
GRN 12511 Lot 2550	Pelantoh Estate	South			24.96		
GRN 12512 Lot 2443	Pelantoh Estate	South			73.49		
GRN 12618 Lot 822	Pelantoh Estate	South			68.71		
GRN 12497 Lot 833	Pelantoh Estate	South			88.58		
PN 3380 Lot 2523	Pelantoh Estate	South	Leasehold 2075		11.44		
HS (D) 011 Lot PT 28*	Pelantoh/Tebak Estate		Leasehold 2013 Sublease 2012	Leasehold 2059	3,439.83		
HS (D) 012 Lot PT 29*	Tebak/Jernih Estate		Leasehold 2014 Sublease 2013	Leasehold 2060	3,439.83		
GRN 12499 Lot 823 (replacing HS(D) 208)	Pelantoh Estate	South			0.23		
HS (D) 13 Lot 30	Tebak Estate		Leasehold 2014 Sublease 2013	Leasehold 2060	195.87		
HS (D) 001 L/NF 198/65*	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	129.50		
HS (D) 002 L/NF 198/65*	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	414.40		
HS (D) 003 L/NF 198/65*	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	984.20		
HS (D) 004 L/NF 198/65*	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	1,916.59		
						Oil Palm Plantation	**43,303,636**
GRN 22945 Lot 15111	Jaya Estate	Bari	Leasehold 2071		0.4611		
GRN 22946 Lot 15112	Jaya Estate	Bari	Leasehold 2071		1,407		
GRN 22947 Lot 15113	Jaya Estate	Bari	Leasehold 2071		1.15		
GRN 6001 Lot 6558	Jaya Estate	Jaya	Leasehold 2071		1,661.42		
GRN 6247 Lot 6743	Jaya Estate	Jaya	Leasehold 2072		84.91		

LIST OF PROPERTIES

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
						Oil Palm Plantation	52,226,572
HS (D) 401 Lot PT 804K (replacing HS(D) 1017 Lot PT 804 K)	Fikri Estate	Sentosa	Leasehold 2072		103.60		
GRN 9309 Lot 8264	Fikri Estate	Sentosa	Leasehold 2072		58.44		
GRN 10657 Lot 6641	Fikri Estate	Sentosa	Leasehold 2072		1.54		
GRN 17446 Lot 7682 (replacing HS (D) 1983 PT 381 K)	Fikri Estate	Sentosa	Leasehold 2071		20.42		
GRN 8238 Lot 8187	Fikri Estate	Sentosa	Leasehold 2071		68.15		
GRN 15359 Lot 8168 (replacing HS(D) 813 PT 882 K)	Fikri Estate	Sentosa	Leasehold 2071		7.87		
HS (D) 400 Lot PT 883 K (replacing HS(D) 814)	Fikri Estate	Sentosa	Leasehold 2072		895.83		
HS (D) 399 Lot PT 642 K (replacing HS (D) 561 Lot PT 642 K)	Fikri Estate	Sentosa	Leasehold 2072		635.89		
GRN 6005 Lot 7254	Fikri Estate	Fikri	Leasehold 2071		82.28		
GRN 6521 Lot 7663	Fikri Estate	Fikri	Leasehold 2071		58.77		
GRN 13085 Lot 8169	Fikri Estate	Fikri	Leasehold 2071		143.34		
GRN 6003 Lot 7251	Fikri Estate	Fikri	Leasehold 2072		536.09		
GRN 6004 Lot 7253	Fikri Estate	Fikri	Leasehold 2071		224.28		
GRN 6491 Lot 7662	Fikri Estate	Fikri	Leasehold 2071		128.68		
PN 8088 Lot 15966	Fikri Estate	Fikri	Leasehold 2104		24.96		
PN 8089 Lot 15965	Fikri Estate	Fikri	Leasehold 2104		13.85		
HS(M) 1007 (loji) Lot PT 884 K	Fikri Estate	Fikri			0.20		
PN 3074 Lot 9390	Fikri Estate	Pakoh Jaya	Leasehold 2087		472.00		
PN 7567 Lot 12033	Fikri Estate	Pakoh Jaya	Leasehold 2102		79.84		
PN 6199 Lot 10939 (replacing HS (D) 6416 PT 4152 K)	Fikri Estate	Pakoh Jaya	Leasehold 2098		15.16		
PN 6200 Lot 11404 (replacing HS (D) 6417 PT 4153 K)	Fikri Estate	Pakoh Jaya	Leasehold 2098		17.90		
PN 6201 Lot 11405 (replacing HS (D) 6418 PT 4154 K)	Fikri Estate	Pakoh Jaya	Leasehold 2098		2.74		

