DRIVING PROGRESS TOWARDS SUSTAINABLE GROWTH

ANNUAL REPORT **2021**

TDM BERHAD

196501000477 (6265-P)

DRIVING PROGRESS TOWARDS SUSTAINABLE GROWTH

Sustainability has become a top priority at TDM as we have embraced bold and transformative steps urgently needed to shift ourselves, our stakeholders and the nation onto a resilient path.

In promoting responsible business practices, our sustainability objectives are to reduce the consumption of non-renewable resources, minimise waste, and create healthy, productive environments.

In **Driving Progress Towards Sustainable Growth,** TDM aims to foster sustainable growth within the community and among stakeholders by ensuring our businesses progress with a meaningful purpose. As a recognised leading player in the oil palm plantation and secondary healthcare sectors, the images on the cover depict improving efficiencies, building on organic growth, and unlocking opportunities. We will continue to stay the course and deliver sustainable results and value from our core business areas.

The synergistic strengths within our organisation is a collective journey of shared principles and commitments encapsulating balance, consistency, and growth for the 5Ps of People, Planet, Prosperity, Peace and Partnership.

57TH ANNUAL GENERAL MEETING

Venue
Camelia Ballroom,
Paya Bunga Hotel Terengganu
Jalan Tengku Embong Fatimah
Off Jalan Sultan Ismail
20200 Kuala Terengganu
Terengganu, Malaysia.

Date & Time
Thursday | 23rd June 2022 | 11.00 a.m.

TDM BERHAD ANNUAL REPORT 2021 DIGITAL VERSION

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

CAUTIONARY STATEMENT

TDM makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the facts highlighted in this Annual Report, disclaiming responsibility from any liability that might arise from the reliance on its contents. This Annual Report may contain "forward-looking statements". Forward-looking statements involve inherent risks and uncertainties and other factors that are in many cases beyond our control. Although TDM believes that the expectations of its Management as reflected by such forward-looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected.

Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.

Inside This Report

Who We Are

Incorporated in 1965, TDM Berhad is one of the Shariah-compliant securities listed on the main market of Bursa Malaysia with core businesses in the oil palm plantation and healthcare sectors.

Oil palm nursery at the Tayor Estate.

KMI Kuala Terengganu Medical Centre.

Who We Are

TDM, through its plantation arm TDM Plantation Sdn. Bhd. (TDMP), develops and manages 15 oil palm estates and three palm oil mills. Our estates are located in Terengganu, Malaysia and Kalimantan Barat, 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 44,090 hectares (ha) of planted oil palm at its plantations in Terengganu (33,363 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 Roundtable on Sustainable Palm Oil (RSPO) certified except for the Bukit Bidong Estate, and 100% Malaysian Sustainable Palm Oil (MSPO) certified. On top of that, our South Zone operations are also recognised by the International Sustainability and Carbon Certification approved by the European Commission (ISCC EU).

44,090 ha
of Planted Oil Palm

15
Oil Palm Estates

3
Bio-Composting Plants

3
Palm Oil Mills

3
Biogas Plants

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

The four hospitals operated by KMI are:

- KMI Kelana Jaya Medical Centre (KMI Kelana Jaya);
- KMI Kuantan Medical Centre (KMI Kuantan);
- KMI Kuala Terengganu Medical Centre (KMI Kuala Terengganu); and
- KMI Taman Desa Medical Centre (KMI Taman Desa).

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.

4
Specialist Hospitals

394
Beds

2021 Key Highlights

PLANTATION

44,090
ha of Oil Palm Plantation

3 Biogas Plants

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

56 years
Experience in Plantation Operations

15 Estates

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

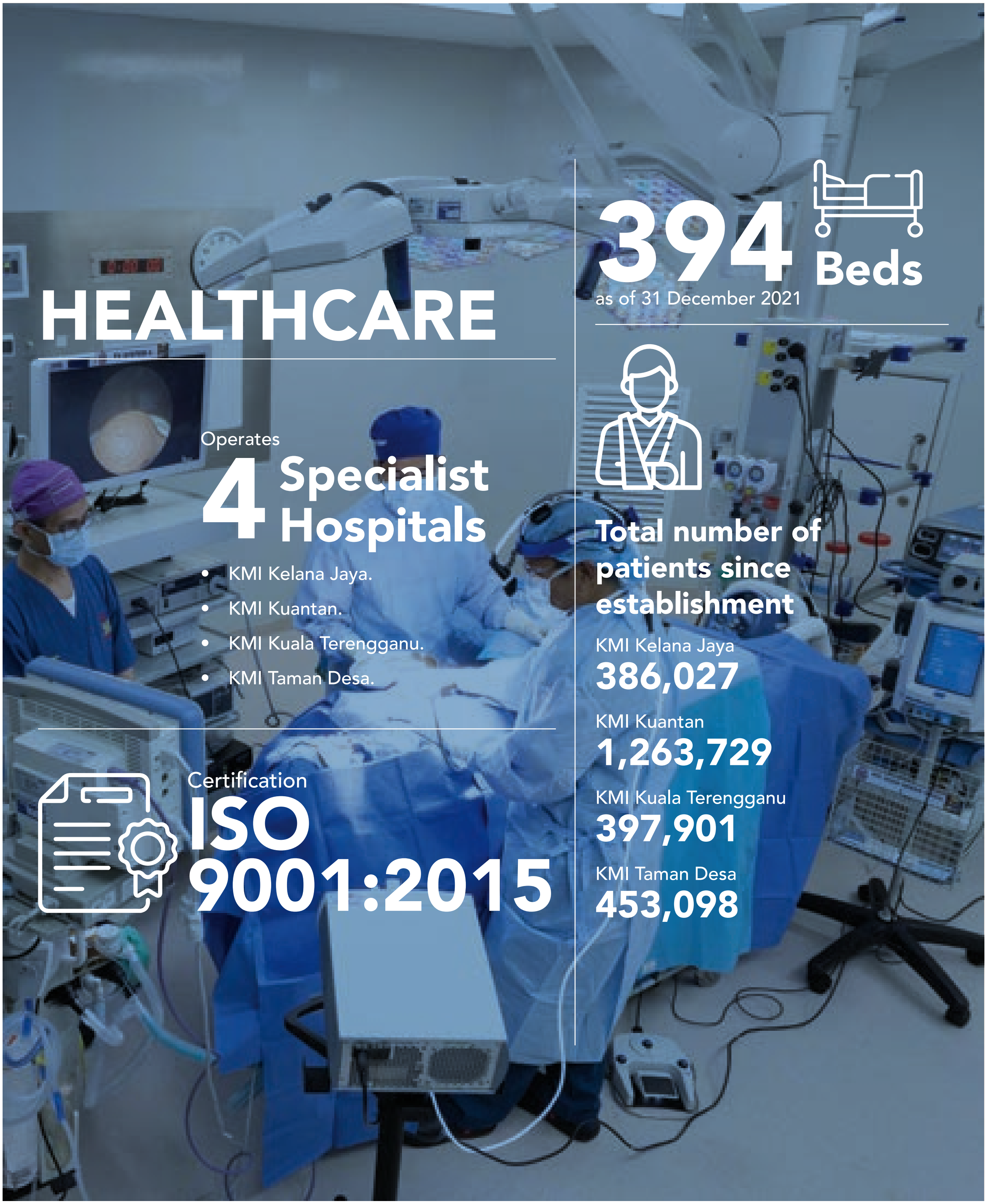
3 Palm Oil Mills & Bio-Composting Plants

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

100% MSPO Certification

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

2021 Key Highlights



HEALTHCARE

Operates
4 Specialist Hospitals

- KMI Kelana Jaya.
- KMI Kuantan.
- KMI Kuala Terengganu.
- KMI Taman Desa.

Certification
ISO 9001:2015

394 Beds
as of 31 December 2021

Total number of patients since establishment

KMI Kelana Jaya
386,027

KMI Kuantan
1,263,729

KMI Kuala Terengganu
397,901

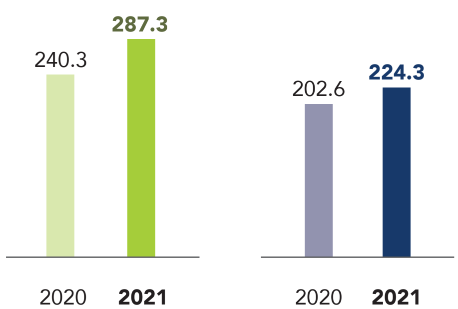
KMI Taman Desa
453,098

2021 Key Highlights

REVENUE

RM511.6 million

2020: RM442.9 million

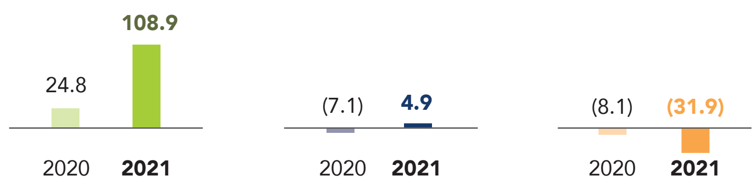


**From continuing operations*

PROFIT/(LOSS) BEFORE TAX

RM81.9 million

2020: RM9.6 million



**From continuing operations*

PROFIT/(LOSS) PER SHARE

3.21 sen

2020: 0.11 sen

**From continuing operations*

NET ASSETS PER SHARE

0.41 sen

2020: 0.44 sen

PLANTATION (MALAYSIA)

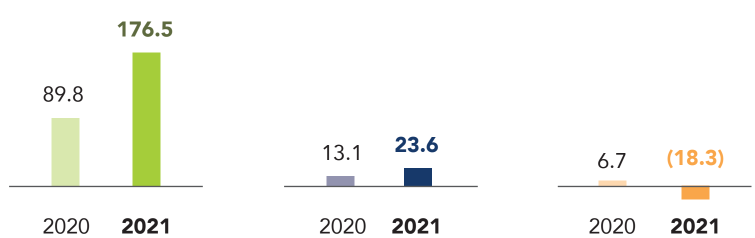
HEALTHCARE

INVESTMENT HOLDING AND OTHERS

EBITDA

RM181.7 million

2020: RM109.6 million



Corporate Vision, Mission and Core Values

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 expectation for our customers.
- To widen our regional presence.
- To stimulate human capital development.

CORE VALUES

- Good Governance
- Teamwork
- People Centric
- Innovation
- Environmentally Friendly
- Shariah Compliance

Milestones and Achievements

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

PLANTATION
Housing facilities for estate workers.
- The initiative incurred 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 a 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, skills 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 ranked 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.

Milestones and Achievements

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 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 Minority Shareholder Watchdog Group (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).

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.

Milestones and Achievements

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 MPC to Kuantan Medical Centre.
  - "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 (First Government-Linked Corporation (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 area: 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 with130 beds.
- Achieved record healthcare revenue of RM209 million for FY2018.

2019

HEALTHCARE

- Launching of Catheterisation Lab (Cath Lab) services at KMC.
- KTS became the first private hospital in Terengganu to be certified as a Baby Friendly Hospital.

Milestones and Achievements

2020

CORPORATE

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

PLANTATION

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

HEALTHCARE

- Opening of Cath Lab services at KTS.

2021

CORPORATE

TDM accorded "Company of The Year Award" under the Plantation and Healthcare category for championing exemplary COVID-19 support and animal welfare initiatives.

PLANTATION

- TDMP became the first plantation company in Terengganu to receive the ISCC EU certification.
- TDMP signed a Memorandum of Understanding (MoU) with TATI University College (TATIUC) to improve estate operations and mechanisation.
- TDMP signed an MoU with the Malaysian Palm Oil Green Conservation Foundation (MPOGCF) to ramp up environmental conservation initiatives.

HEALTHCARE

- KMI Healthcare entered into agreements to acquire Tawau Specialist Hospital (TSH) from Tawau Specialist Hospital Sdn. Bhd. (TSHSB).
- KMI Healthcare signed an MoU with Kemaman Municipal Council (MPK) for the development of a private hospital in Chukai.
- KMI Kuala Terengganu launched the first private Cath Lab in Terengganu.

Corporate Structure

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 Sdn. Bhd.
- **100%**
  **Kemaman Capital Sdn. Bhd.
- **100%**
  ***TDM Agrobiz 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.
  - **100%**
    ***KMI Ambulatory Care Centre Sdn. Bhd.
  - **100%**
    ***KMI Assets Sdn. Bhd.
  - **100%**
    ***KMI Tunjong Medical Centre Sdn. Bhd.
- **90.49%**
  **Kumpulan Mediiman Sdn. Bhd.

OTHER ACTIVITIES

- **70%**
  **Indah Sari Travel & Tours Sdn. Bhd. (in Striking Off)
- **51%**
  **TD Gabongan Sdn. Bhd.

* *In the process of Winding Up/Striking Off*
** *Dormant*
*** *Newly Incorporated*

Corporate Information

BOARD OF DIRECTORS

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

Haji Najman bin Kamaruddin
Executive Director

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

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

Haji Azlan bin Md Alifiah
Independent & Non-Executive Director

Mohd Kamaruzaman bin A Wahab
Independent & Non-Executive Director

Haji Samiun bin Salleh
Non-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)
Haji Mazli Zakuan bin Mohd Noor
Haji Burhanuddin Hilmi bin Mohamed @ Harun
Haji Azlan bin Md Alifiah
Haji Samiun bin Salleh

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 bin 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 (AF: 0039)
Messrs. Hendrawinata Hanny Erwin & Sumargo (Kreston International)

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. Zaid Ibrahim & Co (ZICO LAW)
Messrs. Hadi Zamani & Associates
Messrs. Bustaman
Messrs. Hutabarat Halim & Rekan
Messrs. Jakarta International Law Office

REGISTERED OFFICE
Level 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Tel : +609 620 4800/+609 622 8000
Fax : +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
Tel : +603 2148 0811
Fax : +603 2148 9900

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
Registration No: 197101000970 (11324-H)
Unit 32-01, Level 32
Tower A, Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2783 9299
Fax : +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
TDM Plantation Sdn. Bhd.
Registration No.: 198301015286 (110679-W)
Level 3, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Tel : +609 620 4800/ +609 622 8000
Fax : +609 620 4805

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
Fax : +603 2148 9900

COMMODITIES TRADING
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

Investor Relations

The Group is committed to providing timely and transparent information on corporate strategies and financial data to the investing communities as one of the prominent brands on the East Coast of Peninsular Malaysia.

We believe ongoing engagement and communication with stakeholders is key to building trust and understanding between the Company and its stakeholders. TDM manages communications with its key financial audiences, including institutional shareholders, financial analysts and fund managers through our Corporate Finance and Investor Relations Department, which is led by the Head of Strategic Partnership and Investment and guided by our Investor Relations policy.

These periodic updates are driven through multiple channels of communication and engagement that allow TDM to mitigate any crisis and communicate essential information, as well as to gauge the feedback from both its valued shareholders and the key members of the investment community. Its financial audiences, including institutional shareholders, financial analysts and fund managers are constantly kept abreast of the latest projects, growth and initiatives.

Our quarterly and annual financial result announcements are updated timely and comprehensively on Bursa Malaysia to comply with the Main Market Listing Requirements in accordance with the guidelines of the Malaysian Code on Corporate Governance 2017. These announcements can also be viewed on our corporate website under the Investor Relations portal at https://www.tdmberhad.com.my/investor-relation/

We regularly update our portal with the latest information, including Annual Reports, Quarterly Results, Bursa Malaysia announcements, minutes of Annual General Meetings, and relevant corporate information. For more specific investor-related clarification and feedback, please direct them to investor.relations@tdmberhad.com.my, so that any enquiries and comments from shareholders, investors, analysts, the media and general public can be addressed in a timely manner.

WEBSITE, IR WEBSITE/PORTAL & EMAIL ADDRESS

https://www.tdmberhad.com.my
https://www.tdmberhad.com.my/investor-relation/

investor.relations@tdmberhad.com.my

Number of page visits in 2021	Number of users in 2021	TDM's Share Average Daily Volume 2021 (shares)
130,338	33,614	7.79

Financial Calendar

ANNOUNCEMENT ON QUARTERLY RESULTS

31 MAY 2021	Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2021.
30 AUG 2021	Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2021.
30 NOV 2021	Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2021.
28 FEB 2022	Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2021.

DIVIDEND

17 DEC 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 2021.
20 DEC 2021	Announcement of Notice of Book Closure.
31 DEC 2021	Date of entitlement.
14 JAN 2022	Date of payment.

NOTICE OF ANNUAL GENERAL MEETING/CIRCULATION OF ANNUAL REPORT

28 APRIL 2022

ANNUAL GENERAL MEETING

23 JUNE 2022

The Radiology Departments across KMI Healthcare hospitals provide patients and referring clinicians with a quality diagnostic imaging service in a safe and friendly environment.

Financial Highlights

REVENUE	PROFIT BEFORE TAX	ADJUSTED EBITDA
RM511.6 million	RM81.9million	RM177.5 million
	*Continuing operations	*Continuing operations

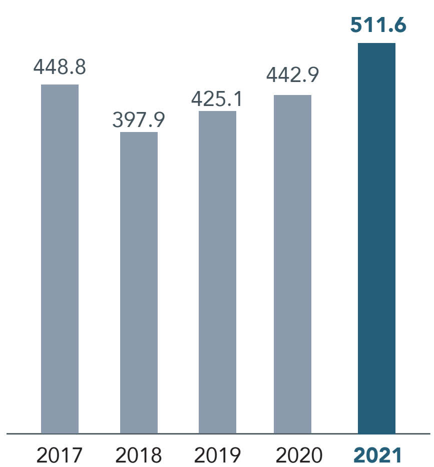
INCOME STATEMENT	2021	2020	2019	2018	2017
Revenue (RM'000)	**511,582**	442,877	425,070	397,947	448,762
Profit/(Loss) Before Tax (RM'000)					
- continuing operations	**81,928**	9,590	(40,385)	(37,586)	(96,877)
Adjusted EBITDA (RM'000)					
- continuing operations	**177,455**	96,385	63,639	35,451	42,798
Profit/(Loss) After Tax (RM'000)					
- continuing operations	**53,682**	1,364	(35,837)	(36,020)	(123,469)
Loss After Tax (RM'000)					
- discontinued operations	**(90,475)**	(12,515)	(174,084)	(82,025)	-
Loss After Tax (RM'000) - Total	**(36,793)**	(11,151)	(209,921)	(118,045)	(123,469)
STATEMENTS OF FINANCIAL POSITION					
Total Assets (RM'000)	**1,744,929**	1,876,872	1,665,214	1,848,121	2,313,607
Total Liabilities (RM'000)	**1,036,151**	1,121,010	924,629	918,228	1,251,256
Shareholders' Equity (RM'000)	**732,140**	770,853	769,724	949,096	1,077,169
KEY FINANCIAL INDICATORS					
PBT/(LBT) Margin (%)					
- continuing operations	**16.01**	2.17	(9.50)	(9.44)	(21.59)
Return on Average Shareholders' Equity (%)					
- continuing operations	**7.14**	0.18	(4.17)	(3.56)	(11.46)
Profit/(Loss) Per Share (sen)					
- continuing operations	**3.21**	0.11	(2.13)	(2.18)	(7.07)
Net Assets Per Share (RM)	**0.41**	0.44	0.44	0.55	0.64
Net Dividends Per Share (sen)	***0.64**	0.52	-	-	0.50
Gearing Ratio (times)	**0.47**	0.48	0.45	0.41	0.47
Current Ratio (times)	**1.38**	1.58	1.35	0.66	0.79
Price to Earnings Ratio (times)					
- continuing operations	**7.01**	322.73	(19.72)	(7.80)	(6.36)
Price to Book Ratio (times)	**0.55**	0.81	0.95	0.31	0.70

**Partly subject to shareholders' approval at the 57th Annual General Meeting.*

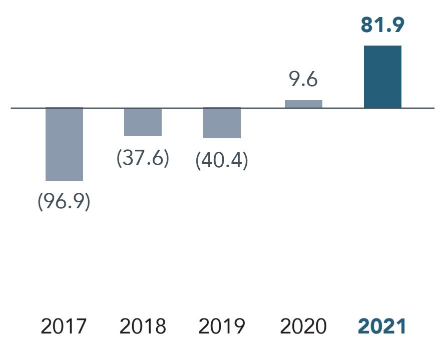
Financial Highlights

TOTAL LIABILITIES	SHAREHOLDERS' EQUITY	TOTAL ASSETS
RM1.0 billion	RM732.1 million	RM1.7 billion

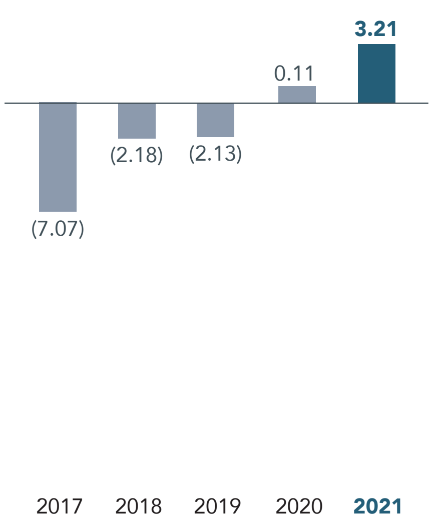
REVENUE
(RM Million)



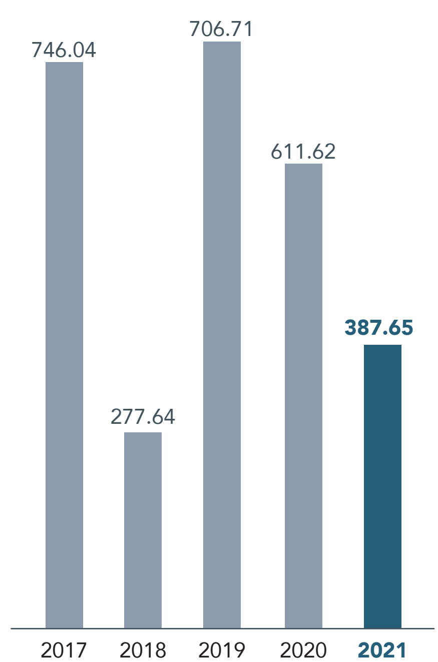
PROFIT/(LOSS) BEFORE TAX
(RM Million)
continuing operations



PROFIT/(LOSS) PER SHARE
(Sen)
continuing operations

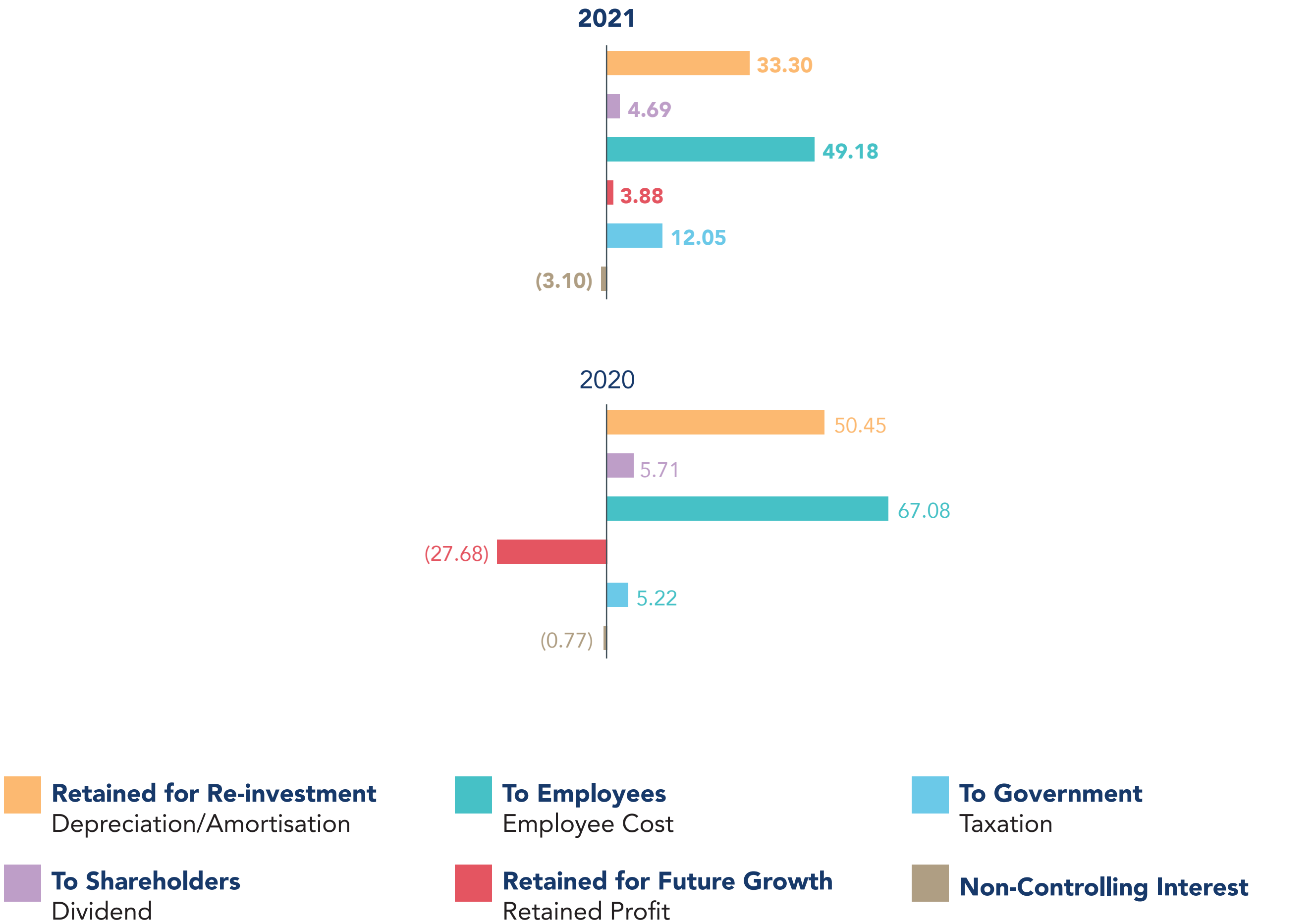


MARKET CAPITALISATION
(RM Million)



Financial Highlights

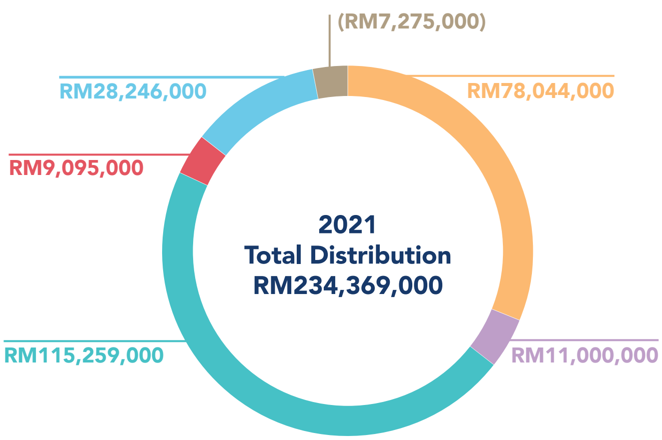
Statement of Value Added
(Percentage %)

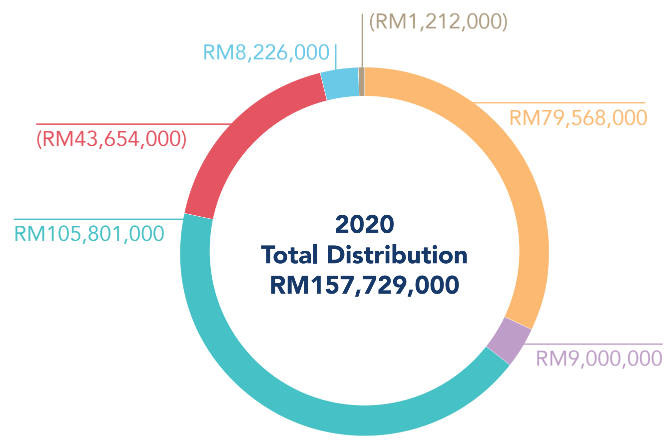


SHARE PERFORMANCE CHART
1 January to 31 December 2021

Financial Highlights

Statement of Value Added





Retained for Re-investment
Depreciation/Amortisation

To Employees
Employee Cost

To Government
Taxation

To Shareholders
Dividend

Retained for Future Growth
Retained Profit

Non-Controlling Interest

Plantation

Profit Before Tax

RM109.0million

2020: RM24.8 million

**From continuing operations*

Healthcare

Profit/(Loss) Before Tax

RM4.9million

2020: (RM7.1 million)

RM'000	2021 RM'000	2020 RM'000
Revenue	**511,582**	442,877
Purchases of Goods and Services	**(316,154)**	(296,604)
Value Added by Group	**195,428**	146,273
Interest Income	**3,016**	2,321
Other Income	**60,701**	31,488
Finance Expenses	**(24,776)**	(22,353)
Value added available for distribution	**234,369**	157,729

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


HB50 FFB

Management Discussion and Analysis

HAJI NAJMAN BIN KAMARUDDIN
Executive Director, TDM Berhad

INTRODUCTION

ASSALAMUALAIKUM WARAHMATULLAHI WABAROKATUH AND SALAM SEJAHTERA.

TDM Berhad (TDM or the Group) closed on a high note for the Financial Year ended 31 December 2021 (FY2021) despite having to overcome adversities since the onset of the COVID-19 pandemic. A sharp resurgence of infections in the first quarter of 2021 caused the reimposition of the Movement Control Order (MCO) nationwide. However, the Group's Plantation and Healthcare Divisions continued operating as both industries were deemed essential to the economic sector.

Despite the challenges as a result of the MCO, we have successfully recorded a 16% increase in Group Revenue and achieved higher profits from the Plantation segment as well as recovery of the Healthcare segment.

Our commitment to delivering added value to our stakeholders, community and the state of Terengganu fuels us through the challenging economic landscape.

INTRODUCTION

An estate worker attending to palm seedlings at the Tayor Estate nursery.

The exponential surge of crude palm oil (CPO) to record prices was the primary factor behind the encouraging results of the Plantation division despite lower production output caused by pandemic-related shutdowns. The strong price rally was due to lower-than-forecast production of CPO compounded by supply chain disruptions amid strong demand from major importing countries as their economies started to ramp up.

The attempt to dispose of the plantation assets in Kalimantan, Indonesia, was aborted in Q3 2021, resulting in steeply-rising losses from the discontinued operations and leading to a total comprehensive loss for TDM during the year in review. However, we are pleased to announce that in Q1 2022, we accepted a new offer for the proposed disposal of the Group's loss-making Indonesian assets. TDM has already impaired the investment of its Indonesian assets since Financial Year 2017 (FY2017), amounting to RM729 million and the Indonesian subsidiaries of the Group have also been classified as assets held for sale since FY2019.

INTRODUCTION

As for the Healthcare division, a substantial rise in outpatient treatment and significantly-higher average revenue per inpatient more than offset a decline in inpatients and occupancy rate. The contribution by private healthcare to combat the pandemic helped ease the burden on the public sector's medical facilities and healthcare workers, which were straining to cope with COVID-19 infections and other common ailments. KMI Healthcare's operations continue to gain traction by providing quality and affordable healthcare through its four community specialist hospitals, with further upside as expansion plans are ongoing.

To mitigate any shortfalls and shortcomings, we continuously focus on addressing the Group's risk appetite in both business segments. We expect to achieve better overall financial performance in FY2022 from FY2021, underpinned by strong performance from our Plantation segment due to the prevailing high CPO price and improved performance from our Healthcare segment.

Stringent COVID-19 SOPs are observed to prevent the further spread of the deadly coronavirus while delivering our healthcare services to the general public.

CONTINUING OPERATIONS

REVENUE
15.5%
RM511.6 million
(2020: RM442.9 million)

EBITDA
65.8%
RM181.7 million
(2020: RM109.6 million)

PBT
8.5x
RM81.9 million
(2020: RM9.6 million)

PAT
39.4x
RM53.7 million
(2020: RM1.4 million)

DISCONTINUED OPERATIONS

LAT
7.23x
-RM90.5 million
(2020: -RM12.5 million)

TOTAL COMPREHENSIVE

LAT
3.78x
-RM31.9 million
(2020: -RM8.5 million)

EBITDA – Earnings Before Interest, Taxes, Depreciation & Amortisation

PBT – Profit Before Tax

PAT/LAT – Profit/Loss After Tax

OUR BUSINESSES

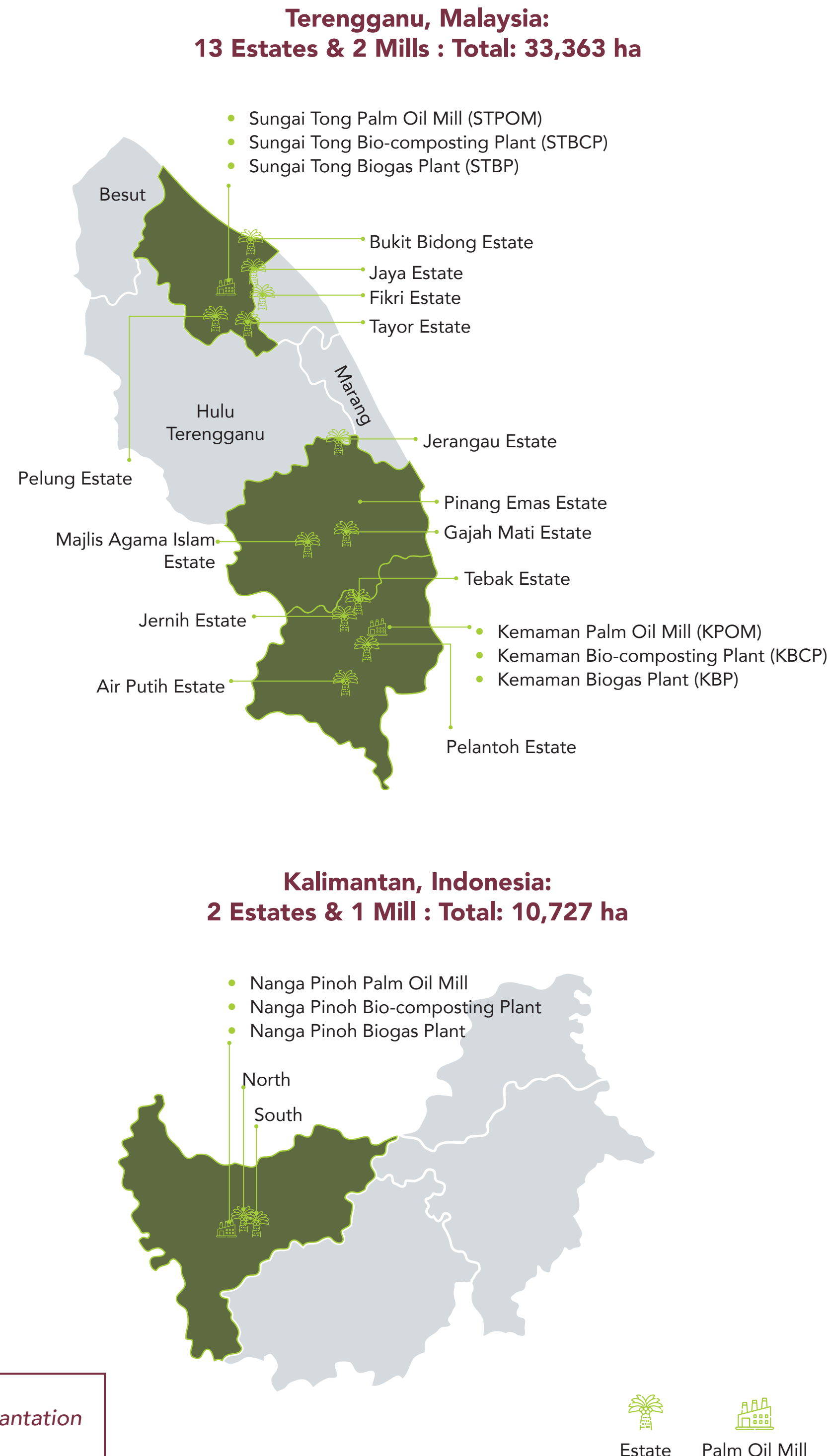
PLANTATION

TDM, through its Plantation arm TDMP, is a premium producer of certified sustainable palm oil (CSPO), operating 13 oil palm estates with a total planted area of 33,363 hectares (ha) and two palm oil mills in Terengganu as well as two estates covering 10,727 ha and a solitary mill in Kalimantan, Indonesia. The Group is committed to profitable and sustainable operations, and is listed on the FTSE Bursa Malaysia Palm Oil Index.

TDMP holds certifications from the RSPO, MSPO and ISCC EU, which recognise our compliance with Economic, Environmental, Social and Governance (EESG) standards in managing estates, and production of CSPO and certified sustainable palm kernel (CSPK).

Pending the intended disposal of the Group's Kalimantan assets, operations are still ongoing for FFB production, registering a 29.55% volume growth in FY2021 from FY2020. However, the mill operations at Nanga Pinoh have been discontinued and the entire FFB lot was sold to a third party for processing.

PLANTATION AND MILLING ASSETS 2021



Please refer to the Group's 5-Year Plantation Statistics on pages 415 - 416.

OUR BUSINESSES

HEALTHCARE

TDM, through its wholly-owned subsidiary KMI Healthcare, is a leading provider of secondary healthcare tailored to the needs of local communities who prioritise affordable cost, quality healthcare and convenience.

As at the close of 2021, the Group operates four medical facilities in the Klang Valley and the east coast of Peninsular Malaysia. In efforts to provide more comprehensive healthcare services to the people along the east coast and to reduce congestion of treatment for heart patients in government hospitals, KMI Kuala Terengganu started operations of its Cardiac Catheterisation Laboratory (Cath Lab) in December 2020. The Cath Lab was built at the cost of approximately RM4 million and was officially launched on 14 December 2021 by YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar, Menteri Besar of Terengganu, and witnessed by YB Dr. Haji Alias Razak, EXCO of Housing, Local Government, Health and Environment of Terengganu.

We successfully launched our very first Cath Lab at KMI Kuantan in 2019, which to date has catered to the increasing number of patients with heart-related issues in the east coast region. Following this success, KMI Kuala Terengganu broke new ground in offering advanced diagnostic and interventional cardiovascular procedures for disease and symptoms, setting a benchmark for other private hospitals in Terengganu. This milestone allows fast access to top-notch invasive, non-invasive and interventional cardiology diagnosis and procedures, representing a significant step in catalysing the State Government's efforts to address the increase in heart disease for the people of Terengganu and the surrounding states.

At the end of FY2021, KMI Healthcare's chain of private hospitals registered a combined capacity of 394 beds and offers essential medical services covering general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics, gynaecology, ENT, dermatology, ophthalmology, urology, anaesthesiology and gastroenterology.

Healthcare Assets 2021
Total: 394 beds

KMI Kuala Terengganu (KMIKT)

121 inpatient
4 day-care
1 HDU*
1 Cath Lab

KMI Kuantan (KMIK)

155 inpatient
18 day-care
3 ICU**
1 Cath Lab

KMI Taman Desa (KMITD)

47 inpatient
2 HDU*

KMI Kelana Jaya (KMIKJ)

42 inpatient
1 HDU*

* HDU - High Dependency Unit
** ICU - Intensive Care Unit

BUSINESS OBJECTIVES AND STRATEGIES

With economic activities focused on the west coast of Peninsular Malaysia, TDM's crucial role is to enable the socioeconomic development of traditionally less-developed regions in the east coast.

Since incorporation, the Group has been an essential platform for supporting micro, small and medium businesses through our ecosystem. While the current operational landscape demands new norms in the wake of the pandemic, including operating through business disruptions and a weakened economy, we continue to fulfil our obligation to empower the locals through the creation of economic and employment opportunities.

While our Plantation operations form a key component of the local industry in Terengganu, our Healthcare arm contributes to the welfare and well-being of residents not only in the east coast, but also in the Klang Valley. However, the SBP was rolled out during a year when the enduring pandemic continued to impact initiatives and

KMI Kuala Terengganu's radiographer performing a computed tomography (CT) scan on a patient.

To grow our business sustainably, the Group has embarked on a five-year (2021–2025) Strategic Business Plan (SBP) towards our 'Vision FY2025' to achieve a combined RM108 million in Profit After Tax (PAT) for the combined Plantation and Healthcare Divisions, and a Group PAT of RM78 million.

BUSINESS OBJECTIVES AND STRATEGIES

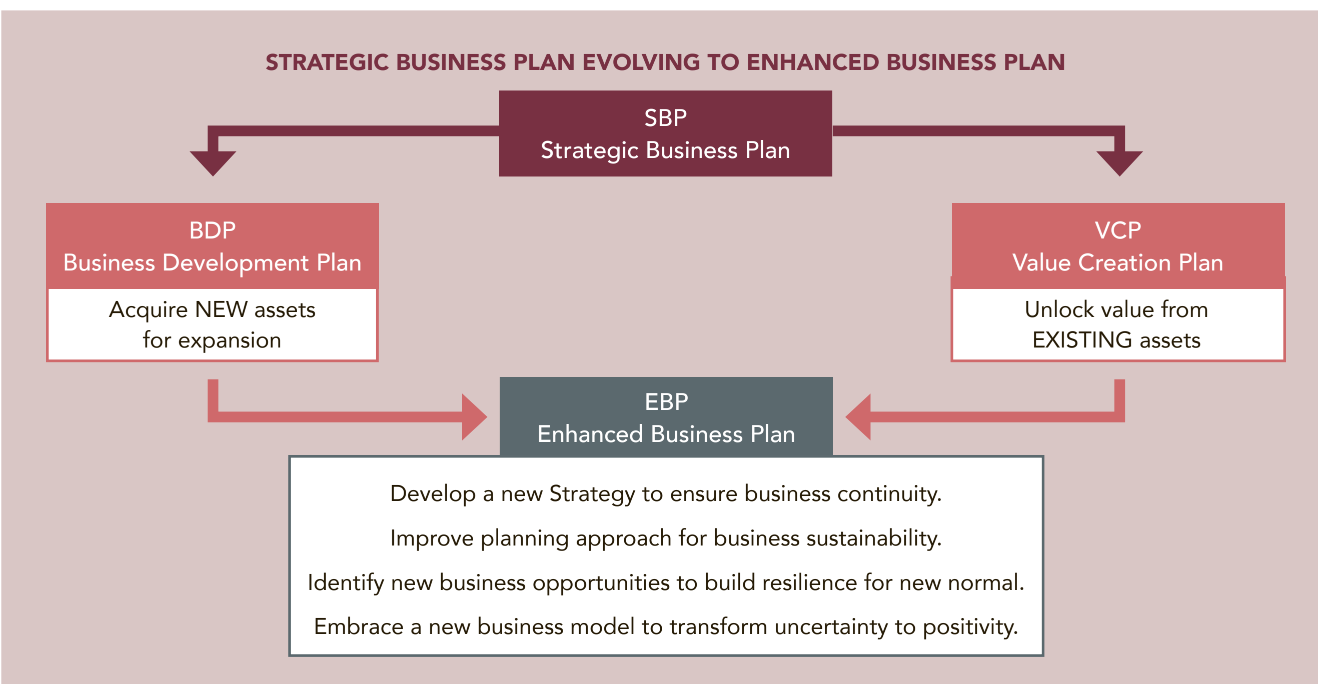
operations. Several initiatives for the Healthcare business had to be deferred when the MCO was reinstated in January and June 2021. Meanwhile, the labour shortage at our plantations became more acute since the nation's borders remained closed to new foreign workers who nominally fill certain non-value added or labour-intensive jobs. Despite efforts to woo locals, the take-up rate was slow as the agricultural industry is labour-intensive, especially in oil palm plantations. Considerations in increasing local youth participation in the plantation sector include improving the working environment, job status, facilities, and benefits.

To address such scenarios, we constantly reviewed the overarching SBP throughout FY2021 to update its components: Business Development Plan (BDP) and Value Creation Plan (VCP). Our regular assessment resulted in an Enhanced Business Plan (EBP), which introduced new measures to strengthen and support its original direction and intentions, as shown in chart.

Over and above the migration of the SBP to the EBP, the Group proceeded with implementing the Business Continuity Plan (BCP) and Business Recovery Plan (BRP), formulated the year before in response to the negative impact of the pandemic.

Among the imperatives are to rapidly recover revenue by:

- capitalising on new business opportunities;
- rebuilding operations in preparation for a post-pandemic work environment, which is likely to include a hybrid model combining and complementing work-from-office with work-from-home; and
- accelerating digital adoption in production and delivery of services such as the introduction of Smart Healthcare.



BUSINESS OBJECTIVES AND STRATEGIES

STRATEGIC BUSINESS PLAN: EXISTING TARGETS FOR 2025

TARGETS

PLANTATION		HEALTHCARE	
PAT RM74 million	**PAT Oil Palm:** RM67 million	**PAT** RM34 million	**Beds** 1,121 beds (from Greenfield and Brownfield investments).
PAT Agri-Commodity Business: RM7 million	>10% PAT Margin	**GP Margin** 30% - 32%	**PAT Margin** 5% - 10%
RM1,600 Production Cost (net)	556,455 MT FFB (including OCP of 145,000 mt)	48,514 No. of Inpatients	402,501 No. of Outpatients

PLANS

Plantation

- To increase production volume and yield of FFB and OCP.
- To reduce production costs.
- To reduce cost of oil palm maturity.
- VCP - Increase Revenue from Biogas plants.
- Revenue stream from Agri-Commodity Business.

Healthcare

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

PAT - Profit After Tax
OCP - Outside Crop Purchase
FFB - Fresh Fruit Bunches
GP - Gross Profit

- **Plantation**
  Under the plans, TDMP will prioritise operational efficiency through various measures, including the mechanisation of estate operations, improvements to mill throughput as well as cost efficiency by creating greater synergy between transportation of FFB and milling activities. In addition, the division will also explore prospective revenue streams such as the generation of solar power as Feed-in-Tariff (FiT) to the national electricity grid.

Management Discussion and Analysis

BUSINESS OBJECTIVES AND STRATEGIES

- **Healthcare**
  The digitalisation of the Healthcare business continues to be a key strategy. We focus on achieving an overall better customer experience, leveraging a 'Smart Healthcare' approach via cloud technologies and further diversification into web-based tools. The implementation of a new digital queueing system, which addresses the patient from the house right up to the medical facility is one example of improving the efficiency of the business and at the same time providing a better experience to the patient.

  Another area of focus is for KMI Healthcare to shift towards an asset-light strategy to scale-up new hospitals moving forward. This will involve leasing and the sale-leaseback of premises that can assist capital raising for brownfield (takeover of established medical facilities) acquisitions and greenfield (building from scratch) developments. KMI Healthcare envisions that this leasing-based strategy will enable the Group to meet the forecasted demand with a reduced lead time and concurrently, provide the flexibility to manoeuvre through regular fluctuations in lease pricing.

Our team of medical specialists perform surgical procedures with the latest high-tech medical equipment.

PROPOSED DISPOSAL OF LOSS-MAKING INDONESIAN ASSETS

At the time of reporting, TDM has accepted a new offer for the proposed disposal of the Group's and the minority shareholder's entire equity interest in our Indonesian subsidiary companies, PT Rafi Kamajaya Abadi (RKA) and PT Sawit Rezeki Abadi (SRA). Announced on 21 March 2022, the offer by Ikhasas CPO Sdn Bhd (Ikhasas) is for an aggregate cash consideration of RM115.0 million, including an earnest deposit of RM2.3 million to acquire 93.75% and 95% of RKA and SRA, respectively.

Ikhasas is a Malaysian private limited company with principal activities involving investment in the palm oil business as well as trading and exporting of palm-based products. The two loss-making subsidiaries have been unprofitable since their incorporation and are not expected to be profitable in the near term. The proposed disposal allows TDM and its subsidiaries to exit its Indonesian operations and focus its resources on its Malaysian operations.

The acceptance of the offer letter allows the parties to negotiate exclusively during the exclusivity period and sets out the understanding and intention of the parties. The offer shall be conditional on TDM and disposal companies fulfilling certain agreed specific conditions within six months from the date of TDM's acceptance of the offer or at a more extended period as may be agreed between the parties.

BUSINESS OBJECTIVES AND STRATEGIES

CORPORATE EXERCISES

During the year in review, the Group undertook several corporate exercises to expand its Healthcare business and extend its Healthcare footprint across other parts of Malaysia.

ACQUISITION OF TAWAU SPECIALIST HOSPITAL

On 30 September 2021, KMI Healthcare's wholly-owned subsidiary KMI Tawau Medical Centre Sdn Bhd entered into agreements with TSHSB to acquire the operations of TSH under a Business Transfer Agreement for a total consideration of RM8 million and sub-lease of the building under a separate Sub-Lease Agreement for a period of 15 years with a renewable option for a further 15 years.

The acquisition and sub-lease are in line with KMI Healthcare's brownfield development and asset-light strategies to diversify its operations and offer quality, affordable healthcare to other parts of Malaysia. Upon acquisition, TSH will be renamed KMI Tawau Medical Centre as part of KMI Healthcare's rebranding move across its network of specialist hospitals. As at the time of reporting, the acquisition process is still ongoing.

PARTNERSHIP WITH LOCAL AUTHORITY TO BUILD HOSPITAL IN CHUKAI, KEMAMAN, TERENGGANU

On October 2021, KMI Healthcare, through its wholly-owned subsidiary KMI Chukai Medical Centre Sdn Bhd (KMI Chukai), signed an MoU with MPK to develop a first-ever private specialist hospital in Chukai, Kemaman. The proposed greenfield development marks a synergistic partnership between KMI Healthcare and MPK to provide a network of Shariah-compliant hospitals to serve the local community. Under the joint venture, KMI Healthcare will construct a specialist hospital on a 5.4-acre piece of land to house 100 beds and other facilities. Construction is expected to begin early next year and is slated to be operational by 2025.

KMI Healthcare CEO Dr. Rayney Azmi Ali spoke at the Signing of Agreements event for the acquisition of TSH.

An innovative partnership between KMI Healthcare and MPK to provide healthcare facilities for the well-being of communities in the Kemaman District and surrounding areas.

BUSINESS OBJECTIVES AND STRATEGIES

ACCOLADES

We externalise our vision to create sustainable value for our stakeholders in all we do. Being mindful of our responsibilities, TDM is an integral part of our stakeholders' lives, whether in business dealings or community development and upliftment programmes. Competition in the industries where we operate has indeed intensified over the years, buoyed by the adverse consequences of the pandemic. However, the pandemic has presented us with the opportunity to become more efficient and edge out weaker practices.

With the unwavering support of our stakeholders, particularly our employees, customers and shareholders, we have achieved progress, both incremental and architectural, in both the Plantation and Healthcare Divisions since our inception. As such, our accomplishments honour our people and all our stakeholders for their exceptional contribution to the Group. During the year in review, TDM was conferred awards and recognitions of distinction, stamping its mark as a resilient, trustworthy and sustainable Group.

TDM was named Company of the Year (Plantation & Healthcare) at the Sustainability and CSR Malaysia Awards 2021 for championing exemplary COVID-19 support and animal welfare initiatives.

On the other hand, TDMP emerged as the first plantation company in Terengganu to be certified with the ISCC EU while KMI Kuantan achieved silver at the AIGA 2020 awarded in 2021.

From left: KMI Kuantan's AIGA 2020 Silver Award, TDM's Company of The Year Award and TDMP's ISCC EU certification.

HUMAN CAPITAL

Human capital remains central to the Plantation and Healthcare Divisions. TDM's direction with the progressive mechanisation of plantation operations and digitalisation of healthcare services has steered the Group towards retraining staff to excel at other value-added job scopes. If the role is specialised, such as the case in many of the healthcare job scopes, we will ensure proper incentives to maintain a high employee retention rate. In summary, we abide by the Group's recruitment policies and procedures with a strong commitment to embracing positive changes to strengthen our talent pool at all levels and at the same time, unlock the potential of our human capital to be more adaptive, resilient and high performing.

As for management personnel, the Group sets out to identify capable, visionary and innovative minds externally and internally to build a high-calibre talent pool and support succession planning.

HUMAN CAPITAL RECRUITMENT AND RETENTION PHILOSOPHY

1. Making the recruitment procedure as transparent, fair and consistent as possible.
2. Following a clearly structured and equal selection process for each applicant.
3. Carrying out interviews by trained staff on specific subject matters.