LIST OF PROPERTIES

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
						Oil Palm Plantation	**38,394,134**
HS (D) 764 Lot PT 707 K	Tayor Estate		Leasehold 2071		498.02		
GM 1533 Lot 0054	Tayor Estate		Leasehold 2072		1.81		
GM 3158 Lot 1141 (replacing HS(D) 770 Lot 789 K)	Tayor Estate		Leasehold 2072		3.26		
GM 3157 Lot 1140 (replacing HS (D) 769 Lot 788 K)	Tayor Estate		Leasehold 2072		3.04		
GM 617 Lot 0097	Tayor Estate		Leasehold 2072		1.12		
GM 1546 Lot 0094	Tayor Estate		Leasehold 2072		1.73		
GRN 16181 Lot 10237 (replacing Geran 8683 Lot 3039)	Tayor Estate		Leasehold 2072		569.30		
GRN 8684 Lot 3040	Tayor Estate		Leasehold 2072		12.65		
GRN 8685 Lot 3041	Tayor Estate		Leasehold 2072		1,133.65		
						Oil Palm Plantation	**61,448,406**
PN 12150 Lot 51902 (replacing HS (D) 1235 PT 7218)	Pelung Estate		Leasehold 2102		3,002.00		
PN 8124 Lot 16072 (replacing HS (D) 1285 PT 12682)	Pelung Estate		Leasehold 2065		10.20	Office & Clusters	
PN 3851 Lot 10372	Pelung Estate		Leasehold 2095		0.03	Clusters	
PN 3852 Lot 10373	Pelung Estate		Leasehold 2095		0.03	Clusters	
PN 3853 Lot 10374	Pelung Estate		Leasehold 2095		0.03	Clusters	
PN 3854 Lot 10375	Pelung Estate		Leasehold 2095		0.03	Clusters	
PN 3855 Lot 10376	Pelung Estate		Leasehold 2095		0.03	Clusters	
PN 3856 Lot 10377	Pelung Estate		Leasehold 2095		0.03	Office	

LIST OF PROPERTIES

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
						Oil Palm Plantation	**10,524,825**
PN 9796 - Lot 9365	Bukit Bidong Estate			Leasehold 2064	652.80		
PN 7311 - Lot 2092	Bukit Bidong Estate			Leasehold 2064	1,838.00		
PN 7312 - Lot 9366	Bukit Bidong Estate			Leasehold 2064	103.70		
						Oil Palm Plantation	**104,845,622**
GRN 14644 Lot 3999 (replacing HS(D) 72 PT 140	Gajah Mati/ Pinang Emas Estate			Leasehold 2075	5,139.00		
HS (D) 73 Lot PT 141	Pinang Emas Estate			Leasehold 2075	624.84		
HS (D) 74 Lot PT 1140	Pinang Emas Estate			Leasehold 2075	738.15		
HS (D) 75 Lot PT 1143	Pinang Emas Estate			Leasehold 2075	621.60		
HS (D) 76 Lot PT 1144	Pinang Emas Estate			Leasehold 2075	284.90		
HS (D) 77 Lot PT 1145	Pinang Emas Estate			Leasehold 2075	336.70		
						Oil Palm Plantation	**4,808,174**
PN 10735 Lot 4050 (replacing HS (D) 397 PT 3643)	Jerangau Estate	Chakuh 9		Leasehold 2051	406.90		
						Oil Palm Plantation	**6,687,037**
PN 12803 Lot 37 (replacing PN 669 Lot 37)	Jerangau Estate	Jerangau		Leasehold 2048	456.89		
PN 12809 Lot 61326 (replacing PN 669 Lot 204)	Jerangau Estate	Jerangau		Leasehold 2048	36.59		
						Oil Palm Plantation	**9,513,645**
PN 12816 Lot 1157	Jerangau Estate	Landas		Leasehold 2058	580.52		
							3,718,720
GM 569-575 Lot 3046-3052 Bgn Jalan Kamaruddin Jalan Kamaruddin Kuala Terengganu				Leasehold 2090	1,390.00 sq. m	5 units of 4 storey shophouses and 2 parcels of land	
							172,207,427
PN 10209 Lot 60035 Lot 3963 Jalan Sultan Mahmud Kg Batu Buruk, Kuala Terengganu				Leasehold 2111	23,450 sq. m	Hospital Building	

LIST OF PROPERTIES

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
							82,872,298
Mukim Kuala Kuantan PN 7723 Lot 54559 District of Kuantan			Leasehold 2096		43,240.00 sq. m	Hospital Building	
							25,555,759
GRN 47712 Lot 51913 Mukim and District of Kuala Lumpur Taman Desa Medical Centre Lot 45, Jalan Desa, Desa Business Park, Taman Desa Off Jalan Klang Lama Kuala Lumpur				Freehold	1,486.00 sq. m	Hospital Building	
							7,453,130
Mukim Damansara Lot No. 3,4,5,6 HS (D) 259689 PT No. 14532 District			Leasehold 2092		2,888.4 sq. m	Hospital	
							143,494,489
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia. (HGU)			Leasehold Land		18,007.98	Oil Palm Plantation	

GROUP DIRECTORY

HEADQUARTERS

TDM Berhad
Registration No.: 196501000477 (6265-P)

Level 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu, Malaysia
Tel : (609) 620 4800 / (609) 622 8000
Fax : (609) 620 4803
Website : www.tdmberhad.com.my

CORPORATE OFFICE

TDM Berhad
Registration No.: 196501000477 (6265-P)

25th Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : (603) 2148 0811
Fax : (603) 2148 9900

PLANTATION DIVISION

TDM Plantation Sdn. Bhd.
Registration No.: 198301015286 (110679-W)

TDM-YT Plantation Sdn. Bhd.
(Formerly known as THP-YT Plantation Sdn. Bhd.)
Registration No.: 200701016574 (774583-D)

Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.
Registration No.: 197201001372 (13017-V)

TDM Capital Sdn. Bhd.
Registration No.: 198201012892 (92641-U)

Level 3, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu, Malaysia
Tel : (609) 620 4800 / (609) 622 8000
Fax : (609) 620 4805

TDM Trading Sdn. Bhd.
Registration No.: 197901002090 (46372-U)

25th Floor, Menara KH
Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
Tel : (603) 2148 0811
Fax : (603) 2148 9900

P.T. Rafi Kamajaya Abadi
P.T. Rafi Sawit Lestari
P.T. Rafi Rezki Abadi
(Incorporated in Indonesia)
JL Propinsi Pinoh
Sintang Desa Sidomulyo
No. 5 Nanga Pinoh
Kab Melawi, Kalimantan Barat, Indonesia
Office : (0062) 5682 2784
Fax : (0062) 5682 2767

ESTATES AND MILLS

SUNGAI TONG COMPLEX

Bukit Bidong Estate
Kg. Gong Tengah, 22100 Permaisuri
Terengganu, Malaysia
Tel : (609) 683 0002
Email : ladangbidong@tdmberhad.com.my

Jaya Estate
Sungai Tong, 21500 Setiu
Terengganu, Malaysia
Tel : (6019) 950 3800
Fax : (609) 824 0993
Email : ldgjaya.tdmp@tdmberhad.com.my

Fikri Estate
Sungai Tong, 21500 Setiu
Terengganu, Malaysia
Tel : (609) 824 7612
Email : dgfikri.tdmp@tdmberhad.com.my

Tayor Estate
Sungai Tong, 21500 Setiu
Terengganu, Malaysia
Tel : (6011) 1198 7290
Fax : (609) 824 1679
Email : ldgtayor.tdmp@tdmberhad.com.my

Pelung Estate
Sungai Tong, 21500 Setiu
Terengganu, Malaysia
Tel : (609) 824 0829
Fax : (609) 824 1017
Email : ldgpelung.tdmp@tdmberhad.com.my

BUKIT BESI COMPLEX

Jerangau Estate
Wakil Pos Pelar, 21810 Ajil
Terengganu, Malaysia
Tel : (609) 961 9839
Email : ldgjerangau.tdmp@tdmberhad.com.my