ADDRESSING THE LABOUR SHORTAGE

As labour shortage was one of the primary reasons for the lower output at our plantations in FY2021, resolving this issue has become a priority for TDMP in the bid to ramp up production.

During pre-pandemic times, harvesting jobs at our plantations were almost or entirely taken up by foreign workers due to the aversion of locals to what they perceive to be dangerous, dirty and difficult (3D) work. Instead, locals preferred to gain employment as general workers, two scenarios reflected by the foreign/local split highlighted in the table on page 39.

Harvesting of FFB by a worker at one of our estates.

HUMAN CAPITAL

The pandemic, however, had a profound effect on foreign resource employment in Malaysia due to the outflux of foreign workers who returned home during these uncertain times, and partially due to Government-imposed restrictions. The closure of Malaysian borders prevented foreign workers who had left the country or new workers from entering Malaysia. This predicament was faced by certain critical sectors, including plantation, throughout 2021, which hampered harvesting and general work categories up to Q4 2021 when the Government reopened borders.

PLANTATION JOBS: FOREIGNERS VERSUS LOCALS

	FOREIGN	LOCAL
HARVESTERS	**709** 2020: 885 2019: 1,070	**167** 2020: 23 2019: 0
GENERAL WORKERS	**334** 2020: 554 2019: 588	**1,274** 2020: 1,069 2019: 676

In response to the critical situation, TDMP carried out a campaign to attract locals as replacement harvesters throughout FY2020 and FY2021. As the initial strategy of hiring young and single local males did not pan out, the company then targeted family men aged 30 and above who were deemed more responsible.

In order to promote this line of work as well as to reduce the attrition rate, we offered locals attractive remuneration and other benefits including various allowances, productivity incentives, housing for families, meals, medical services and many others. In addition, we also reached out to local fishermen looking for work in the off-season and the *orang asal* in our community.

As a result, locals outnumbered foreigners at 1,441 to 1,043 by the end of the financial year although foreign workers continued to dominate harvesting jobs.

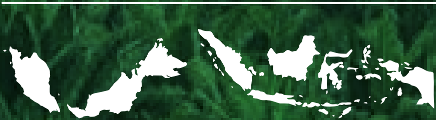
A line-up of local workers at the Jaya Estate.

Management Discussion and Analysis

Total Equity
RM732.1
million

Total Assets
RM1.74
billion

Cash
RM194.4
million



Group's Plantation Landbank
59,205.59
ha (Malaysia & Indonesia)

3
Mills, Bio-composting Plants & Biogas Plants

4 Community Specialist Hospitals

394
bed capacity

Oil Palm Planted

Malaysia
33,363 ha

Indonesia
10,727 ha

TDM is supported by a team of highly trained professionals with expertise in:

Plantation: Agronomy, GIS* & Drone Operation, Mill Engineering, Oil Palm Plantation, and Microbiology on top of other plantation-related expertise.

Healthcare: Orthopaedic, Paediatrics, General Surgeon, O&G*, and Physicians on top of other healthcare-related expertise.

Existing land allocated for cash crop **23** ha

Pineapple **15** ha

Chilli **8** ha

4,067
Employees

Male
65.9%

Female
34.1%

** GIS - Geographic Information System*
** O&G - Obstetrics and Gynaecology*

TDMP's MSPO, RSPO and ISCC EU certified estates in Terengganu.

General Workers at Plantations

Local Workers
1,441

Foreign Workers
1,043

Healthcare Business:

KMI Healthcare is strategically positioned to become the Trusted Healthcare Provider of Choice with its highly accessible locations and line-up of medical experts with various specialties.

Plantation Business:

- RSPO member since 2011 with almost all plantations in Malaysia fully certified since 2013. All estates and mills in Malaysia are also MSPO certified.
- First plantation company in Terengganu to receive the ISCC EU certification.
- MSQH* accreditation to be attained by all hospitals, starting with KMI Kuantan.
- Conservation initiatives for the best interest of the environment - War on Waste Programme, River of Life Programme, and Living Together with Elephants.
- 5P - People, Planet, Prosperity, Peace and Partnership - inspired CSR and engagement initiatives with focus areas on community, education, entrepreneurship, environment and health.

<u>Upstream Activities</u>

<u>Estate</u>

- Planting of oil palm and harvesting of FFB.
- Ramping up replanting programme.
- Applying innovation in operations through mechanisation.

<u>Mill</u>

- CSPO & CSPK
- Utilising new technology and mill automation.
- Embarking on renewable energy projects via biogas plants.

<u>Cash Crop</u>

- Maximising land usage through agri-commodity projects to increase potential growth.

** MSQH - Malaysian Society for Quality in Health*

REVIEW OF FINANCIAL PERFORMANCE

REVENUE

For the year ended 31 December 2021, Group Revenue grew by 15.5% to RM511.6 million from RM442.9 million the year before. This marked increase was achieved on the back of double-digit gains by both the Plantation and Healthcare Divisions.

Higher prices for CPO as well as PK during the reporting period drove sectorial revenue from Plantation to RM287.3 million from RM240.3 million previously (increase of 19.6%) while higher returns per patient and an increase in the number of outpatients boosted revenue from Healthcare to RM224.3 million from RM202.6 million in FY2020 (increase of 10.7%).

Share of Group Revenue increased to 56.2% for the Plantation business (FY2020: 54.3%), with the corresponding proportion from the Healthcare segment dropping to 43.8% (FY2020: 45.7%).

Group Revenue
15.5%
RM511.6 million
2020: RM442.9 million

Plantation
19.6%
RM287.3 million
2020: RM240.3 million

Healthcare
10.7%
RM224.3 million
2020: RM202.6 million

Share of Group Revenue

Plantation
56.2%
2020: 54.3%

Healthcare
43.8%
2020: 45.7%

REVIEW OF FINANCIAL PERFORMANCE

PROFITS/LOSSES

The Group achieved an EBITDA of RM181.7 million against RM109.6 million previously, representing a considerable jump of 65.8%. EBITDA for the Plantation business grew by 96.5% to RM176.5 million (FY2020: RM89.8 million) and the Healthcare segment by 79.4% to RM23.6 million (FY2020: RM13.1 million), but their combined contributions were impacted by a negative EBITDA for investments of -RM18.3 million in FY2021 as compared with RM6.7 million the year before.

PBT for the Group was RM81.9 million, which amounted to 8.5 times the corresponding figure of RM9.6 million in FY2020. Gains in PBT achieved by Plantation (RM108.9 million from RM24.8 million) and Healthcare (RM4.9 million from -RM7.1 million) were partially offset by growing losses in investment holding amounting to -RM31.9 million (2020: -RM8.2 million). It should be noted that the LBT from investment holding in FY2020 was lower due to the inclusion of a Gain on Bargain Purchase of RM17.9 million from the acquisition of TDM-YT Plantation Sdn. Bhd. during that period.

EBITDA
65.8%
RM181.7 million
2020: RM109.6 million

Plantation
96.5%
RM176.5 million
(2020: RM89.8 million)

Healthcare
79.4%
RM23.6 million
(2020: RM13.1 million)

Meanwhile, Group PAT moved into the black at RM53.7 million against RM1.4 million previously. As with PBT, the growth in sectorial PAT across both businesses was impacted by investment losses of RM31.3 million during the reporting period. PAT for Plantation was RM80.7 million (FY2020: RM12.6 million) and RM4.4 million (FY2020: RM4.7 million) for Healthcare.

Losses from the discontinued operations at our Kalimantan plantations deepened in FY2021 to a LAT of -RM90.5 million from -RM12.5 million in the previous financial year. The substantial impairment has resulted from a lower-than-expected offer price for their proposed disposal accepted by TDM on 21 March 2022. This financial scenario led to a total comprehensive LAT of -RM31.9 million for the Group as compared against -RM8.5 million in FY2020. As a result, Loss Per Share (LPS) increased to -1.71 sen from -0.58 sen the year before.

REVIEW OF FINANCIAL PERFORMANCE

DIVIDEND

The Board of Directors (the Board) has declared a total interim and final dividend of 0.64 sen per share for FY2021, subject to shareholders' approval at the forthcoming 57th Annual General Meeting. The Board's decision to issue dividends despite the Group's total comprehensive loss is based on significant gains achieved in TDM's continuing operations. However, the total quantum compared to the previous financial year's dividend of 0.52 sen per share represents the Board's recognition that our financial position was nevertheless affected by our discontinued operations in Kalimantan. For the record, TDM has a policy to share a minimum 30% of Profit After Tax and Minority Interests (PATAMI) with our shareholders.

MARKET CAPITALISATION

Market capitalisation for TDM dropped to RM387.6 million at the end of the reporting period based on the closing price of RM0.225 per share as of 31 December 2021. The corresponding figures for FY2020 were RM611.6 million and RM0.355 per share, respectively. The higher share price in the previous year was due to market anticipation of better financial returns from rising CPO prices and an expected loosening of pandemic-related restrictions.

SHAREHOLDERS' EQUITY & TOTAL ASSETS

Shareholders' Equity for the Group amounted to RM732.1 million at the close of FY2021, dropping 5.0% from RM770.9 million in the previous period. Similarly, Total Assets also dipped by 7.0% to RM1.74 billion as compared with RM1.88 billion the year before, with our cash balance at a healthy RM194.4 million despite decreasing from RM232.9 million at the end of FY2020. Net Assets Per Share was slightly lower at 0.41 sen against 0.44 sen previously.

Total Interim and Final Dividend
0.64 sen
2020: 0.52 sen

PATAMI
30%

Market Capitalisation
RM387.6 million
2020: RM611.6 million

RM0.225 per share
2020: RM0.355 per share

Shareholders' Equity
5.0%
RM732.1 million
2020: RM770.9 million

Total Assets
7.0%
RM1.74 billion
2020: RM1.88 billion

REVIEW OF FINANCIAL PERFORMANCE

OTHER FINANCIAL INDICATORS AND MATTERS

Return on Equity

The Group achieved a Return on Equity (ROE) of 7.14% during the year in review, which was an improvement of 40.33x over the previous year.

Finance Costs

TDM incurred moderately higher finance costs of RM24.8 million from RM22.4 million in FY2020 owing to new revolving credit facilities for plantation and acquisition of assets on hire purchase.

Tax

The Group incurred taxation charges of RM28.2 million (FY2020: RM8.2 million) based on the substantially higher profits by both the Plantation and Healthcare Divisions as well as the one-off sub-lease income recognised during the year in review.

Gearing

The gearing ratio was at 0.47x (FY2020: 0.48x), with total borrowings dropping to RM490.4 million against RM498.9 million the year before. The Group took up the six-month moratorium under the Government's PEMULIH stimulus package from November 2021 to April 2022.

We have set the desired ceiling of 0.60x for our gearing in order to balance investment for growth and exposure in an uncertain operating environment. With the expected disposal of our Kalimantan plantation assets, TDM's gearing is expected to decline further to 0.45x. This will provide us with the latitude to leverage financing for business expansion apart from meeting our oil palm tree replanting needs.

Capital Management Plan (CMP)

With cash and cash equivalent amounting to RM147.6 million, the Group is ideally poised to invest further to improve current and future yield from our plantations as well as expand our healthcare capacity via greenfield and brownfield ventures. In addition, TDM can leverage on its relatively low gearing to fund any future acquisitions through borrowings.

At the same time, the availability and capability of a strong cash position underpins our ability to weather any adverse circumstances arising from external events that are beyond our direct control or influence such as the enduring pandemic and the conflict that broke out between Russia and Ukraine in February 2022.

Management Discussion and Analysis

REVIEW OF OPERATIONS

PLANTATION DIVISION

The Plantation Division staged a strong performance in FY2021 on the back of record prices for CPO and also PK. Segmental revenue grew by 19.6% to RM287.3 million (FY2020: RM240.3 million) and EBITDA soared by almost double (96.5%) to RM176.4 million from RM89.8 million the year before.

Revenue
19.6%
RM287.3 million
(2020: RM240.3 million)

EBITDA
96.5%
RM176.4 million
(2020: RM89.8 million)

A worker at the Bukit Bidong Estate operating a Land Surf Crawler to transfer FFB.

TDM'S MALAYSIAN PLANTATIONS: NUMBERS AT A GLANCE

CPO Production (mt)
26%
61,651 mt
(2020: 82,814 mt)

Mature Area (ha)
4%
24,592 ha
(2020: 25,534 ha)

PK Production (mt)
18%
14,907 mt
(2020: 18,101 mt)

Immature Area (ha)
10%
8,771 ha
(2020: 7,986 ha)

FFB Production (mt)
20%
315,167 mt
(2020: 393,581 mt)

OER
2%
19.14%
(2020: 19.49%)

CPO Average Selling Price (RM)
58%
RM4,447
(2020: RM2,822)

KER
9%
4.64%
(2020: 4.26%)

PK Average Selling Price (RM)
77%
RM3,007
2020: RM1,697

TDM'S INDONESIAN PLANTATIONS: NUMBERS AT A GLANCE

FFB Production (mt)
30%
8,207 mt
(2020: 5,782 mt)

CPO – crude palm oil
PK – palm kernel
FFB – fresh fruit bunches
OER – oil extraction rate
KER – kernel extraction rate

REVIEW OF OPERATIONS

Our average selling prices for CPO and PK were higher by 58% and 77%, respectively, which partially glossed over the lower sales volume of both commodities (decrease of 26% and 19% respectively) during the year in review.

Key production metrics were down across the board with the harvest of FFB dropping by 20% and the oil extraction rate (OER) dipping marginally to 19.14% due to several reasons, including the temporary closure of both palm oil mills for COVID-19 prevention, flooding at one of our plantation estates and particularly, the persistent shortage of harvesters.

To address such issues, we are accelerating mechanisation at our plantations and implementing an aggressive replanting programme to achieve an ideal balance between old, matured and young oil palm trees for optimum output.

Meanwhile, current estate rehabilitation efforts in Kalimantan are progressing well in anticipation of our divestment of plantation assets in Indonesia, as per the announcement dated 21 March 2022, where TDM has accepted an offer by Ikhasas Sdn. Bhd.

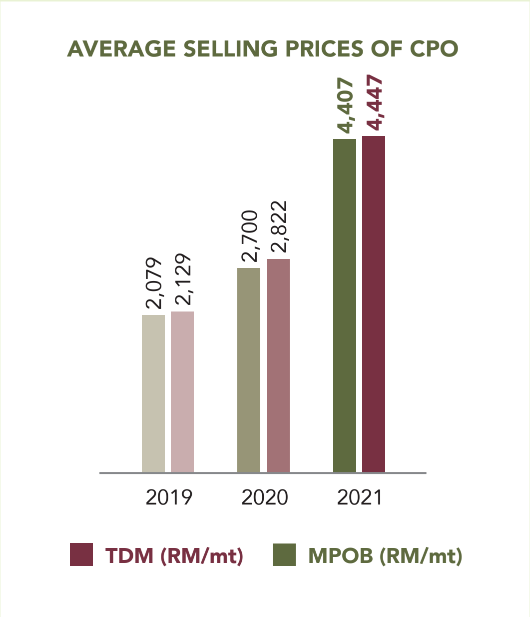
Commodity Prices and Market Scenario

CPO prices hit historic highs in 2021 with the pandemic disrupting and dampening supply amidst an ever-growing global demand for edible oil. Similarly, prices of other vegetable oils, such as sunflower oil, soya oil, rapeseed and canola oils shot up across the board, providing support for the rise in CPO prices that jumped past RM7,000 per mt for the first time following Russia's invasion of Ukraine in February 2022. CPO futures contracts for April 2022 rose RM533 to RM6,786 per mt, whereas the benchmark May 2022 contracts went up RM476 to close at RM6,458 per mt.

CPO production from Indonesia and Malaysia, which collectively accounts for approximately 85% of world output, was lower than forecast (albeit higher than 2020) and kept monthly closing stocks at relatively suppressed levels. In addition, the reduction of import duty on refined, bleached and deodorised (RBD) palm oil on four separate occasions by the world's largest importer of edible oil, India, stoked heightened demand for CPO exports.

As a result, the Malaysian Palm Oil Board (MPOB) recorded an average selling price of RM4,407 per mt during the reporting period with prices reaching a daily high of RM5,429 per mt in November 2021.

In TDMP's case, we achieved a higher average selling price of RM4,447 per mt as compared to MPOB on account of our premium CSPO stock (RM4,571 per mt) which constituted 78% of total sales. Our non-premium stock was sold at an average of RM4,359 per mt.



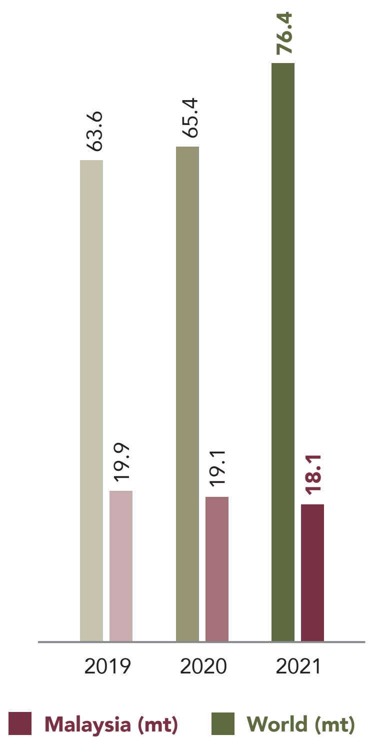
Management Discussion and Analysis

REVIEW OF OPERATIONS

Production

Despite the lower-than-expected output from Indonesia and Malaysia, global production of CPO increased by 16.8% to 76.4 million mt in 2021. In contrast, Malaysian production fell 5.3% to 18.1 million mt from 19.1 million mt the year before.

GLOBAL AND MALAYSIAN PRODUCTION OF CPO



TDMP produced 26% less CPO at 61,651 mt (2020: 82,814 mt). Likewise, our production of PK also dropped by 18% to 14,907 mt (2020: 18,101 mt).

The lower CPO and PK returns resulted from a markedly lower harvest of FFB, which was compounded in the case of CPO by a marginally reduced OER. FFB production fell to 315,167 mt (FY2020: 393,581 mt) due to the following events:

10 days
1 – 10 June 2021

The Sungai Tong Palm Oil Mill was shuttered for 10 days (1 – 10 June 2021) after workers came in close contact with COVID-19 positive cases among counterparts and contractors from our adjacent biogas plant.

The Kemaman Palm Oil Mill was closed for 45 days (6 July – 13 August 2021) under an Enhanced Movement Control Order (EMCO) for the district.

45 days
6 July – 13 August 2021

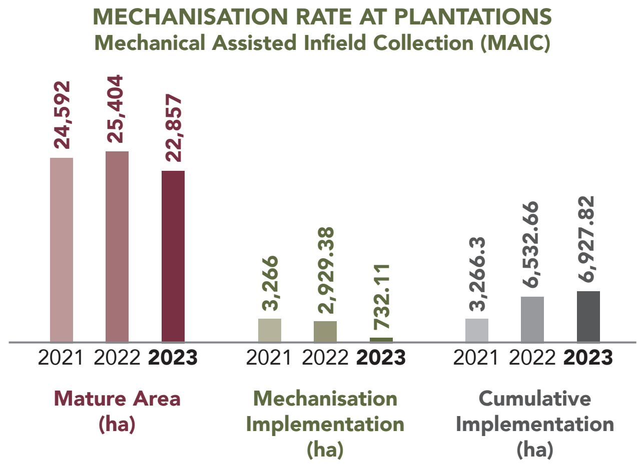
A sizeable portion (70% of the mature area) of the Bukit Bidong Estate was flooded in December 2021 during the monsoon season in the east coast.

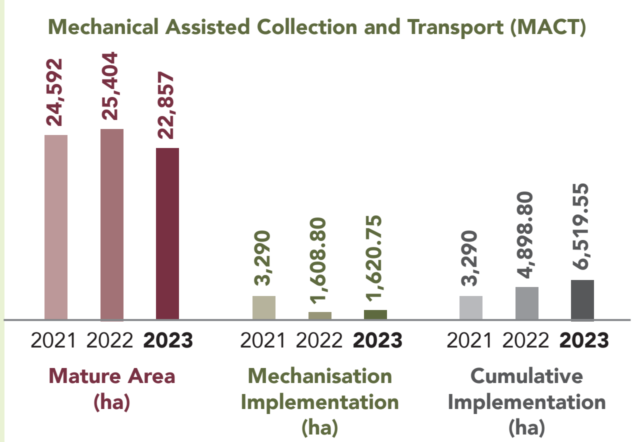
The floods also affected the quality of crops, leading to a lower OER.

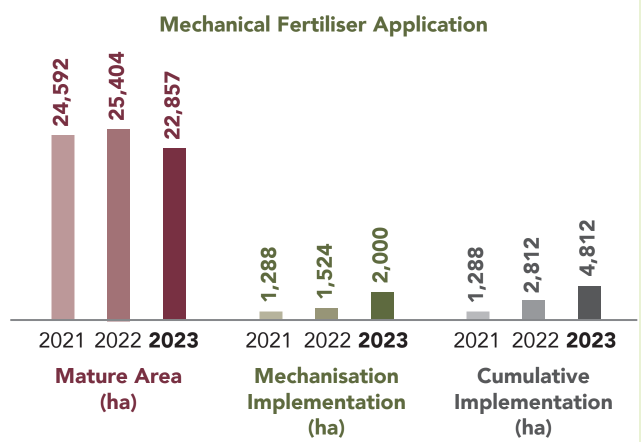
Our plantations faced a shortage of skilled harvesters following the closure of Malaysia's borders and suspension of foreign labour intake as foreign workers who had returned home were unable to return.

REVIEW OF OPERATIONS

INCREASING MECHANISATION







As a response to the labour shortage following the onset of the pandemic, TDMP introduced a mechanisation drive at our estates beginning in Q3 2020 by purchasing seven units of mechanical buffalo for the evacuation and transportation of FFB.

The subsequent increase in productivity and cost savings prompted us to accelerate this programme. As at the end of the reporting period, we have successfully introduced mechanisation to an estimated 3,000 ha representing 12% of our mature area and 7% of our total planted area. The table on this page outlines the projection of mechanisation levels at our estates until 2023.

REVIEW OF OPERATIONS

TDMP recognises that strategic elements like automation, innovation, and mechanisation are crucial to ensure business resiliency, continuity, and growth. TDMP continued collaborating with Edaran Badang Sdn Bhd (EBSB), a subsidiary of Kulim (Malaysia) Berhad, to accelerate mechanisation at our estates through EBSB's supply of mechanical buffalos. Mechanised harvesting has contributed immensely to in-field FFB collection, reducing the arduous labour of workers in non-hilly terrains.

The management of TDMP welcomed a delegation visit from EBSB and Kulim to further enhance the adoption of mechanisation across its estates.

Efficient FFB evacuation using the mechanical buffalo.

REVIEW OF OPERATIONS

MoU signing between TDMP & TATIUC.

From left: Former TDM Plantation Advisor Jalaini Che Kar, TDMP Chief Executive Officer Hamdan Ibrahim, TATIUC Rector Professor Dr. Anuar Ahmad and TATIUC Deputy Rector (Academic & Internationalisation) Associate Professor Ts. Dr. Rosliza Ramli.

In seeking to drive productivity and growth of its plantation ecosystems and ensure that adequately identified support is in place, TDMP inked an MOU with TATI University College (TATIUC) on 2 December 2021 to elevate its productivity and operations through expertise sharing of mechanisation technology and innovation. This collaboration enables TDMP and TATIUC to leverage each other's respective expertise and strengths. In a mutual and agreed responsibility towards the partnership, TATIUC will provide all the necessary support and advice concerning innovation and mechanisation of plantation operation activities, organisation of symposia, conferences, short courses and meetings, and sharing of research outcomes for the commercial benefit for both parties and any other areas of cooperation mutually agreed upon. This augurs well for TDMP in addressing its dependency on labour-intensive work.

Scheduled and unscheduled preventive maintenance to properly monitor machinery at all our plantations have already been established as part of Good Agricultural Practices (GAP) requirements. Apart from this, we utilise the Geographic Information System (GIS) and Global Positioning System (GPS) for our oil palm tree replanting design.

52 TDM Berhad Driving Progress Towards Sustainable Growth

REVIEW OF OPERATIONS

Tree Age Profile and Replanting

Our on-going programme to manage the age profile of oil palm trees encountered pandemic-related roadblocks in FY2021 with the replanting of only 2,123 ha or 6.4% (FY2020: 2,751 ha or 8.2%) of our total planted area.

Introduced in 2012, the programme sets out to lower the average age to 12 in order to sustain optimum yields and quality of FFB year after year. At the close of the financial year, mature trees covered a combined 35,319 ha at our estates in Malaysia as well as Kalimantan. The cumulative area for immature trees was 8,771 ha.

AGE PROFILE OF OIL PALM TREES

Profile/Age (years)	Malaysian Plantations **33,363 ha** 2020: 33,520 ha 2019: 31,295 ha	Indonesian Plantations **10,727 ha** 2020: 10,727 ha 2019: 10,727 ha
Very Old (25 and >)	**3,042 ha** 2020: 3,014 ha 2019: 4,419 ha	-
Old (21 – 25)	**10,347 ha** 2020: 10,276 ha 2019: 10,086 ha	-
Prime-old (16 - 20)	**3,106 ha** 2020: 3,999 ha 2019: 3,701 ha	-
Prime-Young (11 – 15)	**1,941 ha** 2020: 1,504 ha 2019: 3,339 ha	**1,274 ha** 2020: - 2019: -
Young (4 – 10)	**6,156 ha** 2020: 6,741 ha 2019: 4,796 ha	**9,453 ha** 2020: 9,548 ha 2019: 9,548 ha
Immature (0 – 3)	**8,771 ha** 2020: 7,986 ha 2019: 4,954 ha	- 2020: 1,143 ha 2019: 1,143 ha
		Grand Total **44,090 ha** 2020: 44,247 ha 2019: 42,022 ha

REVIEW OF OPERATIONS

HEALTHCARE DIVISION

The Healthcare Division under KMI Healthcare performed commendably in FY2021, generating higher revenue and growing EBITDA by a considerable margin in tandem with the phased reopening of the economy and lifting of social restrictions during the second half of the year.

Revenue
10.7%
RM224.3 million
2020: RM202.6 million

Segmental revenue was up by 10.7% at RM224.3 million against RM202.6 million the year before while EBITDA increased by 79.4% to RM23.6 million from RM13.1 million in FY2020. The division also achieved a positive PBT of RM4.9 million as compared to a Loss Before Tax (LBT) of -RM7.1 million previously.

EBITDA
79.4%
RM23.6 million
2020: RM13.1 million

HEALTHCARE: NUMBERS AT A GLANCE

No. of Inpatients	5%	17,135	2020: 18,063
No. of Outpatients	24%	186,645	2020: 151,007
Inpatient Days	16%	48,775	2020: 58,287
Occupancy Rate (%)	17%	35%	2020: 41%
Average Length of Stay (Days)	12%	2.85	2020: 2.91
Number of Beds		394	2020: 394
Average Revenue per Inpatient (RM)	13%	9,205	2020: 8,146

The higher average revenue per inpatient (13%) and the number of outpatients (24%) contributed to the better results, which were more than sufficient to counterbalance the decline in other metrics such as the number of inpatients, inpatient days and bed occupancy rate. We constantly strive to fulfil the needs and demands of the current healthcare appetite. In view of the pandemic situation, our hospitals continue to provide COVID-19 screening services to the community across Malaysia, and these services, both the RTK and RT-PCR, had greatly contributed to our FY2021 Group revenue.

REVIEW OF OPERATIONS

In answering the call of the Government for a whole-of-society approach to combat the coronavirus, our healthcare facilities joined the fight against the pandemic by participating in the National COVID-19 Immunisation Programme or *Program Imunisasi COVID-19 Kebangsaan* (PICK) as Vaccine Delivery Centres or *Pusat Pemberian Vaksin Hospital Swasta (PPVHS)*.

Beyond the emphasis on the growth trajectory, revenue streams and profit margins, KMI Healthcare had to also grapple with rising operational costs during the year in review. However, we are confident of managing any cost increase and resolve not to pass it down to patients.

KMI Kuantan's staff nurses administered COVID-19 vaccines at the hospital's PPVHS.

REVIEW OF OPERATIONS


Our certified Physiotherapist uses Low Level Laser Therapy (LLLT) to treat various musculoskeletal conditions.


Continuous improvements in our delivery of healthcare services to ensure patients' safety, needs, and satisfaction are met.

Performance of Healthcare Facilities

In terms of individual performance, revenues from some of our facilities surpassed pre-pandemic levels, buoyed by the return of patients who had delayed elective and other medical procedures in 2020. In terms of medical services, the top income revenue earners are as follows:

Orthopaedic | **Paediatrics** | **General Surgeon** | **O&G** | **Physician**

Medical Facility Performance: Patient Loads

	KMI Kuantan Medical Centre	KMI Kuala Terengganu Medical Centre	KMI Taman Desa Medical Centre	KMI Kelana Jaya Medical Centre
No. of inpatients	**8,072** 2020: 8,661	**6,113** 2020: 6,329	**2,162** 2020: 1,882	**788** 2020: 1,191
Average duration of stay (days)	**3.10** 2020: 3.25	**2.86** 2020: 3.59	**2.13** 2020: 2.24	**2.15** 2020: 2.62
No. of outpatients	**61,076** 2020: 55,999	**55,197** 2020: 41,572	**45,247** 2020: 33,817	**25,125** 2020: 19,619
Bed occupancy rate	**44%** 2020: 52%	**54%** 2020: 62%	**32%** 2020: 31%	**11%** 2020: 21%

REVIEW OF OPERATIONS

Launch of Cath Lab

KMI Kuala Terengganu opened the state's first private Cath Lab on 14 December 2021. Apart from providing much-needed cardiovascular diagnosis and treatment to east coast communities and thereby easing the burden on Government hospitals, the Cath Lab represents a new revenue stream for KMI Kuala Terengganu.

Built at the cost of almost RM4 million, the Cath Lab offers heart treatment services such as coronary angiography, coronary angioplasty, pacemaker installation and electrophysiology studies.

The construction and operation of the KMI Kuala Terengganu Cardiac Cath Lab have indirectly opened a new chapter in its efforts to provide more comprehensive health services.

KMI Healthcare
(a subsidiary of TDM Berhad)

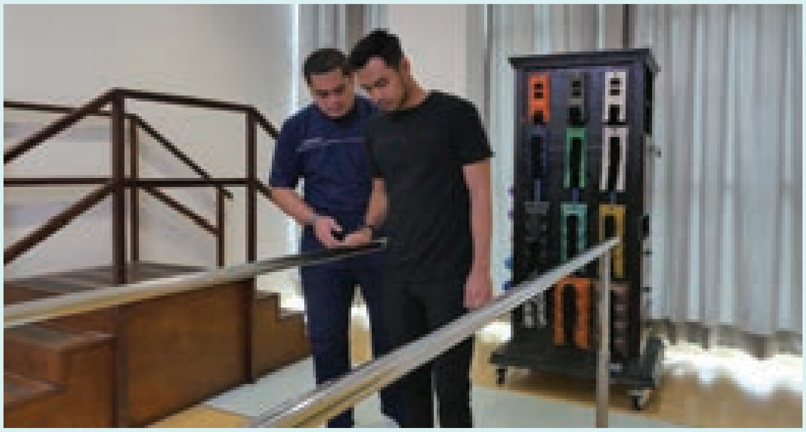
Rebranding Exercise

KMI Healthcare carried out a rebranding exercise in FY2021, resulting in a new logo and rebranding for the company and all healthcare facilities in its stable. Unveiled in September 2021, the rebranding also involved name changes to all facilities as mentioned earlier.

The new brand identity reflects the progressive growth and consistent evolution of KMI Healthcare and its facilities and efforts are underway to generate brand recognition among all stakeholders, including patients, employees, associates and vendors.

REVIEW OF OPERATIONS

In line with the adaptation of the Ibadah Friendly Hospital concept, our Religious Officers routinely visit patients to provide training and guidance on Ibadah practices during the period of illness.



Consistently delivering excellent healthcare support, our Physiotherapists at rehabilitation centres guide and assist in restoring, maintaining and optimising mobility, function and well-being of patients.

Advancing Smart Healthcare

As reported in the previous financial year, KMI Healthcare has embarked on a transformation drive to dispense 'Smart Healthcare' to existing and prospective patients. Leveraging on new-age technologies including digital, Smart Healthcare ensures greater efficiency in service delivery while catering to patient comfort and convenience.

Expected to sustain business growth into the future, Smart Healthcare will tap such innovations as telemedicine, remote consultancy and also home delivery of pharmaceuticals and speciality care such as nursing and physiotherapy.

Ibadah Friendly Hospital

KMI Healthcare has introduced the worship-friendly concept of *Ibadah* Friendly Hospital (*Mesra Ibadah*) at all its hospitals to advise and counsel patients on prayers and religious matters. As we are operating in a multiracial and multireligious environment, it is essential to practice tolerance among the many religions. We have conducted several initiatives among our medical staff, frontliners and patients to promote this concept at all our healthcare facilities.

RISK MANAGEMENT

The pandemic has shown acutely how a sustainability crisis can disrupt and negatively impact economies, businesses and societies on a global scale. It further exemplifies how we can be subjected to future shocks, and clearly, ESG issues will continue to be a priority for investors and stakeholders. There is still much uncertainty and unrest amidst economic recovery, although we managed to address all identified risks in 2021. While this was a testament to the strength of the current risk culture within the Group, the expectations of investors and stakeholders remain a priority and will continue to be addressed through proper governance, risk management principles and stringent internal controls.

Our risk management practices focus on safeguarding shareholder value by managing and mitigating the unpredictability of the operating environment so as to minimise any adverse impact on our operational performance and financial situation.

The risk management framework sets out the governance structure for managing risks, our risk philosophy, risk appetite and tolerance levels, our risk management approach as well as risk factors. It affects how risk management components are applied, including how risks are identified, the assessment process, and how they are managed continuously towards effective governance, risk management principles and internal control practices.

MANAGING RISKS

BUSINESS & MARKET RISK

TYPE OF RISK

HEALTHCARE

Change in Business Environment

Our business approach may have to be reshaped in order to cope with the impact arising from the pandemic as well as to adapt to the new business environment.

MITIGATION PLANS

- Introduction of centralised procurement for drugs and consumables.
- Implementation of cost-saving strategies across the division.
- Initiation of BCP and BRP initiatives such as:
  - Drive-thru COVID-19 testing.
  - COVID-19 test-on-wheels.
  - Drive-thru child vaccination.
  - Online consultation.
  - OTC (over-the-counter) products display.
  - Home care services.

RISK MANAGEMENT

OPERATIONAL RISK

TYPE OF RISK

PLANTATION

Shortage of Labour

The shortage of manpower at our estates as a result of the freeze on migrant/foreign workers imposed by the Government affects the overall performance and productivity of plantation activities.

MITIGATION PLANS

- Reduce dependency on manual labour through greater mechanisation.
- Optimise labour-to-land ratio and seek alternative sources of manpower such as locals, ex-prisoners and parolees via collaboration with related authorities and various associations.

FINANCIAL RISK

TYPE OF RISK

CORPORATE

Liquidity

Inability to maintain a healthy cash flow and meet financial requirements such as outstanding payables, interest payments, capital for investments and operational expenditure would affect the operations of the company.

MITIGATION PLANS

- Prepare monthly financial ratio analysis and compare against the historical financial information and industry benchmarks to identify areas for improvement.
- Implement asset monetisation programme (to sell/ pledge/enter into joint ventures) by identifying the following assets within the Group for disposal:
  - Idle or non-core assets.
  - Shares of subsidiaries /investments.
  - Kalimantan assets.
  - Mill assets (for potential disposal).
- Establish a Group treasury function including policy and standard operating procedures (SOPs) to manage the overall cashflow process.
- Prepare a proposal paper to introduce a framework for pooling funds from subsidiaries for placement as fixed deposits or other financial instruments.

INFORMATION & SYSTEM RISK

TYPE OF RISK

PLANTATION & HEALTHCARE

Cybersecurity

COVID-19 has accelerated the pace and intensity of cyber-attacks. As more businesses become increasingly digitalised, cybersecurity has become a business risk rather than just an IT issue. Data loss or data breach may occur due to cyber-attack attempts.

MITIGATION PLANS

- Security preventive action: continuous periodic security preventive action and maintenance.
- Set up additional backup system: establish Linux server backup and mirror server.
- Staff awareness programme: establish continuous security awareness programmes for employees.

RISK MANAGEMENT

TOP GLOBAL RISKS 2022

Rising up the Risk Agenda

ECONOMIC UNCERTAINTY AND UNREST

Measures in mitigating the pandemic are gradually easing and international travel is gradually being allowed, indicating global economic recovery. However, economic disparity has grown among the global population which has led to increased poverty and unemployment rates, exacerbated by the removal of subsidies by the governments.

SUPPLY CHAIN ISSUES

Supply chain issues still dominate businesses and they include factors such as rising consumer demand, lack of labour and backlog at ports. Scepticism still abounds on long-term security of raw materials, components, workers and regulatory restrictions, causing production delays and shortages in the market.

THE NEXT PANDEMIC

Two years after the onset of COVID-19, the virus has mutated and is still very much in our midst. While vigorous inoculation programmes are being dispensed to the population, the potential threats of an influenza epidemic warrants vigilant surveillance and monitoring throughout 2022 and beyond.

RISE OF RANSOMWARE

Governments worldwide saw a 1,885% increase in ransomware attacks, and the healthcare industry faced a 755% increase in those attacks in 2021, according to the 2022 Cyber Threat Report released in February 2022 by SonicWall, an internet cybersecurity company. Reputational risks are elevated if the news of a ransomware attack becomes public or involves customer data. As cyber-criminals become more sophisticated by leveraging more advanced tools, cyber-attacks remain high on the risk agenda for 2022.

CLIMATE CHANGE CRISIS

Extreme weather is a frequently neglected factor in risk analysis, particularly for developed countries, but the frequency and intensity of such events are only set to increase over the coming decades due to the escalating impacts of climate change.

The gravity of this risk has been reinforced by multiple divergent events throughout 2021, including devastating flash flooding in Malaysia and worldwide which resulted in severe damage to properties and businesses, and even deaths. The regularity of such events including severe heat waves poses serious threats to people and the environment.

LOOKING AHEAD

OUTLOOK

Just as the world is moving towards the endemic phase of COVID-19, uncertainty has emerged in eastern Europe with the war between Russia and Ukraine that started in February 2022. This is threatening to derail what was supposed to be the sustained recovery of the global economy in 2022.

Already, crude oil prices have shot above the USD100 per barrel barrier after disruptions in oil supply caused by sanctions on Russia, which accounts for an estimated 10% of global supply.

However, the war between Russia and Ukraine has also brought opportunities at this point in time. Russia, which supplies 78% of the world's supply of sunflower oil is now facing sanctions which in turn has pushed up vegetable oil prices. Palm oil has benefited with one of the highest price increases of approximately 74% year-on-year (2020 - 2021).

Although the higher prices of palm oil can be expected to impact positively on the Plantation Division's top and bottom lines, we remain cautious over other ramifications of the war at a time when the global and local economies have yet to fully recover from the pandemic.

On the other front, the healthcare sector is projected to rebound with the high level of vaccination among the local population coinciding with the near-complete reopening of the economy as well as the education sector.

Although the Omicron variant has sparked a rise in new infections, albeit with lower impact, Malaysia has begun the transition to the endemic phase of COVID-19. As such, the healthcare sector should recover and perform at close to or at pre-pandemic levels.

Soybean Oil (USD)

55%

2022: USD1,773
2021: USD1,147

Sunflower Oil (USD)

40%

2022: USD2,100
2021: USD1,500

Palm Oil (USD)

74%

2022: USD1,760
2021: USD1,010

FFB quality control to ensure only the best is delivered.

Management Discussion and Analysis

LOOKING AHEAD

Driving Sustainability

Since its incorporation, TDM has fulfilled its mandate to evolve into a profitable, sustainable and socially conscious organisation by furthering its commitments in addressing ESG (environment, social and governance) related risks and opportunities. With careful monitoring and disciplined execution of the Group's five-year Strategic Business Plan (2021-2025), Business Development Plan (BDP) and Value Creation Plan (VCP), we have a clearer perspective on how to build business and operational resilience continuously. Our growth trajectory involves an immense focus on sustainable growth and expansion in our core businesses, built on the platforms of best practices in ESG management, driving innovation, developing human capital and strengthening stakeholder engagements.

We have not veered away from our mission to contribute towards transforming people's lives and the business landscape in Terengganu and have gone beyond boundaries, playing a critical role in catalysing the nation's socio-economic development.

Both challenges and opportunities have arisen from the increasing pace of globalisation, liberalisation and international competition, the rise of economic powers and most recently, the unprecedented volatility brought on by the COVID-19 pandemic.

This has driven us to further assess the significance of financial and non-financial risks, embedding ESG strategies to demonstrate greater resilience in a crisis. While we have always taken a prudent approach in managing our operations, we have taken incremental strides in voluntarily electing to implement the UNSDGs, taking full account of the interdependencies between them. Alongside technology, governance, societal and cultural norms and values, behavioural change play a huge role in better managing complex challenges.

TDM's conviction in strengthening ESG via proactive and transparent reporting underpins its business strategy in accelerating value delivery and impact to our stakeholders.

Please refer to pages 94 to 232 for the Sustainability Statement.

View of replanting area at Fikri Estate, Sungai Tong.

LOOKING AHEAD

PROSPECTS

Plantation

Setting aside the volatility in palm oil prices this year, TDMP will focus on resolving the issues that affected production during the year in review in order to maximise output and capitalise on growing global demand. At the same time, this division will also look into the issues faced in 2021, specifically around the area of labour for production, to further capitalise on the higher palm oil prices caused by the war between Russia and Ukraine.

We expect to move beyond labour constraints by the second half of 2022, given the increasing acceptance of harvesting jobs by locals and return of foreign workers following the lifting of their ban by the Government in October 2021. Meanwhile, the mechanisation drive at our estates is progressing in parallel with the end of the ban and will provide a buffer in the future against any vastly erratic labour supply disruptions. The division is also putting in place additional mitigation measures to shield our crops and preserve their quality after the devastation caused by flooding in December 2021 and February 2022.

TDMP is poised to ramp up the replanting of oil palm trees in 2022 as the second major focus. The target is to achieve a minimum of 40% of young trees by 2024. We are also monitoring cost factors such as the price of fertilisers as well as trade policies in CPO-producing Indonesia and CPO-buying India.

TDMP's biogas plant in Kemaman - from organic waste and side streams to income.

On a separate matter, the Group will follow through with the proposed disposal of our Kalimantan assets and is working towards fulfilling specific conditions necessary for the divestment. Funds from the disposal could come in useful for capital investment as we seek to expand our plantation hectarage particularly in Terengganu and other states in the east coast.

In the meantime, we continue to explore other potential revenue streams such as growing additional and different cash crops and initiatives like the Feed-in-Tariff (FiT). TDM as an appointed Distribution Licensee will be able to grid-connect its power generation capability and sell energy back into the grid at FiT rates. The biogas power generation plant in Sungai Tong and Kemaman, and solar farms represent potential FiT-type facilities that could bring in additional revenue.

LOOKING AHEAD

Healthcare

Having encountered various challenges to capacity extension during the year in review, KMI Healthcare is expecting to meet its progressive targets under the Group's five-year plan in 2022, in anticipation of the move towards a more relaxed endemic phase.

KMI is exploring suitable land and/or existing suitable buildings to set up Ambulatory Care Centres. Identifying unused buildings that can meet statutory requirements is KMI's fast track approach intended to free us from the initial capital requirements. KMI may lease or even purchase such buildings.

In the meantime, the advanced technology and expertise of the new Cath Lab in KMI Kuala Terengganu is set to spur improved patient health in the state through more accurate diagnoses and treatment of a wide variety of heart conditions. We intend to launch similar Cath Labs at our other hospitals.

Other plans include diversifying patient care by focusing on the development of Eye Centres with subspecialties, enhancement of orthopaedic services through the establishment of an Orthopaedic Centre of Excellence, and the introduction of oncology services and neurology care.

Via improved services and capabilities in our healthcare business, we intend to contribute to and support the local ecosystem. Strategies such as accelerated growth via conversion of existing unused buildings, which will reduce the initial capital intensity and the introduction of additional specialist services, will enable us to provide additional jobs and, at the same time, improve the standard of living of the locales we operate in.

Customer-focused driven healthcare services at all of our specialist hospitals.

We believe that consistent revenues and the availability of varied medical services would be a win-win approach towards a sustainable service that can help improve lives and enable the strategy to continue sustainably.

In terms of patient traffic, we can also expect paediatric cases to make a comeback in 2022 following the start of inoculation for children aged five to 17 in early 2022. Hence, paediatric patients are slated to become a substantial contributor to revenue.

Premised on the strategies being applied to reinforce TDM's core businesses, we foresee the Group getting a firmer foothold onto the next level of sustainable operations with additional new services while also generating positive financial returns. TDM is poised to capitalise on its organisational and capability-built operational resilience to thrive amid turbulence and adversity.

Implementing greater mechanisation in our Plantation operations to improve productivity.

Board of Directors

From left to right:

YM Raja Dato' Idris Raja Kamarudin *Chairman of TDM Berhad*

Haji Najman Bin Kamaruddin *Executive Director of TDM Berhad*

Haji Mazli Zakuan Bin Mohd Noor *Director of TDM Berhad*

Haji Burhanuddin Hilmi Bin Mohamed @ Harun *Director of TDM Berhad*

Board of Directors

From left to right:
Haji Azlan Bin Md Alifiah *Director of TDM Berhad*
Mohd Kamaruzaman Bin A Wahab *Director of TDM Berhad*
Haji Samiun Bin Salleh *Director of TDM Berhad*

Board of Directors Profiles

YM RAJA DATO' IDRIS RAJA KAMARUDIN

S.M.T. D.S.I.S. PGC FBCS FCMI

Non-Independent & Non-Executive Chairman

Age: 69, 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

None.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

18/19

BOARD COMMITTEES

None.

WORKING EXPERIENCE AND OCCUPATION

- Over thirty (30) years of experience holding top management positions in various Private Limited, Public Listed and Multinational Companies.
- Managing Director, Nixdorf Computers Malaysia Sdn. Bhd.
- Executive Director, Siemens Nixdorf Information System (Malaysia) Sdn. Bhd.
- Non-Executive Director, Siemens Multimedia Sdn. Bhd. (an MSC Company) at Siemens Group of Companies in Malaysia.
- Vice President of Information and Communication Network, Siemens Malaysia Sdn. Bhd. (1998 to 2000).
- Group Executive Director, TDM Berhad (2000 to 2004).
- Executive Chairman, Virgo Tours Sdn. Bhd. (2004 to 2006).
- Consultant, Markfield Institute of Higher Education, Leicestershire, United Kingdom (2006 to 2011).
- Director, Kumpulan Darul Ehsan Berhad (KDEB), the investment holding company of the State of Selangor (2011).
- Chairman, KDEB's Property & Development subsidiaries, Kumpulan Hartanah Selangor Berhad and Central Spectrum (M).
- Chairman, Kumpulan Perangsang Selangor Berhad (2011 to 2018).
- Chairman, Ceres Telecom Sdn. Bhd. (2012) and subsequently was redesignated as the Executive Chairman (2018 to 2019).
- Chairman, Malaysian Rubber Council (MRC) (2020 to 2021).
- Chairman, Malaysian Rubber Board (2021).

YM Raja Dato' Idris was appointed as a Director of Terengganu Incorporated Sdn. Bhd. (Terengganu Inc), 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 Terengganu Inc as the Chairman from July 2018 and its subsidiaries, namely TDM Plantation Sdn. Bhd. and Kumpulan Medic Iman 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 is a member of the advisory board of Majlis Penasihat Ekonomi Negeri Kelantan (MPEN), which he was appointed to in October 2018.

On 22 January 2019, YM Raja Dato' Idris was appointed as a Board Member of Chicken Cottage Holdings Limited (CCH), a United Kingdom based Company which in turn is a wholly-owned company of TI Global Food Holdings Ltd (incorporated in Labuan), a subsidiary of Terengganu Inc.

Board of Directors Profiles

HAJI NAJMAN BIN KAMARUDDIN

Executive Director

Age: 54, 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.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

19/19

BOARD COMMITTEES

- Member, Executive Committee (EXCO).

WORKING EXPERIENCE AND OCCUPATION

- Marketing Manager, PSSSB a subsidiary of Terengganu State Economic Development Corporation (1992 to 1994).
- Credit Officer, Bumiputra Development Department, Maybank (1994 to 1996).
- Senior Executive, Kuwait Finance House (KFH) Ijarah House (1996 to 1997).
- Assistant Manager, EON Bank Berhad (1997 to 2000).
- Executive Director, TDM Trading Sdn. Bhd. (2000 to 2004).
- Founder and Executive Director, Significant Technologies Sdn. Bhd. (2004 to 2020).
  The company is involved in the development and commercialisation of locally developed products to multinational companies locally and abroad.
- Trustee Member for Malaysian Rubber Council (2020-2021).
- Chairman for Malaysian Rubber Council Audit Committee (2020-2021).

Haji Najman was appointed as a Director of TDM Berhad and TDM Plantation Sdn. Bhd. in 2018 and he was redesignated as Executive Director of TDM Berhad in December 2020. He is also the Chairman for TDM Trading Sdn. Bhd. and sits as the President Commissioner for PT Rafi Kamajaya Abadi.

Haji Najman is currently the Deputy President of Artificial Intelligence Society of Malaysia and was the past President of Fiber Optic Association of Malaysia.

Board of Directors Profiles

HAJI MAZLI ZAKUAN BIN MOHD NOOR

Non-Independent & Non-Executive Director
Age: 52, Malaysia/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).

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

- Eastern Pacific Industrial Corporation Berhad (EPIC).

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

16/19

BOARD COMMITTEES

- Chairman, Nomination and Remuneration Committee.
- Member, Board Risk & Compliance Committee.
- Member, Board Tender Committee.
- Member, Executive Committee (EXCO).

WORKING EXPERIENCE AND OCCUPATION

- Application Engineer, Antah Oil Tools & Services Sdn. Bhd. (1993).
- Field Engineer, Smith International Inc.
- Service Engineer, Nalco Exxon Chemicals (1997).
- Account Manager, Nalco Exxon Chemicals (2000).
- Co-founder, Maces Sdn. Bhd., first Malaysian specialty chemicals company for oilfield and water treatment. Assumed the position of Senior Vice President, Operation and later promoted to Chief Executive Officer (2003).
- Co-founder, PAV Oilfield Services Sdn. Bhd.
- Deputy Chief Executive Officer, Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK) (2016 to 2018) and Director of various subsidiaries of PKINK, which is involved in plantation, property development and financial services. As a Company leader, he was responsible for overseeing the operations of a string of subsidiaries of PKINK and was entrusted as the Chairman of Business Recovery and Continuity Committee.
- Chairman, Board of Trustees of the Malaysian Timber Council (2020 to 2021).

Haji Mazli Zakuan is a Fellow for Institute of Corporate Directors Malaysia, a Registered Engineer with the Board of Engineers Malaysia since 1993, and in 1995 he became a Professional Member of the Society of Petroleum Engineers International.

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

Board of Directors Profiles

HAJI BURHANUDDIN HILMI BIN MOHAMED @ HARUN

Non-Independent & Non-Executive Director
Age: 52, Malaysia/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.
- Chartered Accountant (CA), Malaysian Institute of Accountants (MIA).
- Certified Financial Planner (CFP), Financial Planning Association of Malaysia (FPAM).

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

- Eastern Pacific Industrial Corporation Berhad (EPIC).
- Golden Pharos Berhad.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

18/19

BOARD COMMITTEES

- Chairman, Board Tender Committee.
- Member, Audit Committee.
- Member, Board Risk & Compliance Committee.
- Member, Executive Committee (EXCO).