Pinang Emas Estate
23200 Bukit Besi, Dungun
Terengganu, Malaysia
Tel : (6019) 902 5800
Fax : (609) 849 0059
Email : ldgpemas.tdmp@tdmberhad.com.my

Gajah Mati Estate
23200 Dungun
Terengganu, Malaysia
Tel : (6011) 6572 7247
Fax : (609) 849 0060
Email : ldggajahmati.tdmp@tdmberhad.com.my

Majlis Agama Islam Estate
AM 9, Bandar AMBS 23400 Dungun,
Terengganu, Malaysia
Tel : (609) 822 2215
Fax : (609) 822 2215
Email : ldgmai.tdmp@tdmberhad.com.my

GROUP DIRECTORY

ESTATES AND MILLS

KEMAMAN COMPLEX

Air Putih Estate
P.O. Box 19, 24007 Kemaman
Terengganu, Malaysia
Tel : (609) 859 8367
Fax : (609) 859 8367
Email : ldgairputih.tdmp@tdmberhad.com.my

Pelantoh Estate
P.O. Box 10, Padang Kubu, 24007 Kemaman
Terengganu, Malaysia
Tel : (609) 822 6400
Fax : (609) 822 6822
Email : ldgpelantoh.tdmp@tdmberhad.com.my

Tebak Estate
P.O. Box 10, Padang Kubu, 24007 Kemaman
Terengganu, Malaysia
Tel : (6016) 925 4142
Email : ldgtebak.tdmp@tdmberhad.com.my

Jernih Estate
P.O. Box 10, Padang Kubu, 24007 Kemaman
Terengganu, Malaysia
Tel : (6019) 928 4716
Email : ldgjernih.tdmp@tdmberhad.com.my

MILLS

Sungai Tong Palm Oil Mill
Sungai Tong, 21500 Setiu
Terengganu, Malaysia
Tel : (609) 657 1242
Fax : (609) 824 6472
Email : ksst.tdmp@tdmberhad.com.my

Kemaman Palm Oil Mill
Padang Kubu, 24010 Kemaman
Terengganu, Malaysia
Tel : (609) 822 6566
Fax : (609) 822 6704
Email : kpom.tdmp@tdmberhad.com.my

HEALTHCARE DIVISION

Kumpulan Medic Iman Sdn. Bhd.
Registration No.: 201301032521 (1062350-H)
25th Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : (603) 2148 0811
Website : www.kmihealthcare.com

Kelana Jaya Medical Centre Sdn. Bhd.
Registration No.: 199601038389 (410742-K)
No 1, FAS Business Avenue
Jalan Perbandaran SS7, Kelana Jaya
47301 Petaling Jaya
Selangor, Malaysia
Tel : (603) 7805 2111
Facebook : www.facebook.com/kjmcofficial

Kuantan Medical Centre Sdn. Bhd.
Registration No.: 199601042529 (414882-H)
Jalan Tun Razak
Bandar Indera Mahkota
25200 Kuantan
Pahang, Malaysia
Tel : (609) 590 2828
Facebook : www.facebook.com/kuantanmedicalcentre

Kuala Terengganu Specialist Hospital Sdn. Bhd.
Registration No.: 199701011784 (427280-X)
Jalan Sultan Mahmud
Batu Burok
20400 Kuala Terengganu
Terengganu, Malaysia
Tel : (609) 637 8888
Facebook : www.facebook.com/kualaterengganuspecialisthospital

TDMC Hospital Sdn. Bhd.
Registration No.: 197901000887 (45141-K)
45, Jalan Desa, Taman Desa
58100 Old Klang Road
Wilayah Persekutuan
Kuala Lumpur, Malaysia
Tel : (603) 7982 6500
Facebook : www.facebook.com/mytdmc

MANAGE:
Tawau Specialist Hospital Sdn. Bhd.
Registration No.: 200901041269 (884419-D)
TB 4551 Jalan Abaca
91000 Tawau
Sabah, Malaysia
Tel : (6089) 771 873

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Sixth (56th) Annual General Meeting ("AGM") of the Company **will be conducted through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 24 June 2021 at 11.00 a.m** or at any adjournment thereof for the purpose of considering and if thought fit, passing the following business with or without modifications:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of the Final Single-Tier Dividend of 0.23 sen per ordinary share in respect of the financial year ended 31 December 2020. **Ordinary Resolution 1**

3. To re-elect the following Directors who retire in accordance with Clause 119 of the Constitution of the Company and being eligible, offers themselves for re-election:-

    2.1 Haji Mazli Zakuan bin Mohd Noor **Ordinary Resolution 2**

    2.2 Encik Mohd Kamaruzaman bin A Wahab **Ordinary Resolution 3**

4. To approve the payment of Directors' Fee up to an amount of RM765,917 for the period from 1 July 2021 until 30 June 2022. **Ordinary Resolution 4**

5. To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,054,138 for the period from 1 July 2021 until 30 June 2022. **Ordinary Resolution 5**

6. To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

7. **Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 7**

    "THAT subject always to the Act, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other Governmental/Regulatory Authorities, where such approval is necessary, authority be and is hereby given to the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being;

AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

8. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 8**

"THAT, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("Related Parties") as described in the Circular to Shareholders dated 25 May 2021 ("Recurrent RPTs") provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;

(ii) necessary for the day-to-day operations;

(iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

(iv) are not to the detriment of the minority shareholders.

("RRPT Mandate").

AND THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or

(b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by a resolution passed by shareholders in a general meeting;

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the 56th Annual General Meeting to be held on 24 June 2021, the Final Single-Tier Dividend of 0.23 sen per ordinary share in respect of the financial year ended 31 December 2020 will be paid on 22 July 2021 to Depositors whose names appear in the Record of Depositors at the close of business on 8 July 2021. A Depositor shall qualify for entitlement only in respect of:

NOTICE OF 56TH ANNUAL GENERAL MEETING

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 July 2021 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Badrol bin Abu Bakar (LS0009999)
SSM PC No. 202008002474

Wan Muhammad Akmal bin Wan Zawawi (MACS 01702)
SSM PC No. 201908000307

Company Secretaries

Kuala Terengganu
Dated : 25 May 2021

Notes:-

1. **IMPORTANT NOTICE**

   As part of the initiatives to curb the spread of Coronavirus Disease 2019 ("COVID-19") and precautionary measure amid Covid-19, the Fifty-Sixth (56th) AGM will be conducted through live streaming and online remote voting using the Remote Participation and Voting facilities (**"RPV"**) provided by Tricor Investor & Issuing House Services Sdn. Bhd.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 56th AGM using the RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online. With the RPV, you may exercise your right as a member of the Company to participate and vote at the 56th AGM.

   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Since the 56th AGM will be conducted via RPV, no Shareholders/Proxy(ies) from the public will be physically present at the Broadcast Venue to attend the 56th AGM in person at the Broadcast Venue on the day of the meeting

   The Company shall strictly comply and implement all the Government and/or relevant authorities' directives and guidelines on public gatherings or events which may be issued from time to time.

   Please read these Notes carefully and follow the procedures in the Information Guide to Shareholders on 56th AGM in order to participate remotely via RPV.

2. For the purpose of determining a member who shall be entitled to participate in the 56th AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Section 34(1) of the SICDA to issue a General Meeting Record of Depositors. Only a depositor whose name appears on the **Record of Depositors as at 17 June 2021** shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV, is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorized representative to participate in his/her place. A proxy may but need not be a member of the Company. A member may appoint more than one (1) proxy to participate instead of the member at the general meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

4. Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.

5. Where a Member of the Company is an Exempt Authorised Nominee which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 56th AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling/e-polling process and verify the results of the poll respectively.

NOTICE OF 56TH ANNUAL GENERAL MEETING

7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or under the hand of two (2) authorised officers, one of whom shall be a director or of its attorney duly authorised in writing. The Directors may, but shall not be bound, to require evidence of the appointment of any such attorney or officer.

8. A Shareholder who has appointed a proxy or attorney or authorised representative to attend, participate and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online.

   Please follow the Procedures for RPV in the Information Guide to Shareholders.

9. Shareholders who appoint proxies to participate in the 56th AGM via RPV must ensure that the duly executed proxy forms are deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Wilayah Persekutuan or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time of holding the AGM. Alternatively, in accordance to Section 326 of the Companies Act 2016, you have the option to lodge the proxy appointment electronically via TIIH Online at https://tiih.online or email to is.enquiry@my.tricorglobal.com **not less than 48 hours before the time of holding the AGM**.