WORKING EXPERIENCE AND OCCUPATION

- Audit Senior, Audit and Business Advisory Services at Price Waterhouse [now known as PricewaterhouseCoopers (PwC)] (1993 to 1996).
- Manager, Assurance Division of KPMG (1998 to 2002).
- Managing Director/Principal Consultant, BH Consulting Sdn. Bhd. (2002).
- Group Chief Financial Officer, Composites Technology Research Malaysia Sdn. Bhd. (CTRM) (2006 to 2013).
- Chief Financial Officer, Weststar Aviation Services Sdn. Bhd. (2013 to 2015).
- Group Chief Financial Officer, Zetro Aerospace Corporation group of Companies and Director of Chartridge Conference Company Ltd (UK) (2015 to 2018).
- Member, Malaysian Palm Oil Board (MPOB) (2020 to 2021).

Haji Burhanuddin Hilmi was appointed as the Non-Executive Director of Terengganu Inc, the strategic investment arm of the Terengganu State Government on 24 June 2019 and subsequently, was redesignated as the President & Executive Director on 1 November 2020.

Board of Directors Profiles

HAJI AZLAN BIN MD ALIFIAH

Independent & Non-Executive Director
Age: 56, Malaysian/Male

APPOINTED AS DIRECTOR

30 August 2019

QUALIFICATIONS

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

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

19/19

BOARD COMMITTEES

- Chairman, Audit Committee.
- Member, Nomination and Remuneration Committee.
- Member, Board Risk & Compliance Committee.
- Member, Board Tender Committee.
- Member, Executive Committee (EXCO).

WORKING EXPERIENCE AND OCCUPATION

- Accounts Executive, Petronas Carigali Sdn. Bhd. (1992 to 1993).
- Accountant, KPFB Holdings Sdn.Bhd. (1993 to 1994).
- Accountant, Celcom Technology Sdn. Bhd. (1994) and subsequently promoted as Finance Manager.
- Senior Manager/Head of Finance at the Shared Infrastructure Group, Celcom Sdn. Bhd. (1997).
- Group Chief Financial Officer, Kumpulan Mediiman Sdn. Bhd. (2001 to 2003).
- Head of Risk Management, Malaysia National Insurance Berhad (2003 to 2005).
- Vice President of Risk Strategy, Etiqa Insurance and Takaful Group (2005 to 2010).
- Associate Director of Risk Management, Syariah and Compliance, BSN Prudential Takaful Berhad (2010 to 2011).
- Chief Financial Officer, Kumpulan Darul Ehsan Berhad (2011 to 2014).
- General Manager/Chief Executive Officer, Perbadanan Kemajuan Negeri Selangor (PKNS) (2014 to 2016).
- Vice President of Corporate Planning, Strategic Initiatives and Property Division, Ingress Corporation Berhad (2016 to 2021).

Board of Directors Profiles

MOHD KAMARUZAMAN BIN A WAHAB

Independent & Non-Executive Director

Age: 44, Malaysia/Male

APPOINTED AS DIRECTOR

30 July 2018

QUALIFICATIONS

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

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

19/19

BOARD COMMITTEES

- Chairman, Board Risk & Compliance Committee.
- Chairman, Executive Committee (EXCO).
- Member, Audit Committee.
- Member, Nomination and Remuneration Committee.
- Member, Board Tender Committee.

WORKING EXPERIENCE AND OCCUPATION

- Admitted as an Advocate and Solicitor of the High Court of Malaya (2003).
- Legal Assistant, Messrs. Abdul Haris & Co. (2003).
- Peguam Syarie, State of Terengganu (2004).
- Legal Assistant, Messrs. Fariz Halim & Co. (2005).
- Partner, Messrs. Khaled Jalil & Co. (2005).
- Part-time Lecturer, Faculty of Laws and Human Relations, Universiti Sultan Zainal Abidin (2012 to 2019).

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

Board of Directors Profiles

SAMIUN BIN SALLEH

Non-Independent & Non-Executive Director

Age: 61, Malaysian/Male

APPOINTED AS DIRECTOR

30 June 2021

QUALIFICATIONS

- Master of Business Administration, University of Wales, Newport.
- Bachelor of Business Administration, Universiti Kebangsaan Malaysia (UKM).

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None.

NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

7/8

BOARD COMMITTEES

- Member, Board Risk & Compliance Committee.

WORKING EXPERIENCE AND OCCUPATION

- Started his career as Hulu Terengganu Assistant District Officer (1986 to 1992)..
- Assistant Director, Terengganu State Economic Planning Unit.
- Executive Director, Terengganu Skill Development Centre (TESDEC).
- Assistant Secretary, Terengganu State Secretary Office.
- Secretary, Kemaman Municipal Council (2000).
- Chief Assistant District Officer, Setiu District Office (2002).
- Secretary, Kemaman Municipal Council (2004).
- Yang DiPertua, Hulu Terengganu District Office (2005).
- Secretary, Kuala Terengganu City Council (MBKT) (2009).
- Yang DiPertua, Setiu District Office (2013).
- Deputy Terengganu State Secretary (Management) (2014 to 2016)
- General Manager, Perbadanan Memajukan Iktisad Negeri Terengganu (PMINT) (2016).
- Mayor, Kuala Terengganu City Council (2016).
- Chief Executive Officer, PMINT (2017).
- Director, Deputy State Secretary (Development) of Terengganu (2019).
- State Financial Officer of Terengganu (2021).

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 five (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 413 of the Annual Report.*

Key Senior Management

Front row:

Haji Najman Bin Kamaruddin
Executive Director of TDM Berhad

Hasmadi Bin Desa
Person In-Charge of Finance (PiCoF)

Back row:

Dr. Rayney Azmi Bin Ali, *Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.*

Hasnol Zariman Bin Mohd Hashim, *Head, Investment Performance Monitoring*

Eidit Bin Hashim, *Head, Strategic Partnership & Investment*

Nurul Islam Bin Mohamed Yusoff, *Head, Plantation Division*

Badrol Bin Abu Bakar, *Head, Corporate Services & Company Secretary*

Key Senior Management Profiles

HAJI NAJMAN BIN KAMARUDDIN

Executive Director, TDM Berhad

Age: 54, 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.

WORKING EXPERIENCE & OCCUPATION:

- Marketing Manager, PSSSB a subsidiary of Terengganu State Economic Development Corporation (1992 to 1994).
- Credit Officer, Bumiputra Development Department, Maybank (1994 to 1996).
- Senior Executive, Kuwait Finance House (KFH) Ijarah House (1996 to 1997).
- Assistant Manager, EON Bank Berhad (1997 to 2000).
- Executive Director, TDM Trading Sdn. Bhd. (2000 to 2004).
- Founder and Executive Director, Significant Technologies Sdn. Bhd. (2004 to 2020). The company is involved in the development and commercialising locally developed products to multinational companies locally and abroad.
- Trustee Member for Malaysian Rubber Council (2020-2021).
- Chairman for Malaysian Rubber Council Audit Committee (2020-2021).

Haji Najman was appointed as a Director of TDM Berhad and TDM Plantation Sdn. Bhd. in 2018 and he was redesignated as Executive Director of TDM Berhad in December 2020. He is also the Chairman for TDM Trading Sdn. Bhd. and sits as the President Commissioner for PT Rafi Kamajaya Abadi.

Haji Najman is currently the Deputy President of Artificial Intelligence Society of Malaysia and was the past President of Fiber Optic Association of Malaysia.

HASMADI BIN DESA

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

Age: 55, 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.

WORKING EXPERIENCE & OCCUPATION:

- Audit Junior, Payne Davis & Co. (1989 - 1989).
- Audit Assistant, Price Waterhouse & Co. (1992 - 1993).
- Accounting Lecturer, MARA Institute Of Higher Learning (1993 - 1994).
- Audit Manager, KPMG (1994 - 2002).
- Finance General Manager, Dawama Sdn. Bhd. (2002 - 2003).
- Chief Financial Officer, Multimedia Consortium Sdn. Bhd. (2003 - 2011).
- Group Chief Financial Officer & Senior Vice President, Al Hidayah Group (2011 - 2012).
- Deputy CFO, Naza Automotive Manufacturing Sdn. Bhd. (2013 - 2019).
- Finance Group General Manager, at Naza TTDI Group (2019 - 2021).

Key Senior Management Profiles

EIDIT BIN HASHIM

Head, Strategic Partnership & Investment, TDM Berhad

Age: 46, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

02 March 2022

QUALIFICATIONS

- International Business School Bachelor of Business Administration, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia (IIUM) (1999).
- Master of Business Administration (MBA), Universiti Teknologi Malaysia (UTM) (2006).

WORKING EXPERIENCE & OCCUPATION:

- General Manager, IIUM Advanced Technologies Sdn. Bhd. (2013 – 2020).
- Commercialisation and Investment Director, Malaysian Rubber Council (2021-2022).

NURUL ISLAM BIN MOHAMED YUSOFF

Head, Plantation Division, TDM Berhad

Age: 39, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

03 January 2022

QUALIFICATIONS

- Bachelor Mechanical Engineering (Hons.), International Islamic Universiti Malaysia (IIUM).
- Master in Business Administration (MBA), Universiti Malaysia Terengganu (2022).

WORKING EXPERIENCE & OCCUPATION:

- Engineer, HICOM YAMAHA Sdn. Bhd. (2007 – 2008).
- Operation Executive, Puncak Niaga Sdn. Bhd. (2008 – 2010).
- Operation Manager, Pos Malaysia (2010 – 2014).
- Executive Director, Hikmah Bersama Sdn. Bhd. (2014 - 2018).
- Deputy Chief Executive Officer, Terengganu Strategic and Integrity Institute (2018 – 2021).
- Chief Executive Officer, Malaysia Rubber Council (2021).

Key Senior Management Profiles

HASNOL ZARIMAN BIN MOHD HASHIM

Head, Investment Performance Monitoring, TDM Berhad

Age: 46, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

02 December 2019

QUALIFICATIONS

- Master of Business Administration from Universiti Utara Malaysia (UUM), 2021.
- Bachelor of Science in Business Administration, Upper Iowa University, 2002.

WORKING EXPERIENCE & OCCUPATION:

- Marketing Executive, Acquisition Channels, Credit Card Services, Consumer Banking Division, RHB Bank (2003 – 2004).
- Customer Service Executive, Sales & Services Credit Card Centre, Hong Leong Bank Berhad (2004 –2005).
- Retail Business Executive (PJ Zone) Consumer Banking, Maybank (2005 – 2009).
- Executive, (Region Selangor) Consumer Banking, Maybank (2010 – 2010).
- Taskforce Team Members, Community Financial Services, Maybank (2010 – 2010).
- Business Analytics & Performance Planning, Business Enablement Community Distribution, Community Financial Services, Maybank (2010 – 2013).
- Planning & Strategic Execution, Business Enablement Community Distribution, Community Financial Services, Maybank (2013 – 2014).
- Head, Business Development and Research, Strategic, Planning & Research & Designated Compliance Officer Credit Guarantee Corporation Malaysia Berhad(CGC) (2014 – 2015).
- VP, PMO, Group CEO's Office, Themed Attractions, Resort and Hotels (2015 – 2016).
- VP, Government & Regulatory, Group Corporate Affairs, Themed Attractions, Resort and Hotels (2017 – 2017).
- Manager, Strategic Management Department, Bank Negara Malaysia (2017 – 2018).
- VP, Stakeholder Management & Compliance, CEO's Office Desaru Development Holdings One Sdn. Bhd. (2018 –2019).
- Head, Strategy & Business Development, TDM Berhad (2019 – 2021).

Key Senior Management Profiles

BADROL BIN ABU BAKAR

Head of Corporate Services, TDM Berhad
Company Secretary, TDM Group

Age: 55, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

01 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).

WORKING EXPERIENCE & OCCUPATION:

- Magistrate, Judiciary Services, Government of Malaysia (1991 – 1996).
- Senior Legal Executive, MEASAT Broadcast Network Systems Sdn. Bhd. (1996 – 2003).
- Legal Officer, Universiti Teknologi Malaysia (UTM) (2003 – 2006).
- Manager, Legal & Secretarial Department, Al-Hidayah Group (2006 -2009).
- Legal Counsel, East Coast Economic Region Development Council (ECERDC) (2009 – 2011).
- General Manager, Legal & Secretarial Division, Eastern Pacific Industrial Corporation (EPIC) Berhad (2011 – 2020).

DR. RAYNEY AZMI BIN ALI

Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.

Age: 60, Malaysian/Male

DATE OF APPOINTMENT AS A KEY SENIOR MANAGEMENT

01 July 2020

QUALIFICATIONS

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

WORKING EXPERIENCE & OCCUPATION:

- Medical Director and Chief Trainer, Earthwin Emergency Academy (Basic and Advanced Life Support training) (1994 – Present).
- Head of Medical Services then later as Medical Director, HMO Pacific Sdn. Bhd. (Managed Care Organisation) 1996 -1998.
- Executive Director, Kelana Jaya Medical Centre 2003 – 2004.
- Head of Emergency Department & Chief Trainer of CPR Faculty, Institut Jantung Negara (IJN) 2005 – 2014.
- Regional Medical Coordinator, Columbia Asia Group of Hospitals 2014 – 2020.
- Chief Operating Officer, KMI Healthcare 2020 – 2021.

Management Team

TDM Berhad

Front row:

Eidit Bin Hashim
Head, Strategic Partnership & Investment

Haji Najman Bin Kamaruddin
Executive Director of TDM Berhad

Hasmadi Bin Desa
Person In-Charge of Finance (PiCoF)

Back row:

Badrol Bin Abu Bakar
Head, Corporate Services & Company Secretary

Nurul Islam Bin Mohamed Yusoff
Head, Plantation Division

Hasnol Zariman Bin Mohd Hashim
Head, Investment Performance Monitoring

Management Team

TDM Berhad

Front row:

Azrol Hadi Bin Rosalan
Head, Internal Audit

Jalaini Bin Che Kar
Agri Commodity Advisor

Haji Mohd Mardi Bin Ismail
Head, Human Resources, Risk Management, Integrity, Compliance & Sustainability

Back row:

Ismawi Bin Ngadali
Head, Procurement

Syed Zulfadhlie Bin Syed Zin
Head, Legal & Secretarial

Ahmad Shukri Bin Mohd Ali
Head, Administration

Management Team

TDM Berhad

Sitting from left to right:

Norfar'izan Binti Hashim
Head, Corporate Communications

Yasmadi Bin Yatim
Head, Information Technology

Standing from left to right:

Wan Muhammad Akmal Bin Wan Zawawi
Head, Secretarial & Company Secretary

Muhamad Hamdi Bin Harun
Head, Shariah & Shakhsiah Development

Zakaria Bin Jusoh
Head, Sublease & Covering Head, Corporate Finance

Management Team

KMI Healthcare

From left to right:
Ariffin Bin Bastan, *General Manager, KMI Tawau Medical Centre Sdn. Bhd.*
Muhammad Ghazali Bin Zainal Yusof, *General Manager, Kuantan Medical Centre Sdn. Bhd.*
Dr Rayney Azmi Bin Ali, *Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.*
Norliza Binti Razali, General Manager, TDMC Hospital Sdn. Bhd.
Salina Binti Long, *General Manager, Kuala Terengganu Specialist Hospital Sdn. Bhd.*
Prof. Dr. Samiah Yasmin Binti Abdul Kadir, *Covering General Manager, Kelana Jaya Medical Centre Sdn. Bhd.*

Management Team

Head of Subsidiaries

From left to right:

Roslan Bin Othman, *President Director, PT Rafi Kamajaya Abadi*

Dr. Rayney Azmi Bin Ali, *Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.*

Hamdan Bin Ibrahim, *Chief Executive Officer, TDM Plantation Sdn. Bhd.*

Asfani Bin Mahmood, *General Manager, TDM Trading Sdn. Bhd.*

Fully equipped with a wide range of rehabilitative equipment, our Physiotherapy & Rehabilitation Centre helps people with functional disabilities and physical impairments recover and regain top form.

Calendar of Events

13 JANUARY 2021

TDMP DONATED TO TERENGGANU WILD ELEPHANT MANAGEMENT FUND

TDMP made a donation to the Terengganu Wild Elephant Management Fund to jointly address the threat of encroachments by wild elephants into plantation areas. The donation was presented by former TDMP CEO Haji Mohd Ghozali Yahaya to Terengganu Agriculture, Food Industry, Plantations, Commodities, and Rural Development Committee Chairman YB Dr. Azman Ibrahim at Wisma Darul Iman. This contribution is in line with TDM's "Living Together with Elephants" project to find ways to overcome wild elephant encroachments at its estates in Kemaman and Setiu.

19 FEBRUARY 2021

TDM CAKNA WENT VIRTUAL

TDM organised a virtual "*Majlis Bacaan Yasin & Kuliah Maghrib*", gathering 134 *Sijil Pelajaran Malaysia* (SPM) and *Sijil Tinggi Pelajaran Malaysia* (STPM) students from SMK Sungai Tong together with their teachers and parents on the Google Meet platform as part of its TDM Cakna corporate social responsibility (CSR) programme to boost morale, motivating them to deliver their best at the upcoming examinations. The event was one of the Group's initiatives to ensure sustainable community development, especially for students in the areas where it operates.

17 MARCH 2021

TDMP, THE FIRST PLANTATION COMPANY IN TERENGGANU TO RECEIVE ISCC EU RECOGNITION

TDMP became the first plantation company in Terengganu to be accorded the ISCC EU certification effective from 17 March 2021 to 16 March 2022. This certification was accorded to the company following an independent technical review conducted on the supply chain, operations, and greenhouse gases (GHG) calculations of its South Zone operation units by an ISCC registered certification body. The results indicated that its sustainability approach complied with the requirements specified in the Renewable Energy Directive (RED).

27 MARCH 2021

TDM CONTINUES COMMUNITY AID THROUGH "*TDM PRIHATIN*" CSR PROGRAMME

TDM, in collaboration with its plantation arm, TDMP, organised the "*TDM Prihatin*" programme for communities from the Sungai Tong and Bukit Besi Complexes. Themed "*Mesra Komuniti*", this is one of TDM's CSR programmes that aim to reach out and establish closer relationships with its communities. It is in line with the Group's mission to embody corporate citizenship as an organisation that prioritises its responsibilities and continues to deliver added value to its stakeholders, including its communities. At the same event, TDM also donated cash and basic necessities to selected families to alleviate their burden.

Calendar of Events

22 JUNE 2021

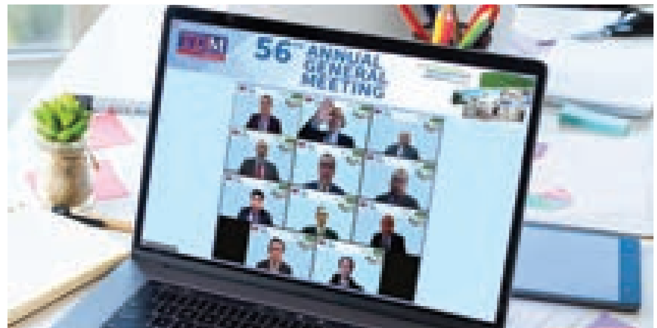
TDM JOINED FORCES WITH UNISZA TO SUPPORT GOVERNMENT'S COVID-19 VACCINE ROLLOUT

TDM donated RM100,000 to Universiti Sultan Zainal Abidin (UniSZA) in support of its mobile vaccination programme and rallied together in a joint effort to boost the National COVID-19 Immunisation Programme (PICK), covering rural areas throughout Terengganu. An estimated 4,000 individuals, consisting of older adults, people with disabilities and chronic illnesses as well as those who live in rural areas with limited medical and logistic facilities, were vaccinated through this collaboration drive.

01 SEPTEMBER 2021

KMI HEALTHCARE ACQUIRES TAWAU SPECIALIST HOSPITAL

KMI Healthcare, the healthcare arm of TDM, through its wholly-owned subsidiary, KMI Tawau Medical Centre Sdn Bhd, entered into agreements for the acquisition of operations of TSH and sub-lease of its building with TSHSB. Upon acquisition, TSH will be renamed KMI Tawau Medical Centre (KMI Tawau) and undergo a thorough transformation to meet the demand for quality and affordable healthcare services in Tawau and the surrounding areas.



24 JUNE 2021

SHAREHOLDERS APPROVED TDM'S RESOLUTIONS AT ITS VIRTUAL 56TH AGM

TDM successfully organised its virtual 56th Annual General Meeting (AGM) under the chairmanship of its Non-Independent & Non-Executive Director Haji Burhanuddin Hilmi Mohamed @ Harun, with eight resolutions approved by all shareholders present. At the meeting, the Group announced its 2020 performance, having successfully reversed the downward trend that negatively impacted the previous three financial years, placing it on a strong footing to capitalise on post-pandemic prospects to operate and exist in.

04 SEPTEMBER 2021

TDM JOINED TERENGGANU INC GROUP'S WATER CRISIS DONATION TO THE STATE GOVERNMENT

TDM joined the Terengganu Inc Group to provide financial assistance to the Terengganu State Government in facing the Berangan Water Crisis. TDM's contribution to the joint effort brought the fund to a total of RM1.61 million - a collective amount channelled together with other members of the Group. The donation cheque was presented to Terengganu Menteri Besar YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar by Terengganu Inc President and Executive Director Haji Burhanuddin Hilmi Mohamed @ Harun, witnessed by State Welfare, Women & Family Development, and National Unity Committee Chairman YB Haji Hanafiah Mat, together with State Youth Development, Sports, and Non-Government Development Committee Chairman YB Ustaz Wan Sukairi Wan Abdullah.

Calendar of Events

25 OCTOBER 2021

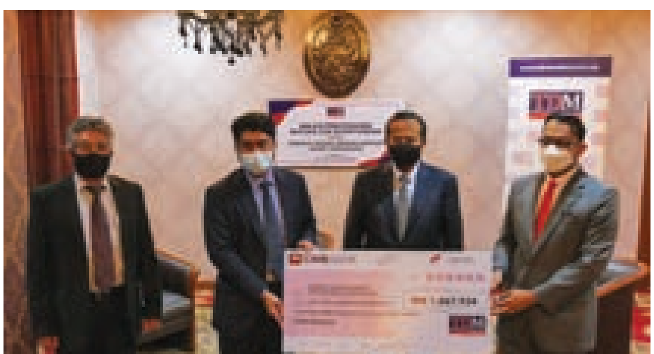
KMI HEALTHCARE AND MPK SIGNED MOU FOR DEVELOPMENT OF THE FIRST PRIVATE HOSPITAL IN CHUKAI

KMI Healthcare entered into an MoU with MPK for the development of the first private specialist hospital in the Kemaman district. The signing ceremony was held at Wisma Darul Iman in the presence of Terengganu Menteri Besar YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar and KMI Healthcare Chairman YM Raja Dato' Idris Raja Kamarudin.

26 OCTOBER 2021

KMI KUANTAN RECEIVED SILVER AWARD AT AIGA 2020

KMI Kuantan was conferred the Silver Award at the AIGA 2020 organised by Yayasan Pahang in collaboration with the Malaysian Institute of Integrity (IIM) at Yayasan Pahang's Main Hall, Kuantan. Chief Secretary to the Government Tan Sri Mohd Zuki Ali, who is also the Chairman of IIM, officiated the ceremony with Pahang Menteri Besar YAB Dato' Sri Haji Wan Rosdy Wan Ismail as the guest of honour. This award ceremony was the first to be held in Pahang as well as in Malaysia, and it has become a benchmark for future AIGA ceremonies.



27 OCTOBER 2021

TDM PAID JOINT VENTURE PROFIT SHARE OF RM1.87 MILLION TO LTAWNT

TDM paid RM1,867,934 to Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT) as part of a profit sharing agreement for the companies' joint venture (JV) for the financial year ended 31 December 2020 (FY2020). The cheque was handed to LTAWNT Secretary En. Nor Azam A Rahman @ Yusof by TDM Executive Director Haji Najman Kamaruddin, witnessed by Terengganu Menteri Besar YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar.

29 NOVEMBER 2021

TDM BERHAD TOOK HOME COMPANY OF THE YEAR TITLE AT SUSTAINABILITY & CSR MALAYSIA AWARDS 2021

TDM bagged the "Company of the Year Award" at the Sustainability & CSR Malaysia Awards 2021 held at Shangri-La Hotel, Kuala Lumpur. The Group was accorded the top title under the plantation and healthcare category for championing exemplary COVID-19 support and animal welfare initiatives. In the award submission, the Group put forward its "Living Together with Elephants" initiative and RM1.0 million donation to the "Tabung Bantuan COVID-19 Terengganu", leading the Group to winning the title.

Calendar of Events

02 DECEMBER 2021

TDMP INKED MECHANISATION AND INNOVATION PACT WITH TATIUC

TDM, through its plantation arm TDMP, inked an MoU with TATIUC to elevate its productivity and operations through the sharing of expertise in mechanisation technology and innovation. Through the collaboration, the two parties will work together to leverage each other's respective expertise and strengths in the areas of technology innovation and mechanisation as well as automation.

20 DECEMBER 2021

TDM PLANTATION RALLIES WITH MPOGCF TO RAMP UP ENVIRONMENTAL CONSERVATION INITIATIVES

TDMP, the plantation arm of TDM, signed an MoU with the MPOGCF to elevate its environmental conservation initiatives via collaboration with like-minded organisation. Through this MoU, the MPOGCF, with its extensive resources and experience, will aid TDMP in ramping up its environmental conservation initiatives, namely the "Living Together with Elephants" and the "River of Life" projects.

14 DECEMBER 2021

KMI KUALA TERENGGANU LAUNCHED THE FIRST PRIVATE CATH LAB IN TERENGGANU

KMI Kuala Terengganu, formerly known as Kuala Terengganu Specialist Hospital (KTS), officially launched the first private Cath Lab in Terengganu. The launch was officiated by Terengganu Menteri Besar YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar and witnessed by state Housing, Local Government, KMI Kuala Terengganu and Environment EXCO YB Dr. Haji Alias Razak. In the same event, KMI Kuala Terengganu also signed an MoU with USAINS Tech Services Sdn. Bhd. to explore potential collaboration for the joint provision of cardiovascular treatments and other Cath Lab-related services.

23 – 28 DECEMBER 2021

TDM BERHAD RENDERED ASSISTANCE TO PAHANG & KLANG VALLEY FLOOD VICTIMS

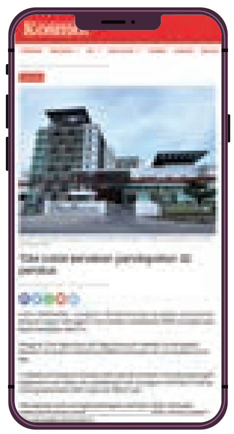
TDM stood in solidarity with flood victims and recently joined hands with several organisations to render flood relief assistance in Pahang and the Klang Valley areas. The Group made monetary contributions to two non-governmental organisations (NGOs), supporting their humanitarian missions to assist flood-ravaged communities. Aid was channelled to locations heavily devastated by the floods in the form of general necessities, food and toiletries, and post-flood clean-ups.

Media Highlights

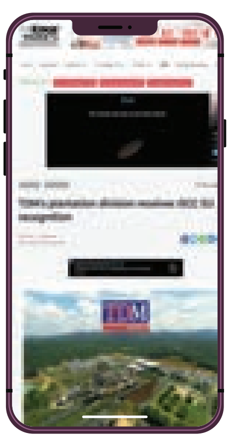
21 Feb 2021
Borneo Today
Kumpulan Medic Iman Rancang Perluas Perniagaan

24 June 2021
The Edge Markets
TDM records EBITDA of RM22.6 million for 1Q of financial year 2021

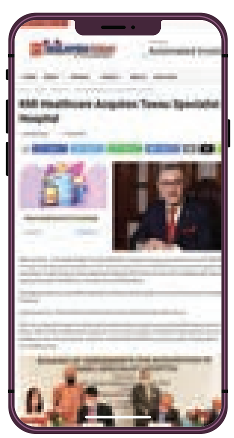
25 Mar 2021
The Malaysia News
TDM sees better year ahead on rising CPO prices



30 Aug 2021
Kosmo
TDM Catat Kenaikan Pendapatan 32 Peratus



5 Apr 2021
The Edge Markets
TDM's plantation division receives ISCC EU recognition



30 Sept 2021
Malaysia Today
KMI Healthcare Acquire Tawau Specialist Hospital

Media Highlights

25 oct 2021

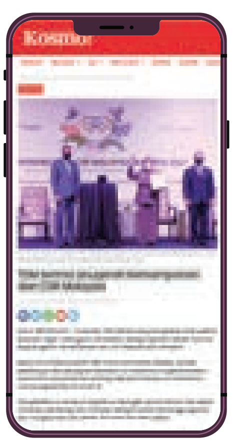
The Edge Market

TDM's healthcare arm to build first hospital in Kemaman

27 Oct 2021

The Edge Market

TDM Berhad pays RM1.87 million share of profit to LTAWNT



30 Nov 2021

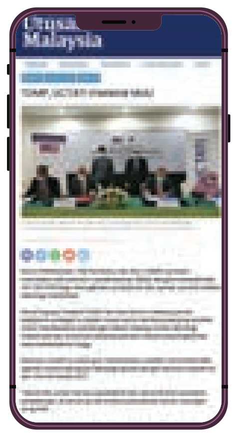
Kosmo

TDM terima anugerah Kemampanan dan CSR Malaysia

2 Dec 2021

Kosmo

TDM Catat Untung RM18.9 Juta Suku Ketiga Malaysia



3 Dec 2021

Utusan Malaysia

TDMP, UCTATI meterai MoU

14 Dec 2021

Utusan Malaysia

KMI Kuala Terengganu Hospital Swasta Pertama di Pantai Timur Sedia Khidmat Elektrofisiologi

Oil palm nursery at the Tayor Estate.

TDMP is a strong advocate of mechanisation efforts in the oil palm plantation operations and seeks to explore more partnerships to pilot innovations.

Sustainability Statement

As a leading organisation in the plantation and healthcare sectors, we have set ambitious economic, environmental, social and governance (EESG) commitments to support a more sustainable planet.

ABOUT THIS STATEMENT

INTRODUCTION (GRI 102-46)

TDM Berhad's (TDM or the Group) fifth Sustainability Statement (Statement) covers the Group's sustainability journey during the Financial Year 2021 (FY2021) and includes comparative historical data where available.

The Statement presents the Group's Economic, Environmental, Social and Governance (EESG) performance and progress in 2021, outlining our initiatives, continuous development and commitment to operate sustainably. Our ability to deliver value and drive business performance to meet stakeholder expectations rests on our ability to leverage and balance the six capitals discussed in detail under the topic of "The Value We Created" in this Statement.

We have also revisited and revised our Most Material Matters in this reporting period considering the shift in stakeholders' perspectives and priorities. As COVID-19 gradually becomes endemic, we turn our focus to sustainable and inclusive growth, progressively expanding our disclosures and performance to further improve.

REPORTING SCOPE AND BOUNDARY (GRI 102-46)

This Statement covers our sustainability activities for the Group, including its Plantation and Healthcare Divisions operating in Malaysia. The reporting includes:

13
Oil Palm Estates
Operating in Malaysia

2
Palm Oil Mills
Operating in Malaysia

4
Hospitals

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

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

TDM's Sustainability Statement 2021 covers the period from 1 January to 31 December 2021, unless otherwise specified, and is published annually in the form of a Sustainability Statement for inclusion in the Group's Annual Report 2021.

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.

ABOUT THIS STATEMENT

REPORTING GUIDELINES (GRI 102-54)

This Statement has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option. The Statement is closely guided by Bursa Malaysia's Sustainability Reporting Guide to fulfill Bursa Malaysia's sustainability-related Listing Requirements and the FTSE4Good Bursa Malaysia (F4GBM) Index. Please refer to the GRI Content Index from pages 225 to 232 for the complete list of disclosures referenced in this Statement. To demonstrate our commitment to proactively addressing and contributing positively to EESG challenges, we have strategically aligned our sustainability efforts with 17 United Nations Sustainable Development Goals (UNSDGs) and report our contributions towards our sustainability goals.

ACCURACY AND ASSURANCE (GRI 102-56)

We have strong governance controls and internal checks to ensure the data and information reported are accurate. The Board of Directors oversees TDM's sustainability governance structure, where sustainability performance is closely monitored internally at every division. Any issues related to sustainability matters are discussed at the quarterly Sustainability Committee Meetings (SCoM), chaired by the Executive Director. We are focused on improving reporting processes internally, and as such, we have not obtained external assurance for this Statement. However, we will continue to review the need for external assurance in the future.

FEEDBACK (GRI 102-53)

We welcome and value any comments and feedback from our stakeholders to share opinions on improving our approach to sustainability. All enquiries and comments can be directed to:

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

+609 620 4800

sustainability@tdmberhad.com.my

A QUICKTAKE ON TDM

OUR BUSINESS OVERVIEW (GRI 102-1, 102-2, 102-4, 102-6)

Incorporated in 1965, TDM Berhad is one of the Shariah-compliant securities listed on the Main Market of Bursa Malaysia with core businesses in the oil palm plantation and healthcare sectors. Employing about 4,065 people from various backgrounds, TDM is determined to go beyond its comfort zones to foster sustainable growth within the community and other stakeholders by ensuring our businesses progress with a meaningful purpose.

Since venturing into the Plantation business in 1965, TDM Group has been constantly promoting sustainable agricultural practice via RSPO and MSPO certifications. The Group's upstream operations are operated by the Plantation Division which currently spans over 15 oil palm estates, 3 bio-composting plants, 3 palm oil mills and 3 biogas plants spread over 44,090 hectares (ha) of land in Terengganu, Malaysia and Kalimantan, Indonesia.

The Group's Healthcare Division currently owns and operates four specialist hospitals, which provide quality healthcare and efficient services at affordable prices for the benefit of the community.

4,065
Employees

15
Oil Palm Estates

3
Bio-composting Plants

3
Palm Oil Mills

3
Biogas Plants

44,090 ha of planted oil palm in Terengganu, Malaysia and Kalimantan, Indonesia

4
Specialist Hospitals

A QUICKTAKE ON TDM

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 expectation for our customers.
- To widen our regional presence.
- To stimulate human capital development.

CORE VALUES

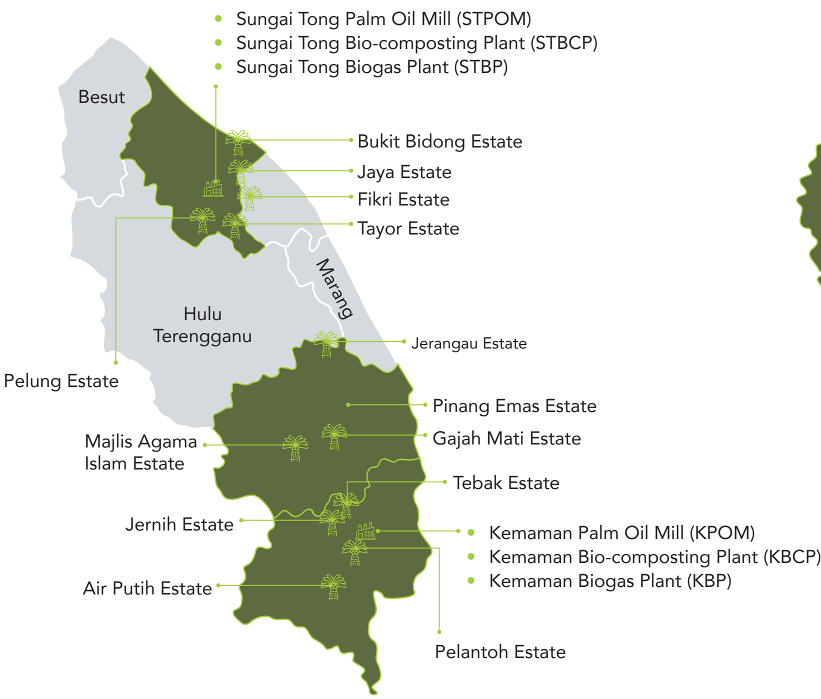
- Good Governance
- Teamwork
- People Centric
- Innovation
- Environmentally Friendly
- Shariah Compliance

Sustainability Statement

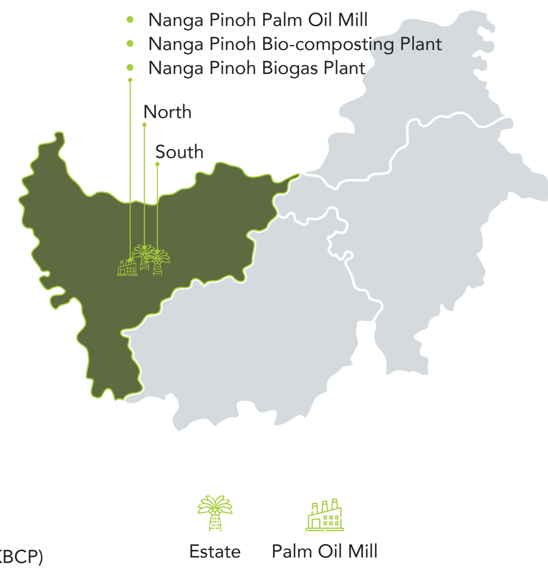
A QUICKTAKE ON TDM

OUR PRESENCE (GRI 102-4, 102-6)

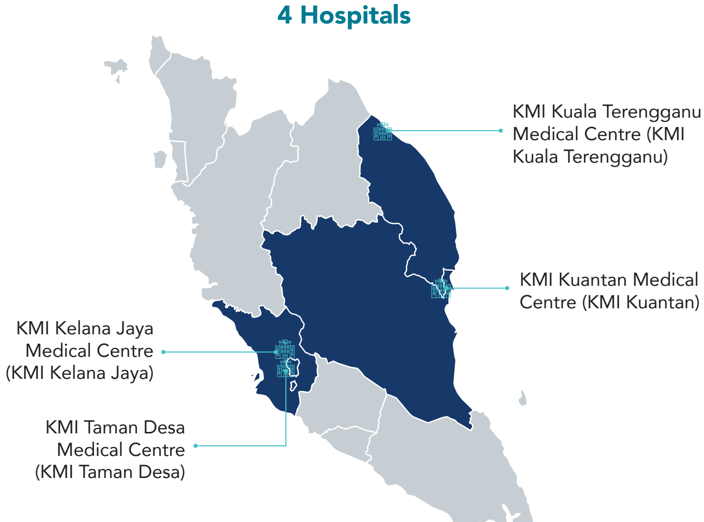
Terengganu, Malaysia:
13 Estates & 2 Mills : Total: 33,363 ha



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



Community Specialist Hospitals
4 Hospitals



A QUICKTAKE ON TDM

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 and Carbon Certification approved by the European Commission (ISCC EU)
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
Executive Director, TDM Berhad

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

As we navigate through 2022 and reflect back on the pandemic's impact, we must admit that COVID-19 has dramatically changed the way we live and work. It affected all segments of society and industries globally. Supply chains were disrupted, learning institutions conducted lessons virtually, and people who could work from home (WFH) were required to do so to contain the spread of the virus.

HAJI NAJMAN BIN KAMARUDDIN
Executive Director, TDM Berhad

Similarly, TDM's operations were affected as the COVID-19 outbreak led to the global shutdown of borders, resulting in difficulties in obtaining foreign labour. We successfully mitigated this labour issue by recruiting from the local workforce and expediting the mechanisation activities at our estates. Our Healthcare business also had to quickly embrace technology and adopt a digital-based working environment to continue delivering excellent services to patients and to create more value for its stakeholders.

The pandemic has exposed deep-rooted vulnerabilities in the Economic, Environmental, Social and Governance (EESG) dimensions and addressing the challenges posed by the pandemic has become our immediate priority. Recognising that EESG issues can have material impacts on the company's value and managing such risks can preserve and even enhance economic value for the Group and its stakeholders, we re-evaluated our Strategic Business Plan and studied how we could improve our business resilience.

As adapting to the new normal is crucial for us, we prioritised operational excellence and cost efficiency across our business operations to minimise workforce risks and continue to remain competitive in the market. In the face of these challenges, we remain committed to intensifying efforts to advance the sustainable development agenda throughout the organisation and beyond.

Sustainability Statement

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

Our employees are invaluable assets who facilitate business growth and drive organisational excellence. Thus, we will continue to nurture, develop and engage our employees to gain and maintain a competitive advantage for the organisation. In 2021, we invested approximately RM466,520 covering 18,719 hours of formal training and development while remaining committed to creating and maintaining a conducive and safe workplace. We are also pleased to report a perfect safety performance record in 2021 with zero fatalities.

In 2021, we invested almost

RM466,520 &
18,719 hours

for training and development.

One of the mechanisation workshops held at the Bukit Bidong Estate - a proper guide to mechanical cutting tools.

One of the COVID-19 vaccine recipients at UniSZA's first outreach programme in collaboration with TDM.

In response to the Ministry of Health's call to abate the pandemic, we leveraged our vast resources to support our COVID-19 inundated Government hospitals to clear the backlog by treating non-Covid infected patients. We participated in the National Immunisation Programme, with four of KMI Healthcare's community specialist hospitals appointed as vaccination centres. Currently, our hospitals are continuing to assist the Government in administering COVID-19 booster shots.

We adopted a 'whole-of-society' approach to ensure the success of the National COVID-19 Immunisation Programme (PICK), whereby our support helped the country achieve an almost 98% vaccination rate amongst the adult population by the end of December 2021. One such initiative was undertaken in June 2021 when TDM donated RM100,000 to Universiti Sultan Zainal Abidin (UniSZA). The objective of this joint effort was to inoculate 4,000 individuals in underserved rural areas with limited access to healthcare facilities throughout Terengganu. TDM's employees volunteered and worked alongside UniSZA representatives in the latter's mobile vaccination programme, reaching out mainly to the older and high-risk people as well as those who are physically disabled. The Group will continue to support and contribute to the national healthcare system in rebuilding the nation post-COVID-19.

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

TDM rolled out the Bakul Prihatin programme to assist more than 800 families in areas under the RMCO.

RM589,070
for CSR, donation and sponsorship activities

Benefitting more than
1,000
households, organisations, and individuals.

Through the "TDM Prihatin" CSR programme, we assisted more than 120 asnaf families.

Showing solidarity during the disastrous floods in various areas in Terengganu, volunteers from KMI Kuantan got together to help with clean up efforts.

During this challenging period, supporting our employees, the surrounding communities and local suppliers became our priority. Towards the year end, we launched a Flood Relief Mission Programme to help ease some of the burdens faced by employees and communities impacted by the floods in several states. We also distributed essential food items to employees and communities whose livelihoods have been affected by COVID-19 via the *Bakul Prihatin* Programme. We also worked closely with Government agencies and NGOs via financial aid or in-kind contributions and donations. In 2021, TDM allocated RM589,070 for CSR programmes and activities, cash and in-kind donations, and sponsorships undertaken by the Group.

As for strengthening our procurement process, we worked closely with our vendors to develop a secure and sustainable supply chain by regularly monitoring and reviewing their progress. We also prioritised the procurement of goods and services from local vendors who meet our required standards. In 2021, the Group appointed 1,649 local vendors with contract values amounting to RM91.6 million.

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

Mechanising oil palm operations eases FFB transfer without the requirement of skilled labour and ensures labour safety.

TDMP's South Zone operation units are ISSC EU certified.

2
palm oil mills
operating in Malaysia

13
oil palm estates
operating in Malaysia

Total
30,925.50 ha
plantation areas certified with RSPO.

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

The Group remains optimistic about our long-term goal to achieve sustainable and profitable growth for our shareholders and other stakeholders. We believe that with continuous improvements in productivity and implementation of best management practices underpinned by cost effective strategies, the Group will smoothly ride out the challenges ahead. For the Plantation business, the Group will continue to prioritise manuring, harvesting, and increasing mechanisation to achieve greater operational efficiencies and drive performance to a higher level.

Fulfilling our goal of promoting sustainable agricultural practices, our Plantation operations in Malaysia obtained the RSPO certification for two palm oil mills and 12 estates, totalling 30,925.50 ha of our landbank. Certification of the remaining estate is in progress. Meanwhile, all our estates and mills are already MSPO certified. Apart from the RSPO and MSPO certifications, TDMP became the first plantation company in Terengganu to receive recognition from the International Sustainability and Carbon Certification approved by the ISCCEU. This ISCCEU recognition and our compliance to the Renewable Energy Directive (RED), which covers the traceability, enviromental and social aspects of biomass production, reiterate our first steps and commitment to minimising GHG emissions.

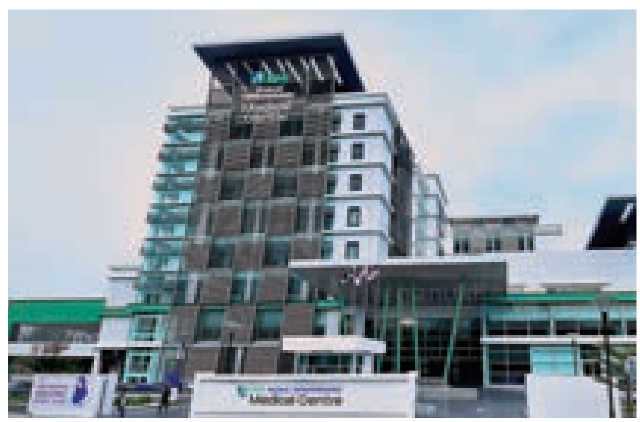
MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

Gaining traction in the national private healthcare industry, KMI Healthcare unveiled a new brand and logo, resulting in a fresh look and feel for the company in September 2021. The rebranding exercise involved changes to the names of KMI hospitals as well. This new brand identity signifies the Group's new direction as it transforms and evolves steadily with the acquisition of new hospitals. The rebranding of KMI Healthcare reflects its relevancy in the industry through enhanced brand equity that is immediately recognisable by the public, better connecting with the community where we operate and increasing stakeholder trust through the provision of quality and affordable healthcare.

In refining the Group's overall value proposition, we are increasingly shifting our focus toward brownfield acquisitions and greenfield developments to expand our business. The Group capacity expansion strategies are expected to increase earnings in the near term, enabling the company to increase patient volumes and presence nationwide. This approach also assists other lower capacity private hospitals that are badly affected by the COVID-19 pandemic.

KMI Healthcare's network of specialist hospitals with their new logos following the company's rebranding move.

KMI Kuantan, Pahang.



KMI Kuala Terengganu, Terengganu.

KMI Taman Desa, Kuala Lumpur.

KMI Kelana Jaya, Selangor.

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

We are accelerating digital adoption in delivering services with the introduction of Smart Healthcare to enhance customers' experience. We continue to reinvent product and service offerings by providing COVID-19 testing in several modes, medication delivery and virtual consultation. As compared to other private hospitals, all KMI hospitals continue to offer single bedded rooms to ensure privacy and comfort to patients and their guardians.

The Group is also taking the necessary steps to obtain the MSQH accreditation for its hospitals. In January 2022, KMI Kuantan successfully passed the final audit stage and is now awaiting the results.

The Group had further expanded its healthcare access by establishing an Ambulatory Care Centre (ACC) to focus on outpatient healthcare services. The ACC is a one-stop facility providing convenience to patients undergoing day surgery. At the ACC, generally, no hospitalisation is required, and patients are discharged after recovery.

We combine exceptional capabilities with genuine and specialist care to ensure that our patients are in the best hands.

Our medical professionals are in constant pursuit of clinical, operational and service excellence.

MESSAGE FROM OUR EXECUTIVE DIRECTOR (GRI 102-14)

Innovation-driving Cath Lab technology for sophisticated diagnosis and intervention of coronary diseases.

Leveraging Internet of Things (IoT) to constantly drive our operations ahead.

We also launched the first private Catheterisation Laboratory (Cath Lab) in Terengganu in December 2021, at the construction cost of almost RM4 million to serve the community in Kuala Terengganu and surrounding areas. We envision that this service could reduce the congestion of heart patient treatment in Government hospitals, and improve and transform heart care through advanced technology. The introduction of the Cath Lab has indirectly opened a new chapter in KMI Kuala Terengganu's efforts to provide more comprehensive health services. Soon, other services such as nephrology and oncology will follow to support existing services.

There is still much uncertainty as we are expecting to transition from a pandemic to an endemic phase with the coronavirus, we have had to shift focus to new priorities, capabilities and prospects. In our endeavour to deliver sustainable value to our stakeholders, we are gearing up toward leveraging Group-wide collaborations, creative changes to business models, technology, and digitalisation while being driven and guided by the values of integrity.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

OUR SUSTAINABILITY JOURNEY

For the year under review, we continued to make good strides to incorporate sustainable practices into our operations and activities to regularly create sustainable values for our stakeholders. We have created sustainable ecosystems, protecting natural water sources, incorporated practical waste management protocols and participated in sustainability programmes and initiatives throughout our operations.

In 2021, we improved our reporting disclosure by incorporating TDM's value creation model to indicate how our Six Capitals - Financial, Natural, Manufactured, Intellectual, Human Capital and Social & Relationship, driven by our strategic thrust creates value for our diverse stakeholders.

In addition, we continually review our existing material matters and carried out a comprehensive materiality assessment in 2021 to determine the materiality of the EESG risks that are relevant to our business.

We also continue to align our material matters with the 17 UNSDGs, and disclose which key stakeholders are affected for each material matter identified. After a careful review of outcomes from the materiality assessment exercise and engagement with key internal and external stakeholders, key priorities areas were developed covering the EESG pillars.

Moving forward, we will evaluate the Group's sustainability performance to ensure our priority areas related to the EESG pillars are adhered to in the short-, medium-, and long-term plans. We ensure the Group's sustainability strategies, priorities and targets, as well as the performance against these targets, are communicated to our stakeholders.

1 — 2017

GOVERNANCE STRUCTURE
Established a Governance Structure to drive and implement sustainability initiatives and reporting.

2 — 2017

MATERIALITY STUDY
Identified and selected Materiality Matters most important to stakeholders and relevant to the Company.

3 — 2018 - 2019

SUSTAINABILITY POLICY

- Outlined the Sustainability Policy to determine overall direction.
- Reviewed Materiality Matters.
- Highlighted significant risks for the Group and the mitigation plans.

4 — 2020

KPIs, ACTION PLANS AND REPORTING PLATFORM

- Set KPIs for Material Matters and formulated Action Plans.
- Assigned responsibility to compile results and track progress.

5 — 2020

UNSDGs, GRI Standards and F4GBM

- Aligned approach to UNSDGs.
- Prepared disclosures according to GRI Standards and F4GBM.

6 — 2021

NEW MATERIALITY MATTERS ASSESSMENT

- Shortlisted 16 Materiality Matters and categorised in accordance to EESG pillars.
- Developed value creation model.
- Aligned our material matters with the 17 UNSDGs.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

SUSTAINABILITY GOVERNANCE

ROLES & RESPONSIBILITIES

Board of Directors (BOD)

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

Management, Investment, Risk & Compliance Committee (MIRCC)

- Overseeing the implementation of the Group's sustainability approach and ensures that key targets are being met.

Sustainability Committee (SCoM)

- Monitoring sustainability initiatives and performance.
- Performing management oversight and providing insight to the MIRCC to ensure the Group's sustainability strategies and goals are aligned.
- Reviewing sustainability issues highlighted by independent audits and assurance reports.
- Advising on the Group's Sustainability Reporting.
- Managing all sustainability efforts and decisions made on EESG matters within the Group.

SCoM members:

- Executive Director (ED)
- Person in Charge of Finance (PiCoF)
- Chief Executive Officer, TDMP
- Chief Executive Officer, KMI
- Plantation Advisor
- Sustainability Lead

Sustainability Working Group (SWG)

- 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.
- Deliberating reports of sustainability implementation and sustainability operations monitoring to the SCoM.

SWG members:

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

Sustainability Department

- Coordinating and monitoring all sustainability activities including KPIs and targets.
- Ensuring the Sustainability Statement is prepared in accordance with the Listing Requirements of Bursa Malaysia and other references and guidelines.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

MAIN AREAS OF DISCUSSIONS IN 2021				
Sustainability reporting direction	Sustainability roadmap and targets	Sustainability performance update	Revised Materiality Matrix	Results of stakeholder engagement pertaining to sustainability

Environmental education and awareness training help our team to develop and encourage a transition to a greener corporate culture.

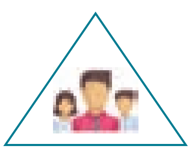
OUR SUSTAINABILITY APPROACH (GRI 102-12)

SUSTAINABILITY POLICY

The Group's Sustainability Policy aims to guide our sustainability practices and facilitate the achievement of the Group's commitment to conduct our business responsibly through the integration of EESG considerations throughout our business process.