   Please refer to Information Guide to Shareholders for submission of electronic Proxy Form.

10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

EXPLANATORY NOTES TO THE AGENDA:-

Item 1 of the Agenda

This item is meant for discussion only. The provisions of Section 340 (1) of the Companies Act, 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to vote by Shareholders.

Item 2 of the Agenda – Ordinary Resolution 1

The Board is recommending that the shareholders approve the payment of a final dividend.

With reference to Section 131 of the Act, a company may only make a distribution to the shareholders out of available profits if the company is solvent. On 11 May 2021, the Board had considered the amount of dividend and decided to recommend the same for shareholders' approval.

The Board is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution date which will be announced by the Company after the 56th AGM in accordance with Sections 132(2) and (3) of the Act.

Item 3 of the Agenda – Ordinary Resolutions 2 & 3

Clause 119 of the Company's Constitution provides that an election of directors shall take place each year. At the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors including Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the general meeting at which he retires.

The profiles of the retiring Directors are set out in the Profiles of the Board of Directors on pages 54 and 58 of the Annual Report 2020 of TDM Berhad.

The Board, with the recommendation of the Nomination and Remuneration Committee ("NRC"), endorsed that the Directors as named under Ordinary Resolutions 2 to 3 who retire in accordance with Clause 119 of the Company's Constitution are eligible to stand for re-election.

Item 4 and 5 of the Agenda – Ordinary Resolutions 4 & 5

Section 230 (1) of the Companies Act 2016, provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 56th AGM on the Directors' fees and benefit in two (2) separate resolutions.

The payment of the Directors' Fees for the period from 1 July 2021 until 30 June 2022 will only be made if the proposed resolution 3 has been approved at the 56th AGM of the Company.

In determining the estimated total amount of Directors' Benefit, the Board had considered various factors which include amongst others, the number of scheduled and Special Board meetings, scheduled and Special Board Committee meetings as well as the number of Non-Executive Directors (NEDs) involved in these meetings.

The estimated sum of RM1,054,138 is for Directors' Benefits for the period from 1 July 2021 until 30 June 2022. The payment of the directors' benefit will be made on monthly basis and/or as and when incurred if the Proposed Resolution 4 has been passed at the 56th AGM. The Board is of the view that it is fair and equitable for the Directors to be paid on a monthly basis and/or as and when incurred, given that they have duly discharged their duties and responsibilities and provided their services to the Company throughout the said period.

Item 6 of the Agenda – Ordinary Resolution 6

The Board at its meeting held on 6 May 2021 endorsed for the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 December 2021 be presented to the shareholders for approval. Based on the annual assessment conducted by Audit Committee of the Company on suitability, independence, objectivity and performance of external auditors, Ernst & Young PLT has met the criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities.

Item 7 of the Agenda – Ordinary Resolution 7

Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Company had in its 55th AGM held on 27 July 2020, obtained its Shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Section 75 & 76 of the Companies Act, 2016 (the Act).

The Company had issued a new ordinary share on 24 July 2020 amounting 40,240,000 Ordinary Shares.

The proposed Ordinary Resolution No: 6 is a renewal of the mandate to issue shares under Section 75 and 76 of the Companies Act 2016. If passed, it will allow the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company but not exceeding 10% of the issued share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

A renewal for the said mandate is sought to avoid any delay and cost involved in convening such a general meeting. Should the mandate be exercised, the Directors will utilise the proceeds raised for funding current and/or future investment projects, working capital, acquisition, issuance of shares as settlement of purchase consideration and/or such other applications they may in their absolute discretion deem fit.

Item 8 of the Agenda – Ordinary Resolution 8

Proposed Renewal of Shareholders' Mandate

The proposed Resolution 7, if passed, will provide a renewed mandate for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

This mandate shall lapse at the conclusion of the next Annual General Meeting unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular to Shareholders dated 25 May 2021 on the Proposed Renewal of Shareholders' Mandate for further information.

STATEMENT ACCOMPANYING NOTICE OF 56TH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27 (2) OF THE MAIN MARKET LISTING REQUIREMENT)

No individual is standing for election as Director at the forthcoming Fifty-Sixth Annual General Meeting of the Company.