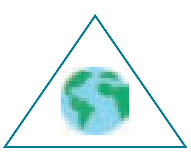
Our commitment to sustainability centers on the 5Ps Philosophy of "People, Planet, Prosperity, Peace and Partnership" and is embedded in all aspects of the Group.

Our Objective:
The 5P's are aimed at ensuring social equity, environment protection, economic progress, fostering peace and business competitiveness through continued engagement and collaboration.



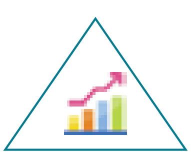
PEOPLE

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 acquiring 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

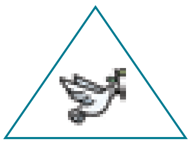
We champion the preservation of the environment and sustainability of natural resources so as to safeguard the well-being of the people, our natural environment and the general quality of life in the present as well as the future. We are increasingly 'greening' our operations and practices through innovation, technologies and sharing of knowledge to minimise TDM's carbon footprint and environmental impact.



PROSPERITY

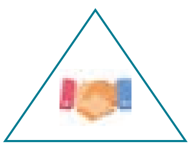
We are equally committed to our responsibility towards our employees' livelihoods and our shareholders' financial aspirations. We believe this responsibility is best upheld by capitalising on risks and opportunities in growing the company over the long-term to ensure healthy financial returns to all our stakeholders.

OUR SUSTAINABILITY APPROACH (GRI 102-12)



PEACE

We are committed to applying the highest standards of ethical conduct and integrity in all aspects of our activities. We also believe that stakeholders' trust can be developed by integrating corporate responsibility and sustainability into our business processes. In concord with this, we emphasise fostering peaceful relations with our employees and external stakeholders. We actively contribute toward social causes and provide support to vulnerable communities. We encourage our employees to volunteer in community engagement activities.



PARTNERSHIP

We acknowledge that the UNSDGs can be realised with strong partnerships and collaborations at international, regional, national, and local levels. We believe that progressive engagement and participation with various industry associations have enabled us to gain insights into industry-wide concerns and issues. Via dynamic collaborations with competent identified partners and stakeholders, we can learn the best practices to enhance our knowledge, expertise and competitiveness in the industry that can mobilise knowledge, technology and resources to create shared values and cultivate sustainable practices throughout the supply chain.

We partnered with Concord Green Energy Sdn. Bhd. to build our Biogas plants in Kemaman and Sungai Tong.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

This overarching Sustainability Policy is further supported by various policies and internal guidelines developed within our divisions to govern the day-to-day management of EESG matters.

OUR SUPPORTING POLICIES

Board Remuneration Policy	Whistleblowing Policy	Gender & Diversity Policy
Profit Distribution Policy	No-Gift Policy	Social & Humanity Policy
Dividend Policy	Anti-Bribery and Corruption Policy	Occupational Safety & Health Policy
Environment & Biodiversity Policy	Code of Business Ethics	Philanthropy Policy

PLANTATION

- Quality Policy
- Social Policy
- Gender Policy
- Child Protection Policy
- Freedom of Association Policy
- Foreign Labour Policy
- Occupational Safety & Health Policy
- Environment & Biodiversity Policy
- Agrochemical Management Policy
- River Buffer Zone & Slope Protection Policy
- Code of Business Ethics
- Human Rights Policy
- MSPO Policy
- Reproductive Health Policy

HEALTHCARE

Policies & Procedures covering the following sections:

- Clinical Governance
- Quality Assurance
- Finance
- Front and Business Office
- Medical Record
- Procurement
- Corporate Communication
- Marketing
- Information Technology
- Facilities Engineering & Support Services
- Human Resource
- Hospital *Mesra Ibadah*
- Nursing
- Customer Service
- Pharmacy
- Laboratory
- Rehabilitation
- Radiology
- Dietetics
- Cardiac Cath
- Outsourced services

Sustainability Statement

OUR SUSTAINABILITY APPROACH (GRI 102-12)

DETERMINING AND PRIORITISING OUR MATERIAL SUSTAINABILITY MATTERS

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

Materiality matters form the core of a company's drive towards sustainability as they represent the issues that are aligned to corporate aspirations as well as stakeholder needs and concerns.

Since 2018, TDM has focused efforts on our 10 Most Material Matters by assigning priority and allocating resources to improve our performance in these areas. In 2020, we conducted a review of our original Most Material Matters to take into consideration the impact of COVID-19 on our business and stakeholders. This resulted in a revised set that retained five original and introduced five new Most Material Matters which were deemed more relevant, given the challenges faced during that year.

In 2021, TDM carried out a comprehensive materiality assessment to determine the materiality of EESG risks (known as sustainability matters) that are relevant to our business. This exercise, which commenced in 2017, aims to underline TDM's approach to the disclosure of information on sustainability, in which the outcome helps TDM deliver relevant insights that will meet the expectations of stakeholders.

Through this exercise, the Group's short-, medium- and long-term impacts are reviewed from the perspectives of our key stakeholder groups, both internally and externally. Our materiality assessment is guided by Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia's Toolkit, including the Toolkit on Stakeholder Engagement and the Toolkit in Materiality Assessment, together with GRI Standards. Industry trends and best practices of selected industry players were also used as guidance. We had set out to merge the sustainability pillars prescribed by both organisations into a holistic EESG framework.

Bio-composting plant in Kemaman.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

Subsequently, we shortlisted 16 materiality matters under EESG which are considered critical to TDM's value creation and long-term success, as described below:

16 MATERIALITY MATTERS FOR CONSIDERATION

ECONOMIC

- Economic and Business Performance
- Procurement Practices
- Hiring from the Local Community

ENVIRONMENT

- Environmental Footprint
- Sourcing Materials Responsibly
- Climate Change
- Protecting Land and Biodiversity

SOCIAL

- Safety and Health of People
- Training and Career Development
- Diversity, Inclusivity and Social Justice
- Employee Engagement
- Quality and Innovation
- Engaging Local Communities

GOVERNANCE

- Ethics and Integrity
- Cybersecurity and Data Privacy
- Risk Management

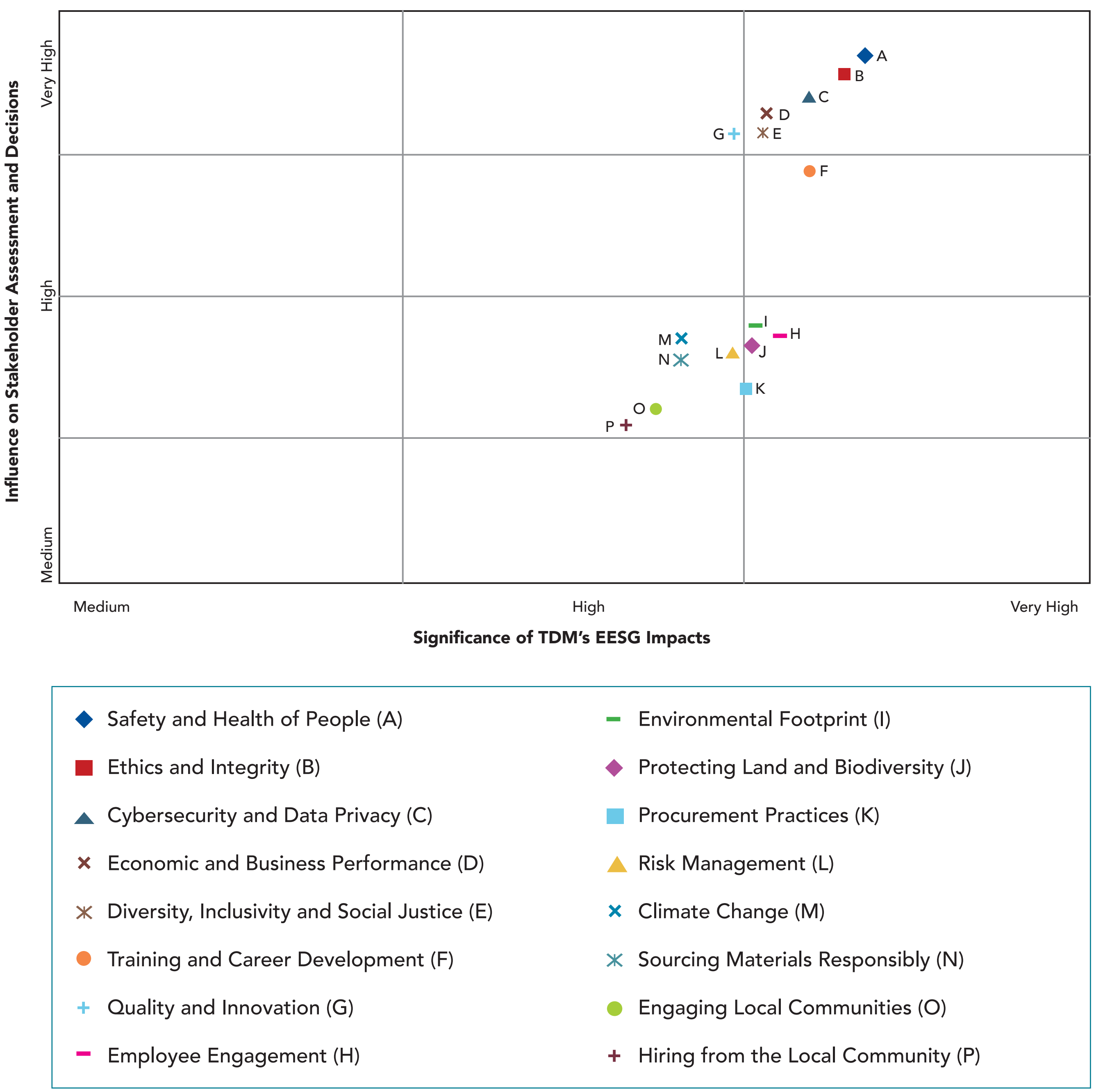
Next, we conducted a Materiality Survey in 2021 to capture the views and gauge the perception of internal and external stakeholders on the shortlisted 16 materiality matters. A total of 91 participants responded to the survey which comprised the Board of Directors, shareholders, investors, employees, vendors, suppliers, bankers, legal firms, customers and members of the media.

Sustainability Statement

OUR SUSTAINABILITY APPROACH (GRI 102-12)

The respective scores were tabulated and plotted on a Materiality Matrix to determine which materiality matters were rated highly in terms of their influence on stakeholder assessment and decisions as well as significance of TDM's impact on EESG issues, as shown on this page.

MATERIALITY MATRIX



OUR SUSTAINABILITY APPROACH (GRI 102-12)

The results from our impact assessment as well as input from our stakeholder engagements indicated the 16 Most Material Matters, which included selections covering all four EESG sustainability dimensions. There are six most material matters under the Social pillar, four under Environment, and three each for Economic and Governance.

RANKING OF MOST MATERIAL MATTERS

Order of Significance	Material Matters	EESG Legend
1	Safety and Health of People (A)	Social
2	Ethics and Integrity (B)	Governance
3	Cybersecurity and Data Privacy (C)	Governance
4	Economic and Business Performance (D)	Economic
5	Diversity, Inclusivity and Social Justice (E)	Social
6	Training and Career Development (F)	Social
7	Quality and Innovation (G)	Social
8	Employee Engagement (H)	Social
9	Environmental Footprint (I)	Environmental
10	Protecting Land and Biodiversity (J)	Environmental
11	Procurement Practices (K)	Economic
12	Risk Management (L)	Governance
13	Climate Change (M)	Environmental
14	Sourcing Materials Responsibly (N)	Environmental
15	Engaging Local Communities (O)	Social
16	Hiring from the Local Community (P)	Economic

Economic Environmental Social Governance

With the new selection, our task going forward is to set key performance indicators (KPIs) for these most material matters while also assigning responsibility to track progress for the KPIs to the respective divisions, departments or business units.

OUR SUSTAINABILITY APPROACH (GRI 102-12)

In summary, our materiality assessment process covered the following stages:

Identification of Material Matters

- Internal review of existing sustainability matters based on internal and external sources.
- All sustainability matters identified were consolidated into several themes and referred to as material matters.

Prioritisation of Material Matters

Assessment of priorities assigned by stakeholders

- The prioritisation of materiality matters is based on the results of our engagement with stakeholders.
- We circulated a materiality survey to internal and external stakeholders to find out their perceptions on the 16 material matters identified to TDM's value creation and long-term success.
- A total of 91 participants responded to the survey, which comprised the Board of Directors, shareholders, investors, employees, vendors, suppliers, bankers, legal firm, customers as well as members of the media.

Assessment of the impact of materiality matters to Businesses

- We undertook a comprehensive impact assessment exercise to evaluate and rate the impact and risk of each material matter to our businesses.

Mapping of Material Matters in a Materiality Matrix

- From the outcome of a combination of our impact assessment and input from our stakeholder engagements, we have developed an updated Materiality Matrix.
- Our Materiality Matrix was reviewed by the SCoM, followed by validation by the MIRCC, deliberated by the BRCC and then presented to the Board for approval.
- The Materiality Matrix is aligned with the Group's strategy and the interests of our stakeholders. We will review and reassess the Materiality Matrix from time to time to ensure its relevance.

Speech therapy helps children improve communication skills with other children and adults.

THE VALUE WE CREATED (GRI 102-2, 102-7, 102-9, 102-12)

HOW WE CREATE VALUE

With over 56 years of experience in the Plantation sector and 24 years of experience in the Healthcare industry, TDM has grown into one of the prominent players in the Plantation and Healthcare sectors, following a successful restructuring exercise and new strategic direction in 2000. The value we created in all related EESG areas reflects our vision to be an iconic corporation in the East Coast of Peninsular Malaysia that creates sustainable values for stakeholders. At TDM, we take cognisance of our Six Capitals which provide multi-benefits to our diverse stakeholders.

Our Strategic Thrusts:

PLANTATION BUSINESS

- Operational Efficiency
- Cost Efficiency
- Integration of Mills
- Crop Diversification Strategy Blueprint

HEALTHCARE BUSINESS

- Capacity Expansion
- Capability Growth
- Customer Experience
- Quality Assurance Programme
- Branding
- Thought Leadership

OUR SIX CAPITALS

Financial Capital
We balance an appropriate mix of asset and equity funding to meet our working capital needs and growth ambitions.

Natural Capital
We depend on certain natural resources such as water, fossil fuels and other natural assets both directly within our operations and indirectly via our value chain.

Manufactured Capital
Our extensive physical assets including facilities and infrastructure are utilised for developing solutions for the segments served by TDM. We continually invest in this capital to enhance our capacities and capabilities and to ensure safety and reliability of our operations.

Intellectual Capital
Our unique way of doing business has been built up over 56 years in Plantation and 24 years in Healthcare and includes the TDM Business Model, our Values, Code of Business Ethics and governance frameworks and processes.

Human Capital
Our people have the required competencies, capabilities, experience and their motivation to innovate enables us to serve our customers and compete effectively in our chosen markets.

Social & Relationship Capital
We maintain strong relationships with our shareholders, investors, suppliers, customers, employees, certification bodies, regulators, the media, and communities.

THE VALUE WE CREATED (GRI 102-2, 102-7, 102-9, 102-12)

OUR CAPITALS	INPUTS		
Financial Capital	Total Equity: **RM708.8 million**	Total Assets: **RM1.74 billion**	Cash: **RM194.4 million**
Natural Capital	Group's Plantation Landbank: **59,205.59 ha (Malaysia & Indonesia)**	Oil Palm Planted: **Malaysia: 33,363 ha** **Indonesia: 10,727 ha** Existing land Allocated for cash crop: **23 ha** Pineapple: **15 ha** Chilli: **8 ha**	
Manufactured Capital	Plantation: 3 Mills 3 Bio-composting Plants 3 Biogas Plants Healthcare: 4 Community Specialist Hospitals 394 Beds Capacity		
Intellectual Capital	TDM is supported by a team of highly trained employees with expertise in: Plantation: Agronomy, GIS & Drone Operations, Mill Engineering, Oil Palm Plantation, and Microbiology aside from of other plantation related expertise. Healthcare: Orthopaedic, Paediatrics, General Surgeon, O&G & Physicians aside from other healthcare related expertise.		
Human Capital	Total Employees: 4,065 Male: 66% Female: 34%	General Workers at Plantation: Local Workers: 1,441 Foreign Workers: 1,043	
Social & Relationship Capital	• RSPO member since 2011 with almost all plantations in Malaysia fully certified since 2013. All estates and mills in Malaysia are also MSPO certified. • First plantation company in Terengganu to receive the ISCC EU certification. • MSQH accreditation to be attained by all hospitals, starting with KMI Kuantan. • Various conservation initiatives such as War on Waste Programme, River of Life Programme, and Living Together with Elephants. • Various CSR and engagement initiatives inspired by the 5Ps Philosophy of People, Planet, Prosperity, Peace and Partnership, with focus areas on community, education, entrepreneurship and the environment.		

BUSINESS ACTIVITIES

PLANTATION DIVISION:
Upstream Activities

Estate
- Oil palm planting and production of FFB.
- Continuous replanting programme.
- Innovation in mechanisation.

Mill
- Processing FFB into CPO.
- Utilising new technology and mill automation.
- Renewable energy projects via biogas plants

Cash Crop
- Maximise land usage for agricultural activities to increase potential growth in the future.

HEALTHCARE DIVISION:

KMI hospitals offer essential medical services covering general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics, gynaecology, ENT, dermatology, ophthalmology, urology, anaesthesiology, and gastroenterology.

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Sustainability Statement

THE VALUE WE CREATED (GRI 102-2, 102-7, 102-9, 102-12)

OUTPUTS	DELIVERING VALUES FOR OUR STAKEHOLDERS	STAKEHOLDERS WHO BENEFIT FROM THE VALUE WE CREATE
Financial	**Revenue:** RM511.6 million **Interim Dividend:** RM0.64 sen per share	**Investors, Shareholders & Bankers** • Ensuring operational continuity. • Consistent returns on investment. • Strong corporate governance.
Natural	**FFB production:** Malaysia: 315,167 mt Indonesia: 8,207 mt **Yield per mature hectare:** Malaysia: 12.82 mt/ha Indonesia: 0.77 mt/ha	**Customers** Regaining customers' trust by portraying our ability to operate with good agriculture practices which are essential for sustainable agriculture, and producing high-quality products while enhancing productivity through yield optimisation.
Manufactured	**Plantation Business** Mills FFB Processed: 322,216 mt CPO Production: 61,651 mt Palm Kernel Production: 14,907 mt **Healthcare Business** No of Inpatients: 17,135 No of Outpatients: 186,645 Occupancy Rate: 35% MSQH Accreditation: KMI Kuantan	**Customers, Business Partners, Regulators & Certification Bodies** • Offering a variety of value-added products and services to effectively compete in the market. • We also address climate change initiatives to reduce carbon emission through renewable energy projects via biogas plants.
Intellectual	**Plantation Business** • 22 units mechanical buffalos (Badang) allocated at South Zone and North Zone operations. • Improvements to mill throughput as well as cost efficiency by creating greater synergy between transportation of FFB and milling activities. • Implementing an aggressive replanting programme to achieve an ideal balance between old, matured and young oil palm trees for optimum output. **Healthcare Business** • Established ACC. • KMI KT launched the first Cath Lab in Terengganu. • KMI KT launched its Oncology Services in collaboration with Sunway Medical Centre. • Established Orthopaedic Services in KMI Kelana Jaya.	**Customers, Vendors, Suppliers, Industry Association & Regulators** • Offering high quality products and services to customers. • Valuable contracts, good procurement practices, and service improvements. • Supply chain security and sustainability. • Operating responsibly to contribute to socio-economic growth through tax payment. • Maintain a positive relationship with local authorities and support their programmes.

THE VALUE WE CREATED (GRI 102-2, 102-7, 102-9, 102-12)

OUTPUTS	DELIVERING VALUES FOR OUR STAKEHOLDERS	STAKEHOLDERS WHO BENEFIT FROM THE VALUE WE CREATE
Human	New Hires: 109 employees Resignations: 90 employees RM466,520 allocated for formal trainings and development. 719 participants attended various training sessions at TDM HQ. Various support is provided in advocating work-life balance amongst Warga TDM.	**Employees** • Competitive salary that is above market minimum. • Attractive benefits. • Training and development. • Career growth opportunities. • Work-life balance. • Enhance health, safety and environment protocols.
Social & Relationship	• 100% MSPO & 92% RSPO certified for plantation operations in Malaysia. • Signed an Memorandum of Understanding (MoU) with Malaysian Palm Oil Green Conservation Foundation (MPOGCF) to elevate environmental conservation initiatives via collaborations. • Donated RM5,000 to the Terengganu Wild Elephant Management Fund to jointly address the threat of encroachment by wild elephants into plantations areas. • Received a delegation visit from Terengganu Department of Urban and Rural Development (PLANMalaysia) in a move to promote wildlife corridors within TDMP estates. • RM589,070 was allocated for CSR, donations and sponsorship activities, benefitting more than 1,000 households, organisations and individuals.	**Local Community, Smallholders, Certification Bodies & Regulators** • Building peaceful relations with the community and provide support to vulnerable communities. • Audits and certification. • Compliance with laws, regulations and international quality and safety standards. • Maintain a positive relationship with local authorities and support their programmes.

OUR RISKS AND OPPORTUNITIES (GRI 102-11, 102-15)

Although the COVID-19 outbreak in the markets we operate has been relatively well managed so far, its continuing impact on the upcoming financial year cannot be accurately estimated at this juncture. The shortage of labour in the Plantation business as a result of the closure of Malaysia's borders, coupled with our high dependency on technology, has forced us to prioritise and respond promptly to the changes in our business environment. Our Plantation and Healthcare businesses are now focusing on reviewing their Strategic Business Plan by incorporating automation in business processes, digitalisation and the building of a resilient business model.

Following are the significant risks highlighted by the Group in 2021 and its mitigation actions to reduce the risks.

RISKS AND OPPORTUNITIES	MITIGATION ACTIONS
Low yield of FFB Low quantity of FFB harvested from the plantations due to flood and labour shortages will affect the expected amount of CPO produced. The company may need to purchase FFB from external parties in order to meet customers' demands.	• Continuous improvement and monitoring of the harvesting system. • Continuous monitoring of the KPIs achieved. • Improve our adherence to the Agriculture Policy such as implementing high density planting during replanting.
Change in Business Environment The impact of COVID-19 had pushed employees and consultants to rapidly embrace technology and resort to Telemedicine and Medication delivery to enhance healthcare services to our patients and customers. Failure to respond promptly to business environmental changes would result in potential loss of income for the Group.	• Initiated Business Continuity Plan and Business Recovery Plan to minimise operational disruptions such as drive thru COVID-19, COVID-19 test on-wheels, drive thru child vaccination, online consultation, OTC product displays and home care services. • Implement cost saving strategies across KMI Healthcare Division.
Liquidity Difficulty in maintaining the expected cash flow, long outstanding receivables and payables, high gearing and borrowings would affect the operations of the company.	• Asset monetisation of idle asset and potential disposal. • Prepare monthly financial ratio analysis and compare against the historical financial information and industry benchmark to identify areas for improvement.

OUR RISKS AND OPPORTUNITIES (GRI 102-11, 102-15)

RISKS AND OPPORTUNITIES	MITIGATION ACTIONS
Cybersecurity There have been increases in cyber attacks during the pandemic as businesses become more vulnerable due to the increased takeup of digitalisation. This is now considered a business risk rather than just an IT issue. A cyber attack could cause data loss or system downtime.	• Organised IT Security Awareness Talk to all staff. • Established additional Linux backup servers to perform onsite data recovery. • Commenced immediate security preventive actions including changing our database, firewall, and staff email passwords. • Upgraded Endpoint Security on staff laptops to ensure another layer of protection. • Migrated data to the cloud. • Conducted security penetration testing to ensure all hardware and software components are secure.

RISKS AND OPPORTUNITIES	MITIGATION ACTIONS
Fluctuation of CPO Price A decline in palm oil demand and depressed CPO prices will have a significant impact on the earnings of TDM. Failure in addressing the decrease in palm oil demand and prices may bring significant losses to the organisation.	• Close monitoring of CPO and other edible oil prices. • Keep abreast of Malaysian Government Policies (Palm Oil Export Tax Policies, Biodiesel Policies). • Maximise CSPO sales potential. • Identify agriculture related business that could provide additional revenue to the company such as cash crops, fruits and forestry. • Purchase of crops from other producers or markets.

RISKS AND OPPORTUNITIES	MITIGATION ACTIONS
Potential Legal Suit Alleged legal action and the judgement against the Company may lead to operational disruptions as well as a lost in reputation.	• Proper preparation to defend the case by obtaining professional and specialised legal advice.

KEEPING OUR STAKEHOLDERS ENGAGED

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

It is the Group's objective to maintain its relationship with the stakeholders by not putting aside their concerns in our decision-making process. Regular engagement with important stakeholder groups is important as it enables the Group to understand stakeholders' concerns and expectations with respect to specific sustainability topics, identification of material sustainability matters and our effectiveness in addressing their material issues.

	WHY ARE THEY IMPORTANT	AREAS OF INTEREST
EMPLOYEES	Empowered, forward-thinking, and dedicated employees play an important role towards the success of our business.	• Training and career development • Work life balance • Conducive working environment • Employee welfare • Occupational safety and health • Employee engagement • Employee remuneration
INVESTORS, SHAREHOLDERS & BANKERS	Our shareholders are an important source of equity capital to fund our business and growth plans.	• Financial performance • Operational excellence • Group's business direction • Current industry trend • Sustainability issues
MEDIA	Media platforms are important for communicating key messages to our stakeholders.	• Brand positioning, image, and credibility • Business performance and growth • Ethical business conduct and regulatory compliance
CUSTOMERS & PATIENTS	Customers purchase our products or receive our services and they drive revenue for the Group.	• Quality and safety of product and services • Product pricing and credit terms • Product certification • Ethical business practices
VENDORS, SUPPLIERS & CONTRACTORS	Our vendors and suppliers play an important role in the value chain of the business.	• Access to opportunities • Ethical business practices • Product and service quality • Service scope and payment schedule • Supply chain sustainability
CERTIFICATION BODIES & INDUSTRY ASSOCIATION	It is important for TDM to maintain the status of our certifications and continue to have a voice within the industry through our associations.	• Relevant issues and updates in the industry • Wildlife conservation and human-elephant conflict issues • Industry's best practices
REGULATORS (Government, Ministries & Agencies)	Enforce industry rules and regulations.	• Support for government policies and initiatives in the industry • Contribution to national sustainability goals • Legal compliances • Upholding human rights and labour standards • Governance, ethics and integrity • Occupational health and safety
LOCAL COMMUNITIES & SMALLHOLDERS	To elevate the socio-economic status of our beneficiaries and to give opportunities to underprivileged community members.	• Community support • Support for local businesses • Employment opportunities • Pollution prevention • Environmental stewardship • Public safety and security

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

We engaged our stakeholders via several channels and through selected activities. Since the onset of the pandemic, most of our interactions with stakeholders had to be held online.

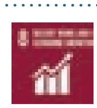
ENGAGEMENT CHANNELS	HOW WE DELIVER VALUE
• Talent Development Programmes • Social, sports, health and wellness activities • Town Hall meetings • Induction for new employees • Roll-Calls at mills • Roll-Calls at estates • Morning Briefings • Employee performance appraisal	• Competitive salary that is above market minimum. • Attractive benefits. • Training and development. • Career growth opportunities. • Work life balance. • Enhanced health, safety and environment protocols.
• Annual General Meeting • Annual Report • Dedicated Investor Relations section in TDMB's website • Announcements of Quarterly Financial Report • Engagement and meetings	• Ensure operational continuity. • Consistent returns on investment. • Strong corporate governance.
• Media Interviews, Briefing Sessions, and Press Conferences • Press Releases • Company events or activities • Company website	• To be transparent in all our business operations and when reporting financial performance. • Provide latest news related to company events or activities. • Promote company branding and build good networks.
• Surveys • Feedback form • 24-hr support correspondence form • Email correspondence • Mobile correspondence • Meetings, visits, seminars, talks and events • Company website	• Quality and safety of products and services. • Utilise technology to improve the experience of customers and patients. • Provide health awareness and information to patients and the general public. • Provide efficient medicine supply systems and testing.
• Vendor/Supplier Registration • Procurement Policies • Performance Evaluation • Site visits and meetings	• Create awareness of TDM's Policy and Supplier Code of Conduct. • Practice good contract management, procurement practices, and service improvements. • Ensure supply chain security and sustainability.
• Engagement and meetings • Submission of regulatory documentation • On-site inspections and audits • Constructive partnerships • Email survey	• Perform audits and attain certification. • Comply with laws, regulations and international quality and safety standards to reflect strong governance practices in TDM. • Ensure compliance with policies and latest changes in requirements.
• Regulatory discussions and meetings with authorities • Public consultation with local authorities • Dialogue sessions • On-site inspections • Company website	• Development and implementation of shared initiatives. • Closely monitor compliance with laws and regulations.
• Corporate Social Responsibility activities • Outreach programmes through education, entrepreneurship and sports programme • Environmental initiatives	• Education development • Entrepreneurship development • Community development • Philanthropy

Frequency of Engagement: Daily | Weekly | Quarterly | Annually | Periodically | As and when required

Sustainability Statement

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

TDM contributes to the national and global sustainable development agenda by embedding sustainability in its business strategy and operations. The Group's sustainability initiatives and impacts have also been aligned with 17 UNSDGs.

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
ENHANCING ECONOMIC VALUE	**Economic and Business Performance**	• The Group achieved RM511.6 million and RM81.9 million in Revenue and Profit before Tax, respectively for FY2021. • Interim dividend payout to shareholders amounted to RM0.64 sen per share for FY2021. • The Group constantly reviews its Strategic Business Plan (SBP) with the introduction of the Enhanced Business Plan (EBP) to ensure business continuity and improve its planning approach for business sustainability. • TDMP maximised land usage by undertaking inter-cropping initiatives in our plantations involving cash crops such as pineapple and chili. • KMI Healthcare helped to decant non-covid patients from Government hospitals with cumulative revenue of RM2.2 million since June 2021. • TDM received the "Company of the Year Award" under the Plantation and Healthcare category at the Sustainability and CSR Malaysia Awards 2021. • TDM was listed in BestStartup.asia's 50 Top Malaysian Agriculture Companies and Startups of 2021 which showcases industry players that are taking various approaches in innovating the agriculture industry. • TDMP became the first plantation company in Terengganu to receive recognition from the ISCC EU in March 2021.	• Shareholders • Employees • Customers • Certification Bodies • Industry Associations	
	Procurement Practices	• Centralised drug and consumable procurement resulting in RM2.5 million in cost savings. • TDM uses the e-bidding system for tenders valued above RM500,000 to ensure fairness and transparency in our dealings with vendors, revisit current contract terms, review uncompetitive suppliers etc. • In 2021, out of 1,847 vendors and suppliers engaged, 89% were local vendors and 11% were non-local vendors. • Contracts awarded to Bumiputera entrepreneurs reached RM62 million.	• Vendors and Suppliers	
	Hiring from the Local Community	• 92% of our senior management staff are Malaysians. • All new hires are locals at KMI Healthcare.	• Employees • Local Communities	

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
PRESERVING THE ENVIRONMENT	**Environmental Footprint**	• Maintained zero environmental non-compliance incidents. • Continue to implement "War on Waste" by closely monitoring the usage of electricity, water, stationary, paper, petrol and diesel in each operational unit at TDMP. • 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). • Solar-powered electric fences have been installed at the Sungai Tong and Kemaman Complexes 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 measuring water outflow from the mill at the wastewater treatment plant at the Kemaman Complex. • At KMI Hospitals, we continuously perform Scheduled and Planned Preventive Maintenance to ensure the equipment is functioning at an optimum capacity without unnecessary additional energy consumption, minimise faults and eradicate leakages. • We also continuously repair and replace defective parts of the Air Conditioning Mechanical Ventilation (ACMV) systems to ensure optimal performance.	• Employees • Regulators • Local Communities	6 7 12 13 14 15
	Sourcing Materials Responsibly	• Achieved 100% crop traceability in 2021. • TDMP was recognised by the ISCC EU, indicating our compliance with the legal sustainability requirements specified in the RED, covering the traceability, environmental and social aspects of biomass production. • We sourced as much of our materials as possible from local suppliers so as to empower and boost the surrounding economy.	• Smallholders • Suppliers • Employees • Certification Bodies • Local Communities	12
	Climate Change	• Replacement of light bulbs with LEDs at all estates, mills and office of TDMP, and KMI hospitals. • GHG emissions from clinical waste generated for Scope 3 has reduced from 125 tCO_2e in 2020 to 96 tCO_2e in 2021 at KMI hospitals. • The construction of our two biogas plants at KPOM and STPOM have been completed. The biogas plant at KPOM started operations in March 2022 while the plant at STPOM will begin operations at the end of April 2022.	• Employees • Local Communities • Regulators	7 12 13

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
PRESERVING THE ENVIRONMENT	Protecting Land and Biodiversity	• TDMP signed an MoU with the MPOGCF to elevate its environmental conservation initiatives via collaborations. • TDMP made a donation amounting to RM5,000 to the Terengganu Wild Elephant Management Fund to jointly address the encroachment threat by wild elephants into plantations areas. • TDMP welcomed a delegation visit from Terengganu Department of Urban and Rural Development (PLANMalaysia) at its Pinang Emas Estate in a move to promote wildlife corridors within TDMP estates. • Continue to ensure that there are no protected or areas rich in biodiversity adjacent to areas where our wastewater or effluents are released. • In 2021, we have designated 696.88 ha as HCV areas at our North Zone and South Zone Complexes in Terengganu.	• Employees • Industry Association • Regulators • Local Communities	

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
DRIVING POSITIVE SOCIAL IMPACT	Safety and Health of People	• Established a protocol to prevent the spread of COVID-19 at the workplace. • Established a COVID-19 Committee at HQ Level. • The Group donated RM100,000 to UNISZA to support its mobile vaccination programme and deployed medical volunteers from KMI KT to support the mobile PPV team with medical duties. • Zero fatalities were recorded for FY2021.	• Employees • Local Communities • Regulators	
	Training and Career Development	• RM466,520 allocated for formal training and development. • 18,710 hours spent on formal training and development. • 719 participants attended various training sessions at TDM HQ. • 11.83 average hours spent on formal training and development per employee. • Recruited and sponsored 2 employees for the ACCA programme and sponsored 1 staff for MBA.	• Employees • Industry Association	

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
DRIVING POSITIVE SOCIAL IMPACT	**Diversity, Inclusivity and Social Justice**	• In 2021, TDM employed 4,065 employees in different capacities at TDM and subsidiaries. • In 2021, we employed 1,043 foreign workers in our plantations, of which 71% of them were from Indonesia and 29% were from Bangladesh. • 11% of Directors are female. • Our hiring policy does not allow discrimination whereby any new hire is based purely on qualification, merit and experience.	• Employees • Local Communities	1, 5, 8, 10
	Employee Engagement	• 26 staff including interns from TDM were taken on a 2-day field orientation visit - under the Oil Palm Management Orientation Programme, to witness firsthand the complete value chain of palm oil operations. • Organised *Majlis Berbuka Puasa bersama Warga Tenaga Kerja Tamu* for North Zone & South Zone operations at TDMP. • Organised *Bakul Prihatin* Programme for staff who were impacted by the pandemic. • Flood Relief Mission for workers who were impacted by floods. • Offered discounts to staff for cancer screening in conjunction with World Cancer Day. • Offered discounts to staff for Diabetic Screening, Breast Ultrasound, Mammograms and Physiotherapy in conjunction with Malaysia Day. • Loyalty Event - distributed greeting cards and oranges to patients, consultants and staff in conjunction with Chinese New Year. • Blood Donation Programme 1.0 – actively participated by staff. • *Bakul Ramadhan & Projek Baju Raya Baharu KMCSB 2021*. • Countdown to MSQH Survey Day. • Free transportation for vaccination staff at KPJ Tawakkal Specialist Hospital (Dose 1 & Dose 2). • Free COVID-19 test for positive staff and family. • Discounted COVID-19 testing rate for staff and their family members. • Townhall at KMI Healthcare. • *Tazkirah* session every Thursday at TDM HQ. • Birthday greetings. • New hires announcements. • Farewell for retiring staff. • *Qurban* programme.	• Employees	1, 2, 3, 17

Sustainability Statement

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
DRIVING POSITIVE SOCIAL IMPACT	**Quality and Innovation**	• Allocated 22 units of mechanical buffalos (Badang) for South Zone and North Zone operations units specifically designed for collecting FFB with a coverage area of 3,805.24 ha. • TDMP utilised mechanical cutter (Engine Operated) for pruning and harvesting Young Palm areas. • TDMP has entered into a MoU with TATI University College (TATIUC) in December 2021 to collaborate on a wide range of innovation and mechanisation initiatives. • KMI Healthcare offered value added services to patients and customers in Q1 2021 to book their appointments through a mobile application. • Introduced electronic medical records to optimise proceses and improve healthcare quality. • KMI has expanded its healthcare access through the establishment of the ACC as part of improving outpatient healthcare services. • KMI KT launched the first private Cath Lab in Terengganu. • KMI KT launched its Oncology Service in collaboration with Sunway Medical Centre. • Established Orthopaedic Services in KMI Kelana Jaya. • *Mesra Ibadah* Programme - With the secondment of a Religious Officer at KMI Kuala Terengganu, several activities and initiatives were conducted in 2021, including a workshop specifically for nursing personnel. KMI Kelana Jaya & KMI Taman Desa held a two-day workshop on *Jaulah Hospital Mesra Ibadah* organised by *Jabatan Shariah & Pembangunan Shaksiah*. • All complaints received from hospital patients were acknowledged and addressed promptly.	• Customers • Employees • Industry Associations	
	Engaging Local Communities	• TDM showed solidarity in joining a GLC-wide CSR initiative to ease the burden of those affected by the floods in Chukai, Kemaman. • Organised a virtual *Majlis Bacaan Yasin & Kuliah Maghrib* for 134 students together with their teachers and parents to boost the morale of all students who were sitting for the SPM examinations. • Organised the *TDM Prihatin* programme to foster a closer relationship with the community from the Sungai Tong Complex and extended a helping hand to the needy especially those whose livelihoods were affected by the COVID-19 pandemic. • Organised the *Bakul Prihatin TDM* programme by distributing essential food items to a total of 670 families across the Kemaman Complex.	• Employees • Local Communities	

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UNSDGs (GRI 102-12)

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
DRIVING POSITIVE SOCIAL IMPACT	**Engaging Local Communities (continued)**	• TDM donated several cows for the *Qurban* Programme celebration to employees and community members at the Sungai Tong, Bukit Besi, and Kemaman complexes in conjunction with Eid al-Adha celebration. • TDM organised a two-day stakeholder engagement session for the signing of sublease and management agreements in relation to the company's sublease scheme renewal exercise. • Distributed a total of 800 Al-Quran to community members living within the vicinity of TDM, TDMP and KMI Healthcare. • TDM co-organised and co-hosted the Golden Monsoon Ride 2021, an annual cycling race organised by Terengganu Inc Group together with its staff at TDMP's operations units in Sungai Tong. • TDM allocated a total amount of RM589,070 for CSR, donations and sponsorship activities undertaken by the Group.	• Employees • Local Communities	1 2 3 4 17

SUSTAINABILITY GOALS	MATERIALITY MATTERS	TDM SUSTAINABILITY INITIATIVES/ ACHIEVEMENTS IN 2021	STAKEHOLDERS AFFECTED	UNITED NATIONS SDGs
PRACTICING GOOD GOVERNANCE	**Ethics and Integrity**	• KMI Kuantan received the Silver Award at the Integrity, Governance and Anti-Bribery Awards (AIGA), awarded in 2021. • No incidents of corruption reported in 2021. • Organised 10 Awareness sessions on Anti-Bribery and Corruption Policy, Whistleblowing Policy, No-Gift Policy and Code of Ethics and Business Conduct participated by 108 staff from TDM, TDMP, KMI KT and KMI Kuantan.	• Regulators • Employees	16
	Cybersecurity and Data Privacy	• All staff attended an IT security awareness talk in 2021. • Established additional Linux backup servers in September 2021 to protect the data. • Appointed a vendor in September 2021 to perform data recovery onsite. • Commenced immediate security preventive action including changing database, firewall and staff email passwords. • Upgrade of Endpoint Security on staff laptops to ensure another layer of protection.	• Employees • Vendors and Suppliers	8 17
	Risk Management	• Introduced Key Risk Indicators in Enterprise Risk Management (ERM) since Q3 2021. • Conducted risk awareness sessions to risk representatives. • Conducted quarterly risk assessment for the Group. • Prepared Statement on Risk Management and Internal Control for inclusion into the 2021 Annual Report.	• Employees • Regulators	8 17

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1:
ENHANCING ECONOMIC VALUE

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

ECONOMIC AND BUSINESS PERFORMANCE (GRI 103-1, 103-2, 103-3)

Why it Matters

The economic value generated and distributed by TDM has a direct impact on the well-being of the economy. Business success drives economic stability and growth through the provision of products and services that directly contribute to the health of the community. Our tax contribution to the government directly translates to better infrastructure and services that benefit the community, as well as creating jobs that eventually lead to the improvement of livelihoods.

TDM recognises the value we generated for our stakeholders in the form of jobs, dividends and taxes. Our economic and business performance is often used as an indicator to gauge the general outlook of our nation's economy. In fact, it has a strong influence on increasing investor confidence to explore investment opportunities in the country.

Our Approach

Our economic and business performance is defined by our ability to generate and preserve value over time. We are cognisant of our position in the Malaysian economy and aim to do our part to contribute to the development of the local economy. The value we created in all areas of our EESG is a reflection of our vision to be an iconic corporation in the East Coast that creates sustainable values for stakeholders. In meeting our diverse stakeholders' expectations, we employ various approaches to ensure economic value is distributed proportionately.

Our Progress

In 2021, we recorded higher prices for CPO as well as PK which in turn contributed to the increase in Plantation revenue. Meanwhile, we recorded higher returns per patient and an increased number of outpatients which boosted revenue in Healthcare. Our strong performance in our Plantation and Healthcare Divisions has led to the Group's revenue increasing by 15.5% to RM511.6 million from RM442.9 million in the previous year. As a responsible organisation, we aim to distribute the value that we have generated across multiple channels to our diverse stakeholders.

138 TDM Berhad Driving Progress Towards Sustainable Growth

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (GRI 201-1)

Economic Value Generated

Group's Revenue:
RM511.6 million

Revenue by Sector:
Plantation: RM287.3 million
Healthcare: RM224.3 million

Economic Value Distributed

Employee Cost:
RM115.3 million
Taxes:
RM28.2 million
Dividends:
RM11 million
Economic Value Retained for Reinvestment:
RM78 million
Economic Value Retained for Future Growth:
RM9 million
Non-Controlling Interest:
(RM7.3 million)
Total Distribution:
RM234.3 million

Plantation Performance Highlights:

Oil Palm Planted: Malaysia: 33,363 ha Indonesia: 10,727 ha	**FFB production:** Malaysia: 315,167 mt Indonesia: 8,207 mt	**Yield per mature hectare:** Malaysia: 12.82 mt/ha Indonesia: 0.77 mt/ha
Mills FFB Processed: 322,216 mt	**CPO Production:** 61,651 mt **PK Production:** 14,907 mt	**Average Selling Price:** CPO: RM4,447 per mt PK: RM3,007 per mt

Healthcare Performance Highlights:

4 Community Specialist Hospitals

Capacity: 394 Beds

Occupancy Rate: 35 %

No of Inpatients: 17,135
No of Outpatients: 186,645

Value added services provided:

- Establishment of Ambulatory Care Centre.
- KMI KT launched the first Cath Lab in Terengganu.
- KMI KT launched its Oncology Services in collaboration with Sunway Medical Centre.
- Establishment of Orthopaedic Services in KMI Kelana Jaya.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

FY2021 was a better year for TDM with both our Plantation and Healthcare Divisions returning healthy financial figures on the back of skyrocketing prices for crude palm oil (CPO) and higher patient numbers at our hospitals.

Despite the continuing fallout from the pandemic, we achieved significantly-better results by successfully managing unfavourable circumstances affecting our operations, particularly at our plantations. These included the temporary halt to milling operations due to COVID-19 infections, year-end flooding at one of our oil palm estates and year-round shortage of harvesters. In the case of Healthcare, there was lingering concerns among patients over the risk of infection and this resulted in some of them deferring less critical or elective medical procedures.

Nevertheless, a combination of market forces, sound fundamentals, prudent planning and effective management led to substantial gains in revenue and profits for the year in review, in which the relevant indicators and comparison are presented in the corresponding infographic.

The Group also issued generous dividends for the second year running, which should cushion any financial repercussions sustained by our institutional and retail shareholders over the past two pandemic years. We maintain a policy of declaring dividends amounting to a minimum 30% of the Group's Profit After Tax and Minority Interests (PATAMI), subject to availability of distributable reserves.

Meanwhile, TDM is already addressing any shortcomings in operational performance in order to capitalise on a bullish commodity market and recovering healthcare sector to sustain momentum for the new financial year.

KEY FINANCIAL FIGURES
Continuing Operations

REVENUE
15.5%
RM511.6 million
(2020: RM442.9 million)

EBITDA
65.8%
RM181.7 million
(2020: RM109.6 million)

PBT
8.5X
RM81.9 million
(2020: RM9.6 million)

PAT
39.4x
RM53.7 million
(2020: RM1.4 million)

EBITDA – Earnings Before Interest, Taxes, Depreciation & Amortisation

PBT – Profit Before Tax

PAT – Profit After Tax

Further details on TDM's business performance for the reporting period are available in the Management Discussion & Analysis section on pages 24 to 65 of this Annual Report 2021.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

SUSTAINABILITY OF THE BUSINESS STRATEGY

TDM has an agile business strategy aimed at growing the Group's core businesses by carving a niche in the plantation and healthcare sectors. We have carefully cultivated a brand as a producer of CSPO and CSPK as well as a provider of community-based secondary healthcare services that come with high levels of quality, care and comfort at affordable prices.

In 2020, we developed a SBP 2021 – 2025 to drive growth and increase profitability. To achieve these goals, the SBP is built around two component plans: a BDP to acquire new assets for expansion; and a VCP to unlock value from existing assets.

Following the onset of the pandemic, the Group also formulated a BCP and BRP to prepare for and mitigate the impact of operational restrictions and market impairment.

As the pandemic rolled into a second year and delayed the implementation of several initiatives, we upgraded the SBP into an EBP, which included the following tenets:

- Develop a new strategy to ensure business continuity;
- Improve planning approach for business sustainability;
- Identify new business opportunities to build resilience for new normal; and
- Embrace a new business model to transform uncertainty to positivity.

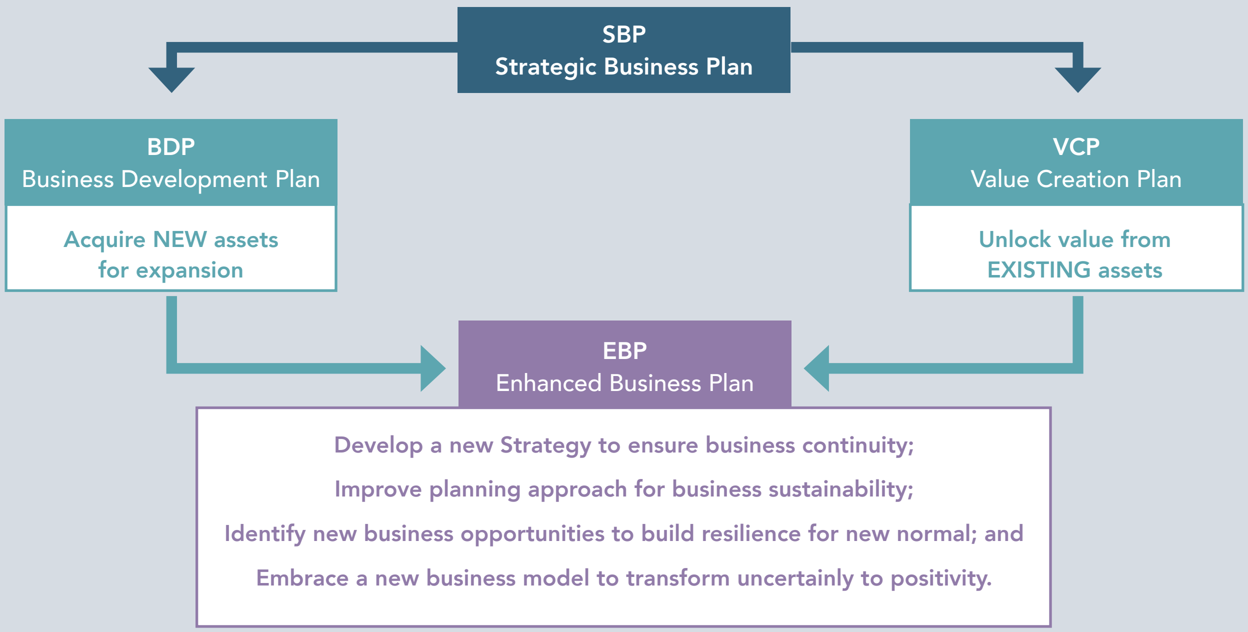
We will continue to review our EBP over the next four years of its implementation as Malaysia transitions into the endemic phase of the virus crisis and other concerning events such as the Russia-Ukraine war which unfolded in 2022.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

STRATEGIC BUSINESS PLAN EVOLVING TO ENHANCED BUSINESS PLAN



In order to generate long-term economic value for our stakeholders, we will continuously enhance our market competitiveness by enhancing our capacity and capability, improving productivity and cost efficiency, expanding product and service offerings to meet the customer needs, as well as leveraging on technology and innovation to maintain resiliency in our businesses.

For our Plantation business, we will continue prioritising on manuring, harvesting as well as increase mechanisation to achieve greater operational efficiencies and drive performance to a higher level. In addition, we will optimise the land usage as side income benefits during the replanting season via cash crop planting involving pineapple and chilli. Currently, we are testing the business viability of other fruits such as durian and coconut. While for our Healthcare business, we will accelerate digital adoption in delivering services to enhance customers' experience.

Further details of TDM's business strategy are available in the Management Discussion & Analysis section on pages 24 to 65 of this Annual Report 2021.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

MARKET PRESENCE (GRI 202-1, 202-2)

One of the more prominent public-listed entities in the east coast of Malaysia, TDM is a Government-Linked Company (GLC) that generates healthy return-on-investment (ROI) for the Terengganu Government and residents of the state.

The Group operates 13 oil palm estates and two palm oil mills in Terengganu, generating economic activity and creating business opportunities for small businesses and entrepreneurs throughout the state. We also have plantation assets in Kalimantan, Indonesia although operations have been discontinued pending their eventual disposal.

TDM also operates four hospitals across Malaysia including one each in Kuala Terengganu and Kuantan and another two in the Klang Valley. Over and above the business aspect, these hospitals offer much-needed healthcare services such as paediatrics, orthopaedics, general surgery, radiology, obstetrics, gynaecology, ENT, dermatology, ophthalmology, urology, anaesthesiology and gastroenterology to communities where they are located. During the reporting period, the Group extended its presence to Sabah following the acquisition of an existing hospital in Tawau and also established a new Cath Lab in KMI Kuala Terengganu.

TDM also provides gainful employment for thousands of people, especially in Terengganu where the bulk of our business operations are based. We are considered a preferred employer by offering attractive remuneration and benefits packages commensurate with industry standards.

TDM complies with the requirements of the Malaysian Minimum Wages Order 2020 and offers a higher standard entry level wage than what is stipulated by the minimum national entry level wage for an employee whose place of employment is in an area other than the City Council or Municipal Council areas.