INFORMATION GUIDE TO SHAREHOLDERS

ON FIFTY-SIXTH (56TH) ANNUAL GENERAL MEETING

Date	:	**Thursday, 24 June 2021**
Time	:	**11.00 a.m.**
Broadcast Venue	:	Tricor Business Centre, Gemilang Meeting Room Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur

PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE (“COVID-19”)

- In view of the COVID-19 outbreak and as part of the safety measures, the Company will conduct the Fifty-Sixth (56th) Annual General Meeting (“AGM”) on **a fully virtual basis through live streaming and online remote voting** via Remote Participation and Voting (“RPV”) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd’s (“Tricor”) **TIIH Online** website at https://tiih.online. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and subsequently revised on 6 May 2021 (including any amendment that may be made from time to time).

- The venue of the 56th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

- We **strongly encourage** you to attend the 56th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 56th AGM.

- Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 56th AGM at short notice. Kindly check the Company’s website at www.e-serbadk.com or announcements for the latest updates on the status of the 56th AGM.

- The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

- The RPV facilities are available on Tricor’s **TIIH Online** website at https://tiih.online.

- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 56th AGM using RPV facilities from Tricor.

- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

INFORMATION GUIDE TO SHAREHOLDERS
ON FIFTY-SIXTH (56TH) ANNUAL GENERAL MEETING

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 56th AGM using the RPV facilities:

Before the 56th AGM Day

Procedure	Action
i. Register as a user with TIIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select **"Create Account by Individual Holder"**. Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend 56th AGM remotely	• Registration is open from 11.00 a.m. Tuesday, 25 May 2021 until the day of 56th AGM on Thursday, 24 June 2021. Shareholder(s) or proxy(ies) or corporate representative(s)or attorney(s) are required to pre-register their attendance for the 56th AGM to ascertain their eligibility to participate the 56th AGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: **(Registration) TDM BERHAD 56TH AGM** • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at 18 May 2021, the system will send you **an e-mail after 22 June 2021 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).*

On the 56th AGM Day

Procedure	Action
i. Login to TIIH Online	• Login with your user ID and password for remote participation at the 56th AGM at any time from 10.30 a.m. i.e. 30 minutes before the commencement of meeting at 11.00 a.m. on Thursday, 24 June 2021.
ii. Participate through Live Streaming	• Select the corporate event: **(Live Stream Meeting) TDM BERHAD 56TH AGM** to engage in the proceedings of the 56th AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 56th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

INFORMATION GUIDE TO SHAREHOLDERS
ON FIFTY-SIXTH (56TH) ANNUAL GENERAL MEETING

On the 56th AGM Day (continued)

Procedure	Action
iii. Online remote voting	• Voting session commences from 11.00 a.m. on Thursday, 24 June 2021 until a time when the Chairman announces the end of the session. • Select the corporate event: **(Remote Voting) TDM BERHAD 56TH AGM** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv. End of remote participation	• Upon the announcement by the Chairman on the conclusion of the 56th AGM, the Live Streaming will end.

Note to users of the RPV facilities:

(i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

(ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at **17 June 2021** shall be eligible to attend, speak and vote at the 56th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the 56th AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the 56th AGM yourself, please do not submit any Form of Proxy for the 56th AGM. You will not be allowed to participate in the 56th AGM together with a proxy appointed by you.

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 56th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 22 June 2021 at 11.00 a.m**:

  (i) In Hard copy:

    a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

    b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

INFORMATION GUIDE TO SHAREHOLDERS
ON FIFTY-SIXTH (56TH) ANNUAL GENERAL MEETING

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **TDM BERHAD 56TH AGM - "Submission of Proxy Form"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online • Select the corporate exercise name: **TDM BERHAD 56TH AGM - "Submission of Proxy Form"** • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the 56th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from 11.00 a.m. on Thursday, 24 June 2021 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to "Procedures to Remote Participation and Voting via RPV Facilities" provided above for guidance on how to vote remotely via TIIH Online.

- Upon completion of the voting session for the 56th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS

- The Board recognises that the 56th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 56th AGM, shareholders may in advance, before the 56th AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "e-Services" to login, post your questions and submit it electronically no later than Tuesday, 22 June 2021. The Board of Directors will endeavor to address the questions received at the 56th AGM.