The comparison of remuneration by TDM against the minimum national entry level wage is as follows:

Areas	Minimum National Entry Level Wage	Minimum Wage offered by TDM	Entry-Level Wage versus Minimum Wage Order 2020
City Council	RM1,200	RM1,200	RM1,200: RM1,200
Areas other than City Council and Municipal Council	RM1,100	RM1,200	RM1,200: RM1,100

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

The Group has managed to tap and groom most of its senior management from its Malaysian talent pool who have integrated knowledge and experience across our business segments to gain a competitive edge. As of 2021, 92% of our senior management staff are Malaysian citizens. Distribution for TDM's senior management demographics are as follows:

ORIGIN OF SENIOR MANAGEMENT PERSONNEL

Location	Malaysian Citizen						Non-Malaysian Citizen	Overall Total
	TRG	KEL	KL	SEL	KEDAH	PHG	SINGAPORE	
Plantation	1			1				2
Healthcare:								
KMI Kuala Terengganu	1							1
KMI Kuantan						1		1
KMI Kelana Jaya							1	1
KMI Taman Desa				1				1
KMI Healthcare				1				1
TDM Trading Sdn Bhd		1						1
TDM Berhad	2	1	1		1			5
Total No	**4**	**2**	**1**	**3**	**1**	**1**	**1**	**13**

We always support local talent and aim to have a solid local candidate pool that can fulfill senior-level positions. To better balance the cost, experience, and local market knowledge, TDM will always make strides to identify, train and promote local talent to serve our markets. As we look ahead - the labour shortage, leadership gap and salary hike trends - will likely continue. To gain a competitive advantage, TDM will invest more resources in the areas of learning and leadership development.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

HIRING FROM THE LOCAL COMMUNITY

(GRI 103-1, 103-2, 103-3, F4GBM)

As a stalwart of economic development and activities particularly in Terengganu, TDM is a vital platform to provide job opportunities and create employment among the communities in the state and beyond.

The Group has always prioritised locals over foreigners although the aversion of Malaysians towards difficult, dangerous, dirty and demeaning (4D) jobs often left us with little choice but to fill our ranks with migrant workers for such work as harvesting and general labour.

However, the emergence of COVID-19 changed this dynamic. The closure of Malaysia's borders prevented the normal influx of foreign workers to take up harvesting contracts, leading to an acute shortage of labour that ultimately affected production at our plantations.

In response to this scenario, we initiated a mechanisation drive at our estates and set out to hire semi-skilled locals capable of operating equipment such as the mechanical buffalo for transporting FFB of oil palm.

At the same time, we conducted a campaign to employ locals as harvesters by offering attractive remuneration plus benefits such as allowances, incentives, housing, meals and medical services, among others. During the year in review, locals outnumbered foreigners for the first time, as shown in the comparison table from 2019 to 2021 in this page.

PLANTATION JOBS: FOREIGNERS VERSUS LOCALS

	FOREIGN	LOCAL
HARVESTERS	**709** 2020: 885 2019: 1,070	**167** 2020: 23 2019: -
GENERAL WORKERS	**334** 2020: 554 2019: 588	**1,274** 2020: 1,069 2019: 676

Our Head of Community Outreach works hand in hand with the Local Village Development and Security Committee (JPKK) to encourage local participations in filling the vacancies available at our estates.

GOAL 1: ENHANCING ECONOMIC VALUE

INDIRECT ECONOMIC IMPACTS

(GRI 203-1, 203-2)

The Group's Plantation and Healthcare operations continue to provide spin-off benefits for local businesses and communities in the form of supporting infrastructure and essential as well as ancillary services.

Our development of a network of roads to facilitate the transportation of FFB has eased commuting for residents in the surrounding areas. We have developed or upgraded more than 1,000 km of internal roads since inception. In addition, our initiative to plant crops on land deemed unsuitable for oil palm contributes towards food security for Terengganu while also enabling local community members to generate income.

As for Healthcare, KMI Healthcare's facilities were in the frontlines of the battle against COVID-19 by participating in the National COVID-19 Immunisation Programme as Vaccine Delivery Centres. Further, we also eased the burden on the public sector by attending to non COVID-19 referral patients from Government hospitals.

PROCUREMENT PRACTICES

(GRI 103-1, 103-2, 103-3, 204-1, F4GBM)

An open and transparent procurement process is important as it improves competition, ensures value for money, increases efficiency, and reduces the threat of unfairness or corruption. TDM has a comprehensive procurement framework comprising an electronic system and stringent procedures, which are critical towards building a reliable and resilient supply chain.

The appointment of suppliers and vendors is based on open tenders to ensure a fair procurement process. Prior to the appointment of suppliers and vendors, TDM conducts a pre-qualification exercise especially if all the invited suppliers and vendors are new players and not from the Approved Vendor List, to ascertain their suitability with our requirements and expectations. All suppliers and vendors are selected and evaluated based on a set of criteria such as quality of goods and services, price, timely delivery, and other related factors. We have also started considering suppliers and vendors that promote sustainability development as a selection criterion.

At TDM's HQ, we employ an e-bidding system for tenders valued above RM500,000 to ensure fairness and transparency in our dealings with vendors. Our e-procurement system automates the process to improve accountability, enhance efficiency and remove potential weaknesses associated with manual processing.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

PLANTATION

Our subsidiary company, TDMP, regards smallholder farmers as an essential component of our supply chain, believing in the concept of 'growing together'. Accordingly, our procurement philosophy is shaped towards empowering them to become sustainable suppliers of palm oil. Currently, smallholders contribute an estimated 5% of Outside Crop Suppliers to our Sungai Tong Palm Oil Mill (STPOM) and we are consistently seeking supply from smallholders operating within a 20 km radius of STPOM.

Sungai Tong Palm Oil Mill workers inspecting FFBs purchased from smallholders.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

HEALTHCARE

KMI Healthcare Group is focused on streamlining and centralising its procurement process that negotiates cost-effective group-wide pricing with vendors, all of whom are selected based on the quality of their goods and services, timely delivery and prices. Each KMI hospital has its own hospital inventory management system (HIMS), an automated procurement process that improves cost-efficiency.

We work toward increasing cost efficiency in healthcare services without sacrificing the human touch.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 1: ENHANCING ECONOMIC VALUE

OUR PROGRESS

In 2021, the Group appointed 1,847 vendors, of which 1,649 of them were locals. The total value of contracts awarded reached almost RM91.6 million, representing 89% of local procurement against 11% for non-local vendors. The Group also offered various procurement opportunities for Bumiputera entrepreneurs with contracts valued at almost RM62 million in 2021. While at KMI Healthcare, we employed the central procurement initiative for drugs and consumable items, resulting in RM2.5 million in cost savings.

2021 PERFORMANCE HIGHLIGHTS

1,847 vendors and suppliers appointed

89%
local vendors

11%
non-local vendors

Value of contracts awarded to Bumiputera entrepreneurs reached

RM62
million

Centralised drug and consumable procurement resulted

RM2.5
million in cost savings

The procured drug and consumable items are managed by our Pharmacists who have a central role in ensuring medication safety across the continuum of carer.

GOAL 1: ENHANCING ECONOMIC VALUE

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 actions 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.

We place the highest priority on complying with laws and social norms in our business activities.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2:
PRESERVING THE ENVIRONMENT

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

ENVIRONMENTAL FOOTPRINT (GRI 103-1, 103-2, 103-3)

Economic growth resulting from trade expansion and human activities has a direct impact on the environment. Excessive exploitation of natural resources and unchecked increase in greenhouse gas (GHG) emissions lead to severe and irreversible damage to our natural ecosystem.

As concerns around climate change and environmental degradation continue to grow, it is important for businesses to take action by measuring, managing and reducing their environmental impact on the wider ecosystem.

Given the intrinsic link between human activities and the environment, we recognise that going green is important to protect the environment, reduce consumption of resources and control waste.

TDM is aware of the footprint it leaves on the environment and the Group constantly strives to reduce any adverse environmental impact arising from its day-to-day operations. Our focus on environmental sustainability is reflected by the selection of four most material matters relevant to environmental preservation:

To minimise our environmental footprint, the Group continually monitors its electricity consumption and water usage while measuring the amount of hazardous and non-hazardous waste generated at our operations. We maintain our recycling practices and ensure responsible disposal of waste generated.

At TDM, we strictly adhere to the Environment and Biodiversity Policy.

We maintain forest patches and corridors for wildlife to roam freely.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

ENERGY MANAGEMENT

(GRI 302-1, 302-3, 302-4, F4GBM)

Conservation in the use of energy serves several purposes and these include mitigating the depletion of natural resources, controlling pollution from the burning of fossil fuels to generate electricity, and reducing GHG emissions that lead to climate change.

We complement the prudent use of energy with electricity-saving measures at all our locations covering the corporate office, plantation estates and mills and KMI hospitals. Where possible, we also turn to renewable sources of energy such as the conversion of biomass at our palm oil mills.

ELECTRICITY CONSUMPTION (kWh)

Corporate Office
289,200.00
2020: 316,630
2019: 372,525

Plantation
3,248,041.69
2020: 3,245,514
2019: 3,062,138

Healthcare
19,638,007
2020: 17,031,672
2019: 20,038,289

TOTAL
23,175,248.70
2020: 20,593,816
2019: 23,472,952

- **Corporate Office**

  We control our electricity consumption by monitoring usage on a quarterly basis and promoting conservation practices across our operations and among our employees and other stakeholders.

- **Plantation Division**

  We have implemented several eco-energy initiatives at our estates and palm oil mills, including:

  Usage of by-products such as palm kernel shells and mesocarp fibres as boiler fuel at our mills.

  Installation of solar-powered electric fences at the Sungai Tong and Kemaman complexes 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 for measurement of water outflow at Kemaman Complex's wastewater treatment plant.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

CONSUMPTION (UTILITIES AND CONSUMABLES) AT TDMP

Electricity
3,248,041.69 kWh
RM909,392.40

Water
546,814,511.99 Liters
RM1,115,136.81

Phone Bills
RM87,164.93

Internet Bills
RM68,478.19

Stationery Items
RM96,740.63

Other Consumables
RM258,670.94

Printing

A4 Papers
RM34,004.98

Ink
RM58,544.20

RENEWABLE ENERGY PRODUCED FROM BIOMASS

Energy Biomass (fibre & shell in mt) for Energy generation at mills

KPOM*
32,132
2020: 44,719

STPOM*
29,974
2020: 39,278

TOTAL
62,106
2020: 83,997

**KPOM – Kemaman Palm Oil Mill*
**STPOM – Sungai Tong Palm Oil Mill*

- **Healthcare Division**
  As an essential service, KMI hospitals need to be open around the clock and this requires considerable electricity to power our heating, ventilation and air conditioning (HVAC) systems, computers, hospital and medical equipment, refrigeration and food preparation equipment.

  We monitor the energy intensity at KMI hospitals by comparing total consumption with the aggregate area at all our facilities.

KMI: INTENSITY OF ENERGY USE

Energy Performance at KMI Hospitals

Electricity Consumption
19,638,007 kWh
2020: 17,031,672 kWh

Total area of KMI Hospitals in square foot (sq ft)
866,215 sq ft
2020: 866,215 sq ft

Average of electricity per square foot (sq ft) of consumption
22.67 kWh/sq ft
2020: 19.66 kWh/sq ft

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

Some of the initiatives implemented to promote sustainable energy use at KMI Healthcare includes:

- Replacement of conventional light bulbs with LED lights.
- Installation of timers on air conditioners.
- Utilisation of funds and grants under the Ministry of Energy, Green Technology and Water to implement energy efficiency initiatives at KMI hospitals.
- Appointment of energy managers at hospitals exceeding consumption of three million kWh to manage the building's energy intensity and to assess and implement energy efficiency programmes.
- Upgrading chiller systems for greater efficiency.
- Implementation of scheduled and planned preventive maintenance to ensure optimum equipment performance.
- Regular repair and replacement of defective parts of the air conditioning mechanical ventilation (ACMV) systems, also for optimum performance.

We will continue to focus on improving the energy efficiency of our building systems and equipment as well as to leverage on renewable energy alternatives, wherever and whenever possible.

WATER AND EFFLUENTS

(GRI 303-1, 303-3, 303-4, 303-5, F4GBM)

Water conservation has become a critical issue in Malaysia with the development of viable water sources under increasing threat from population growth, rapid urbanisation and expanding economic activities.

In view of this pressing situation, TDM understands its corporate responsibility to use water resources responsibly. The Group is also mindful of adhering to standards on effluent discharge such as the Environmental Quality (Industrial Effluents) Regulations 2009.

WATER CONSUMPTION (M^3)

Corporate Office
1,613
2020: 1,155
2019: 1,139

Plantation
546,815
2020: 704,972
2019: 1,247,200

Healthcare
237,217
2020: 126,506
2019: 203,808

TOTAL
785,645
2020: 832,633
2019: 1,452,147

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

Our efforts to minimise water consumption include:

- **Corporate Office**

Quarterly monitoring water usage at corporate office.

Promoting water conservation practices among our employees and other stakeholders.

- **Healthcare Division**

Quarterly monitoring of water usage.

We will continue to control and where possible, reduce our water footprint related to our operations and other activities.

- **Plantation Division**

We implement various water conservation initiatives as well as measures to ensure our effluent discharge is within acceptable pollutant limits, including:

Quarterly monitoring of water usage.

Provision of grease traps or sumps at egress points for the release of wastewater into estate land or nearby rivers.

Reuse of 20% of wastewater in our bio-organic fertiliser plant.

Treatment of balance 80% to ensure wastewater released have permissible Biological Oxygen Demand (BOD) levels of less than 100 parts per million (ppm).

Weekly water sampling tests at the final discharge points at all our mills.

Annual water sampling tests at specific ingress/egress points of estates and at river boundaries to ensure efficient wastewater management.

Control of effluent release in or around protected or areas rich in biodiversity.

Practising rainwater harvesting via collection tanks. Rainwater comes in handy during the dry seasons for watering plants and mill compounds. The roof at the Kemaman Bio-Organic Fertiliser (KBOF) plant was specifically designed and constructed to harvest rainwater.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

CLIMATE CHANGE (GRI 103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5, F4GBM)

Considered the defining struggle for humankind in the 22nd Century, climate change has a considerable bearing on all three pillars of sustainability. The phenomenon has the potential to disrupt economic activity, threaten the output of critical resources and affect the safety and quality of life.

While it is not possible for a single corporation or even nation to check climate change, it is contingent on us all to take on this challenge collectively in addressing the risk. Another reason is that investors are increasingly expanding their focus beyond profitability and governance to cover business resilience in adapting to climate change.

The willingness of companies to disclose climate change-related management activities and GHG emissions has grown rapidly in recent years. More companies have signed up to the Task Force on Climate-related Financial Disclosures (TCFD) to lend support and provide ideas on this matter.

TDM is cognisant of the global threat posed by climate change and is committed to lowering carbon emissions. As a key player in Plantation and Healthcare, our operational activities involve the emission of GHGs as well as consumption of energy from various sources.

We are mindful of the need to reduce our climate impact by means of mitigation and adaptation. Mitigating our climate impact is premised on the reduction of GHG emissions arising from our business operations. Adaptation focuses on enhancing our climate resilience by ensuring we are ready for the potential risks of climate change impacting our operations.

To combat climate change and its impact, the Group currently operates three bio-composting plants at our estates in Malaysia and Indonesia, which convert EFB, shells, fibre and manage wastewater to produce renewable energy. The Group has also designed and constructed biogas plants at our mills, KPOM and STPOM, to further reduce our carbon footprint.

The Group has been monitoring GHG emissions at our estates with calculations based on the RSPO GHG Calculator V4 where the data is audited and certified annually by BSI Malaysia, an appointed RSPO certification body. GHG emissions from plantation operations are, however, offset by crop sequestration and sequestration in conservation areas to produce a net emission amount in tonnes of CO_2-equivalent (tCO_2e).

During the year in review, we extended our reporting on GHG emissions to our KMI hospitals and corporate headquarters.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

Biogas plant - converting waste to energy.

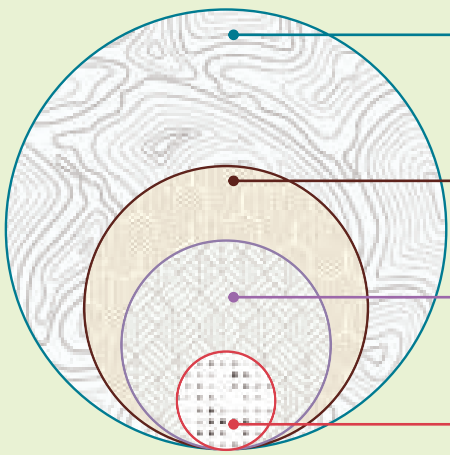
Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

GHG EMISSIONS (Net tCO_2e)

PLANTATION



Land Conversion
233,480
2020: 211,149

CO_2 Emissions from Fertiliser
16,322
2020: 7,906

N_2O Emissions from Fertiliser
11,278
2020: 332

Fuel Consumption
2,727
2020: 3,527

Total tCO_2e
263,807
2020: 222,913

Emission Sinks*

Crop Sequestration
183,938
2020: 175,306

Sequestration in Conservation Area
0
2020: 600

Total sinks
183,938
2020: 175,906

Offset of tCO_2e by emission sinks

Total Scope 1 (net emissions)
79,869
2020: 47,007

Electricity Consumption

Total Scope 2
2,013,786
2020: 2,012,219

TOTAL EMISSIONS (PLANTATION)
2,093,655
2020: 2,059,226

GHG EMISSIONS (Net tCO_2e)

HEALTHCARE

Electricity Consumption

Total Scope 2
12,175,564
2020: 10,559,637

Clinical Waste
96
2020: 125

Water Consumption
530
2020: 530

Total Scope 3
626
2020: 655

TOTAL EMISSIONS (HEALTHCARE)
12,176,190
2020: 10,560,292

CORPORATE OFFICE

Electricity Consumption

Total Scope 2
179,304
2020: 196,311

TOTAL EMISSIONS (CORPORATE)
179,304
2020: 196,311

* *A sink is a reduction in atmospheric GHGs by storing (sequestering) carbon in another form.*

TOTAL EMISSIONS (TDM)
14,449,149
2020: 12,815,829

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

Conversion of diesel to CO_2:
litre x 2.64 kg
(Source: www.ecoscore.be)

Conversion of petrol to CO_2:
litre x 2.39 kg
(Source. www.ecoscore.be)

Conversion of electricity to CO_2 (Malaysia):
kWh x 0.62 kg
(Source: www.worldbenchmarkingalliance.org)

Rationale for conversion references:

- Ecoscore offers a more accurate conversion rate than other US-based references as Malaysia's diesel and petrol sources are either from Europe or Asia. In any case, the difference in conversion rates between Ecoscore and US-based converters are marginal and in the second decimal point
- The conversion rate for electricity generation varies according to the types of power generators in each specific country. World Benchmarking Alliance has estimated that Malaysia's unique mix of power generation sources will emit 0.62 kg of CO_2-equivalent by 2023 from 0.59 kg in 2017 after taking into consideration the development of new power plants during the five-year 2018-2022 period. As such, we have opted to use 0.62 kg (2023) as the emission factor.

EMISSION INTENSITY BY PRODUCT (CPO AND PK)

Total Emissions by Product
tCO_2e/tProduct

Crude Palm Oil

KPOM	STPOM
1.16	**0.81**
2020: 0.57	2020: 0.51

Palm Kernel

KPOM	STPOM
1.16	**0.81**
2020: 0.57	2020: 0.51

Total
3.94
2020: 2.16

EMISSION INTENSITY BY YIELD (FFB)

Total Emissions by Yield
tCO_2e/tProduct

FFB

KPOM	STPOM
0.26	**0.14**
2020: 0.15	2020: 0.08

Total
0.40
2020: 0.23

EMISSION INTENSITY OF WASTE BY PATIENT

Total Emissions by Patient
tCO_2e/patient

Patient

Amount of clinical waste generated
66.34 mt
2020: 68.85 mt

Amount of general waste generated
29.73 mt
2020: 56.38 mt

GHG Emission
96 tCO_2e
2020: 125 tCO_2e

No of patients served
203,780
2020: 167,604

GHG Emissions per patient served
4.711×10^{-4} CO_2
2020: 7.458×10^{-4} CO_2

Going forward, we recognise the need to scale up our efforts to pursue a low carbon growth trajectory. We aim to systematically identify emission reduction opportunities in our value chain and set ambitious targets that are in line with national and global climate objectives. We will also continue to focus on improving energy efficiency at our hospitals as well as leverage on renewable energy opportunities, where possible.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

EFFLUENTS AND WASTE/CIRCULAR ECONOMY

(GRI 306-2, F4GBM)

The universal 3R campaign of reduce, reuse and recycle has gained traction among companies worldwide in efforts to conserve the planet's natural resources. This approach has given rise to the concept of a circular economy in which resources are used, resued and recycled as much as possible to reduce waste.

At TDM, we have been ardent supporters of 3R at all levels of our operations and administration at our corporate office. Our efforts to reduce consumption while also practising recycling are as follow:

Corporate Office

We make a conscious effort to reduce paper usage by among others:

- Conducting paperless Board meetings.
- Encouraging our employees to practice double-sided printing of drafts and documents and avoiding printing unnecessary documents.
- Distributing the Annual Report in digital format (since 2019), which helps to educate and build awareness among our diverse stakeholders on good environmental practices.

Plantation Division

The conversion of FFB into CPO results in high volumes of solid and liquid wastes. We capitalise on this by converting solid waste into value-added products to be used in our plantation operations. For example, we process EFB into organic fertilisers for our oil palm trees.

Other solid waste including mesocarp fibres and palm kernel shells are transformed as renewable fuel feedstock for the steam boilers at our mills while palm fronds are placed between the rows of trees to improve soil fertility and prevent the loss of nutrients and leaching of fertilisers, especially during the rainy and monsoon season.

In the case of what remains as industrial, scheduled and other wastes, we collect and store them properly before disposal via appropriate methods. Industrial waste is recycled as topsoil mulch, scheduled waste is disposed of by appointed licensed contractors, and domestic waste is either sent to our estates' landfill or recycled.

Sustainability Statement

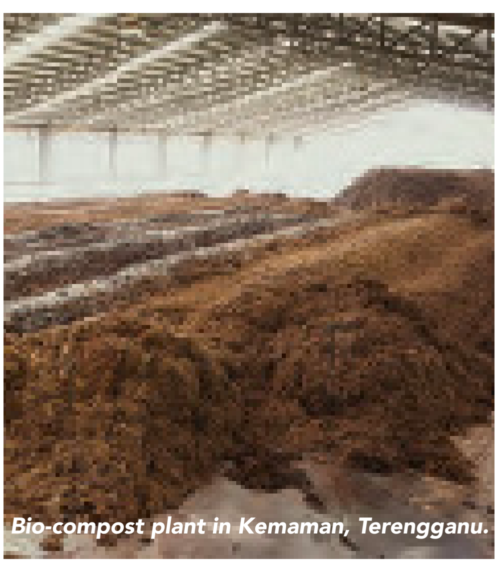
PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

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

At the time of reporting, we are transforming liquid waste such as POME into biogas, which can then be used to generate electricity through gas-fired engines or gas turbines. Our biogas plants at KPOM and STPOM commenced operations in March 2022 and April 2022, respectively.

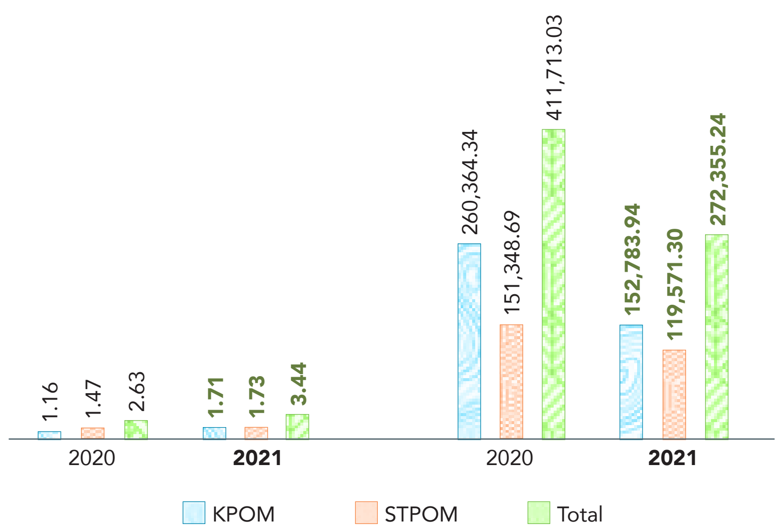
In addition, we continue implementing "War on Waste" to closely monitor the usage of electricity, water, stationaries, papers, petrol and diesel in each operational unit with the aim of reducing wastage.


Bio-compost plant in Kemaman, Terengganu.

SCHEDULED WASTE & INDUSTRIAL WASTE GENERATED (MT)

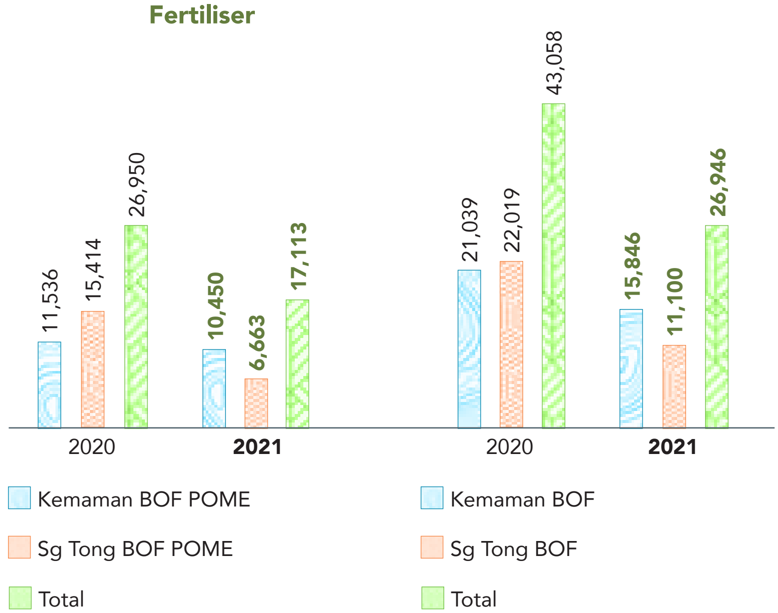
Total Scheduled Waste Generated (mt)

Total Industrial Waste Generated (mt)



Reuse of Effluent (mt) in Production of Bio-Organic Fertiliser

Production of Bio-Organic Fertiliser (mt)



Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

Healthcare Division

At all times, we adhere to the Environmental Quality Act 1974 (Act 127) in dealing with clinical and general wastes at our hospitals. This guides our handling, labelling, storing, packaging and collection of waste, which is complemented by training on proper clinical waste disposal methods to our nurses and other hospital personnel.

We also practice the tracking and reporting of hazardous waste or scheduled waste and non-hazardous waste before they are collected and disposed of by appointed waste management vendors who are specialised in the handling and disposing of clinical waste. Our hospitals come with recycling bins to collect non-clinical waste such as paper.

WASTE PERFORMANCE AT KMI HOSPITALS

Amount of clinical waste generated
66.34 mt
2020: 68.85 mt

Amount of general waste generated
29.73 mt
2020: 56.38 mt

No of patients served
203,780
2020: 167,604

Average of clinical waste generated per patient
3.255×10^{-4} mt
2020: 4.108×10^{-4} mt

Clinical waste is carefully handled and disposed of with the help of certified private consortiums to avoid infection and other health risks.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

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 308-1)

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.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

SOURCING MATERIALS RESPONSIBLY

(GRI 103-1, 103-2, 103-3, 301-2, F4GBM)

In today's business practices, consumers and investors are becoming increasingly mindful of the ethical creation and sustainability of a product or service. Companies that prioritise responsible sourcing by incorporating social, environmental and ethical operations in their business while taking responsibility for the entire life cycle of their products can strengthen their supply chains and gain trust among stakeholders.

Companies that implement sustainable practices and are able to trace a product or service through every stage of the supply chain stand to enhance their brand reputation, ensure business continuity and create a competitive advantage.

At TDM, we work with suppliers to reduce our environmental impact. For our plantation business, we are committed to ensuring our supply chain is only comprised of palm oil that has been produced or sourced responsibly. We always keep track of the flow of our fresh fruit bunches (FFB) to retain customer confidence in the source of our raw materials. All 13 estates and 2 mills in Malaysia are Malaysian Sustainable Palm Oil (MSPO)-certified.

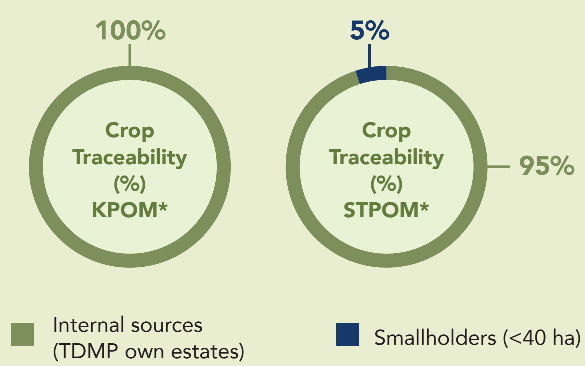
In the case of healthcare, we understand that an efficient supply chain is vital to prevent drug shortages, which could affect our healthcare quality and clinical outcomes. Thus, all activities related to pharmaceuticals and medical products, such as storing, handling, distribution, labelling and packaging, traceability and recall, are governed by the Pharmaceutical Services Division of the Ministry of Health (MOH).

- **MSPO Trace for palm oil traceability**

  Several initiatives were initiated in order to build a traceable, transparent and sustainable palm oil supply chain including:

  - o Establishment of SOPs on the traceability of FFB;
  - o Appointment of Traceability Person in Charge for each estate to implement and maintain the traceability system; and
  - o Daily maintenance of FFB sales, delivery or transportation records.

FFB SOURCE FOR MILL PROCESSING IN 2021



**KPOM – Kemaman Palm Oil Mill*
**STPOM – Sungai Tong Palm Oil Mill*

Going forward, we will work closely with our suppliers and other stakeholders to build their own traceable, transparent and sustainable palm oil supply chain. We want to ensure our suppliers are also in compliance with our commitments as contained in TDMP's MSPO Policy.

GOAL 2: PRESERVING THE ENVIRONMENT

CHEMICAL MANAGEMENT

(F4GBM)

The proper management of chemical storage, use and disposal are essential not only to protect our employees, patients and other stakeholders from accidental exposure, but also to prevent potential contamination of ground and water sources.

At our plantations, our SOPs governing the handling, storage and disposal of chemicals are in line with guidelines under the Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) (USECHH) Regulations 2000 and Pesticide Act 1974. In addition, we deploy a chemical-free Integrated Pest Management (IPM) to control pests using biological and natural methods such as by barn owls.

In the case of healthcare, KMI hospitals have stringent guidelines on chemical and biological waste, which are the common by-products of medical treatment and surgery. If not handled and disposed of properly, they can lead to infection of other patients and medical staff. To lower the risk of infection, we control the temperature and humidity levels at all our hospitals.

Working safely with hazardous chemicals requires proper use of laboratory equipment.

As a part of our Integrated Pest Management programme, we planted Antigonon Lepotos all across our estates.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

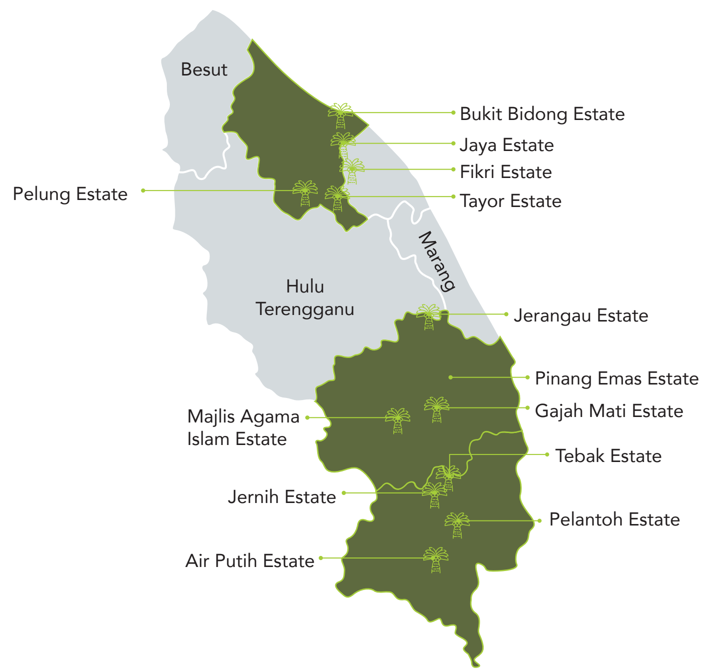
PROTECTING LAND AND BIODIVERSITY

(GRI 103-1, 103-2, 103-3, 304-2, 304-3)

Commercial oil palm cultivation and care for the environment should not be viewed as opposing pursuits. In fact, the two can play complementary roles in securing a new sustainable future for all. It is important to preserve biodiversity as we rely on healthy ecosystems to survive, and it is part of the solution to combat climate change. Many ecosystems, such as forests and wetlands, store vast amounts of carbon. If we destroy these ecosystems, this carbon escapes into the atmosphere, hence worsening global warming.

Many businesses are at serious risk due to biodiversity loss. Conserving biodiversity is important for the sake of future generations. Studies also indicate that investing in biodiversity is good for business. Various economic benefits are offered for every money spent on restoring nature. For instance, making agricultural and food production methods more sustainable to protect biodiversity could lead to new business opportunities.

HCV AREAS



TDM commits to conserving biodiversity by identifying, protecting and maintaining areas of HCV. As a member of the RSPO, the Group strives to conserve and rehabilitate biodiversity and ecology within and in the vicinity of our estates with the following practices:

- 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.

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

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

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.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

The Group also deploys non-harmful and non-chemical methods to reduce the potential for human-wildlife conflicts such as:

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 estate perimeters with species like *Tunera Subulate, Casia Cobanensis and Antigonon Leptopus* to prevent bugs from damaging the plant fronds.

Installation of 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 by setting up beehive fences at entry points in the Jernih Estate to ward off elephant encroachments.

During the year in review, we continued to promote wildlife corridors within TDMP estates via a Living Together with Elephants programme and a River of Life programme, as described later in this section under 'Environmental Initiatives'.

In 2021, we carried out the following events to promote wildlife corridors at our estates:

13 January

TDMP donated RM5,000 to the Terengganu Wild Elephant Management Fund to address the threat of encroachments by wild elephants into plantations areas.

7 April

TDMP welcomed a delegation from Terengganu Department of Urban and Rural Development (PLANMalaysia) at its Pinang Emas Estate to promote wildlife corridors within TDMP estates.

The delegates were taken on a tour around the estate while they exchanged views on initiatives by the Department to find a potential riparian zone for animals in Rasau Forest Reserve and Jerangau Forest Reserve.

20 December

TDMP signed an MoU with the MPOGCF to collaborate on its environmental conservation initiatives. MPOGCF will aid TDMP to ramp up its Living Together with Elephants and the River of Life projects.

Going forward, TDM will continue to comply with the principles outlined in the Environment and Biodiversity policy and adhere to all other laws and regulations governing biodiversity and conservation in every jurisdiction where we operate.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 2: PRESERVING THE ENVIRONMENT

ENVIRONMENTAL INITIATIVES

(GRI 103-1, 103-2, F4GBM)

TDM carries out long-term environmental initiatives intended to preserve the ecological and environmental integrity in areas where we operate. They include:

- **Living Together with Elephants**

  This is a project to cope with the intrusion and encroachment of wild elephants at the oil palm estates in Kemaman and Setiu. Through this initiative, the company pioneered the first wild elephant management network in Terengganu by engaging with industry players in a joint effort to overcome the encroachment issue while living harmoniously with the creatures. Under the programme, two GPS-equipped collars are attached to two groups of elephants to monitor their locations, giving us time to prepare counter measures before they breach the plantation perimeters.

- **River of Life**

  This involves a river rejuvenation by TDMP as part of efforts to promote the protection, restoration, and sustainable use of rivers located within our operational areas. TDMP also seeks to transform the rivers into local attractions with the involvement of government bodies and the public. The campaign includes activities such as research projects, webinars, case studies, and industry roundtables.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

SAFETY AND HEALTH OF PEOPLE

(GRI 103-1, 103-2, 103-3, 403-2, 403-4, 403-5, 403-6, 403-9, 403-10, F4GBM)

Why it Matters

A safe work environment is essential regardless of the size of a company because all employees desire to work in a safe and protected atmosphere. Studies indicate that a company with a strong health and safety culture can boost employee morale and productivity, improve efficiency and minimise disruption due to less likelihood of incidents. Nowadays, investors or business partners are willing to make an investment or partnership with a company that can demonstrate its commitment to sustainability and corporate social responsibility, including how the company protects its people.

At TDM, we are committed to protecting our employees' health and well-being, especially in high-risk plantation operations. For healthcare operations, we are not only focused on our employees' safety, but our patients' safety is also a significant concern for us in delivering high-quality services to our customers.

Our Approach

Our Occupational Safety and Health Policy ensures that our employees and other stakeholders know our health and safety standards and adhere to our policy. Our subsidiaries also have their policies related to safety and health and are aligned with the Group's policy.

We are also guided by the Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Aspect and Impact (EAI) & Environmental Impact Evaluation (EIE) systems. These systems help us identify, mitigate, and manage potential hazards and issues related to safety, health, and the environment, especially waste management.

We have Safety and Health Officers (SHO) and Environmental Officers at our subsidiaries. Specific for Plantation operations, we have appointed staff who possess CePSWAM and CEPPOME who are registered with the DOSH and DOE Malaysia and have undergone relevant training courses.

We have an Occupational Safety and Health (OSH) Committee, which comprises members of the management team and our employees.

Together with our team, we continue to promote the improvements of OSH across our operation units.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

OSH COMMITTEE

Objectives:

- **To ensure the safety and health of all our employees and customers**
- **To ensure full compliance with all relevant legislation and create and sustain a work culture and environment where safety and health are the priority**

Function of OSH Committee at TDMP

- Deliberate on matters pertaining to OSH.
- Discuss any safety complaints received from stakeholders or employees as well as incident investigations conducted.
- Review the safety and health performance and condition of the operations units.

Meeting Frequency: On a quarterly basis

Chairman: Head of Company

Function of OSH Committee at KMI Hospitals

- Assist in developing safety and health rules and safe systems of work.
- Review the effectiveness of safety and health programmes.
- Carry out studies on the trends of accidents, near-miss accidents, dangerous occurrences, occupational poisoning, or occupational diseases, which occur at the workplace, and shall report to the management of any unsafe or unhealthy condition or practices at the workplace together with recommendations for corrective actions.
- Review the safety and health policies at the workplace and make recommendations for any revisions of such policies.

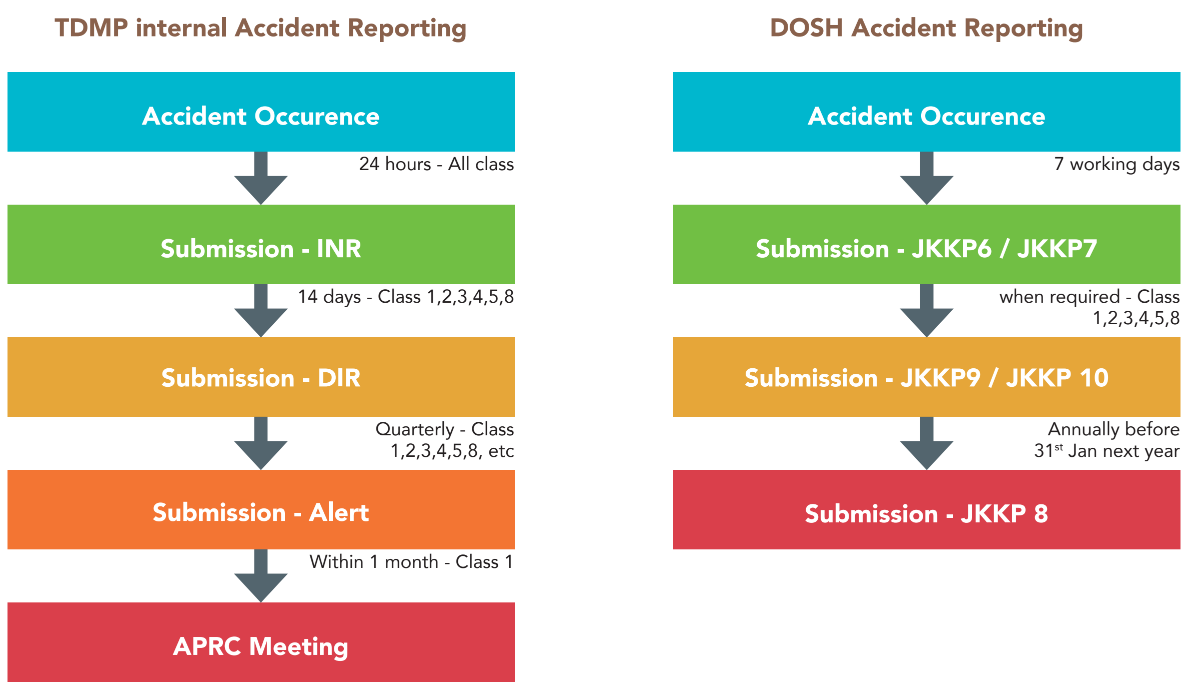
Meeting Frequency: On a quarterly basis

Chairman: Head of Company

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

We also established the Accident Panel Review Committee (APRC) at TDMP HQ to review the accident investigation outcome for Class 1 cases reported and minimise accident recurrences at our operations. TDMP's accident reporting structure is illustrated in the following chart:

SUMMARY FLOW CHART OF ACCIDENT REPORTING



Meanwhile, an incident reporting mechanism is in place for Healthcare operations for each hospital. For KMI Kuala Terengganu and KMI Kuantan, we use the online reporting system, namely Quasar Incident Reporting, whereas other hospitals report manually. We adopt the "SBAR" reporting mechanism (Situation, Background, Assessment, Recommendation) to record and report all incident details at all KMI hospitals. The Department Supervisor for each hospital will review and conduct root cause analysis and then make recommendations to ensure learning takes place to prevent recurring incidents and achieve risk reduction and improvement in patient safety.

Our subsidiaries are also equipped with a Disaster and Emergency Management Plan to manage internal and external incidents and crises. Specific for plantation operations, all estates are provided with Accident and Emergency procedures in addition to Emergency Preparedness and Response (EPR) Plan. In addition, each estate has its own Estate Emergency Response Team (ERT). A common ERP has been developed that includes the following credible scenarios identified, i.e. accident/incident, fire, explosion, oil/chemical spillage, effluent spillage, and flood. Each estate has site-specific Plans, including maps showing assembly areas, emergency response tools/equipment and up-to-date lists of emergency contacts with training conducted to communicate the Plan.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Aside from the above, following are the several practices adopted by the Group in managing safety and health at our workplace.

Plantation Division

- Chemical Health Risk Assessment (CHRA) is conducted every five years, or whenever new chemicals are introduced at the operating units and verified by engaging DOSH-Registered Assessor.
- Noise Risk Assessment (NRA) is conducted every 5 years, or whenever new noise risk exposure is detected at the operating units and verified by engaging DOSH-Registered Assessor.
- Ergonomic Risk Assessment (ERA) will be conducted every 5 years, or whenever new ergonomic risk exposure is detected at the operating units and verified by engaging the DOSH-Registered Assessor. The generic initial assessment (advance assessment - if required) will be conducted in FY2022 for all operating units.
- Monthly health surveillance programmes and annual medical surveillance programmes are conducted with targeted groups exposed to chemicals as recommended by the CHRA assessors. Groups include sprayers, manuring gangs, workshop workers, diesel handlers, etc.
- Annual audiometric tests are conducted on workers exposed to excessive noise as recommended by the NRA assessor. They include sprayers, grass cutters, workshop workers, tractor drivers, process operators, etc.
- Carry out awareness and training programmes for workers exposed to pesticides at all estates. Training and refresher training on chemical and scheduled waste handling, PPE and individual SOPs for sprayer workers are conducted annually. The objective is to ensure all workers involved are adequately trained in understanding Safety Data Sheets, Safe Work Practices, the correct use of PPE, and the dangers arising from improper handling of chemicals.

Healthcare Division

- **Chemicals:**
  - Chemical health risk assessment reports.
  - Chemical management and spillage policy.
  - Chemical management and spillage training.
  - JKKP hygiene department inspection and advice for chemical management.
- **Noise:**
  - Baseline noise risk assessment reports.
  - PPE (earmuffs and earplugs) provided to staff.
  - "Hearing Protection Zone" signages.
- **Ergonomic**
  - Meeting with JKKP for ergonomic issues.
  - Appoint ergonomic competent person to carry out ergonomic risk assessments.
  - Ergonomic training.

KMI Healthcare adheres to the following SOPs and manual related to safety at all our hospitals:

- Accidents and Incidents.
- Safety with the Usage of Electrotherapy Equipment.
- Management of Environment, Safety and Health.
- Management of Hospital Waste.
- Recyclable Waste Management.
- Product Recalls, Incidents and Adverse Events Reportin .
- Management of Visitors in Operation Theatres.
- Management of Radiation Protection and Safety Measures.
- Infection Control Manual.
- Emergency Preparedness Manual (Occupational and Safety Environment).

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

In response to COVID-19, several safety measures were introduced to prevent the spread of COVID-19 at our workplace.

Corporate Office

- Established a COVID-19 Committee & Procedures at TDM HQ.
- Wearing of masks, physical distancing, temperature monitoring, regular sanitising and other SOPs recommended by the National Security Council (NSC) and the MoH.
- Tightening security for visitors, including contractors, suppliers and consultants.
- Creating COVID-19 awareness through various communication channels.

Plantation Division

- Established a COVID-19 Management Committee & Procedures at the respective operating units.
- Mandatory use of face masks, 1-metre physical distancing, temperature screening, frequent sanitising and other SOPs as recommended by the NSC and the MoH.
- Swab test requirement (RTK Antigen) for outsiders before entering operating units.
- Strictly no entry policy for symptomatic personnel or outsiders. Tightening security for visitors, contractors and suppliers.
- COVID-19 awareness through various communication channels/circulars.
- Minimise unnecessary movement and to update direct superior for any travelling out of district/state/country (leave).
- Mass C0VID-19 swab tests for all workers and management, including foreign workers.
- All our workers from the South Zone participated in the vaccination programme organised by UNISZA. Vaccination details can be retracted from the Human Resource Department.

Healthcare Division

- Mask wearing, physical distancing, temperature monitoring, regular sanitising and other SOPs recommended by the NSC and the MoH.
- Our medical practitioners are equipped with the necessary PPE.
- Tightening security for visitors, contractors and suppliers.
- COVID-19 awareness through various communication channels.
- Constant reviewing of COVID-19 status and its management.
- Updating and reviewing current SOPs and implementing action plans for staff in contact.
- Conduct Risk Assessment to identify level of exposure.
- Ensuring staff conduct self-tests (Saliva Test) if in close contact with positive cases.
- Terminal cleaning conducted at the affected area in the hospital.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

OUR PROGRESS

In 2021, our employees underwent regular training in a number of HSE areas to ensure they were up-to-date on the latest HSE practices and procedures.

HSE TRAINING COURSES

Plantation Division

- Webinar on Strengthening Self-Compliance in Scheduled Waste Management
- Commuting Safety Support Programme
- Safety Day Programme 2021: Hearing Conservation and SOHELP Programme
- SOP Training
- Schedule Waste/Chemical Handling Training
- Triple Rising Training
- Fire Drill/ERP Training
- Accident Management Training
- PPE Training
- COVID-19 SOP Training
- RTK Saliva Training
- Hazard Identification, Risk Assessment & Risk Control (HIRARC) Training
- TDMP Policies Training
- First Aid Training
- Safe Vehicle/Tractor Driving & PMV

Healthcare Division

- Clinical Waste Management
- Safety Briefing
- Ergonomic in Workplace
- Fire Protection System Training
- Complex PCI Workshop
- Effective Safety & Health Committee
- Medication Safety: Reducing Risks in Specific Population
- Body Fluids Spillage Management
- P&P: Fall Prevention & Management
- Infection Control Link Nurse (ICLN)
- Management of Patient in Isolation Room
- HR Policy and Safety Briefing
- Prevention & Control of COVID-19 and Management of COVID-19 Patient in the Ward
- Infection Prevention and Control and Environmental Cleaning
- Prevention of Sharp Injuries and Body Fluid
- Emotional Life Skills at Work
- Eye Care & Fire Safety
- Laboratory Safety
- Ladder Safety

Safety and Health Performance

We are pleased to note that we recorded zero fatality cases across all operations in 2021 while registering 96% reduction in total number of lost days compared with 2020. We also recorded zero safety and health non-compliance cases.

Sustainability Statement

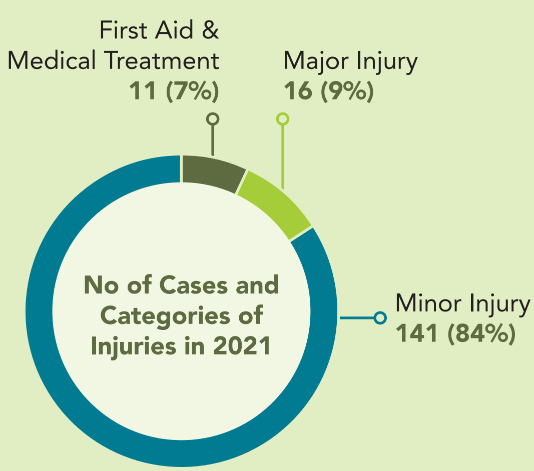
PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

PLANTATION SAFETY & HEALTH PERFORMANCE HIGHLIGHTS

Types of Incidents

Fatalities *(Class 1)*	**ZERO**
LTI resulting in permanent disability *(Class 2)*	**1**
LTI resulting in temporary disability *(Class 3 and 4)*	**33**
LTI resulting from Occupational Disease/Poisoning Case *(Class 5)*	**123**
Cases requiring medical treatment *(Class 6)*	**11**
First Aid Case *(Class 7)*	**ZERO**
Dangerous Occurrence Case *(Class 8)*	**ZERO**
Total Occupational Incidents in 2021	**168**



Total No of Lost Days for TDMP

96%

286

2020: 6,629

SAFETY & HEALTH STATISTICS AT TDMP

Injury Rate (IR)
5.65
2020: 2.87

Occupational Disease Rate (ODR)
4.13
2020: zero

Loss Time Injury Frequency Rate (LTIFR)
24.88
2020: 7.53

Fatality Rate (FR)
ZERO
2020: 0.03

Employees' safety is our top priority.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

HEALTHCARE SAFETY & HEALTH PERFORMANCE HIGHLIGHTS

Types of Incidents

Cases requiring medical treatment 2020: Zero	**4**
Property damage 2020: 1	**1**
Total incidents 2020: 1	**5**

Moving Forward

Going forward, we are committed to maintaining our zero fatality record. We will continue to monitor our operations' safety and health aspects to improve workplace safety and foster a safe working environment.

Safety helmets are one of the most important PPE to protect visitors when they enter the compound of all our work sites.

TRAINING AND CAREER DEVELOPMENT

(GRI 103-1, 103-2, 103-3, 404-1, 404-2)

Why it Matters

With the increasingly competitive and complex business landscape, it is crucial to create a culture of continuous learning in the workplace to keep up with new challenges. Reskilling and upskilling have become the new normal, especially during the pandemic, as companies are forced to relook at work processes, streamline their operations and adapt to new situations. We recognise human capital as the greatest asset of our organisation. Thus, investments to support our employees' professional growth can help create a more competitive, agile and employable workforce, as well as enable us to retain and attract a strong talent pool.

Our Approach

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. Life-long learning, through training programmes, conferences and seminars which are relevant to the Group's businesses are identified on an ongoing needs basis, and the Company allocates a dedicated training budget to support the continuous development of our employees.

With the COVID-19 pandemic limiting our staff to go for physical training, we explored opportunities for online training. e-LATiH, a new learning hub, was launched by the Human Resources Development Fund (HRDF) to assist Malaysians during this difficult period of combating COVID-19. e-LATiH provides unlimited free training courses whereby staff can access hundreds of skill development and education based content. Every year, staff are required to complete 16 training hours per person. Since the inception to this day, our staff have utilised the e-LATiH platform to learn and acquire knowledge as part of their everyday routine.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

In an effort to promote lifelong learning, TDM continues to offer education sponsorships to employees who wish to pursue their education. We also provide scholarships to individuals with high potential and/or financially challenged to pursue their studies.

In addition to this, we also make employees' training part of their KPIs. Through reviews of employees' performance, the Group is able to identify and assess skills gaps for future improvement.

Our Progress

In 2021, we invested almost RM466,520 and 18,710 hours in formal training and development, while remaining committed to creating and maintaining a conducive and safe workplace.

Moving Forward

We will continue supporting employee growth and professional development by creating a culture that encourages communication and training. In addition, we will focus on identifying and nurturing talent to meet our succession planning needs.

18,710 hours spent on formal training and development.

RM466,520 allocated for formal training and development.

11.83 average hours spent on formal training and development per employee.

719 participants attended various training sessions at TDM HQ.

Recruited and sponsored **2** employees for the ACCA programme and sponsored **1** staff for MBA.

Employee training and development programmes provide the perfect opportunity to expand the knowledge base of the Company's own businesses.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

DIVERSITY, INCLUSIVITY AND SOCIAL JUSTICE (GRI 103-1, 103-2, 103-3, 405-1, 408-1, 412-1, F4GBM)

Why it Matters

Employees spend a significant portion of their day at the workplace. Hence, the work environment can significantly influence employee performance and productivity levels. A positive and conducive work environment whereby all employees are treated with dignity and respect regardless of gender, age and designation, can improve motivation, inspire creativity, and enhance employees' capabilities in performing their daily tasks, which in turn can lead to higher job satisfaction levels. In addition, employees will have increased respect and appreciation for working in a company that supports human rights and fair and ethical labour practices. At TDM, we aim to build a high-performance culture that supports the resilience and well-being of our employees.

Our Approach

At TDM, we embrace diversity among our workforce and strive to cultivate a harmonious working environment that allows equal opportunities for all. Guided by the Group's Gender & Diversity Policy, we ensure that our people are treated with dignity and respect, regardless of gender, age and designation. We prohibit any form of discrimination, whereby our employees are hired and rewarded based on their experience, merit and credibility. Our recruitment process is guided by the Hiring Policy and Procedure and followed accordingly. Our employees also have equal opportunities for training and development.

OUR COMMITMENT TO THE GENDER & DIVERSITY POLICY

The Group endeavours to ensure working conditions, salaries, benefits, and other employment terms are designed with the aim to provide equal opportunities and make it easier for all employees to combine work, private life and parenthood.

TDM will not tolerate any form of maltreatment of women and will continuously enhance the internal procedure for handling complaints.

Prevent sexual harassment and all other forms of violence against women, workers and community.

Established a specific complaint and grievance procedure and mechanism, acceptable by all parties, to address gender-based issues.

To communicate, explain and make this policy be understood by all employees, including external contractors and other relevant stakeholders.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

We ensure our business activities comply with all relevant employment and labour laws in Malaysia. As a member of RSPO, our commitment to upholding fair labour practices and protection of human rights is embedded within the Group's Social & Humanity Policy. This commitment also goes beyond our own workforce to cover our contractors, suppliers, vendors and consultants, ensuring fair treatment to all who provide their services to us.

In addition, we have established a grievance handling procedure for filing and resolving employee grievances on any work-related complaints or concerns, including but not limited to bullying, discrimination, sexual harassment, victimisation and unfair treatment. Employees may raise a grievance by filling up the Grievance Form which is available at Human Resource Department.

We acknowledge our employees' rights to freedom of association and collective bargaining as permitted under Malaysian law. All our employees under plantation operations are registered as members of the All-Malayan Estate Staff Union (AMESU) and National Union of Plantation Workers (NUPW).

OUR COMMITMENT TO THE SOCIAL & HUMANITY POLICY

Enhance employees' work skills and competencies by providing training, exposure and experience.

Ensure passports of foreign workers are only submitted to the management for safe custody, with the consent given by the worker and will be readily made available upon request.

Ensure no difference in rights between foreign and local workers.

Zero tolerance to child or forced labour, slavery or human trafficking in our Plantation and Healthcare operations and supply chain.

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 other stakeholders to adhere to this policy.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

As an employer who cares for the well-being of Warga TDM, we provide the following benefits to ensure the welfare and rights of our workforce is well taken care of:

TAKING CARE OF THE WELFARE OF WARGA TDM

Leave Benefits

- Annual Leave
- Examination Leave
- Marriage Leave
- Paternity Leave
- Maternity Leave
- Compassionate Leave
- Hajj Leave

Medical Benefits

- Medical Coverage (Inpatient & Outpatient)
- Maternity Coverage
- Insurance Coverage
- COVID-19 Tests

Other Benefits

- Education Allowance for Children
- Employer EPF Contribution above statutory rate i.e. 15%
- 13 months salary
- Housing Allowance or Staff Quarters
- Utilities Subsidy
- Child Nursery for Estate Workers
- School Transportation for Estate Workers' Children
- Covered Parking Fees for HQ Employees

The Group also provides the following support in advocating work-life balance amongst Warga TDM (which may be applicable at TDM HQ, KMI hospitals or TDMP estates):

- Flexible working hours.
- Onsite childcare centre with 24/7 breastfeeding room.
- Establishment of internal staff club.
- Tazkirah session every Thursday.
- Special parking for pregnant employees.
- Promoting healthy living amongst employees through wellness programmes and health initiatives.
- Respect the rights of employees to practice their religion during their working hours.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Our employees are our greatest asset and they bring value not only to our businesses but also to the communities we serve.

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Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Our Progress

EMPLOYEE DIVERSITY ACCORDING TO EMPLOYEE CATEGORY

	Managerial	Executive	Non-Executive	Local Workers	Foreign Workers
Plantation 2,771 employees	26 (1%)	60 (2%)	201 (7%)	1,441 (52%)	1,043 (38%)
Healthcare 1,195 employees	85 (7.1%)	658 (55.1%)	452 (37.8%)	-	-
KMI Kuala Terengganu 364 employees	10 (2.7%)	220 (60.4%)	134 (36.8%)	-	-
KMI Kuantan 559 employees	24 (4.3%)	297 (53.1%)	238 (42.6%)	-	-
KMI Taman Desa 139 employees	13 (9.4%)	72 (51.8%)	54 (38.8%)	-	-
KMI Kelana Jaya 108 employees	24 (22.2%)	59 (54.6%)	25 (23.1%)	-	-

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

EMPLOYEE DIVERSITY ACCORDING TO EMPLOYEE CATEGORY (CONT'D)

	Managerial	Executive	Non-Executive	Local Workers	Foreign Workers
KMI Healthcare 25 employees	14 (56.0%)	10 (40.0%)	1 (4.0%)	-	-
TDM Berhad 95 employees	19 (20.0%)	55 (57.9%)	21 (22.1%)	-	-
TDM Trading Sdn Bhd 4 employees	2 (50.0%)	1 (25.0%)	1 (25.0%)	-	-
Total 4,065 employees	132 (3%)	774 (19%)	675 (17%)	1,441 (35%)	1,043 (26%)

We value teamwork, and together we strive for greatness.

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Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

EMPLOYEE DIVERSITY ACCORDING TO NATIONALITY & GENDER

	Malaysian	Non-Malaysian	Male	Female
Plantation 2,771 employees	1,728 62.4%	1,043 38%	2,343 84.6%	428 15.4%
Healthcare 1,195 employees	1,194 99.9%	1 0.1%	279 23.3%	916 76.7%
KMI Kuala Terengganu 364 employees	364 100.0%	-	78 21.4%	286 38%
KMI Kuantan 559 employees	559 100.0%	-	132 23.6%	427 76.4%
KMI Taman Desa 139 employees	139 100.0%	-	32 23.0%	107 77.0%
KMI Kelana Jaya 108 employees	107 99.1%	1 0.9%	24 22.2%	84 77.8%
KMI Healthcare 25 employees	25 100.0%	-	13 52.0%	12 48.0%

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

EMPLOYEE DIVERSITY ACCORDING TO NATIONALITY & GENDER (CONT'D)

	Malaysian	Non-Malaysian	Male	Female
TDM Berhad 95 employees	95 (100.0%)	-	62 (65.3%)	33 (34.7%)
TDM Trading Sdn Bhd 4 employees	4 (100.0%)	-	3 (75.0%)	1 (25.0%)
Total 4,065 employees	3,021 (74.3%)	1,044 (25.7%)	2,687 (66.1%)	1,378 (33.9%)

TOTAL NUMBER OF FOREIGN WORKERS

	Indonesia	Bangladesh
Plantation 1,043 employees	739	304

Proportion of Senior Management hired from the local community at significant locations of operations.

Please refer to page 144 of the Sustainability Statement.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

EMPLOYEES BY EMPLOYMENT CONTRACT

	Employment: Permanent	Employment: Contract
Plantation 2,771 employees	1,805 (65.1%)	966 (34.9%)
Healthcare 1,195 employees	1,117 (93.5%)	78 (6.5%)
KMI Kuala Terengganu 364 employees	314 (86.3%)	50 (13.7%)
KMI Kuantan 559 employees	545 (97.5%)	14 (2.5%)
KMI Taman Desa 139 employees	129 (92.8%)	10 (7.2%)
KMI Kelana Jaya 108 employees	108 (100.0%)	-
KMI Healthcare 25 employees	21 (84.0%)	4 (16.0%)

	Employment: Permanent	Employment: Contract
TDM Berhad 95 employees	89 (93.7%)	6 (6.3%)
TDM Trading Sdn Bhd 4 employees	4 (100.0%)	-
Total 4,065 employees	3,015 (74.2%)	1,050 (25.8%)

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

BOARD DIVERSITY

	Gender		Age Group			Ethnicity			
	Male	Female	<30	30 - 50	>50	Bumiputera	Chinese	Indian	Others
TDMP	4	-	-	-	4	3	-	-	1
KMI Kuala Terengganu	7	-	-	-	7	6	1	-	-
KMI Kuantan	6	1	-	-	7	6	-	1	-
KMI Taman Desa	2	2	-	2	2	4	-	-	-
KMI Kelana Jaya	3	1		1	3	4	-	-	-
TDM Berhad	7	-	-	1	6	6	-	-	1
KMI Healthcare	6	-	-	1	5	5	-	-	1
TDM Trading Sdn Bhd	2	-	-	1	1	2	-	-	-
Total	37	4	-	6	35	36	1	1	3

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Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

NEW HIRES AND ATTRITION ACCORDING TO AGE AND GENDER

Age Group	New Hires	Attrition
<30	51 46%	36 40%
30-50	54 50%	40 44%
>50	4 4%	14 16%
Total	109 100%	90 100%

Gender	New Hires	Attrition
Male	43 39%	34 38%
Female	66 61%	56 62%
Total	109 100%	90 100%

WORK-LIFE BALANCE BENEFITS:

31 male employees who were entitled to and utilised their **5** days paternity leave.

114 female employees who were entitled to and utilised their **60** days maternity leave

Moving Forward

As healthcare providers, our employees are the first and last touchpoint with our patients. This highlights the importance of our employees and how crucial it is to ensure their well-being is taken care of. Going forward, we aim to be the employer of choice in Malaysia's Plantation and Healthcare sectors by ensuring we provide good work-life balance, opportunities for professional growth and development and fair compensation and benefits.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

EMPLOYEE ENGAGEMENT

(GRI 103-1, 103-2, 103-3, 402-1, F4GBM)

Why it Matters

Engaging employees is critical for retaining valuable talent and improving employees' productivity. According to Forbes, employees engaged in their work are more likely to remain motivated and committed to their employer. This leads to achieving more business goals and helping to drive the organisation forward. Studies indicate that organisations with high engagement are able to reduce employee turnover and hiring costs.

At TDM, we realised that employee engagement is key to motivating our employees to perform at their highest potential. Given their important role as ambassadors of the TDM brand, it is incumbent upon us to ensure our employees remain loyal, committed and driven.

Our Approach

At TDM, our employee engagement initiatives are centred around the appreciation and well-being of our employees and activities that enable them to better understand our business direction. We believe a strong employee engagement is vital to help foster an environment that motivates all employees in their work and inspires long-term growth. In addition, the emergence of the COVID-19 pandemic has led to major disruption of our livelihoods creating unprecedented challenges for everyone across the globe.

Given the scale of uncertainties and disruptions, we believe that engaging employees is important to sustain a vibrant and positive organisational culture as well as to help employees find a balance between work and life. At TDM, engagement sessions with Warga TDM are continuously conducted either physically or digitally.

ROUTINE ENGAGEMENT WITH WARGA TDM

- Birthday greetings
- Congratulations messages for newborns.
- New hire announcements.
- Farewell get-together for retiring staff.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Our Progress

Following are the important events that took place in 2021 related to our concerted efforts in engaging our employees:

10 March 2021

Oil Palm Management Orientation Programme

26 staff including interns from TDM went for a two-day field orientation visit to witness firsthand the complete value chain of operations; from oil palm cultivation to palm oil production and upstream processing alongside the manufacturing of bio-organic fertiliser.

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

4 - 5 May 2021

Breaking of Fast with Warga Tenaga Kerja Tamu

In line with TDM's Ramadhan tagline; *Rezeki Dikongsi Ikatan Dijalin*, TDMP organised *Majlis Berbuka Puasa bersama Warga Tenaga Kerja Tamu (TKT)*, sharing the joy of the holy month with Indonesian and Bangladeshi foreign workers from its North Zone and South Zone.

29 July 2021 & 7 August 2021

Bakul Prihatin Programme

Food aid initiative by TDM to aid plantation workers impacted by the pandemic. A total of 800 families received basic necessities including rice, sugar, flour, cooking oil, and other dry rations.

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

In addition to the above, some of the employee engagement activities or events initiated at KMI Healthcare Group in 2021 are as follows:

- Flood Charity Fund 2021 for KMI family members - to help staff who were heavily impacted by the floods.
- CSR Programme: Flood Relief Mission - participated by staff.
- Townhall.
- Stress Management.
- Food supply for staff that were positive with COVID-19 and on quarantine leave.
- Promotion for Cancer Benchmark Detection Test in conjunction with World Cancer Day.
- "Thank You for Your Support - Top 10 FB Followers", participated by staff.
- Loyalty Event - distributed greeting cards and oranges to patients, consultants and staff in conjunction with Chinese New Year.
- Blood Donation Programme 1.0 – actively participated by staff.
- Ramadhan Basket & the Baju Raya Project KMCSB 2021.
- Distribution of Raya hampers to KMI Kuantan staff.
- Merdeka and Malaysia Day Package Promotion (Diabetic Screening Test, Ultrasound Breast & Mammogram) & Clinical Exercise Programme (Physiotherapy).
- MSQH Countdown Survey Day.
- Farewell gatherings for retiring staff.
- Free transportation for staff vaccination at KPJ Tawakkal Specialist Hospital (Dose 1 & 2).
- Free COVID-19 test for positive staff and immediate family members.
- Discounted rate for staff's family members for COVID-19 test.

Further, in response to the issue of labour shortage in our Plantation operations, the following were the important events that took place in 2021.

In response to the issue of labour shortage

- To address the issue of labour shortage in our Plantation business, we continue to seek alternative sources of manpower such as locals, ex-prisoners and parolees via collaboration with related authorities and associations. We also engaged agents in hiring local harvesters. On 24 August 2021, Bukit Bidong Estate organised a meeting with several Village Development and Security Committee (JPKK) representatives. The session was held to encourage local participation in filling the vacancies currently offered at TDMP's estates. As of December 2021, we hired around 90 local workers for Bukit Bidong estate. We also recruited some indigenous people to assist us in monitoring the elephant encroachment at our estates.

Labour Relations

- On 29 August 2021, TDMP received a delegation visit from The Royal Thai Embassy & The Royal Thai Consulate-General in Kota Bharu. The purpose of the visit was to better understand the operations of TDMP estates and mills in the Kemaman Complex. The teams managed to exchange insights and discuss about the issue of labour shortage in the plantation industry.

Moving Forward

At TDM, we take employee engagement and communication very seriously. Hence, we will continue engaging our employees through various work-related or CSR programmes and initiatives. In addition, continuous engagement between support functions and operations will be conducted to achieve the organisation's objectives, drive the organisation's excellence, and further strengthen the bond among Warga TDM.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

QUALITY AND INNOVATION

(GRI 103-1, 103-2, 103-3, F4GBM)

Why it Matters

Innovation is vital in the workplace because it gives companies an edge in penetrating markets faster and provides a better connection to developing markets, leading to bigger opportunities. Many businesses nowadays are leveraging innovative technologies. Spurred by rapidly changing consumer demand and technological advances, companies need to constantly innovate and invest in technology capabilities to stay relevant. Prioritising innovation and technology can help unlock new growth opportunities, enhance service delivery and improve process efficiencies. At TDM, we believe in continuous improvements, exploring new ideas and promoting creative thinking.

We commit passionately to excel at all we do, constantly striving to push the limits and surpass standards of excellence. We embrace innovation by using tools or technology in business operations that enable efficiency and productivity or promote cost savings. We also place our customers at the heart of everything we do, constantly delivering good quality products and services with a great attitude.

Our Approach

Delivering high-quality products and services, and leveraging innovative technologies are crucial drivers of our businesses and they represent vital components in TDM's Strategic Business Plan. Our core businesses lie in Plantation and Healthcare. For the Plantation business, we have adopted Good Agricultural Practice (GAP) to ensure continuous improvement in yield and productivity.

In conducting our operations, we are committed to meet every standard as outlined by MPOB in the following aspects:

Land Preparation

- Construct hillside terraces with slopes ranging from 6 to 25 degrees.
- Preparing and maintaining the farm road and harvesting path for FFB transportation.

Fertiliser Application

- Applying fertiliser surrounding the oil palm base for the young palm trees or on the pruned frond heaps for the matured palm.
- Ensuring frequency of fertiliser application at least 2 to 3 times a year.

Pruning

- Maintaining sufficient green fronds for each palm according to the age of the palm.
- Arranging the pruned fronds in between the rows in the flat area and parallel to contour in the hilly area.

Harvesting

- Obtaining the optimal yield based on the palm age.
- Ensuring the harvesting cycle done between 7-14 days.
- Harvesting only the ripe FFB.
- Ensuring stalks are cut short less than 5 cm.
- Collecting all the loose fruits.
- Sending the FFB and loose fruits together to the mills within 24 hours.

Pest and Disease Control

- Ensuring that no oil palm trees show signs of pest attack.
- Ensuring no oil palm trees show signs of Ganoderma infection.

Soil Conservation

- Maintaining soft weeds cover.
- Building of silt pits.

Weed Control

- Ensuring no epiphytic or parasitic plants grow on the oil palm stems.
- Ensuring the surroundings of oil palm trees are free from weeds, and only soft weeds are maintained.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

As a member of RSPO, we are continuously working on reducing the usage of pesticides. Our environment and our workers' safety remain our top priorities. Hence we ensure all sprayers are trained extensively and are required to use complete PPE.

With the aim to reduce dependency on chemical and pesticide usage in our plantations, we practice Integrated Pest Management (IPM), such as erecting a barn owl box every ten hectares and planting beneficial plants (i.e. Turnera subulate and Antigonon leptopus) along the main road of the estates. These efforts would be effective in controlling rats and leaf-eating caterpillars. In addition, to cope with the intrusion and encroachment of wild elephants at our oil palm estates in Kemaman and Setiu, we initiated the installation of GPS collars on elephants to monitor their movement before they enter the plantation's perimeter. Through this initiative, it is expected that we can overcome the encroachment issue while living harmoniously with the creatures.

The outbreak of the pandemic COVID-19 has impacted the plantation industry and caused acute labour shortages, especially for FFB harvesting and related works. The lack of harvesters in TDMP has resulted in some estates having extended harvesting intervals of more than 20 days compared with the usual 12 to 15 days harvesting interval, or 2.5 rounds of harvesting per month. Therefore, to mitigate the issue in TDM Plantation estates, adopting the mechanisation programme (Mechanical Assisted In Field Collection@MAIC) in Harvesting & Collection is vital and a must. With the introduction of MAIC, it is expected that the man to land ratio can be improved from the normal conventional ratio at 1: 18 to 20 ha to 1: 25 to 28 ha.

HARVESTING & COLLECTION PROCESS

Current System: Conventional (Double Handling)

Palm Circle
Infield collection by wheelbarrow to platform

Platform Manual/ Mechanical loading by 3 ton Scissor-Lift Trailer & Tractor

Unloading into 8 ton bin

8 ton bin transported from the field directly to mill by external transport lorries

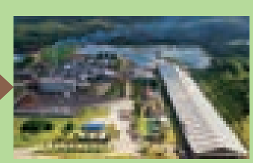
Mill

MAIC Using Mechanical Buffalo (Single Handling)

Palm Circle
Infield collection by Mechanical Buffalo

Unloading into 8 ton bin

8 ton bin transported from the field directly to mill by external transport lorries



Mill

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

BENEFITS GAINED BY LEVERAGING MECHANISATION

- Improve productivity and performance.
- Improve operational efficiencies.
- Achieve cost effectiveness
- Improve workers' earnings.
- Retain skilled workforce.
- Reduce the dependency of foreign workers.
- Encourage local workers to join the plantation industry.

Mechanical Buffalos at TDMP Estates

Badang Standard (Double Tires)

Badang Mechanical Buffalo Scissor Lift

Land Surf Sprayer

Badang Sprayer - to be purchased in 2022

To support the mechanisation programme in TDMP, we have established a structured preventive maintenance vehicle programme to be practised in all our estates with the following objectives and activities to ensure smooth daily estates operations and reduce overall estates' operation costs.

PREVENTIVE MAINTENANCE VEHICLE PROGRAMME

Objectives:

- Minimise the risk of breakdowns/downtime
- Maintain vehicle in good running condition
- Minimise vehicle running cost
- Minimise spares and repairs
- Optimise vehicle utilisation
- Increase vehicle lifespan

Activities:

- Safety in working area
- Annual services record
- Daily vehicles PMV checklist
- Daily vehicles inspection
- Weekly greasing and cleaning schedule
- Cleaning activities
- Workshop equipment to be well kept and organised
- Fast-moving spare parts recording/monitoring
- Tire and tube pressure guidelines
- Dedicated parking bay for each vehicle and trailer/equipment
- Vehicle history records to be properly maintained

Sustainability Statement

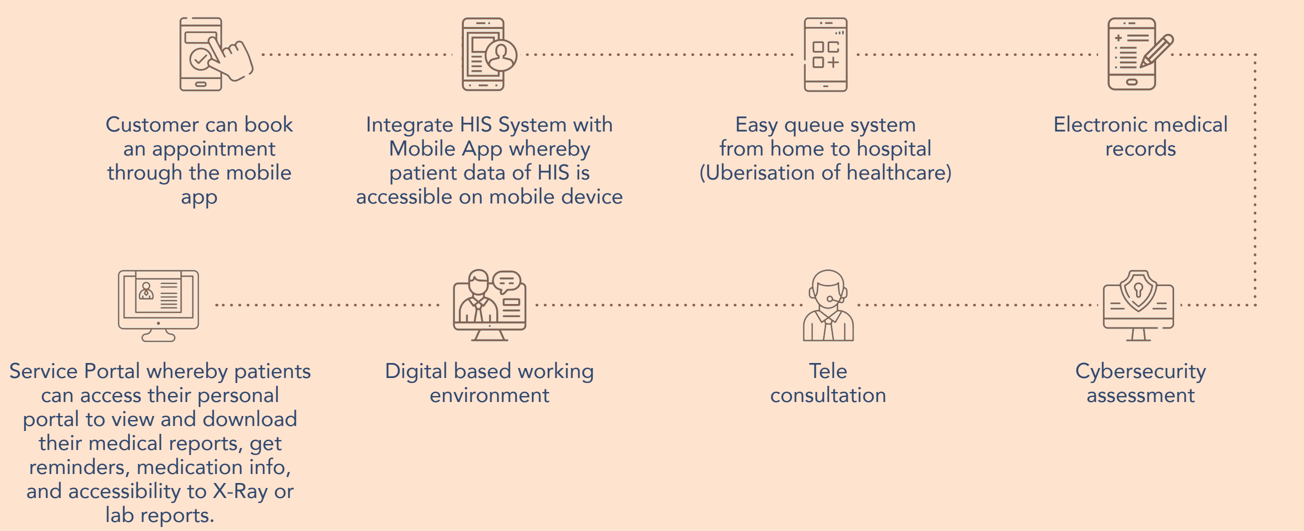
PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

We further 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 digital technologies such as the Internet of Things (IoT) and data analytics to better monitor the performance of our machinery and scheduling of preventive maintenance. In the field, drones coupled with a Geographic Information System (GIS) and Global Positioning System (GPS) were deployed for oil palm tree replanting jobs as well as to generate precise operational analytic data such as palm census, potential palm nutritional conditions and localised block information to facilitate more effective estate management and resource planning. Surveillance and monitoring using drones on the land boundaries and HCV areas helped detect animal encroachments and deforestation activities by external parties. In addition, the drones were also useful in fire surveillance when fire hotspots are reported.

While for Healthcare operations, we recognise the importance of supporting the consistent delivery of quality healthcare services to our patients. The Group realised the need for better access to private healthcare services within the community, especially amidst the pandemic. The onset of the pandemic has pushed us to rapidly embrace technology and resort to Telemedicine and Medication delivery to reach out to our patients and customers. A wide array of technologies such as cloud, social media, mobile apps, Internet of Things (IoT) and big data analytics were utilised as a part of our efforts in innovation and technology to enhance our healthcare services and improve customers' experience.

LEVERAGING ON INNOVATION AND TECHNOLOGY AT KMI HEALTHCARE



We have taken the next step to advance our healthcare offerings by collaborating with experts in the field from Sunway Medical Centre and local universities, introducing Oncology services at KMI Kuala Terengganu and Orthopaedic services at KMI Kelana Jaya. Our continuous efforts to provide more comprehensive health services have allowed us to expand further since other service providers have expressed an interest in forming a strategic alliance with us in the areas of rehabilitation, dialysis, and in vitro fertilization (IVF/IVC).

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

In order to continuously improve our quality standards, we regularly engage customers through meetings and satisfaction surveys. The customers' feedback is crucial as it gives realistic feedback on our performance in delivering healthcare services. We also implemented a Quality Management System to control various quality parameters, and we held regular internal quality checks and audits throughout FY2021.

In an effort to deliver good healthcare services, KMI aims towards MSQH accreditation for its hospitals. We have embarked on the initiative to obtain MSQH accreditation status for KMI Kuantan Medical Centre, whereby in January 2022, we have completed the final audit stage and are now awaiting the results.

With regards to sustainability assurance and certification, we are proud to note that our sustainable palm oil production and its practices were externally verified through both international and national certification schemes such as Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and recently International Sustainability and Carbon Certification (ISCC). For our Healthcare operations, we recognise that our products and services can directly impact patients' quality of life. Hence, we are always committed to adhering to the quality standards required. To date, all KMI hospitals have been certified with ISO 9001:2015.

The Group strives to provide external assurance to enhance its credibility, transparency, and trust with relevant stakeholders. The Group also cooperates closely with government agencies such as the Department of Environment (DOE) and the Department of Occupational Safety and Health (DOSH) in compliance audits and site visits to validate that the Group's practices are carried out in compliance with various legal requirements and standards.

TDMP became the first plantation company in Terengganu to receive recognition from the ISCC EU. This recognition is accorded to the company following an independent technical review conducted on the plantation's first gathering points, processing unit and point of origin, by Trans Certification International Sdn Bhd, an ISCC registered certification body at TDMP's South Zone (Kemaman) operations. This achievement demonstrates our compliance with the legal sustainability requirements specified in the Renewable Energy Directive II (RED II), on the promotion of the use of energy from renewable sources. This recognition indicates our commitment in minimising GHG emissions as we successfully complied with the requirements needed at the South Zone operations, namely Kemaman Palm Oil Mill, Air Putih Estate, Pelantoh Estate, Tebak Estate, Jernih Estate, Gajah Mati Estate and Malis Agama Islam & Adat Melayu Estate.

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.

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

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.

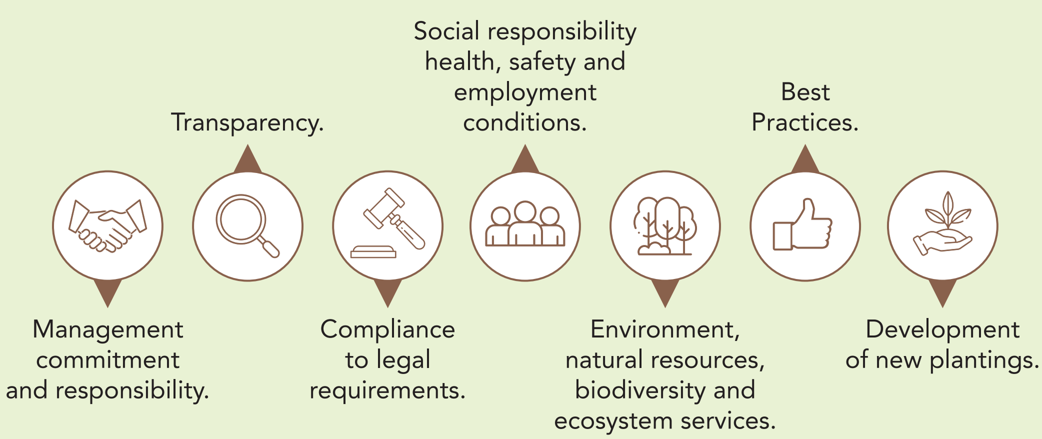
Certifications- RSPO 587626 & RSPO 595564, Production and Management System

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 have been 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



GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Our Progress

PLANTATION PERFORMANCE HIGHLIGHTS

PLANTATION AREAS CERTIFIED WITH MSPO & RSPO IN 2021

MSPO	RSPO
33,520 ha	30,925.50 ha

	MSPO	RSPO
Estates	100%	92%*
Palm Oil Mills	100%	100%

* *All our estates operating in Malaysia are certified with RSPO except for the estate at Bukit Bidong.*

22 units of mechanical buffalos are allocated at the South Zone and North Zone operations for collecting FFB with coverage area of **3,805.24** ha.

Operating Units	Total Usage No of Mechanical Buffalos (units)	Coverage Area (ha)
South Zone	13	2,058.53
North Zone	9	1,746.71

45 units of mechanical cutters are being utilised for pruning and harvesting young palm areas.

Operating Units	Total Usage No of Mechanical Cutters (Engine Operated)	Types of Mechanical Cutters
South Zone estates	25	Palm Cut
	9	Cantas Elektro (Battery Operated)
North Zone estates	11	Husqvarna

Our estate worker operating a mechanical cutter to prune palm frond.

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GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

IMPROVEMENT ON PRODUCTIVITY FROM THE UTILISATION OF MECHANICAL BUFFALO

	Conventional System	Mechanical Buffalo	Variance	Remark
1. Harvester's Requirement	(1 : 20 ha)	(1 : 28 ha)	+ 8	Increase harvester to land ratio by 40%
	250	179	(71)	Reduce harvesters requirement by 28%
2. Average Harvesters' Daily Productivity	1.5	2.0	0.5	Increase harvester's productivity by 33%
3. Average Harvester's Wages/Month	RM1,800	RM2,200	RM400	Increase harvester's wages by 22%
4. Harvesting & Collection Work Method/Process Flow	Double Handling	Single Handling	Reduce handling, thus improve on:	Savings/Improvements
			1. Eliminating loading cost.	Estimated cost: RM5.00/mt x 89.703 mt = RM448,516.00
			2. Eliminating partially internal transport cost.	Estimated cost: RM7.00/mt x 89.703 mt = RM627,922.00
			3. Minimising handling crop to mill.	Minimise bruising to the FFB, thus contributing to better quality and quantity of palm products.

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GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

HEALTHCARE PERFORMANCE HIGHLIGHTS

All KMI hospitals are certified with ISO 9001: 2015

To obtain MSQH accreditation status for KMI Kuantan

BED CAPACITY EXPANSION

	Inpatient	Daycare	HDU	ICU
KMI Kuala Terengganu Medical Centre	121	4	1	
KMI Kuantan Medical Centre	155	18		3
KMI Kelana Jaya Medical Centre	42		1	
KMI Taman Desa Medical Centre	47		2	

4
no of hospitals

394
no of licensed beds[2]

312
no of operational beds[3]

48,775
Inpatient admissions[4]

2.8
days Average length of stay

36%
Occupancy rate

RM9,205
Average revenue per inpatient admission[4]

56%
Client Satisfaction Score[1]

91%
Net Promoter Score

161
no of staff trained in customer service

Notes:

1. *Client Satisfaction score for 2021 is based on excellent scoring, thus resulting drop in percentage as compared to 2020 performance.*
2. *Licensed beds are the approved number of beds by the MoH that the hospital regularly maintains.*
3. *Operational beds are the internal measure that includes licensed beds utilised by patients.*
4. *Inpatient admissions represent the total number of overnight inpatients admitted.*

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

SIGNIFICANT INDIRECT ECONOMIC IMPACTS (GRI 203-2)

Following are the significant events that took place in 2021 as part of our efforts to embrace innovation and technology within our operations.

PLANTATION DIVISION

26 September 2021
Delegation Visit from TATI University College
TDMP welcomed a delegation visit from TATI University College at its Air Putih Estate. The purpose of the visit was to provide a better understanding and exchange of views on the development of technology and innovation related to automation and mechanisation within the oil palm industry.

23 November 2021
Collaboration Visit from Edaran Badang Sdn Bhd
TDMP welcomed a collaboration visit from Edaran Badang Sdn Bhd (EBSB), a subsidiary of Kulim Malaysia Bhd at Akademi TDM. The objective of this visit was to establish further collaboration initiatives between the company and EBSB in upscaling and elevating the mechanisation at its estates through the usage of mechanical buffalos.

2 December 2021
Inking of MOU with TATI University College
TDMP entered into an MoU with TATI University College that will see both parties collaborate on a wide range of innovation and mechanisation initiatives. TDMP seeks to drive productivity and growth of its plantation ecosystems and ensure that the right support system is in place. This includes having the right infrastructure, facilities, training, and knowledge to mechanise its business operations further, solve the increasingly acute shortage of labour at its estates and ensure the company remains competitive, particularly during the pandemic.

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

HEALTHCARE DIVISION

Expansion of Healthcare Access Through the Acquisition of Tawau Specialist Hospital (TSH)

On 30 September 2021, KMI entered into agreements to acquire operations of TSH and sub-lease of its building with TSHSB for a consideration of RM8 million. The acquisition is part of the company's brownfield development strategy and to diversify its business operations in other parts of Malaysia. The hospital is in the midst of expanding its current capacity to 76 beds via the development of a 6-storey building to meet the demand for affordable healthcare services within Tawau and its surrounding areas. The new building is targeted to be completed by Q1 2024 with additional consulting services to be introduced such as Orthopaedic and Ear, Nose and Throat (ENT).

Launch of the First Private Catheterisation Laboratory (Cath Lab) in Terengganu

KMI Kuala Terengganu has introduced diagnostic and interventional cardiology services to the community in Kuala Terengganu and surrounding areas since December 2020. This Cath Lab will help reduce the congestion of treatments for heart patients at Government hospitals, offering heart treatment services such as Coronary Angiography, Coronary Angioplasty, Pacemaker Installation and Electrophysiology Study. Soon, other services such as nephrology and oncology will follow to support existing services.

Establishment of Ambulatory Care Centre (ACC)

The Group realised the need for better access to private healthcare services within the community, currently focusing on selected Terengganu districts, especially amidst the pandemic. As such, KMI has expanded its healthcare access by establishing the ACC. The business model has KMI Hospital and KMI Healthcare jointly operating the centre. The ACC focuses on meeting the needs of outpatient healthcare services.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Hospital *Mesra Ibadah*

To achieve the aspiration of becoming shariah-compliant hospitals and gaining trust from our surrounding community, KMI Healthcare is committed to applying the concept of *mesra ibadah* in every way of work or treatment given to patients. The programme was initiated in early 2020 with the objective to upraise the holistic concept of health, which encompasses physical, psychological, mental and spiritual aspects to the entire hospital staff, patients and visitors. For 2021, with the secondment of a Religious Officer at KMI Kuala Terengganu, several activities have been initiated as follows:

- Two-day workshop on *'Jaulah Hospital Mesra Ibadah'* conducted by Department of Syariah and Sahsiah Development, participated by staff from KMI Kelana Jaya and KMI Taman Desa.
- Weekly workshops for nursing personnel.
- Daily newly admitted patient visits by the Religious Officer at KMI Kuala Terengganu, with the objective to:
  - Provide religious guidance and advise to patients
  - Assist patients in performing ablution (tayammum)
- Monthly talks/workshops to raise awareness amongst staff on the concept of *mesra ibadah* and its application in their daily activities at the workplace.

Benefits of the *Mesra Ibadah* Programme

- Provide education to patients and families to bring them closer to religion.
- Managing the needs of the patients, giving high commitment to creating awareness, and facilitating patients in prayers.
- Provide counseling and emotional support during hospitalisation.

Our Shariah Officers carefully assist and guide patients in performing ablution.

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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Aside from the above, following are the awards, accolades or achievements received by the Group during 2021.

ISCC EU CERTIFICATION

TDMP became the first plantation company in Terengganu to be certified with the ISCC EU. This certification was accorded to the company following an independent technical review conducted on the supply chain, operations, and greenhouse gas (GHG) calculations of its South Zone operations by an ISCC registered certification body. The results indicate that its sustainability approach complied with the requirements specified in the Renewable Energy Directive (RED).

COMPANY OF THE YEAR AWARD

TDM received the "Company of the Year Award" at the Sustainability & CSR Malaysia Awards 2021 held at Shangri La Hotel, Kuala Lumpur. The Group was accorded the top title under the Plantation and Healthcare category for championing exemplary COVID-19 support and animal welfare initiatives. In the award submission, the Group put forward its "Living Together with Elephants" initiative and RM1.0 million donation to the "Tabung Bantuan COVID-19 Terengganu", leading the Group to winning the title.

SILVER AWARD AT AIGA 2020

KMI Kuantan Medical Centre (KMI Kuantan) was recognised with Silver Award at the Integrity, Governance, and Anti-bribery Awards Ceremony (AIGA 2020) organised by Yayasan Pahang in collaboration with the Malaysian Institute of Integrity (IIM). The AIGA 2020 gave due recognition and appreciation to the public and private sectors who demonstrate commitment in cultivating and practicing integrity, good governance, and anti-corruption initiatives in an organisation. This event was the first to be set up in Pahang as well as in Malaysia, and it has become a benchmark for future AIGA recognitions.

TOP 50 MALAYSIAN AGRICULTURE COMPANIES AND STARTUPS OF 2021 AND TOP 42 MALAYSIAN FOOD PROCESSING COMPANIES AND STARTUPS OF 2021

TDM was listed in BestStartup.asia's 50 Top Malaysian Agriculture Companies and Startups of 2021 which showcases industry players that are taking various approaches in innovating the agriculture industry. On top of that, TDM is also amongst the 42 Top Malaysian Food Processing Companies and Startups of 2021 by BestStartup.Asia, a list of leading brands that display versatility in innovating the Food Processing industry. The startups and companies that made it to both lists indicate exceptional performance in these categories; innovation, growth, management, and societal impact, based on the data sourced from Crushbase and SemRush.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Moving Forward

TDM recognises that quality and innovation will continue to shape our industry in the coming decade to remain resilient in our businesses. We will continue to explore innovative solutions and enrich our capabilities to meet the evolving needs of our diverse stakeholders. We will improve the quality of our products and services in order to heighten customer satisfaction levels and improve customers' experience. The Group will continue to pursue its target to achieve 100% RSPO certification for all our estates and mills. Certification of the remaining estate is in progress and targeted to achieve its certification by 2023. We are also working towards accreditation with the MSQH for other hospitals after obtaining our recent first accreditation for KMI Kuantan.

ENGAGING LOCAL COMMUNITIES

(GRI 103-1, 103-2, 103-3, 413-1, F4GBM)

Why it Matters

Social inequality is one of the largest threats that the world currently faces besides climate change. Many reports indicate that the gap between the rich and the poor continues to widen, and inequality continues to grow. Hence, collective action from everyone is needed to build a more equitable and inclusive society. Giving back to the communities is one of the important steps toward building a more equitable and inclusive society that can help improve the lives and well-being of the community. Meaningful corporate community investments can create wide-ranging benefits for all and make a substantial difference for vulnerable and disadvantaged communities. It also enables organisations to align strategic objectives with the development priorities of local communities to create shared value.

The Government may create a conducive environment in terms of taxation and ease of doing business to attract investors. At the same time, an organisation can provide support in building healthy and resilient communities by creating more job opportunities for everyone, providing support to local suppliers and supporting communities that are underprivileged and require assistance. We strongly believe that when people earn a living wage or income, there is a direct benefit to the economy. It stimulates consumer spending, aids job creation, helps small businesses, decreases employee turnover, and improves job productivity and quality. Community investment can help establish mutually beneficial relationships between a company and its stakeholders, and contribute towards long-term improvements in the quality of life for communities.

Our Approach

At TDM, Corporate Social Responsibility (CSR) is realised through our commitment to empowering the communities we operate in; and building shared values through four (4) key focus areas: Community, Education, Entrepreneurship, and Environment. We aim to create lasting impacts on society by undertaking community investment activities.

Undoubtedly, the COVID-19 pandemic has had a significant impact on the lives and livelihoods of our communities, especially the more vulnerable segments of the population. Hence, we are committed to extending a helping hand to the needy to reduce their burden and create a more resilient society.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

Our Progress

In line with our aspirations of the UNSDGs, the Group supports the development of local communities where we operate in terms of enriching their lives and uplifting their socio-economic status through various initiatives.

11 January 2021

Chukai Flood Relief Support

In the wake of the floods that have devastated several states in Malaysia, including Terengganu, TDM showed solidarity in joining a GLC-wide CSR initiative by Terengganu Incorporated in collaboration with EPIC Berhad to ease the burden of those affected by the floods in Chukai, Kemaman. TDM mobilised a disaster relief team comprising employees from its headquarters and Pelantoh Estate, joining 115 others in cleanup efforts of the victims' flood-ravaged houses, restoring some semblance of normalcy to the areas.

14 January 2021

KMI Kuantan's Flood Relief Assistance

KMI Kuantan Medical Centre rallied together with the local Fire & Rescue Department in a flood relief mission, extending a helping hand to the community around the affected areas. During the event, we handed out essential items such as rice, biscuits and basic supplies to some of the victims while imparting words of encouragement and lending an ear to ease their burden.

19 February 2021

Majlis Bacaan Yasin & Kuliah Maghrib

TDMB took the initiative to organise a virtual *Majlis Bacaan Yasin & Kuliah Maghrib* gathering 134 students from SMK Sungai Tong and their teachers and parents on the Google Meet platform as part of its #TDMCakna CSR programme. The objective was to boost the morale and motivate students to deliver their best in the SPM examinations.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

27 March 2021

TDM Prihatin - Sungai Tong Complex

TDM in collaboration with TDMP organised "*Bakul Prihatin*" programme together with the community from Sungai Tong Complex at Akademi TDM. The objective was to establish a closer relationship with the community and extend a helping hand to the needy, especially those whose livelihoods were affected by the COVID-19 pandemic. 230 participants were involved in this programme.

6 December 2021

TDM Prihatin - Bukit Besi Complex

TDM in collaboration with TDMP, continued its the *Bakul Prihatin* programme, this time for communities from the Bukit Besi Complex, specifically those from Gajah Mati, Majlis Agama Islam, Pinang Emas and Jerangau estates.

26 April 2021

Breaking of Fast with Darul Falah Bukit Payong

In celebration of Ramadhan and the spirit of sharing, TDM joined KMI KT and Bank Rakyat Malaysia in organising a breaking of fast session with children from Darul Falah Bukit Payong. TDM distributed cash donations and healthcare supplements and goodies to the children with the help of volunteers from KMI KT and Bank Rakyat Terengganu branch.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

21 July 2021

***Qurban* Programme**

TDM donated several cows for *Qurban* in conjunction with Eid al-Adha celebration for TDMP's employees and community members at Sungai Tong, Bukit Besi, and Kemaman complexes. The objective was to help the needy, especially those heavily impacted by the pandemic while carrying out our religious obligations.

7 August 2021

Berangan Water Crisis Support

Following the ongoing water disruption caused by damage to the main pipe at the riverbed of Sungai Terengganu, TDM made a monetary donation to a local NGO to purchase bottled water for the residents and rented lorries to help distribute water supply to the affected areas in Kuala Nerus.

4 September 2021

TDM stepped forward, joining forces with Terengganu Inc Group to provide financial assistance to the Terengganu State Government to mitigate the Berangan Water Crisis. TDM's contribution brought the total collection to RM1.61 million. Other member companies of the Group, namely Syarikat Air Satu Terengganu (SATU), EPIC Berhad, and Ladang Rakyat Terengganu (LRT) also contributed generously to the fund.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

15 September 2021

Program Sumbangan Waqaf Al-Quran

TDM distributed a total of 800 Al-Quran through the *Program Sumbangan Waqaf Al-Quran*, a waqf programme initiated by NGO Iman Care and participated by all GLCs under the Terengganu Inc Group.

3 November 2021

October is Pink Campaign

TDM, together with Terengganu Inc Group in its "October is Pink" Campaign, continued its annual pledge to raise public awareness about breast cancer. Throughout October 2021, a series of offline and online activities were conducted to celebrate breast cancer survivors, honour those who succumbed to the disease, and remind everyone of the importance of regular doctor visits for early detection. We donated RM3,700 to HSNZ to support the campaign in the hope of easing the burden of those affected.

20 November 2021

CSR Visit to Maahad Tahfiz Sulaimaniyyah Rayyaj

TDM organised a CSR visit to Maahad Tahfiz Sulaimaniyyah Rayyaj Tawau - an educational institution in Tawau, Sabah - that is receiving the support of the community through the infaq system and hosting a total of 83 tahfiz students.

GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

16 December 2021
TDM Donated 500 Oximeters to Terengganu State Health Department

TDM Berhad donated 500 digital handheld pulse oximeter units to the Terengganu State Health Department to ensure COVID-19 patients in home care are getting the necessary support needed as they journey through their recovery.

Golden Monsoon Ride 2021
18 December 2021

TDM co-organised and co-hosted the Golden Monsoon Ride 2021, an annual cycling race organised by Terengganu Inc Group and its members at TDMP's operations in Sungai Tong. Themed Unity Among Us, this year's race was led by Golden Pharos Berhad and supported by the GP Cycling Team as well as the Terengganu Cycling Team (TSG). The yearly programme aims to strengthen unity, encourage a healthy lifestyle, and open doors for promotional opportunities in the sports tourism sector.

Moving Forward

We will continue to invest in community programmes to create meaningful changes that can lead to more sustainable impacts and positive outcomes. We also intend to promote a culture of volunteerism among our employees and encourage their active participation in our community outreach programmes.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4:
PRACTICING GOOD GOVERNANCE

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE

ETHICS AND INTEGRITY

(GRI 103-1, 103-2, 103-3, 205-2, 205-3)

Why it Matters

In today's business environment, regulators, investors and customers expect businesses to perform to the highest ethical standards. When companies operate without transparency and honesty, there is a potential for legal risks and financial repercussions and the loss of credibility in the eyes of customers and other stakeholders. Corruption could cause uneven distribution of wealth, inefficient allocation of resources, and would lead to additional costs to businesses and society. It has the potential to undermine the good governance and stability of institutions. In line with the enforcement of Section 17(A) of the Malaysian Anti-Corruption Commission (MACC) Act 2009, it is crucial for TDM to ensure fairness, transparency and integrity in all its business dealings through sound anti-bribery and corruption measures to maintain trust among our stakeholders.

Our Approach

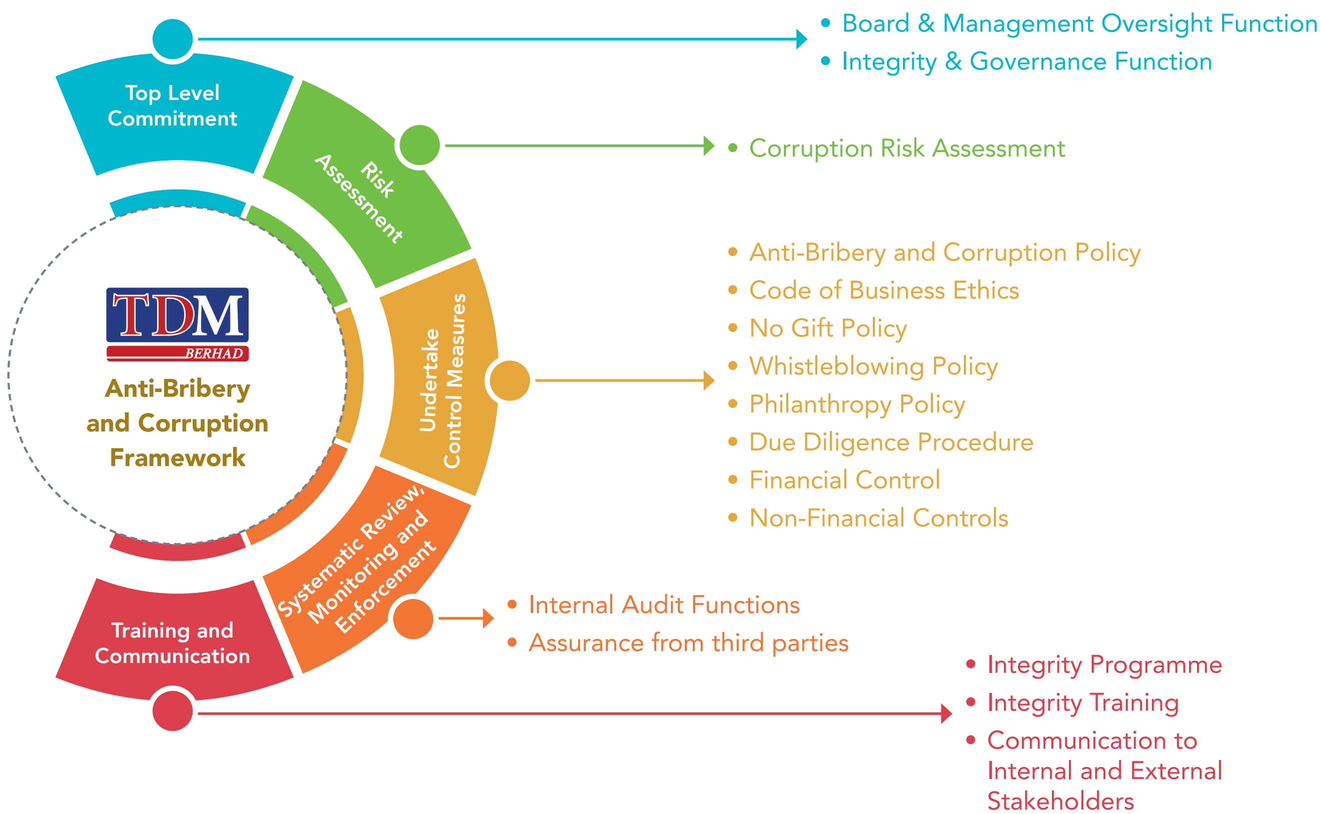
TDM is committed to preventing all forms of bribery and corruption in our daily business activities, as stipulated in our Group's Anti-Bribery and Corruption Policy (ABC Policy). We ensure that we comply with all applicable anti-bribery and corruption laws and we treat any allegation of such conduct very seriously. Our Integrity Unit was established at TDM HQ in November 2019 to strengthen integrity among employees of the organisation and safeguard the organisation via the establishment of policies and procedures related to bribery and corruption.

The ABC Policy is supported with the establishment of the Anti-Bribery and Corruption Framework, which provides direction on how the Group avoids and responds to situations that could violate the MACC Act. The Framework is founded on the five Adequate Procedures Principles: T.R.U.S.T as laid out in the Guidelines on Adequate Procedures (GAP) issued by the Prime Minister's Department pursuant to Section 17A of the MACC Act.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE



At TDM, we strive toward strengthening our internal controls to promote a bribery and corruption-free environment at our workplace. The Group provides a mechanism for employees and other stakeholders to raise their concerns in relation to any improper conduct within the Group without fear of reprisals if acting in good faith. The Whistleblowing Policy, through its procedures, provides a transparent and confidential process when dealing with such concerns. Employees and other stakeholders may disclose or report any breach of conduct through whistleblowing@tdmberhad.com.my or by writing or meeting with the Head of Compliance, Integrity and Sustainability, whichever is appropriate.