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the 56th AGM as the meeting will be conducted on a fully virtual basis.

- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

- If you need any assistance, kindly contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact persons	:	Mohammad Amirul Iskandar +603-2783 9563 / email : Mohammad.Amirul@my.tricorglobal.com
		Mohamad Khairudin bin Tajudin : +603-2783 7973 / email : Mohamad.Khairudin@my.tricorglobal.com

TDM BERHAD

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

PROXY FORM

CDS Accounts No.	
Number of Ordinary Share(s) held	

I/We ____
(FULL NAME OF SHAREHOLDER AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

NRIC No. / Company No. ______________________ of ______________________

____
(FULL ADDRESS)

being a member of **TDM BERHAD**, hereby appoint:

FIRST PROXY

Full Name of Proxy in capital letters		Proportion of Shareholdings	
		Number of Shares	Percentage
NRIC No/Passport No			

and,

SECOND PROXY

Full Name of Proxy in capital letters		Proportion of Shareholdings	
		Number of Shares	Percentage
NRIC No/Passport No			

 # to put on a separate sheet where there are more than two (2) proxies

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Fifty-Sixth (56th) Annual General Meeting ("AGM") of the Company will be conducted through live streaming from the Broadcast Venue at **Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** on **Thursday, 24 June 2021** at **11.00 a.m** or at any adjournment thereof , on the following resolutions referred to in the Notice of 56th AGM.

My/our proxy is to vote as indicated below:

Resolution No	Resolutions	For	Against
Ordinary Resolution 1	To approve the payment of the Final Single-Tier Dividend of 0.23 sen per ordinary share in respect of the financial year ended 31 December 2020		
Ordinary Resolution 2	To re-elect Haji Mazli Zakuan bin Mohd Noor as Director of the Company		
Ordinary Resolution 3	To re-elect Encik Mohd Kamaruzaman bin A Wahab as Director of the Company		
Ordinary Resolution 4	To approve the payment of Directors' Fee up to an amount of RM765,917 for the period from 1 July 2021 until 30 June 2022		
Ordinary Resolution 5	To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,054,138 for the period from 1 July 2021 until 30 June 2022		
Ordinary Resolution 6	To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

Dated this __________ day of __________________, 2021

____
Signature(s) of Shareholder(s) or Common Seal

Notes:-

1. **IMPORTANT NOTICE**

   As part of the initiatives to curb the spread of Coronavirus Disease 2019 ("COVID-19") and precautionary measure amid Covid-19, the Fifty-Sixth (56th) AGM will be conducted through live streaming and online remote voting using the Remote Participation and Voting facilities (**"RPV"**) provided by Tricor Investor & Issuing House Services Sdn. Bhd.

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   The Company shall strictly comply and implement all the Government and/or relevant authorities' directives and guidelines on public gatherings or events which may be issued from time to time.
   Please read these Notes carefully and follow the procedures in the Information Guide to Shareholders on 56th AGM in order to participate remotely via RPV.

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4. Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.

5. Where a Member of the Company is an Exempt Authorised Nominee which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

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Stamp

TDM BERHAD

(C/O SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd. (118401-V)

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur, Wilayah Persekutuan

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6. Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 56th AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling/e-polling process and verify the results of the poll respectively.

7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal, or under the hand of two (2) authorised officers, one of whom shall be a director or of its attorney duly authorised in writing. The Directors may but shall not be bound to require evidence of the of any such attorney or officer.

8. A Shareholder who has appointed a proxy or attorney or authorised representative to attend, participate and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online.

   Please follow the Procedures for RPV in the Information Guide to Shareholders.

9. Shareholders who appoint proxies to participate in the 56th AGM via RPV must ensure that the duly executed proxy forms are deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Wilayah Persekutuan or the Customer Service Centre at Unit G-3, Ground Floor, Vertical podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time holding the AGM. Alternatively, in accordance to Section 326 of the Companies Act 2016, you have the option to lodge the proxy appointment electronically via TIIH Online at https://tiih.online or email to is.enquiry@my.tricorglobal.com **not less than 48 hours before the time holding the AGM**.

   Please refer to Information Guide to Shareholders for submission of electronic Proxy Form.

10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

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