The Group also adopts a No-Gift Policy. Directors and employees are prohibited from soliciting, demanding or accepting, whether directly or indirectly, any gift from third parties, at any time on or off the work premises. The establishment of this policy is to avoid any actual or perceived conflict of interest in any ongoing or potential business dealings and decision making, and to demonstrate our commitment to the highest standard of ethics and integrity.

In relation to procurement, all vendors participating in our tendering process are required to sign the Integrity Agreement that includes undertakings not to engage in any form of bribery and corruption, and to comply with our Code of Business Ethics.

GOAL 4: PRACTICING GOOD GOVERNANCE

Our Progress

In 2021, we are pleased to report several achievements related to bribery and corruption as part of our continuous efforts to cultivate an ethical, accountable and integrity culture among our directors and employees at TDM.

KMI Kuantan achieved silver at the Integrity, Governance and Anti-Bribery Awards (AIGA) 2020.

ZERO incidents of corruption reported in 2021.

Organised **10** Awareness sessions on Anti-Bribery and Corruption Policy, Whistleblowing Policy, No-Gift Policy and Code of Ethics and Business Conduct, participated by **108** staff from TDM, TDMP, KMI KT and KMI Kuantan.

Moving Forward

Our corporate culture that promotes strong governance and integrity will always remain an essential foundation for our business. Currently, we are reviewing the existing Code of Ethics and Business Conduct, and are targeting to finalise the revision in the 2nd Quarter of 2022. We are also developing the TDM Organisational Anti-Corruption Plan (OACP), which outlines a comprehensive programme to strengthen governance, integrity, and anti-bribery and corruption controls within TDM for the next three years. Upon completion, the Integrity Unit will oversee the implementation, monitoring and evaluation of all initiatives identified under the OACP to further demonstrate our commitment to combating bribery and corruption at our workplace.

A sharing session on the Code of Ethics and Business Conduct hosted internally by our very own team.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE

CYBERSECURITY AND DATA PRIVACY (GRI 103-1, 103-2, 103-3)

Why it Matters

We live in a world heavily empowered by the explosion of new technologies that are becoming increasingly sophisticated. The rapid digital adoption driven by COVID-19 has increased the risks associated with cybersecurity and data privacy. Cybersecurity is now considered a business risk rather than just an IT issue. We handle a large amount of information and data critical to our business operations and any data loss or breach would disrupt operations. Therefore, it is vital to ensure our IT systems, network, applications and personal data are adequately protected against cyber threats and malfunctions to ensure our operations have better business continuity and preventive capabilities towards the loss of sensitive and confidential data.

Our Approach

AT TDM, we adopt a holistic and proactive approach to manage our exposure to cyber threats and ensure smooth and uninterrupted operations, and to meet the expectations of stakeholders in safeguarding their personal data. We deploy security measures to protect confidential information and regularly conduct assessments on the effectiveness of our existing controls. We also closely monitor emerging cybersecurity threats.

Several IT-related policies were established as part of our continuous commitment to managing cybersecurity and data privacy. This includes the IT Security Policy, Anti-Virus Policy, Access Control Policy, Password Policy, Data Back Up Policy, Internet Policy and Personal Data Protection Act 2010 (PDPA) Policy to guide our operational activities.

We also continue to improve the resilience of our technology infrastructures support continuous training and upskilling of our IT personnel and raise awareness among employees on cybersecurity issues.

In our Healthcare operations, we value customer privacy and strive to protect their personal information by implementing the "Personal Data Protection Notice" initiative. This privacy notice is uploaded on all KMI hospitals' website. It outlines how our hospitals collect, use, maintain and disclose customers' personal data in accordance with the Malaysian Personal Data Protection Act 2010.

Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE

Our Progress

In 2021, we are pleased to report several achievements that reflect our continuous efforts to protect the confidentiality and integrity of information and transactions relating to our business, operations, customers and third parties.

- Conducted IT security awareness talk participated by all staff.
- Appointed vendor to perform onsite data recovery.
- Upgraded endpoint security to its latest version to keep staff laptops running safely.
- Issued regular email communication on cybersecurity tips to our staff.
- Established additional Linux server backup to protect the data.
- Commenced immediate security preventive action including changing database and firewall password, and advice to staff to immediately change their passwords.
- **ZERO** complaints on the breach of customer privacy.

Our IT team ensures that the organisation's systems, networks, data and applications are all connected and functioning properly.

Moving Forward

COVID-19 has accelerated the pace and intensification of cyber-attacks. To protect confidential data from unauthorised access, collection, use, disclosure, copying, modification, disposal or other similar risks, we periodically conduct reviews on IT security and safety. We also plan for continuous training on cybersecurity awareness to employees and to regularly review our IT systems.

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE

RISK MANAGEMENT (GRI 103-1, 103-2, 103-3)

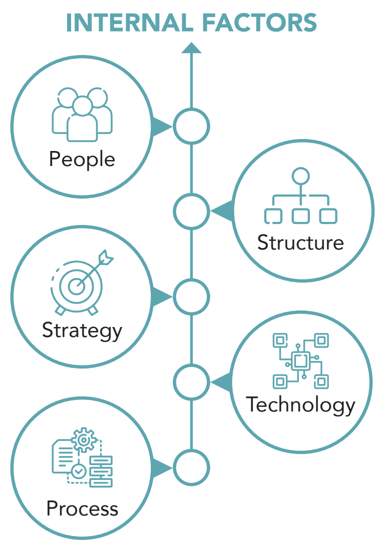
Why it Matters

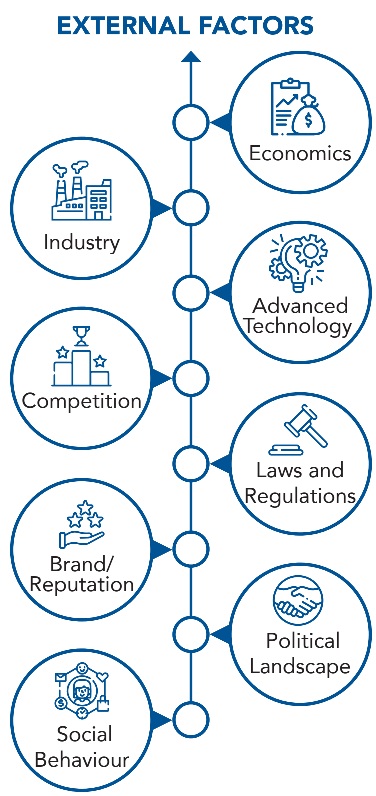
Running a business comes with many types of risk. If not appropriately managed, these risks can cause severe damage that is costly and time-consuming to rectify. The ability to identify and effectively manage the risks will help companies act more confidently on future business decisions. At TDM, we recognise that risk management is essential not only to minimise the threats but also to apprise us of the acceptable levels of risk we can take in the delivery of our business objectives as well as identification and capitalisation of opportunities. Indeed, managing risks effectively is critical as it will affect the Group's ability to create value for our diverse stakeholders.

Our Approach

The Group established the Risk Management Framework, specifically designed to identify, evaluate and manage risks that would impede the Group's long-term and short-term objectives. The Framework defines the Group's process in managing risks and action plans to achieve effective risk management and internal control practices. We have rolled out a risk management process across the Group and a risk profile is developed at each division i.e. plantation, healthcare and corporate centres. Significant risks affecting the business are presented to the MIRCC on a quarterly basis for review before they are presented to the BRCC for deliberation and subsequently to the Board for approval.

The Group performs comprehensive risk identification by scanning internal and external environments as follows:



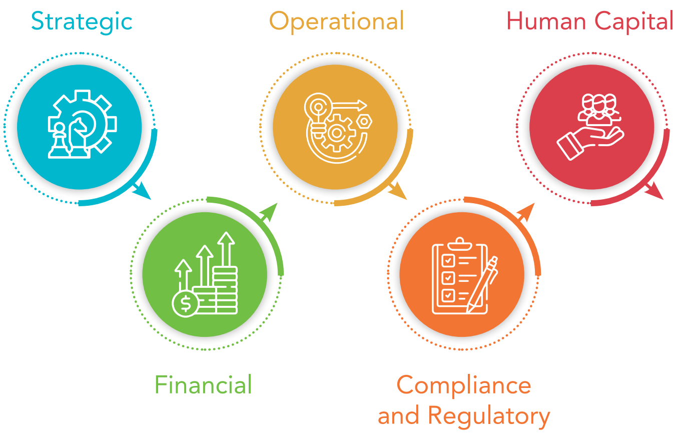


Sustainability Statement

PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL 4: PRACTICING GOOD GOVERNANCE

We assess our risks based on likelihood and impact, mapping them against a 5-by-5 Risk Map. Our risks are classified in the following categories:



Suitable Key Risk Indicators (KRIs) are then identified to monitor risk rating changes over time. The data must be available to ensure the KRIs are quantifiable and measurable in identifying relevant indicators. Once the KRIs are precisely defined, the risk owner can set the impact thresholds. From that assessment, the risk owner can evaluate whether the risk is under control or requires immediate mitigation. We then deploy structured risk response options to facilitate sound decision-making. We continuously monitor risk ratings, controls, status of action plans and re-prioritise the risks based on criticality. Meantime, we keep looking for any emerging threats based on changes in the internal and external environments, and the level of controls.

In ensuring a holistic approach to risk management, we renewed our view toward emerging risks and opportunities as we incorporated Enterprise Risk Management (ERM) measures into our Strategic Business Plan.

Our Progress

In 2021, we are pleased to report several achievements as part of our continuous efforts to embed a risk management culture amongst our employees.

- Introduced Key Risk Indicators in Enterprise Risk Management since Q3 2021.
- Organised Risk Awareness sessions to all risk representatives from Plantation and Healthcare.
- Conducted Self-Assessment on Internal Control Implementation for the Group.
- Briefing on Key Risk Indicators to all risk representatives of each division/department.
- Conducted Quarterly Risk Assessments for the Group.
- Prepared Statement on Risk Management and Internal Control for inclusion into TDM's Annual Report.

Moving Forward

The Group will continue to monitor all significant risks and take the necessary measures to mitigate them. We will continue to embrace effective risk management by implementing KRIs for all risks registered under the Group and will continue to evaluate its effectiveness in shaping the Group's risk culture. The Group also plans to strengthen its Risk Control Self-Assessment (RCSA) to enable the Group's risks to be managed proactively and ensure the controls are adequate to mitigate the risks.

EXTENDING OUR CONTRIBUTION FOR A SUSTAINABLE FUTURE

As we begin emerging from under the shadow of COVID-19, we face an expectant world full of immediate opportunities but also an uncertain future fraught with intermediate threats. The current surge of economic activities is contrasted by the swell in the ranks of the impoverished. Conversely, anxiety over the next viral pandemic is alleviated by enthusiasm for releasing social restrictions. But the welcome return to normal is dampened by its implications for the global struggle against climate change.

EXTENDING OUR CONTRIBUTION FOR A SUSTAINABLE FUTURE

Such dichotomy lies at the very heart of sustainability and its prescription of striking a balance between the pursuit of economic growth and the preservation of the environment as well as the protection of society's welfare and well-being. At TDM, we understand the goal of corporate sustainability and accept our broader obligations towards EESG priorities.

Towards this end, we always strive to find solutions on how to contribute towards a better world and brighter future for people and areas within our sphere of influence. The Group's approach in this task pivots on our sustainability framework of People, Planet, Prosperity, Peace and Partnership (5Ps), which guides the plans, processes and procedures of our Plantation and Healthcare businesses.

Beyond its economic aspirations, we will continue to nurture the synergetic relationship between our operations and the natural environment. We have expanded the scope of reporting GHG emissions in FY2021, where we strive to progressively reduce our carbon footprint as part of global efforts to delay global warming.

We will also intensify the hiring of locals to replace foreign workers who had dominated harvesting jobs at our oil palm estates during pre-pandemic times. This local preference provides much-needed employment opportunities for hard-hit communities in the vicinity of our operating sites. In the case of the Healthcare Division, we are driving innovation via accelerating the digital transformation of our services to offer better, wider and faster services as part of efforts to maintain the health of communities ravaged by COVID-19. In addition, we have expanded our services and facilities with fully operational Cath Labs at KMI Kuantan and KMI Kuala Terengganu to better serve heart patients. As for outpatient ambulatory care, patient evaluation will be a measure of access to appropriate primary healthcare and admission to help prevent the onset, control and acute episode, or manage chronic diseases or medical conditions.

On the business front, we have to remain focused on being agile to build resilience via operational excellence and cost efficiency to generate and sustain healthy returns for all our stakeholders. Our shift in focus from merely achieving financial performance to corporate sustainability and its emphasis on EESG risks and mitigation has pivoted the Group to step up and act responsibly at all stakeholder touchpoints, now and into the future.

"We have expanded the scope of reporting GHG emissions in FY2021, where we strive to progressively reduce our carbon footprint as part of global efforts to delay global warming."

APPENDICES: FTSE4GOOD INDEX & GRI CONTENT INDEX

APPENDIX: FTSE4GOOD

At TDM, we strive to ensure transparent disclosure of EESG issues as required by FTSE4Good Bursa Malaysia Index. Thus, our material matters are aligned with FTSE4Good's ESG themes as shown in the table below:

PILLARS	MATERIAL MATTERS	FTSE4GOOD'S ESG THEMES
Economic	Economic and Business Performance	• Human Rights and Community
	Procurement Practices	• Human Rights and Community
	Hiring from the Local Community	• Labour Standards • Human Rights and Community
Environmental	Environmental Footprint	• Pollution and Resources • Water Security
	Sourcing Materials Responsibly	• Pollution and Resources • Human Rights and Community
	Climate Change	• Climate Change
	Protecting Land and Biodiversity	• Biodiversity
Social	Safety and Health of People	• Health and Safety
	Training and Career Development	• Labour Standards
	Diversity, Inclusivity and Social Justice	• Labour Standards • Human Rights and Community • Corporate Governance
	Employee Engagement	• Labour Standards
	Quality and Innovation	• Human Rights and Community
	Engaging Local Communities	• Human Rights and Community
Governance	Ethics and Integrity	• Anti-Corruption
	Cybersecurity and Data Privacy	• Human Rights and Community
	Risk Management	• Risk Management

APPENDICES: FTSE4GOOD INDEX & GRI CONTENT INDEX

APPENDIX: GRI CONTENT INDEX

This Sustainability Statement has been prepared in accordance with GRI Standards: Core option.

GRI STANDARD			SECTION	PAGE NUMBER	ADDITIONAL INFORMATION
GENERAL DISCLOSURES					
ORGANISATIONAL PROFILE					
GRI 102: General Disclosures	102-1	Name of the organisation	Our Front Cover		
	102-2	Activities, brands, products, and services	A Quicktake on TDM: Our Business Overview The Value We Created: How We Create Value	98 122	
	102-3	Location of headquarters	About This Statement - Feedback	97	Refer to page 13 of the Annual Report 2021
	102-4	Location of operations	A Quicktake on TDM: Our Presence	100	
	102-5	Ownership and legal form			Refer to page 12 of the Annual Report 2021
	102-6	Markets served	A Quicktake on TDM: Our Presence	100	
	102-7	Scale of the organisation	The Value We Created: How We Create Value Employee Diversity	122-125 184-190	
	102-8	Information on employees and other workers	Employee Diversity	184-190	
	102-9	Supply chain	The Value We Created: How We Create Value	122-125	
	102-10	Significant changes to the organisation and its supply chain	About This Statement	96	No changes
	102-11	Precautionary Principle or approach	The Value We Created: Our Risks and Opportunities	126-127	
	102-12	External initiatives	Our Sustainability Approach TDM's Value Creation Model Aligning our Sustainability Goals with the UNSDGs	110-120 122-125 130-135	
	102-13	Membership of associations	A Quicktake on TDM: Membership in Associations	101	

Sustainability Statement

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GRI STANDARD			SECTION	PAGE NUMBER	ADDITIONAL INFORMATION
GENERAL DISCLOSURES					
STRATEGY					
GRI 102: General Disclosures	102-14	Statement from senior-decision maker	Message from our Executive Director	102-109	
	ETHICS AND INTEGRITY				
	102-16	Values, principles, standards, and norms of behaviour	A Quicktake on TDM: Core Values	99	
	GOVERNANCE				
	102-18	Governance structure	Our Sustainability Approach: Sustainability Governance	111	
	STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	The Value We Created: Keeping Our Stakeholders Engaged	128-129	
	102-41	Collective bargaining agreements	Diversity, Inclusivity and Social Justice	181	We acknowledge our employees' rights to freedom of association and collective bargaining as permitted under Malaysia law. All our employees under plantation operations are registered as members of the All-Malayan Estate Staff Union (AMESU) and National Union of Plantation Workers (NUPW).
	102-42	Identifying and selecting stakeholders	The Value We Created: Keeping Our Stakeholders Engaged	128-129	
	102-43	Approach to stakeholder engagement	The Value We Created: Keeping Our Stakeholders Engaged	128-129	
	102-44	Key topics and concerns raised	The Value We Created: Keeping Our Stakeholders Engaged	128-129	
	REPORTING PRACTICE				
	102-45	Entities included in the consolidated financial statements			Refer to page 12 of the Annual Report 2021
	102-46	Defining report content and topic boundaries	About This Statement: Reporting Scope and Boundary	96	
	102-47	List of material topics	Our Sustainability Approach: Determining and Prioritising our Material Sustainability Matters	116-120	
	102-48	Restatements of information			No restatements made

APPENDICES: FTSE4GOOD INDEX & GRI CONTENT INDEX

GRI STANDARD			SECTION	PAGE NUMBER	ADDITIONAL INFORMATION
GENERAL DISCLOSURES					
			REPORTING PRACTICE		
GRI 102: General Disclosures	102-49	Changes in reporting	About This Statement	96-97	
	102-50	Reporting period	About This Statement: Reporting Period and Cycle	96	
	102-51	Date of most recent report	About This Statement: Reporting Period and Cycle	96	
	102-52	Reporting Cycle	About This Statement: Reporting Period and Cycle	96	
	102-53	Contact point for questions regarding the report	About This Statement: Feedback	97	
	102-54	Claims of reporting in accordance with the GRI Standards	About This Statement: Reporting Guidelines	97	
	102-55	GRI content index	Appendix: GRI Content Index	225-232	
	102-56	External assurance	About This Statement: Accuracy and Assurance	97	We will review the need for an external assurance in the future.
MANAGEMENT APPROACH DISCLOSURES					
Economic and Business Performance	103-1	Explanation of the material topic and its Boundary	Goal No 1: Enhancing Economic Value - Economic and Business Performance	137	
	103-2	The management approach and its components		137-142	
	103-3	Evaluation of the management approach		137-142	
Procurement Practices	103-1	Explanation of the material topic and its Boundary	Goal No 1: Enhancing Economic Value - Procurement Practices	145	
	103-2	The management approach and its components		145-148	
	103-3	Evaluation of the management approach		145-148	

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Sustainability Statement

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Governance

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 13 August 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.

Policies

SUSTAINABILITY POLICY

Our commitment to sustainability centers on the 5P Philosophy of "People, Planet, Prosperity, Peace and Partnership" and is embedded in all aspects of the Group.

Our Objective:
The 5P is aimed at ensuring social equity, environment protection, economic progress, fostering peace and business competitiveness through continued engagement and collaboration.

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 wellbeing 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 sharing of knowledge in order to minimise TDM's carbon footprint and environmental impact.

Prosperity
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.

Peace
We are committed to apply the highest standards of ethical conduct and integrity in all aspects of our activity. We also believe that stakeholder's trust can be developed by integrating corporate responsibility and sustainability into our business processes. In concord with this, we emphasise on fostering peaceful relations with our employees as well as external stakeholders. We actively contribute towards social causes and provide support to vulnerable communities. We encourage our employees to participate in community engagement activities.

Partnership
We acknowledge that the global sustainable development goals can be realised with strong partnerships and collaborations at international, regional, national and that of local levels. We believe that progressive engagement and participation with various industry associations have enabled us to gain insights into industry-wide concerns and issues. Via dynamic collaborations with competent identified partners and stakeholders, we can learn the best practices to enhance our knowledge, expertise and competitiveness in the industry that can mobilise knowledge, technology and resources to create shared values and cultivate sustainable practices throughout the supply chain.

This revised policy was approved by the Board of Directors of TDM Berhad on 24 November 2021.

Policies

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.

This revised policy was approved by the Board of Directors of TDM Berhad on 25 April 2022.

Notes:

1. Approved organisations: Organisations that qualify for tax deduction by IRB.
2. An amount shall be determined at the annual budget preparation stage and be approved by the Board of Directors.

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.

Policies

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.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement ("CG Overview Statement") is made pursuant to Para 15.25 (1) and Practice Note 9 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and to be read together with the Corporate Governance Report 2021 ("CG Report") of TDM Berhad ("the Company") which can be obtained by referring to the Annual Report announcement in Bursa Malaysia Berhad's website or by visiting the Company's website at https://www.tdmberhad.com.my/reports-presentations.

The Company's Board of Directors ("the Board") recognises the importance of good corporate governance practices within the Company and its subsidiaries ("the Group") and committed to ensure that the holistic and effective corporate governance are practiced throughout the Group to deliver long term sustainable value to the shareholders and stakeholders.

With this in mind, the Board is pleased to present CG Overview Statement, which provides key highlights on how the Company complies with the three (3) principles of the Malaysian Code on Corporate Governance 2021 ("MCCG") during the financial year ended 31 December 2021 as below:

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

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 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.

To ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board has delegated specific powers to the relevant Board Committees as follows. The specific roles and responsibilities of the Board and Board Committees together with the Terms of References ("TORs") are outlined in the Board Charter of the Company which are available at the Company's website at https://www.tdmberhad.com.my/corporate-governance.

Corporate Governance Overview Statement

BOARD OF DIRECTORS

- Audit Committee ("AC")
- Nomination & Remuneration Committee ("NRC")
- Board Risk & Compliance Committee ("BRCC")
- Board Tender Committee ("BTC")
- Executive Committee ("EXCO")

The Board is satisfied with the level of time commitment given by Directors and its Committees in discharging their roles and responsibilities as accordance with respective TORs. Below are the summary of attendance for the Board and its Board Committees for the year under review.

Name of Director	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board Risk and Compliance Committee
YM Raja Dato' Idris Raja Kamarudin *Non-Independent & Non-Executive Chairman*	18/19	N/A	N/A	N/A
Dato' Haji Zainal Abidin bin Hussin *Non-Independent & Non-Executive Director* *(Resigned as a Director on 30 June 2021)*	11/11	N/A	N/A	N/A
Haji Mazli Zakuan bin Mohd Noor *Non-Independent &* *Non-Executive Director*	16/19	N/A	12/12	5/6
Mohd Kamaruzaman bin A Wahab *Independent & Non-Executive Director*	19/19	12/12	12/12	6/6
Haji Burhanuddin Hilmi bin Mohamed @ Harun *Non-Independent & Non-Executive Director*	18/19	12/12	N/A	6/6
Haji Najman bin Kamaruddin *Executive Director*	19/19	N/A	N/A	N/A
Haji Azlan bin Md Alifiah *Independent & Non-Executive Director*	19/19	12/12	11/12	6/6
Haji Samiun bin Salleh *Non-Independent & Non-Executive Director* *(Appointed as a Director on 30 June 2021)*	7/8	N/A	N/A	2/3

The attendance of all the Directors at Board meetings held during the FYE 31 December 2021 surpassed the minimum requirements stipulated under Rule 15.03 (3) of the Bursa Securities Listing Requirements. Furthermore, to ensure unwavering commitment to the Company, all Directors do not hold more than 5 directorships as required under Rule 15.06 of the Bursa Securities Listing Requirements.

None of the Independent & Non-Executive Directors hold office for more than nine (9) years under the reporting period.

Corporate Governance Overview Statement

Board Size, Composition and Diversity

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 current composition of the Board is seven (7) Directors comprising four (4) Non-Independent & Non-Executive Director, two (2) Independent & Non-Executive Directors and the Executive Director. As accordance to Paragraph 15.02 (1) of the Bursa Securities Listing Requirements, the Board complies with the composition of the board of directors in which 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher are independent directors.

The positions of the Chairman of the Board and Executive Director are held by two (2) different individuals as accordance with Practice 1.3 of MCCG. 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 decisions. 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. The specific roles and responsibilities of Chairman and Executive Director are set out in the Company's Board Charter.

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 level. The two (2) Independent Directors of the Company provide the Board with vast and various management exposure, expertise and broad business and commercial experiences. As accordance with Practice 5.3 of MCCG, 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. In addition, none of the Independent & Non-Executive Directors hold office for more than nine (9) years under the reporting period.

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 also cognisant on the Paragraph 15.02 (1) (b) of Bursa Securities Listing Requirements that requires for at least one (1) woman director to sit on the Board. The Board through NRC will continue to consider gender diversity as part of its future selection and will look into having female Board representation.

Corporate Governance Overview Statement

For the year under reporting, the Board and its NRC have upon their annual assessment, concluded that Board composition is appropriate and adequate to effectively govern the Group. The profile of each member of the current Board is set out in the Directors' Profile on pages 68 to 74 of this Annual Report.

Qualified and Competent Companies 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 of the Company.

Access to Information and Advice

Each individual director has the right of access to all relevant Company's information, access to the Management and may obtain independent professional advice at the Company's expense that is deemed necessary to discharge duties, subject to prior consultation with the Chairman. They also have 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 Securities Listing Requirements or other regulatory requirements.

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 Bursa Securities 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 the results of annual assessments are tabled to the NRC for deliberation and reported to the Board.

Good Business Conduct

The Code of Business Ethics & Anti-Bribery and Corruption Policy

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.

Corporate Governance Overview Statement

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. While. Anti-Bribery and Corruption Policy sets the Company's commitment to uphold its core values of corporate governance to conduct business with zero tolerance of any forms of bribery and corruptions.

In relation to governance structure and the directive by the Prime Minister for all Government-Linked Companies to set-up Integrity and Governance Unit, the Integrity Unit had been set up by the Company and committedly submit report every 6 months to Bahagian Pengurusan Integriti Agensi of Malaysian Anti-Corruption Commission.

The Code of Business Ethics and the Anti-Bribery and Corruption Policy are available on the Company's website at https://www.tdmberhad.com.my/corporate-governance.

Whistleblowing Policy

The Company has adopted a Whistleblowing Policy to facilitate Whistleblower to disclose any improper conduct in accordance with the procedures and to provide protection to Whistleblower from reprisal as consequences of making such disclosures.

The Whistleblowing Policy is published on the Company's website at https://www.tdmberhad.com.my/corporate-governance.

Gender & Diversity Policy

The Gender & Diversity Policy main focus to ensure working environment, salaries, benefits and other employment terms are designed 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.

The Company also provides a statement on non-discriminatory policy in employing talents to fulfill 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 Gender & Diversity Policy is published on the Company's website at https://www.tdmberhad.com.my/corporate-governance.

Continuing Education and Training of Directors

Paragraph 15.08 of the Bursa Securities Listing Requirements requires Directors to undertake continuous professional development programs to keep themselves abreast with the changing business environment, regulatory and corporate governance.

The training/courses attended by the Directors during the FYE 2021 as at 21 April 2022 are specified in CG Report of the Company.

Corporate Governance Overview Statement

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 commensurate 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 ("AGM").

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 2022 until 30 June 2023, for the purposes of facilitating payment of Directors' Fees and Benefits on a monthly basis and/or as and when incurred.

The Board applies Practice 8.1 of the MCCG 2021 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 2021 are disclosed in the CG Report of the Company.

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 2021, as follows:

RANGE OF REMUNERATION PER ANNUM (RM)	NO. OF MANAGEMENT
200,001.00 - 250,000.00	1
250,001.00 - 300,000.00	3
300,001.00 - 350,000.00	0
350,001.00 - 400,000.00	0
400,001.00 - 450,000.00	0
450,001.00 - 500,000.00	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.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC is currently chaired by Haji Azlan bin Md Alifiah who is a member of Chartered Institute of Management Accountant (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 AC. The AC 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 9.1 of the MCCG 2021 which stipulated 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 and is available on the Company's corporate website at https://www.tdmberhad.com.my/corporate-governance.

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. The details activities of the AC for the financial under review have been described in the Audit Committee Report on pages 250 to 257 of this Annual Report.

Risk Management and Internal Control

The Board recognises the importance of a sound system of risk management and internal control to ensure good corporate governance practices and to safeguard the shareholders' investments as well as the Group's assets. The Board is of the view that the system of risk management and internal control of the Company is sound and sufficient to safeguard the Group's asset, as well as shareholders' investment and the interest of other stakeholders.

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 details of the composition and attendance of BRCC are detailed in CG Report of the Company. While, the TOR of BRCC can be found in the Company's website at http://www.tdmberhad.com.my/corporate-governance.

As accordance with the Practice 15.26 (b) of the Bursa Securities Listing Requirements, an overview of the Group's Risk Management and Internal Controls is set out in the Statement on Risk Management and Internal Control on pages 258 to 266 of this Annual Report.

PRINCIPLE C – INTEGRITY ON CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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 the 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 such as Company's Corporate Website, Annual Reports, AGM and via Announcements to Bursa Securities. Company' corporate website provides an essential platform for investors and other stakeholders to access information periodically through the Investor Relations section. The Company's Annual Report provides a comprehensive report on the Group's financial results, business operations and strategic direction whilst AGM offers an opportunity to our shareholders to raise their questions and concerns on the Group's performance directly to our Board and Management.

Conduct at General Meetings

Due to the COVID-19 pandemic and as accordance to the Securities Commission's Guidelines and FAQs on the Conduct of General Meeting for Listed Issuer, the Company had conducted its 56th AGM fully virtual mode on 24 June 2021 using online meeting platform of TIIH Online via its website at http://tiih.online. In keeping with Practice 13.1 of the MCCG, the notice of 56th AGM was circulated to shareholders on 25 May 2021, which is at least 28 days prior to the meeting.

All Directors including the Chairman of the AC, NRC, BRCC, BTC and key Senior Management 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.

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 website at https://www.tdmberhad.com.my/reports-presentations.

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.

In relation to the forthcoming 57th AGM of the Company, the notice will be issued to Shareholders at least 28 days in advance of the scheduled AGM to be held on 23 June 2022. The said notice will also be advertised in a national circulated English or Bahasa Melayu newspaper.

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.

This CG Overview Statement was approved by the Board on 25 April 2022.

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.

Code of Business Ethics

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.

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.

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Audit Committee Report

AUDIT COMMITTEE REPORT

Pursuant to the Section 15.15 of Main Market Listing Requirement (MMLR), the Board Audit Committee (AC) of the Group hereby present the AC Report for financial year ended 31 December 2021.

MEMBERSHIP AND ATTENDANCE

The members of the AC for the financial year ended 31 December 2021 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

- Tuan Haji Mohd Kamaruzaman Bin A Wahab (Member since 1 August 2018) 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 AC of the Company consists of experienced and qualified members. Presently, the AC consists of two (2) Independent & Non-Executive Directors i.e. 67% of the total members of AC. All members of AC have a sufficient understanding of the Company's business and financial statements.

The AC provides independent oversight of the internal and external audit functions, governance, risk management, internal controls, and reporting requirements. Whilst the AC's Terms of Reference (TOR) requires the AC to meet four (4) times a year, during the financial year under review, the AC met twelve (12) times. Aside from the AC members, the Executive Director, the Person In Charge of Finance, the Group Company Secretary, and the Head of Internal Audit attended all the AC meetings.

The details on attendance of the Committee members during the financial year ended 31 December 2021 are as follows.

Members	Attended/Held	%
Tuan Haji Azlan Bin Md Alifiah (Chairman)	12/12	100
Tuan Haji Burhanuddin Hilmi Bin Mohamed @ Harun	12/12	100
Tuan Haji Mohd Kamaruzaman Bin A Wahab	12/12	100

Audit Committee Report

The Board had established a transparent and appropriate relationship with its external auditors through the AC. The representatives of the external auditors were present at the AC meetings during deliberations which required their input and advice. In addition, the AC had met the external auditors without the presence of the Management once during the financial year under review. During the session without the presence of the Management, the external auditors had discussed with the AC 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 AC meetings during the deliberation of matters related to them as and when necessary.

The Chairman of the AC regularly provides updates to the Board on key matters deliberated at the AC meetings through the AC Reports. Any members of the Board may enquire or seek clarification on the matters deliberated by the AC as per the AC Reports.

Minutes of the AC meetings were circulated to all the AC members. Significant matters requiring Board approval were tabled at TDM Berhad's Board meetings. The Chairman of the AC provided reports on recommendations and decisions of the AC to the Board.

ROLES AND RESPONSIBILITIES OF THE AC

Governance, Risk Management, and Internal Control

a) Review 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) Review the updates on 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 AC, 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
17 March 2021	Unaudited fourth quarter results for the period ended 31 December 2020
5 May 2021	Audited Financial Statements for the year ended 31 December 2020
25 May 2021	Unaudited first quarter results for the period ended 31 March 2021
23 August 2021	Unaudited second quarter results for the period ended 30 June 2021
21 November 2021	Unaudited third quarter results for the period ended 30 September 2021

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).

Audit Committee Report

The AC had also reviewed the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021 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 Auditor's 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 AC 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.

Audit Committee Report

Annual Report Disclosure

a) Report on the work of AC to discharge its duties and how it had met its responsibilities, the number of meetings held in a year, details of attendance for each member in the meeting and details of relevant training attended; and

b) Review on the accuracy and adequacy of the corporate governance disclosure and statement of risk management and internal control.

The summary on activities of the AC in the discharge of its duties and responsibilities for the financial year ended 31 December 2021 included the following:

1. Financial Reporting

The AC assisted the Board in ensuring the financial statements of the Company and its subsidiaries were prepared in accordance with the applicable financial reporting standards. The AC 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.

The Person in Charge of Finance (PiCoF) responsible for the financial management of the Company is En. Hasmadi Bin Desa, and the detail of his profile is available on page 76 of this Annual Report.

During the year under review, the AC had discharged its key responsibilities in relation to the financial reporting in the following manner:

a) Review the unaudited quarterly financial report for submission to Bursa Securities with the Management before recommending it to the Board of Directors for approval. When reviewing the report, AC would seek 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 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 AC's review included critical scrutiny of the statutory accounts based on an analytical approach. At the same time, the AC sought assurance from the Management and the external auditors that the disclosures of the financial statements were in-compliance with relevant and applicable statutory requirements and the Malaysian

Financial Reporting Standards. The AC's scrutiny of the statutory accounts also included a review on 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 AC. The AC also reviewed pertinent audit matters highlighted by the external auditors in their report to the AC which warrant the AC attention;

Audit Committee Report

c) Review on the Report of the AC 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 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 commencing of annual audit. The external auditors briefed the AC 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 Management's presence to discuss issues and concerns if any, arising from the statutory audit and other matters the external auditors may wish to highlight such as the level of assistance provided by the Company's and its Group's employees to the external auditors, and any difficulties encountered during 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, AC reviewed the qualifications and experience of the audit team as well as conducted an assessment on the effectiveness and performance of the external auditors and other areas such as audit scope, their independence and objectivity, audit fees and audit experience.

3. Related Party Transaction

a) With the assistance from PICOF and Internal Auditors, conduct a review on related party transactions entered into by the Company and the Group to ensure that the transactions have complied 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.

Audit Committee Report

4. Internal Audit

4.1. How Internal Audit Operates

The IAD is a fundamental part of the assurance structure in the Group. Its main responsibility is to provide independent and reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall internal control system, risk management and governance process. This is accomplished through the following:

a) Established a comprehensive and detailed Internal Audit Plan using appropriate and structured risk-based audit methodology that is aligned with the TDM Group's strategic objectives;

b) Adopting a systematic and disciplined approach in evaluating the 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, business units 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 AC 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 does not involve in the implementation of controls, development of procedures or engagement 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.

Audit Committee Report

4.4. IAD Resources

IAD consists of seven (7) resources including of the Head. Details of responsible personnel for Internal Audit is as follows:

Name	Professional Certification	Professional Membership	Years of Experience
Azrol Hadi bin Rosalan	The Association of Chartered Certified Accountant (ACCA)	ACCA IIAM	16

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, ISO 31000:2018 Risk Management and IPPF to guide the IA activities.

4.6. Evaluation of Internal Audit

To enhance the capability of IAF, the AC 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;
- Efficiency on implementation of Internal Audit Plan and quick rectification of audit recommendations; and
- The competency of the internal auditors and adequacy of resources. The assessment on the IAF provides assurance to the AC on the adequacy and effectiveness of the Group's Governance, Risk Management and Control Processes.

4.7. Internal Audit Activities For The Year 2021

The summary on the activities of the IAD for the year under review are as follows:

a) Preparation of the Internal Audit Plan for approval by AC. The Audit Plan was developed based on an assessment of the significant potential risk exposure to the auditable areas. Therefore, the internal audit activities are really focused on providing assurance to the execution of the Company's Strategic and Business Plan;

b) Performing internal audit fieldwork throughout the financial year under review involving head office, healthcare and plantations using the newly adopted audit methodology. The recommended improvement in term of GRC processes will increase the likelihood of the Group achieving its corporate objectives;

Audit Committee Report

c) Issuance of audit reports to the AC 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 in driving the targeted result of the Company could be strengthened;

d) Follow-up on the Management's corrective actions on audit issues raised by IAD and external auditors Determine whether corrective actions taken had generally achieved the desired results. This is part of the check and balance for the management to ensure the sustainability of the Group. The AC 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 on the compliance with the 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 AC 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 AC meetings together with the relevant recommendations; and

e) Review on the assurance provided by the Executive Director and Person in charge of Finance 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 2021, the TOR of the AC was reviewed to reflect with the recommendations from MCCG 2021. 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 AC and its members. The AC has discharged its duties in accordance with its TOR and in line with the requirements of MMLR and MCCG 2021.

This statement is made in accordance with a resolution of the Board dated 25 April 2022.

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 GOVERNANCE STRUCTURE

BOARD RESPONSIBILITY

The Board of Directors ("Board") affirms its responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risk in accordance with Principle B of the Malaysian Code on Corporate Governance.

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 appetite and tolerance.

The Board has an overall responsibility for the Group's risk management and internal control systems 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.

The Board delegates the responsibility to the Board Risk & Compliance Committee ("BRCC") to assist them in establishing an effective risk management framework and disclose its adequacy and effectiveness.

MANAGEMENT RESPONSIBILITY

Management Investment, Risk and Compliance Committee ("MIRCC") chaired by Executive Director ("ED") 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 mitigation plans.

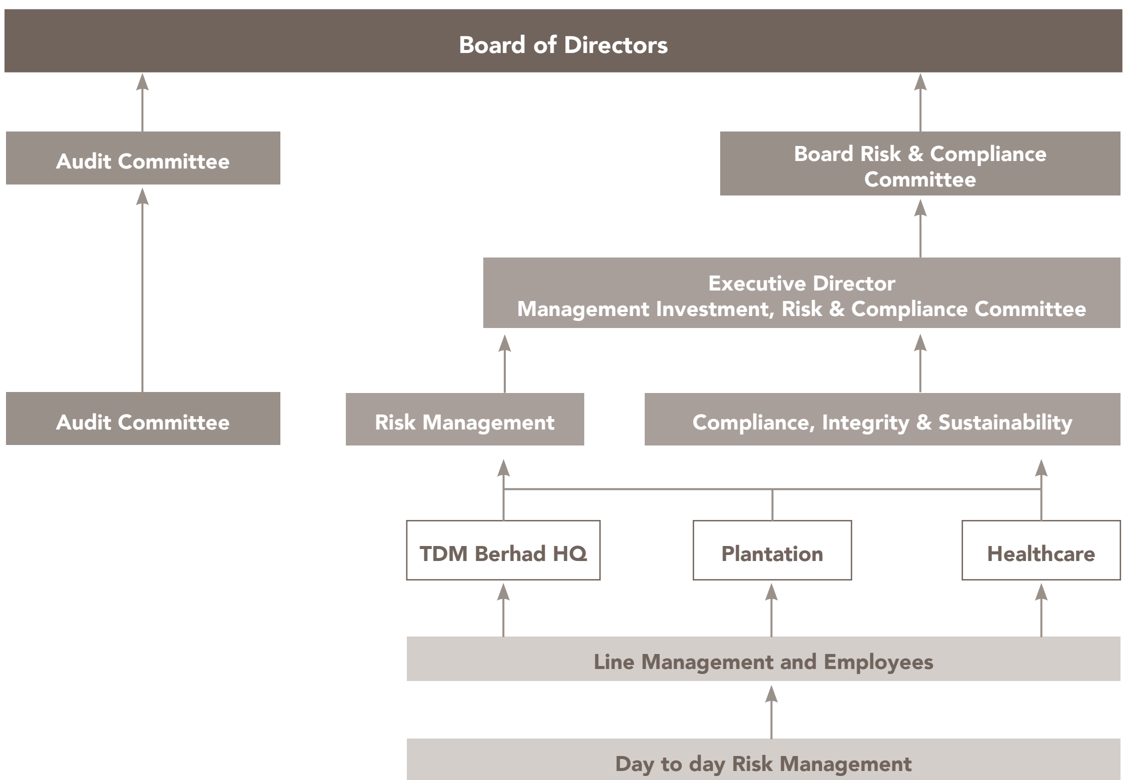
RISK MANAGEMENT DEPARTMENT

The Risk Management Department (RMD) is established to facilitate all departments at HQ and subsidiary companies with regards to ensuring consistent implementation of risk management activities. The RMD supports the Board and BRCC in discharging their risk management responsibilities. The RMD reports to the BRCC on a quarterly basis, whereby the priorities and direction of RMD activities are aligned with the overall strategic plan and direction from the Board.

INTERNAL AUDIT DEPARTMENT

During the financial year, the adequacy and effectiveness of risk management and internal control systems was reviewed by the Internal Audit Department ("IAD") and the audit findings are deliberated at the Audit Committee and subsequently presented to the Board.

The governance structure on risk management and internal controls is shown below:



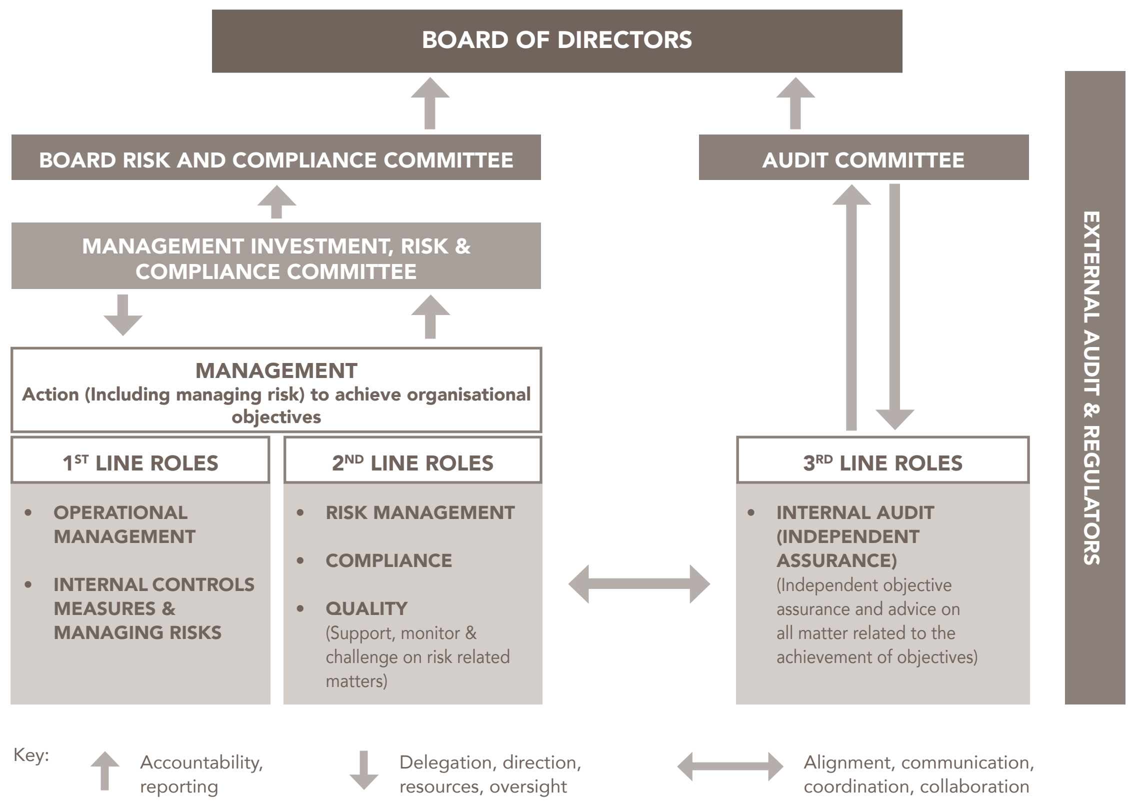
2.0 FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

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.

Statement on Risk Management and Internal Control

b. This framework defines our Group's risk management process in managing the Group's 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 MIRCC on quarterly basis for reviewing before presented to the BRCC for deliberation and subsequently to the Board for approval.

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.

e. 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:

Statement on Risk Management and Internal Control

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).

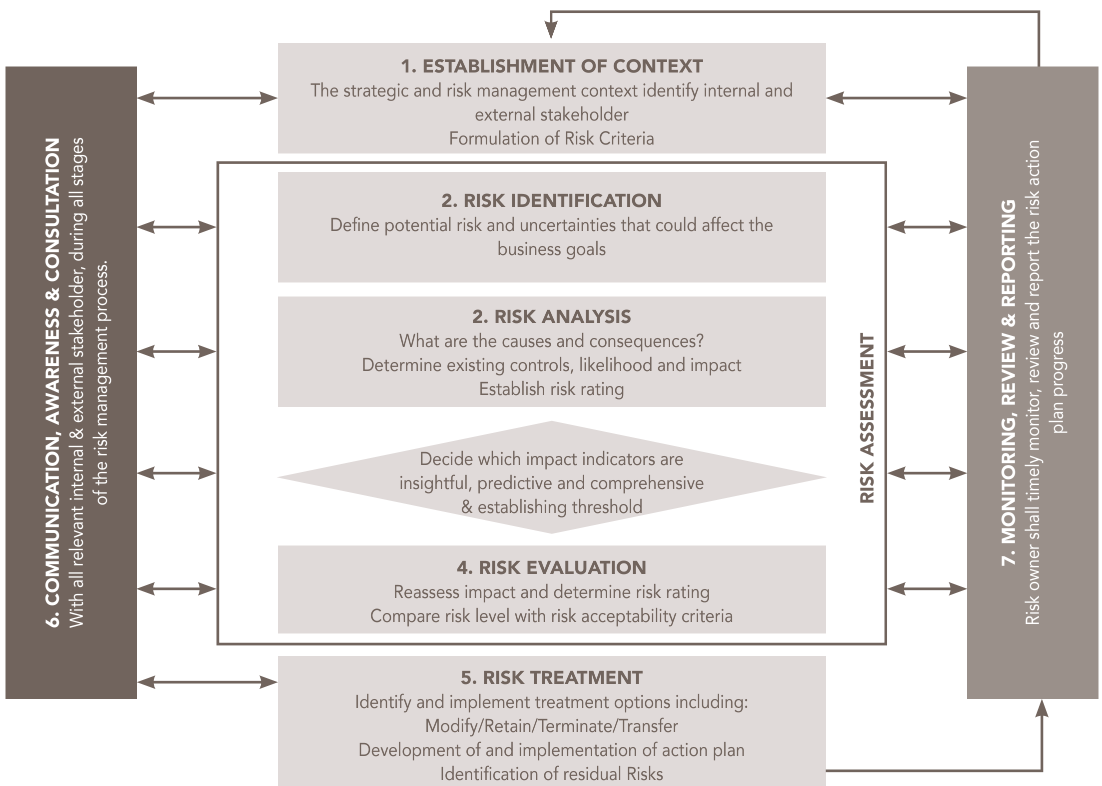
Third Line Roles: Internal Audit

- Maintains primary accountability to the governing body and independence from the responsibilities of management.
- Communicates independent and objective assurance and advice to management and the governing body on the adequacy and effectiveness of governance and risk management (including internal control) to support the achievement of organisational objectives and to promote and facilitate continuous improvement.
- Reports impairments to independence and objectivity to the governing body and implements safeguards as required.

Statement on Risk Management and Internal Control

3.0 RISK MANAGEMENT PROCESS

The Diagram below shows the risk management process rolled out across the Group and the risk profile is developed at each division i.e. plantation, healthcare and corporate centres:



For the year ended 31 December 2021, the Group had undertaken seven (7) steps of risk management process which had been practiced on quarterly basis as follows:

i) **Establishment of Context**
Understand the business's strategy, value drivers, and potential risk in the context of the industry, value chain, and stakeholder expectations.

ii) **Risk Identification**
Define potential risks and uncertainties that could positively or negatively affect the business's goals and evaluate their impacts and vulnerability to those impacts.

Statement on Risk Management and Internal Control

iii) Risk Analysis

Risk analysis involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, controls and their effectiveness. An event can have multiple causes and consequences and can affect multiple objectives. Risk analysis can be undertaken with varying degrees of detail and complexity, depending on the purpose of the analysis, the availability and reliability of information, and the resources available. Analysis techniques can be qualitative, quantitative or a combination of these, depending on the circumstances and intended use.

Risk owner has to identify suitable Key Risk Indicators (KRIs) to monitor the changes of risk rating over time. In identifying relevant indicators, the data must be available to ensure the KRIs are quantifiable and measurable. Once the KRIs are precisely defined, risk owner can set the impact thresholds, by relying on the approved budget or industry standard. From that assessment, risk owner can evaluate the risk whether the risk is under control or requires immediate remedy to be taken.

iv) Risk Evaluation

Risk owners need to determine the risks that need to be prioritised. The prioritised risks are then transferred to the risk treatment step.

v) Risk Treatment

Risk treatment involves identifying a range of options for mitigating risks and implementing those options. At this stage, risk owners need to identify and evaluate all possible options / strategies which shall be put in place to manage risk. A Risk Action Plan (RAP) shall be developed to provide reasonable assurance to management that the risks are being managed proactively by the risk owners.

Selecting the most appropriate risk treatment options involve balancing the cost and efforts of implementing against the benefits derived with regards to legal, regulatory requirement or other social responsibility and the protection of natural environment. Amongst the risk treatment strategies include modify, retain, terminate and transfer the risk.

vi) Communication, Awareness and Consultation

Communication, awareness and consultation step takes place in all stages of risk management process. To foster a culture of risk awareness, RMD organised a series of risk awareness sessions for the Group including the establishment of KRI. During the awareness sessions, RMD also update and refresh on current trends and key challenges ahead with regards to risk management. RMD also communicate with internal and external stakeholders to meet their needs and expectations.

vii) Monitoring, Review and Reporting

Monitoring and review step takes place in all stages of risk management process. Ongoing risk monitoring and periodic review provide reasonable assurance that risks are being managed effectively as expected and ensuring that risk profiles anticipate and reflects the changing business conditions and exposures. Risk owner shall timely monitor, review and report the risk and risk action plan progress.

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Statement on Risk Management and Internal Control

4.0 OTHER 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 existing internal control framework adopted by the Group is from the COSO Internal Control – Integrated Framework which stipulated 5 components and 17 principles as follows:

The key elements of the internal control system established by the Group include:

Components of Internal Control		No. of Principles
A	Control Environment	5
B	Risk Assessment	4
C	Control Activities	3
D	Information and Communication	3
E	Monitoring	2

A	B	C	D	E
CONTROL ENVIRONEMNT	**RISK ASSESSMENT**	**CONTROL ACTIVITIES**	**INFORMATION AND COMMUNICATION**	**MONITORING**
1. Demonstrate commitment to integrity and ethical values 2. Exercise oversight responsibility 3. Establish structure, authority and responsibility 4. Demonstrate commitment to competence 5. Enforce accountability	6. Specifies relevant objectives 7. Identify and analyse risks 8. Assess fraud/ negligence risk 9. Identify and analyse significant changes	10. Select and develop control activities 11. Select and develop general control over technology 12. Deploy control activities through policies and procedures	13. Use relevant information 14. Communicate internally 15. Communicate externally	16. Conduct ongoing and/ or separate evaluations 17. Evaluate and communicate deficiencies

Source: Adopted from the COSO Internal Control - Integrated Framework

Statement on Risk Management and Internal Control

a. **Board's Oversight**

The Board's oversight function and responsibilities were clearly stated in Board Charter. In discharging its fiduciary duties, the Board delegates the function to Board Committees namely Audit Committee ("AC"), BRCC, Nomination and Remuneration Committee ("NRC"), Board Tender Committee ("BTC") and Executive Committee ("EXCO"). The specific duties are indicated in its Terms of Reference ("TOR") of the respective Board's Committee. The Board hold meeting on periodically 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. **Management's Oversight**

Management Investment, Risk and Compliance Committee (MIRCC) is responsible to deliberate any proposal related to investment, divestment, risk and compliance of the Group. In addition, the Committee also responsible to review any framework, policies, procedures and deliberate the effectiveness of risk and compliance activities within the Group.

c. **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 Delegation of Authority Limit ("DAL") outlines Board and management limits and approval authority for various key business processes.

d. **Business Plan and Budget**

The management has set its corporate and business objectives through establishment of Annual Business Plan and Budget. The achievements of performance are monitored periodically, and remedial actions are taken appropriately for any obstacles and risks that had been identified.

e. **Policies and Procedures**

The Group periodically reviews, updates and establishes the internal policies and standard operating procedures for improvement and to reflect changes in the business structure and processes as and when necessary. Aside from the internal policies and procedures, the Group Policies as stipulated in TDMB's website are as follows: Board Remuneration Policy, Dividend Policy, Profit Distribution Policy, Code of Business Ethics, Anti-Bribery and Corruption Policy, No Gift Policy, Whistleblowing Policy, Sustainability Policy, Environment & Biodiversity Policy, No Deforestation, No Peat, No Exploitation Policy, Philanthropy Policy, Social & Humanity Policy, Occupational Safety & Healthy Policy, and Gender & Diversity Policy.

f. **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 Directors and employees, including relevant third parties.

Statement on Risk Management and Internal Control

g. **Company's Performance**
Management and financial reports are generated on periodically 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.

h. **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.

i. **Internal Audit Function**
The Audit Committee, with the assistance of the IAD, 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 IAD also reviews the extent to which its recommendations have been accepted and implemented by the management.

5.0 ASSURANCE TO THE BOARD

For the financial year ended 31 December 2021, the Board has received assurance from the ED and the PiCOF that the risk management and internal control systems of the Group are operating adequately and effectively. The Board is of the view that the risk management and internal control systems 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 25 April 2022.

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 2021, 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	**723**	**320**
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 34 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 2021 or entered into since the end of the previous financial year ended 31 December 2020.

4. LIST OF PROPERTIES

The list of properties is stated on pages 418 to 422 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 24 June 2021.

Details of the RRPTs are disclosed in Note 34 to the Audited Financial Statements in this Annual Report. The RRPT Mandate will lapse at the conclusion of the forthcoming Annual General Meeting ("57th AGM") unless such authority is renewed by a resolution passed at the 57th AGM. Accordingly, the Company will be seeking its shareholders' approval for the Proposed renewal of shareholders' mandate for RRPT and for the proposed new shareholders' mandate for RRPT at the 57th 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 2021.

This statement is made in accordance with a resolution of the Board of Directors dated 28 April 2022.

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 2021.

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	53,682	1,107
Loss for the financial year from discontinued operations	(90,475)	-
(Loss)/profit net of tax	(36,793)	1,107
(Loss)/profit attributable to:		
Owners of the parent	(29,518)	1,107
Non-controlling interests	(7,275)	-
	(36,793)	1,107

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 impairment of right-of-use assets, impairment of property, plant and equipment and reversal of accumulated profits payable to sublessee of the Group and expected credit losses on amounts due from subsidiaries of the Company as disclosed in Note 6 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2020 were as follows:

	RM'000
In respect of the financial year ended 31 December 2020:	
An interim dividend of 0.29 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 25 March 2021 and paid on 19 April 2021.	4,996
A final dividend of 0.23 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 24 June 2021 and paid on 22 July 2021.	3,963

Directors' Report

DIVIDENDS (CONT'D.)

The amount of dividends paid by the Company since 31 December 2020 were as follows: (cont'd.)

	RM'000
In respect of the financial year ended 31 December 2021:	
An interim dividend of 0.29 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 17 December 2021 and paid on 14 January 2022.	4,996
	13,955

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,000,000 (0.35 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 2022.

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' 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	
Haji Samiun bin Salleh	(Appointed on 30 June 2021)
Dato' Haji Zainal Abidin bin Hussin	(Resigned on 30 June 2021)

\# 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>

YB Che Alias bin Hamid	
Mohd Norddin bin Abd Jalil	
YB. Haji Ab Razak bin Ibrahim	(Resigned on 1 July 2021)

<u>Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.</u>

Ahmad Faris bin Abdul Razak

Directors' Report

DIRECTORS (CONT'D.)

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 (cont'd.):

<u>TDM Trading Sdn. Bhd.</u>

Naraza bin Muda	
YM Raja Dato' Idris bin Raja Kamarudin	(Resigned on 9 September 2021)
Haji Mazli Zakuan bin Mohd Noor	(Resigned on 9 September 2021)

<u>TDM Capital Sdn. Bhd.</u>

Haji Najman bin Kamaruddin	(Appointed on 19 February 2021)
Hasmadi bin Desa	(Appointed on 9 September 2021)
Dato' Roslee bin Chik	(Appointed on 12 October 2021)
Zainal Abidin bin Shariff	(Resigned on 19 February 2021)
YM Raja Dato' Idris Raja Kamarudin	(Resigned on 9 September 2021)

<u>Indah Sari Travel & Tours Sdn. Bhd.</u>

Haji Najman bin Kamaruddin	(Appointed on 26 February 2021)
Hasmadi bin Desa	(Appointed on 9 September 2021)
Zainal Abidin bin Shariff	(Resigned on 26 February 2021)
YM Raja Dato' Idris Raja Kamarudin	(Resigned on 9 September 2021)

<u>TD Gabongan Sdn. Bhd.</u>

Zubaidah Ani binti Mohd Noor	
Hasmadi bin Desa	(Appointed on 24 March 2021)
Amir Mohd Hafiz bin Amir Khalid	(Resigned on 24 March 2021)
YM Raja Dato' Idris Raja Kamarudin	(Resigned on 9 September 2021)

<u>Kemaman Capital Sdn. Bhd.</u>

Haji Najman bin Kamaruddin	(Appointed on 19 February 2021)
Hasmadi bin Desa	(Appointed on 9 September 2021)
Zainal Abidin bin Shariff	(Resigned on 19 February 2021)
YM Raja Dato' Idris Raja Kamarudin	(Resigned on 9 September 2021)

<u>TDM-YT Plantation Sdn. Bhd.</u>

Abdul Raof bin Mohamed	
Mohd Badaruddin bin Ismail	
YBM Tengku Farok Husin bin Tengku Abdul Jalil	
Wahab bin Jusoh	
Dato' Haji Mohd Azmi bin Mohamad Daham	(Appointed on 1 July 2021)
Ishamudin bin Hashim	(Resigned on 1 July 2021)

<u>PT Rafi Kamajaya Abadi</u>

Haji Najman bin Kamaruddin	
Badrol bin Abu Bakar	(Appointed on 25 May 2021)
Hasmadi bin Desa	(Appointed on 25 May 2021)
Amir Mohd Hafiz bin Amir Khalid	(Resigned on 25 May 2021)

DIRECTORS (CONT'D.)

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 (cont'd.):

PT Sawit Rezki Abadi	
Haji Najman bin Kamaruddin	
Badrol bin Abu Bakar	(Appointed on 25 May 2021)
Hasmadi bin Desa	(Appointed on 25 May 2021)
Amir Mohd Hafiz bin Amir Khalid	(Resigned on 25 May 2021)

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)

Kumpulan Medic Iman Sdn. Bhd.	
Haji Wan Abdul Hakim bin Wan Mokhtar	
YB Dr. Azman bin Ibrahim	
YB Dr. Alias bin Razak	
Dato' Haji Zainal Abidin bin Hussin	(Appointed on 10 May 2021)
Dato' Haji Mohd Zahari bin Md Azahar	(Resigned on 10 May 2021)

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	
YM Raja Dato' Idris Raja Kamarudin	(Resigned on 9 September 2021)

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
Dr. Hasnan bin Muhammad Noor

TDMC Hospital Sdn. Bhd.
YB. Dr. Azman bin Ibrahim
Dr. Che Faridah binti Ismail
Dr. Najihatussalehah binti Ahmad
Haji Hadi bin Hassan

Directors' Report

DIRECTORS (CONT'D.)

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 (cont'd.):

Kuantan Medical Centre Sdn. Bhd.	
Prof. Dr. Mokhtar bin Awang	
Dr. Azmi bin Samat	
Dato' Haji Mohd Azmi bin Mohamad Daham	
YB. Senator Tuan Balasubramaniam A/L Nachiappan	
Dato' Dr. Abdullah Zawawi bin Salleh	
Dato' Haji Zainal Abidin bin Hussin	(Appointed on 30 April 2021)
Salamiah Binti Mohd Nor	(Appointed on 10 July 2021)
Dato' Haji Mohd Zahari bin Md Azahar	(Resigned on 30 April 2021)
Dr. Rosni binti Adam	(Resigned on 10 July 2021)
KMI Tawau Medical Centre Sdn. Bhd.	
Haji Wan Abdul Hakim bin Wan Mokhtar	(First director and appointed on 25 March 2021)
Dr. Rayney Azmi bin Ali	(First director and appointed on 25 March 2021)
KMI Chukai Medical Centre Sdn. Bhd.	
Haji Wan Abdul Hakim bin Wan Mokhtar	(First director and appointed on 29 March 2021)
Dr. Rayney Azmi bin Ali	(First director and appointed on 29 March 2021)
KMI Ambulatory Care Sdn. Bhd.	
Haji Najman bin Kamaruddin	(First director and appointed on 30 September 2021)
Dr. Rayney Azmi bin Ali	(First director and appointed on 30 September 2021)
KMI Tunjong Medical Centre Sdn. Bhd.	
Haji Najman bin Kamaruddin	(First director and appointed on 6 August 2021)
Prof. Dr. Samiah Yasmin binti Abdul Kadir	(First director and appointed on 6 August 2021)
KMI Assets Sdn. Bhd.	
Dr. Rayney Azmi bin Ali	(First director and appointed on 29 June 2021)
Haji Najman bin Kamaruddin	(Appointed on 15 October 2021)
Haji Mazli Zakuan bin Mohd Noor	(First director and resigned on 15 October 2021)
TDM Agrobiz Sdn. Bhd.	
Haji Najman bin Kamaruddin	(First director and appointed on 17 January 2022)
Nurul Islam bin Mohamed Yusoff	(First director and appointed on 17 January 2022)

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, except as disclosed in Note 34 to the financial statements.

The directors' remuneration are as follows:

	Group RM'000	Company RM'000
Fees and other emoluments	2,343	995
Indemnity given to or insurance effected for directors	15	10
Estimated money value of benefits-in-kind	28	-
Total directors' remuneration including benefits-in-kind	2,386	1,005

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 RM18,400,000 and RM37,179 respectively. The total amount of sum insured and premium paid for directors of the Company are RM5,600,000 and RM10,206 respectively.

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Directors' Report

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 2021	Acquired	Sold	31 December 2021
The Company				
YM Raja Dato' Idris Raja Kamarudin	1,000,000	-	-	1,000,000
Haji Azlan bin Md Alifiah	-	64,000	-	64,000
	1,000,000	64,000	-	1,064,000

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.

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.

OTHER STATUTORY INFORMATION (CONT'D.)

(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.

(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.

(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 EVENTS

The details of the significant events are disclosed in Note 41 to the financial statements.

SUBSEQUENT EVENTS

The details of the subsequent events are disclosed in Note 42 to the financial statements.

Directors' Report

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	651	320
- other than Ernst & Young PLT	72	-
Other services - Ernst & Young PLT	5	5
	728	325

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 (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2022.

YM Raja Dato' 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' 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 291 to 409 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 2021 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 28 April 2022.

YM Raja Dato' 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 291 to 409 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 28 April 2022

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 2021 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 291 to 409.

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 2021, 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.

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

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. These matter were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters 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 this matter. 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 matter below, provide the basis of our audit opinion on the accompanying financial statements.

(a) Discontinued operation and disposal group classified as held for sale

Refer to Notes 3.1(a), 6 and 25 of the financial statements.

The Company announced in February 2020 its decision to dispose its equity interests in Indonesian subsidiaries, PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA"). Accordingly, the assets and liabilities of PT RKA and PT SRA are classified as held for sale and their results as discontinued operations since the previous financial year. In accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("MFRS 5"), the conditions that must be satisfied for classification as held-for-sale are that the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary of sales of such disposal groups and the sale is highly probable. In the current financial year, the directors reassessed that the criteria were met in accordance with MFRS 5 prior to classifying the assets and liabilities of the disposal group as held for sale.

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.)

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

The disposal group classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell. The measurement of fair value less costs to sell for the disposal group is based on directors' valuation with reference made to recent indicative market offers. The aforementioned assessment gave rise to a further impairment to the Group on the assets of the disposal group of RM80,718,000 as disclosed in Note 6 to the financial statements.

We have identified the classification and measurement of the assets or disposal group classified as held for sale as our area of audit focus as significant management's judgement and estimates are involved in determining the appropriate classification and in measuring the fair value less costs to sell of the assets or disposal group.

We have performed, amongst others, the following key audit procedures:

- reviewed management assessment on the classification of disposal group in accordance with the requirements of MFRS 5 by reviewing the plans and actions taken by the Group by examining the board minutes and other relevant documents;

- reviewed (including the involvement of our internal specialist when necessary) the key assumptions made by the board of directors in estimating the fair value less costs to sell of the disposal group and compared the key assumptions against historical records, quotations, letters of offer, underlying supporting documents and market data;

- verified the accuracy of management's calculation of the impairment charge; and

- reviewed the adequacy of the disclosures in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

KEY AUDIT MATTERS (CONT'D.)

(b) Impairment assessment of amount due from PT RKA and PT SRA

Refer to Notes 3.2(c), 6 and 25 to the financial statements.

As at 31 December 2021, the total amount due from PT RKA and PT SRA of the Company amounted to RM89,301,000, representing 13% of the Company's total assets.

The Company performed an impairment assessment on the amount due from PT RKA and PT SRA in accordance with MFRS 9 Financial Instruments. The Company has measured the loss allowance based on lifetime expected credit losses ("ECL") at the reporting date using the probability of default approach. The Company also considered current and forward-looking credit risk information in measuring the ECL allowance. ECL is based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The cash flows that the Company expects to receive from PT RKA and PT SRA are based on the estimated net proceeds from the disposal of the Indonesian subsidiaries.

The ECL assessment in the current financial year gave rise to a further allowance of RM81,237,000 as disclosed in Note 6 to the financial statements.

Given the significance of the ECL allowance to the Company and the significant judgement and estimates involved in the ECL assessment, we have identified this as an area of audit focus.

We have performed, amongst others, the following key audit procedures:

- obtained an understanding of the approach applied and evaluated the key assumptions used by the Company in the calculation of ECL allowance;

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.)

(b) Impairment assessment of amount due from PT RKA and PT SRA (cont'd.)

We have performed, amongst others, the following key audit procedures: (cont'd)

- reviewed (including the involvement of our internal specialist when necessary) the key assumptions applied in estimating the net proceeds from the disposal group made by board of directors amongst others and where relevant, and comparing the key assumptions against historical records, quotations, letters of offer, underlying supporting documents and market data, where available;

- verified the accuracy of management's calculation of the ECL allowance; and

- reviewed the adequacy of the disclosures in the financial statements.

(c) Contingent liabilities

Refer to Notes 3.2(g) and 40(a) to the financial statements.

On 27 December 2021, PT RKA received lawsuit claims from the Ministry of Environment and Forestry of Indonesia for the alleged violation against the laws and regulations related to the fire incident occurred in PT RKA's plantation in year 2019. The total claims filed by the Ministry of Environment and Forestry of Indonesia is Indonesia Rupiah 1,001,844,350,959 (RM293,669,525). As of the authorisation date of the financial statements, the litigation case is still ongoing and there still no decision from the court.

The management's judgement regarding recognition and measurement of provisions for legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are dependent on the future court verdicts. Due to these uncertainties we considered this area as a key audit matter.

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.)

(c) Contingent liabilities (cont'd.)

We have performed, amongst others, the following key audit procedures:

- Obtained an understanding of management's process in identifying new contingent liabilities and changes in existing contingent liabilities for compliance with the Group's policy and MFRS 137 Provisions, Contingent Liabilities and Contingent Assets requirements;

- Obtained an understanding from the Group's legal team and external legal advisor on the development the litigation case. We also reviewed audit enquiry response letters from external legal counsel;

- Evaluated the component team's procedures in assessing the probability of any outflow in the settlement of the litigation are based on, amongst others and where relevant with our primary involvement:

  - held discussions with the Group's legal team and external legal advisor on the basis of their defence;

  - examined documentary evidence to support management's defence against the claims; and

  - obtained audit enquiry response letters from external legal advisor.

- Reviewed the adequacy of the disclosures in the financial statements.

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.

Independent Auditors’ Report
to the members of TDM Berhad (cont’d.)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT’D.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON (CONT'D.)

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.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS (CONT'D.)

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.

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.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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.

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.)

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.

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.

Independent Auditors' Report
to the members of TDM Berhad (cont'd.)
(Incorporated in Malaysia)

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) & AF 0039
Chartered Accountants

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 April 2022

Statements of Comprehensive Income

For the financial year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Continuing operations					
Revenue	4	**511,582**	442,877	**141,151**	293,654
Cost of sales		**(316,154)**	(296,604)	**(17,845)**	(17,776)
Gross profit		**195,428**	146,273	**123,306**	275,878
Other items of income					
Interest income		**3,016**	2,321	**1,768**	1,300
Other income		**60,701**	31,488	**7,555**	14,596
Other items of expense					
Distribution costs		**(4,977)**	(6,105)	**(1,007)**	(1,101)
Administrative and other operating expenses		**(142,951)**	(135,048)	**(115,774)**	(42,665)
Other expenses		**(4,513)**	(6,986)	**(3,633)**	(3,078)
Finance costs	5	**(24,776)**	(22,353)	**(11,664)**	(9,994)
Profit before tax	6	**81,928**	9,590	**551**	234,936
Income tax (expense)/benefit	9	**(28,246)**	(8,226)	**556**	(592)
Profit for the financial year from continuing operations		**53,682**	1,364	**1,107**	234,344
Discontinued operation					
Loss for the financial year from discontinued operation	25	**(90,475)**	(12,515)	**-**	-
(Loss)/profit for the financial year		**(36,793)**	(11,151)	**1,107**	234,344
Other comprehensive income/(loss):					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		**1,918**	(1,488)	**-**	-

Statements of Comprehensive Income (cont'd.)

For the financial year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other comprehensive income/(loss): (cont'd.)					
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Fair value movement of investments in securities		**1**	(10)	**-**	-
Fair value movement of other investments		**2,956**	4,399	**-**	-
Net loss on remeasurement of defined benefit obligations		**-**	(205)	**-**	(25)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**2,957**	4,184	**-**	(25)
Total other comprehensive (loss)/income for the financial year		**(31,918)**	(8,455)	**1,107**	234,319
(Loss)/profit attributable to:					
Owners of the parent		**(29,518)**	(9,939)	**1,107**	234,344
Non-controlling interests		**(7,275)**	(1,212)	**-**	-
		(36,793)	(11,151)	**1,107**	234,344
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(24,758)**	(7,153)	**1,107**	234,319
Non-controlling interests		**(7,160)**	(1,302)	**-**	-
		(31,918)	(8,455)	**1,107**	234,319
(Loss)/earning per share attributable to owners of the parent:					
Basic (loss)/earning per share (sen):	10	**(1.71)**	(0.58)		
- continuing operations	10	**3.21**	0.11		
- discontinued operation	10	**(4.93)**	(0.69)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	**802,005**	819,440	**12,460**	6,064
Right-of-use assets	13	**482,911**	490,714	**1,021**	521
Intangible asset	14	**3,748**	4,605	**3,748**	4,605
Investment properties	15	**-**	-	**169,866**	172,207
Goodwill	16	**991**	991	**-**	-
Investments in subsidiaries	17	**-**	-	**224,266**	224,266
Other investments	18	**41,063**	38,107	**-**	-
Investments in securities	19	**36**	35	**-**	-
Other receivables	22	**186**	186	**23,864**	-
Deferred tax assets	30	**996**	87	**-**	-
		1,331,936	1,354,165	**435,225**	407,663
Current assets					
Biological assets	20	**8,671**	4,154	**-**	-
Inventories	21	**24,057**	21,787	**202**	358
Trade and other receivables	22	**57,630**	52,713	**108,095**	90,572
Contract asset	23	**4,827**	7,690	**-**	-
Prepayments		**4,946**	5,049	**-**	-
Tax recoverable		**12,753**	13,738	**4,178**	60
Cash and bank balances	24	**194,443**	232,899	**48,316**	56,576
Assets of disposal group classified as held for sale	25	**105,666**	184,677	**89,301**	165,571
		412,993	522,707	**250,092**	313,137
Total assets		**1,744,929**	1,876,872	**685,317**	720,800
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	29	**742**	436	**-**	-
Lease liabilities	26	**1,065**	646	**658**	315
Loans and borrowings	27	**49,660**	72,345	**20,827**	37,251
Trade and other payables	28	**222,266**	248,696	**136,017**	136,642
Contract liability	23	**-**	634	**-**	-
Income tax payable		**15,684**	173	**-**	-
Liabilities of disposal group classified as held for sale	25	**10,412**	8,068	**-**	-
		299,829	330,998	**157,502**	174,208
Net current assets		**113,164**	191,709	**92,590**	138,929

Statements of Financial Position (cont'd.)
As at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Equity and liabilities					
Non-current liabilities					
Retirement benefit obligations	29	**5,470**	5,495	**528**	490
Lease liabilities	26	**61,599**	60,995	**365**	223
Loans and borrowings	27	**440,691**	426,629	**149,155**	154,708
Other payables	28	**41,934**	107,881	**-**	-
Deferred tax liabilities	30	**186,628**	189,012	**2,700**	3,256
		736,322	790,012	**152,748**	158,677
Total liabilities		**1,036,151**	1,121,010	**310,250**	332,885
Net assets		**708,778**	755,862	**375,067**	387,915
Equity attributable to owners of the parent					
Share capital	31	**359,445**	359,445	**359,445**	359,445
Retained earnings	32	**365,062**	408,535	**12,954**	25,802
Other reserves	33	**36,035**	33,078	**2,668**	2,668
Reserves of a disposal group held for sale	25	**(28,402)**	(30,205)	**-**	-
		732,140	770,853	**375,067**	387,915
Non-controlling interests		**(23,362)**	(14,991)	**-**	-
Total equity		**708,778**	755,862	**375,067**	387,915
Total equity and liabilities		**1,744,929**	1,876,872	**685,317**	720,800

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 2021

2021 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 of non-controlling interest RM'000	Reserves of a disposal group held for sale RM'000	Non-controlling interests RM'000
	← Attributable to owners of the parent →									
			Non-distributable	Distributable	← Non-distributable →					
Opening balance at 1 January 2021	755,862	770,853	359,445	408,535	33,078	33,346	(237)	(31)	(30,205)	(14,991)
Loss for the financial year	(36,793)	(29,518)	-	(29,518)	-	-	-	-	-	(7,275)
Other comprehensive income:										
Fair value movement of investments in securities	1	1	-	-	1	1	-	-	-	-
Fair value movement of other investments	2,956	2,956	-	-	2,956	2,956	-	-	-	-
Foreign currency translation	1,918	1,803	-	-	-	-	-	-	1,803	115
Total other comprehensive income for the financial year	4,875	4,760	-	-	2,957	2,957	-	-	1,803	115
Total comprehensive loss for the financial year	(31,918)	(24,758)	-	(29,518)	2,957	2,957	-	-	1,803	(7,160)
Transaction with owners										
Dividend paid to non-controlling interest	(1,211)	-	-	-	-	-	-	-	-	(1,211)
Dividend on ordinary shares Note 11)	(13,955)	(13,955)	-	(13,955)	-	-	-	-	-	-
Total transaction with owners	(15,166)	(13,955)	-	(13,955)	-	-	-	-	-	(1,211)
Closing balance at 31 December 2021	708,778	732,140	359,445	365,062	36,035	36,303	(237)	(31)	(28,402)	(23,362)

Statements of Changes in Equity (cont'd.)
For the financial year ended 31 December 2021

	←	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 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 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 income:										
Fair value movement of investments in securities	(10)	(10)	-	-	(10)	(10)	-	-	-	-
Fair value movement of other investments	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 income 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)
Transaction with owners										
Acquisition of a subsidiary	15,000	-	-	-	-	-	-	-	-	15,000
Issue of share capital (Note 31)	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 2021

		Non-distributable		← Non-distributable →		
2021 Company	**Equity, total RM'000**	**Share capital RM'000**	**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 2021	**387,915**	**359,445**	**25,802**	**2,668**	**2,736**	**(68)**
Total comprehensive income for the financial year	**1,107**	**-**	**1,107**	**-**	**-**	**-**
Transaction with owners						
Dividends on ordinary shares (Note 11)	**(13,955)**	**-**	**(13,955)**	**-**	**-**	**-**
Total transaction with owners	**(13,955)**	**-**	**(13,955)**	**-**	**-**	**-**
Closing balance at 31 December 2021	**375,067**	**359,445**	**12,954**	**2,668**	**2,736**	**(68)**
2020 Company						
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)
Transaction with owners						
Issue of share capital (Note 31)	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	2,736	(68)

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 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating activities					
Profit before tax from continuing operations		**81,928**	9,590	**551**	234,936
Loss before tax from discontinued operation		**(90,475)**	(12,515)	**-**	-
		(8,547)	(2,925)	**551**	234,936
Adjustments for:					
Interest expense	5	**24,776**	22,353	**11,664**	9,994
Depreciation of property, plant and equipment	6	**66,832**	68,150	**564**	624
Amortisation of intangible asset	6	**857**	858	**857**	858
Amortisation of contract assets	6	**2,863**	431	**-**	-
Amortisation of investment property	6	**-**	-	**3,515**	3,500
Amortisation of right-of-use assets	6	**10,355**	10,560	**1,008**	893
Gain on settlement of debt	6	**-**	-	**-**	(7,470)
Impairment/(reversal of impairment) right-of-use assets					
- Discontinued	6	**16,199**	(7,841)	**-**	-
Impairment/(reversal of impairment) property, plant and equipment					
- Discontinued	6	**64,519**	(31,294)	**-**	-
Property, plant and equipment written off					
- Continuing	6	**920**	4,499	**72**	72
- Discontinued	6	**131**	6	**-**	-
Inventories written off					
- Continuing	6	**245**	92	**-**	-
Expected credit losses of trade receivables	6	**96**	379	**-**	-
Expected credit losses of other receivables					
- Continuing	6	**-**	1	**7**	-
- Discontinued	6	**3,413**	42,952	**81,237**	17,970
Loss on disposal of property, plant and equipment	6	**5**	58	**-**	-
Dividend income	6,4	**(3,014)**	(1,935)	**(97,000)**	(257,950)
Reversal of expected credit losses of trade receivables	6	**(168)**	(1,177)	**-**	-
Reversal of expected credit losses of other receivables	6	**(91)**	-	**-**	-
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	6	**2,690**	1,868	**2,690**	1,868
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	6	**(459)**	(498)	**(459)**	(498)

Statements of Cash Flows (cont'd.)
For the financial year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating activities (cont'd.)					
Gain on bargain purchase	6	**-**	(17,873)	**-**	-
Profit from Al Mudharabah	6	**(3,016)**	(2,321)	**(810)**	(928)
Land premium on sublessee land	6	**(1,119)**	(1,962)	**-**	-
Interest income					
- Continuing	6	**-**	-	**(958)**	(372)
- Discontinued	6	**(14)**	(3)	**-**	-
Reversal of accumulated profits payable to sublessee	6	**(40,431)**	-	**-**	-
Provision for retirement benefit obligations					
- Continuing	7	**447**	433	**38**	37
- Discontinued	7	**393**	426	**-**	-
Fair value changes of biological assets					
- Continuing	6	**(4,517)**	843	**-**	-
- Discontinued	6	**(189)**	17	**-**	-
Total adjustments		**141,723**	89,022	**2,425**	(231,402)
Operating cash flows before changes in working capital		**133,176**	86,097	**2,976**	3,534
<u>Changes in working capital</u>					
Inventories		**(2,547)**	(659)	**156**	28
Receivables		**(9,999)**	13,453	**(45,902)**	(22,852)
Payables		**12,280**	11,832	**(8,311)**	(155,692)
Contract asset	23	**-**	(8,121)	**-**	-
Contract liability	23	**(634)**	(15,851)	**-**	-
Prepayment		**111**	(3,369)	**-**	-
Total changes in working capital		**(789)**	(2,715)	**(54,057)**	(178,516)
Cash flows from/(used in) operations		**132,387**	83,382	**(51,081)**	(174,982)
Interest paid		**(25,461)**	(23,103)	**(11,767)**	(10,116)
Profit from Al Mudharabah received		**3,016**	2,324	**1,768**	1,300
Taxes paid		**(15,043)**	(9,081)	**(4,118)**	(285)
Retirement benefits paid	29	**(166)**	(34)	**-**	-
Net cash flows from/(used in) operating activities		**94,733**	53,488	**(65,198)**	(184,083)

Statements of Cash Flows (cont'd.)

For the financial year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Investing activities					
Purchase of property, plant and equipment	12,25	**(43,562)**	(36,508)	**(6,895)**	(1,571)
Addition to investment properties	15	**-**	-	**(1,174)**	(1,368)
Acquisition of right-of use assets	13,25	**(158)**	(685)	**-**	-
Dividend received		**3,014**	1,935	**97,000**	257,950
Proceeds from disposal of property, plant and equipment		**9**	48	**-**	-
Net cash outflow on acqusition of subsidiary	17	**-**	(16,478)	**-**	(17,128)
Withdrawal of/(placement) for deposits with licensed banks		**9,764**	(19,388)	**9,765**	(20,000)
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account		**(659)**	(949)	**(573)**	(924)
Net cash flows (used in)/from investing activities		**(31,592)**	(72,025)	**98,123**	216,959
Financing activities					
Drawdown of term loan		**41,915**	24,182	**9,206**	-
Repayments of term loans		**(50,864)**	(42,649)	**(31,079)**	(40,656)
Repayments of hire purchase facilities		**(3,189)**	(10,022)	**(104)**	(76)
Repayment of finance lease		**(6,460)**	(6,416)	**(1,057)**	(955)
Dividend paid to shareholders		**(9,547)**	-	**(8,959)**	-
Proceeds from issuance of shares		**-**	8,732	**-**	8,732
Net proceeds from advances received		**(64,855)**	167,676	**-**	-
Net cash flows (used in)/from financing activities		**(93,000)**	141,503	**(31,993)**	(32,955)
Net (decrease)/increase in cash and cash equivalents		**(29,859)**	122,966	**932**	(79)
Cash and cash equivalents at 1 January		**177,505**	54,577	**1,000**	1,079
Effect of foreign exchange rate changes		**(11)**	(38)	**-**	-
Cash and cash equivalents at 31 December	24	**147,635**	177,505	**1,932**	1,000

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 2021

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 28 April 2022.

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 2021, the Group and the Company adopted the following amended MFRSs mandatory for annual periods beginning on or after 1 January 2021.

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Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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*
MFRS 16 Covid-19-Related Rent Concession (Amendments to MFRS 16)	1 June 2020
MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139)	1 January 2021

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*
MFRS 16 Covid-19-Related Rent Concession beyond 30 June 2021 (Amendments to MFRS 16)	1 April 2021
Annual improvement to MFRS Standards 2018-2020 Cycle	1 January 2022
MFRS 3 Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant, and Equipment)	1 January 2022
MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
MFRS 17 Insurance Contracts (Amendments to MFRS 17)	1 January 2023
MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	1 January 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

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

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.

2.4 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

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.

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.

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Foreign currency (cont'd.)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Property, plant and equipment (cont'd.)

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

2.9 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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 amortised on straight-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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Impairment of non-financial assets (cont'd.)

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.

2.14 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial assets (cont'd.)

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.

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

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.

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

(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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Employee benefits (cont'd.)

(c) Defined benefit plan (cont'd.)

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.

2.22 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Leases (cont'd.)

As lessee (cont'd.)

(i) Right-of-use assets (cont'd.)

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.

(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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Leases (cont'd.)

As lessee (cont'd.)

(iv) Extension options (cont'd.)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue recognition (cont'd.)

(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.

(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

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue (cont'd.)

(v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation (cont'd.)

(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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Revenue (cont'd.)

The following describes the performance obligation in contracts with customers: (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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 (cont'd.)
For the financial year ended 31 December 2021

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.

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 (cont'd.)
For the financial year ended 31 December 2021

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Assets held for sale

The Company announced in February 2020 its decision to dispose its equity interests in Indonesian subsidiaries, PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") . Accordingly, the assets and liabilities of PT RKA and PT SRA are classified as held for sale and their results as discontinued operations since the previous financial year. In accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the conditions that must be satisfied for classification as held-for-sale are that the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary of sales of such disposal groups and the sale is highly probable. Significant management judgement and estimate are required to determine the appropriate classification and in measuring the fair value less costs to sell of the assets or disposal group. In the current financial year, the directors reassessed that the criteria were met in accordance with MFRS 5 prior to classifying the assets and liabilities of the disposal group as held for sale. The measurement of fair value less costs to sell for the disposal group is based on directors' valuation with reference made to recent indicative market offers.

Further details are disclosed in Note 25.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

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 CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is indication of potential impairment as the market capitalisation of the Group was lower than its net assets as at 31 December 2021. The directors have therefore engaged registered independent valuers to undertake valuation of the relevant 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.

Estimating the value in use of the CGU involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate discount rate. The cash flow forecasts included a number of significant judgements and estimates such as the production yield, selling price, operational costs and discount rate. Changes in assumptions and estimates could affect the reported fair value of property, plant and equipment and right-of-use assets of the Group and of the Company.

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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

(i) Healthcare segment

The Group uses 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.

(ii) Amount due from PT RKA and PT SRA

The Company performed an impairment assessment on the amount due from PT RKA and PT SRA in accordance with MFRS 9 Financial Instruments. The Company has measured the loss allowance based on lifetime ECL at the reporting date using the probability of default approach. The Company also considered current and forward-looking credit risk information in measuring the ECL allowance.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Company expect to receive, discounted at an approximation of the original effective interest rate. The cash flows that the Company expects to receive from PT RKA and PT SRA are based on the estimated net proceeds from the disposal of these subsidiaries.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(c) Provision for expected credit losses (cont'd.)

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.

(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) 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

3.2 Key sources of estimation uncertainty (cont'd.)

(g) Legal claims and disputes

There are a number of ongoing legal claims and disputes across the Group. The accounting treatment of these matters are based on the Group's assessment of the expected outcome of these contingencies. These outcomes are assessed in consultation with legal counsel and internal and external experts of the Group. Provisions are recorded if it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

The outcome of ongoing legal claims and disputes is dependent on future events and the Group makes estimates and assumptions concerning these future events. The Group may be required to adjust the provisions on such matters due to unanticipated events and circumstances that occur during the financial year.

The ongoing legal claims and disputes of the Group as at reporting date are disclosed in Note 40.

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
(i) Revenue from contracts with customers:				
Sale of goods	**330,007**	279,330	**36,485**	30,791
Rendering of services	**180,788**	162,255	**-**	-
Management fees from subsidiaries	**-**	-	**7,666**	4,913
Management fee from Terengganu Oil Palm Development - Sublessees Scheme	**427**	932	**-**	-
Management fee from a managed hospital	**360**	360	**-**	-
Total revenue from contracts with customers	**511,582**	442,877	**44,151**	35,704

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

4. REVENUE (CONT'D.)

Type of goods and services (cont'd.)

The following tables represent revenue by type of goods and services: (cont'd.)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
(ii) Other revenue:				
Dividend income from subsidiaries	**-**	-	**97,000**	257,950
	511,582	442,877	**141,151**	293,654

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At a point in time	**510,795**	441,585	**36,485**	30,791
Over time	**787**	1,292	**7,666**	4,913
	511,582	442,877	**44,151**	35,704

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 2021, the aggregate amounts of the transaction price allocated to the remaining performance obligation of the Group amounted to RM287,625,000 (2020: RM329,242,000). The Group is expected to recognise the revenue over the next two years (2020: next three years).

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

5. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- term loans	**24,848**	22,502	**11,755**	10,107
- hire purchase under finance leases	**613**	601	**12**	9
- lease liabilities	**2,998**	2,932	**34**	49
	28,459	26,035	**11,801**	10,165
Less : Amount capitalised in property, plant and equipment (Note 12 (a))	**(3,683)**	(3,682)	**(137)**	(171)
	24,776	22,353	**11,664**	9,994

6. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- statutory audits - Ernst & Young PLT				
- Continuing	**651**	599	**320**	328
- statutory audits - other than Ernst & Young PLT				
- Continuing	**-**	3	**-**	-
- Discontinued	**72**	70	**-**	-
- other services - Ernst & Young PLT				
- Continuing	**5**	5	**5**	5
Employee benefits expense (Note 7)				
- Continuing	**115,259**	105,801	**7,965**	7,955
- Discontinued	**966**	618	**-**	-
Executive directors' remuneration (Note 8)	**100**	170	**100**	170
Non-executive directors' remuneration (Note 8)				
- Continuing	**2,123**	2,224	**895**	986
- Discontinued	**120**	105	**-**	-
Depreciation of property, plant and equipment (Note 12)	**66,832**	68,150	**564**	624
Amortisation of intangible asset (Note 14)	**857**	858	**857**	858
Amortisation of contract assets (Note 23)	**2,863**	431	**-**	-
Amortisation of investment properties (Note 15)	**-**	-	**3,515**	3,500

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

6. PROFIT BEFORE TAX (CONT'D.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amortisation of right-of-use assets (Note 13)	**10,355**	10,560	**1,008**	893
Rental of low value equipments	**159**	208	**10**	9
Rental of short term lease	**1,472**	1,468	**238**	210
Gain on settlement of debt (Note 17)	**-**	-	**-**	(7,470)
Loss on disposal of property, plant and equipment	**5**	58	**-**	-
Inventories written off				
- Continuing	**245**	92	**-**	-
Property, plant and equipment written off				
- Continuing	**920**	4,499	**72**	72
- Discontinued	**131**	6	**-**	-
Impairment/(reversal of impairment) of right-of-use assets				
- Discontinued (Note 25)	**16,199**	(7,841)	**-**	-
Impairment/(reversal of impairment) of property, plant and equipment				
- Discontinued (Note 25)	**64,519**	(31,294)	**-**	-
Expected credit losses of trade receivables (Note 22(a))	**96**	379	**-**	-
Expected credit losses of other receivables				
- Continuing (Note 22(b))	**-**	1	**7**	-
- Discontinued (Note 25(b) and (d))	**3,413**	42,952	**81,237**	17,970
Reversal of expected credit losses of trade receivables (Note 22(a))	**(168)**	(1,177)	**-**	-
Reversal of expected credit losses of other receivables (Note 22(b))	**(91)**	-	**-**	-
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	**2,690**	1,868	**2,690**	1,868
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	**(459)**	(498)	**(459)**	(498)
Gain on bargain purchase (Note 17)	**-**	(17,873)	**-**	-
Interest income				
- Continuing	**-**	-	**(958)**	(372)
- Discontinued	**(14)**	(3)	**-**	-
Profit from Al Mudharabah	**(3,016)**	(2,321)	**(810)**	(928)
Rental income	**(1,591)**	(1,557)	**(6,516)**	(6,516)

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

6. PROFIT BEFORE TAX (CONT'D.)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Dividend income	**(3,014)**	(1,935)	**-**	-
Fair value changes of biological assets:				
- Continuing (Note 20)	**(4,517)**	843	**-**	-
- Discontinued	**(189)**	17	**-**	-
Income from parking	**(102)**	-	**-**	-
Income from retail kiosk	**(686)**	-	**-**	-
Wage subsidy from Federal Government	**(451)**	(2,398)	**-**	-
Land premium on sublessee land	**(1,119)**	(1,962)	**-**	-
Sales of sludge oil	**(7,427)**	(2,173)	**-**	-
Management fee from associate	**(360)**	(360)	**-**	-
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(21,447)**	(9,161)	**(6,124)**	(2,734)
Rental expense on sublease arrangement	**-**	-	**10,976**	-
Reversal of accumulated profits payable to sublessee (Note 41(c))	**(40,431)**	-	**-**	-

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Salaries, wages and allowances	**90,072**	80,175	**6,126**	6,244
Contributions to defined contribution plan	**11,988**	10,878	**1,065**	893
Bonus	**9,119**	9,793	**655**	814
Overtime	**1,331**	1,547	**67**	89
Social security contributions	**1,690**	1,622	**63**	65
Provision for retirement benefit obligations (Note 29)				
- Continuing	**447**	433	**38**	37
- Discontinued	**393**	426	**-**	-
Short term accumulating compensated absences	**138**	100	**81**	15
Other benefits	**5,387**	4,958	**-**	-
	120,565	109,932	**8,095**	8,157
Less: Amount capitalised in property, plant and equipment (Note 12 (b))	**(4,340)**	(3,513)	**(130)**	(202)
	116,225	106,419	**7,965**	7,955

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

7. EMPLOYEE BENEFITS EXPENSE (CONT'D.)

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM100,000 (2020: RM170,000) and RM100,000 (2020: RM170,000) respectively as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Executive directors' remuneration (Note 7):				
Fees and other emoluments	**100**	170	**100**	170
Non-executive directors' remuneration (Note 6):				
Fees and other emoluments	**2,243**	2,329	**895**	986
Total directors' remuneration	**2,343**	2,499	**995**	1,156
Indemnity given to or insurance effected for directors	**15**	38	**10**	16
Estimated money value of benefits-in-kind	**28**	31	**-**	-
Total directors' remuneration including indemnity and benefits-in-kind	**2,386**	2,568	**1,005**	1,172

9. INCOME TAX EXPENSE/(BENEFIT)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current income tax - continuing operations:				
- Malaysian income tax	**32,918**	8,967	**-**	-
- (Over)/under provision in previous financial years	**(1,379)**	701	**-**	-
	31,539	9,668	**-**	-
Deferred income tax - continuing operations (Note 30):				
- Relating to origination and reversal of temporary differences	**(2,797)**	(2,953)	**(567)**	732
- (Over)/under provision in previous financial years	**(496)**	1,511	**11**	(140)
	(3,293)	(1,442)	**(556)**	592
Income tax attributable to continuing operations	**28,246**	8,226	**(556)**	592
Total income tax expense/(benefit) recognised in profit or loss	**28,246**	8,226	**(556)**	592

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

9. INCOME TAX EXPENSE/(BENEFIT)

Reconciliation between income tax expense/(benefit) and accounting profit/(loss):
The reconciliation between income tax expense/(benefit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 is as follows:

	2021 RM'000	2020 RM'000
Group		
Profit before tax from continuing operations	**81,928**	9,590
Loss before tax from discontinued operation (Note 25)	**(90,475)**	(12,515)
Loss before tax	**(8,547)**	(2,925)
Taxation at Malaysian statutory rate of 24% (2020: 24%)	**(2,051)**	(702)
Effect of different tax rates in foreign jurisdiction	**1,810**	250
Adjustments:		
Income not subject to tax	**(2,447)**	(4,901)
Expenses not deductible for tax purposes	**28,048**	10,919
Utilisation of previously unrecognised unused tax losses and unabsorbed capital allowances	**(843)**	(483)
Deferred tax assets not recognised on unused tax losses, unabsorbed capital allowances and other temporary differences	**5,604**	931
(Over)/under provision of income tax in previous financial years	**(1,379)**	701
(Over)/under provision of deferred tax in previous financial years	**(496)**	1,511
Income tax expenses for the financial year	**28,246**	8,226
Company		
Profit before tax	**551**	234,936
Taxation at Malaysian statutory rate of 24% (2020: 24%)	**132**	56,385
Adjustments:		
Income not subject to tax	**(23,280)**	(63,713)
Expenses not deductible for tax purposes	**22,581**	8,060
Under/(over) provision of deferred tax in previous financial years	**11**	(140)
Income tax (benefit)/expenses for the financial year	**(556)**	592

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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	
	2021 RM'000	**2020 RM'000**
Loss for the financial year attributable to owners of the parent used in the computation of basic loss per share	**(29,518)**	(9,939)
Add: Loss for the financial year from discontinued operation, attributable to owners of the parent	**84,865**	11,744
Profit for the financial year from continuing operations attributable to owners of the parent used in the computation of basic loss per share	**55,347**	1,805

	2021 number of ordinary shares '000	**2020 number of ordinary shares '000**
Weighted average number of ordinary shares in issue for basic profit per share computation	**1,722,881**	1,701,112
Loss per share attributable to owners of the parent:		
Basic (loss)/earning per share (sen)	**(1.71)**	(0.58)
- continuing operations	**3.21**	0.11
- discontinued operation	**(4.93)**	(0.69)

(a) Continuing operations

The basic earning per share from continuing operation are calculated by dividing 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 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)/earning per share is presented as equal to the basic (loss)/earning per share.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

11. DIVIDENDS

	Company			
	Dividends in respect of year		Dividends recognised in year	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
2020 dividend recognised in current financial year				
An interim dividend of 0.29 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 25 March 2021 and paid on 19 April 2021.	**-**	4,996	**4,996**	-
A final dividend of 0.23 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 24 June 2021 and paid on 22 July 2021.	**-**	3,963	**3,963**	-
2021 dividend recognised in current financial year				
An interim dividend of 0.29 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 17 December 2021 and paid on 14 January 2022.	**4,996**	-	**4,996**	-
	4,996	8,959	**13,955**	-

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,000,000 (0.35 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 2022.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT

	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
Group						
Cost						
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
At 1 January 2021	**9,900**	**396,976**	**493,681**	**405,389**	**842**	**1,306,788**
Additions	**-**	**1,415**	**34,543**	**12,202**	**2,171**	**50,331**
Disposals	**-**	**-**	**-**	**(43)**	**-**	**(43)**
Write offs	**-**	**(949)**	**(1,971)**	**(4,900)**	**-**	**(7,820)**
Reclassification	**-**	**-**	**-**	**311**	**(311)**	**-**
At 31 December 2021	**9,900**	**397,442**	**526,253**	**412,959**	**2,702**	**1,349,256**
Accumulated depreciation and impairment loss						
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
At 1 January 2021	**-**	**78,914**	**153,933**	**253,886**	**615**	**487,348**
Depreciation charge for the financial year (Note 6)	**-**	**9,594**	**35,174**	**22,064**	**-**	**66,832**
Disposals	**-**	**-**	**-**	**(29)**	**-**	**(29)**
Write offs	**-**	**(949)**	**(1,134)**	**(4,817)**	**-**	**(6,900)**
At 31 December 2021	**-**	**87,559**	**187,973**	**271,104**	**615**	**547,251**
Net carrying amount						
At 31 December 2020	9,900	318,062	339,748	151,503	227	819,440
At 31 December 2021	**9,900**	**309,883**	**338,280**	**141,855**	**2,087**	**802,005**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Land and Buildings RM'000	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 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
At 1 January 2021	**-**	**9,518**	**4,345**	**5,060**	**523**	**19,446**
Additions	**4,990**	**261**	**1,781**	**-**	**-**	**7,032**
Write off	**-**	**-**	**(72)**	**-**	**-**	**(72)**
At 31 December 2021	**4,990**	**9,779**	**6,054**	**5,060**	**523**	**26,406**
Accumulated depreciation						
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
At 1 January 2021	**-**	**9,004**	**11**	**3,844**	**523**	**13,382**
Depreciation charge for the financial year (Note 6)	**8**	**263**	**45**	**248**	**-**	**564**
At 31 December 2021	**8**	**9,267**	**56**	**4,092**	**523**	**13,946**
Net carrying amount						
At 31 December 2020	-	514	4,334	1,216	-	6,064
At 31 December 2021	**4,982**	**512**	**5,998**	**968**	**-**	**12,460**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Hire purchase	**3,515**	8,662	**-**	-
Interest capitalised (Note 5)	**3,683**	3,682	**137**	171
Cash	**43,133**	35,572	**6,895**	1,571
	50,331	47,916	**7,032**	1,742

The net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Machinery, equipment and vehicles	**17,164**	21,610	**92**	225

(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	
	2021 RM'000	**2020 RM'000**
Buildings	**269,591**	275,326
Equipment	**28,296**	31,955
	297,887	307,281

During the financial year, the employee benefits capitalised as cost of property, plant and equipment for the Group and the Company amounted to RM4,340,000 (2020: RM3,513,000) and RM130,000 (2020: RM202,000) respectively (Note 7).

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 3 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 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
At 1 January 2021	**60,841**	**467,645**	**3,624**	**532,110**
Additions	**-**	**-**	**2,552**	**2,552**
At 31 December 2021	**60,841**	**467,645**	**6,176**	**534,662**
Accumulated amortisation and impairment:				
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	41,396
At 1 January 2021	**1,501**	**37,006**	**2,889**	**41,396**
Amortisation for the financial year (Note 6)	**526**	**8,357**	**1,472**	**10,355**
At 31 December 2021	**2,027**	**45,363**	**4,361**	**51,751**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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
Net carrying amount				
At 31 December 2020	59,340	430,639	735	490,714
At 31 December 2021	**58,814**	**422,282**	**1,815**	**482,911**

* Other assets consist of building, office space, office equipment and medical equipment.

	Company Other assets*	
	2021 RM'000	2020 RM'000
Cost:		
At 1 January	**2,260**	1,950
Additions	**1,508**	310
At 31 December	**3,768**	2,260
Accumulated amortisation:		
At 1 January	**1,739**	846
Amortisation for the financial year (Note 6)	**1,008**	893
At 31 December	**2,747**	1,739
Net carrying amount		
At 31 December	**1,021**	521

* Other assets consist of building and office equipment.

The Group's leasehold land with a carrying amount of RM119,344,000 (2020: RM121,755,000) are pledged to secure the Group's loans and borrowings (Note 27).

The following are the amount recognised in profit and loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amortisation of right-of-use assets	**10,355**	10,560	**1,008**	893

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

13. RIGHT-OF-USE ASSETS (CONT'D.)

As lessor

The Company has entered into operating lease on its investment property portfolio consisting of a hospital building with its subsidiary. 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	
	2021	**2020**
	RM'000	**RM'000**
Within one year	**6,516**	6,516
After one year but not more than five years	**7,059**	13,575
	13,575	20,091

14. INTANGIBLE ASSET

	Group and Company	
	2021	**2020**
	RM'000	**RM'000**
Cost		
At 1 January/31 December	**23,638**	23,638
Accumulated amortisation		
At 1 January	**19,033**	18,175
Amortisation (Note 6)	**857**	858
At 31 December	**19,890**	19,033
Net carrying amount		
At 31 December	**3,748**	4,605

15. INVESTMENT PROPERTIES

	Company	
	2021	**2020**
	RM'000	**RM'000**
Cost		
At 1 January	**183,278**	181,910
Additions	**1,174**	1,368
At 31 December	**184,452**	183,278
Accumulated amortisation		
At 1 January	**11,071**	7,571
Amortisation (Note 6)	**3,515**	3,500
At 31 December	**14,586**	11,071
Net carrying amount		
At 31 December	**169,866**	172,207

The directors have estimated the fair value of investment properties of the Company as at the reporting date to be RM183,500,000 (2020: RM184,400,000). 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.

16. GOODWILL

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January/31 December	**991**	991

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to an individual CGU for impairment testing which is one (2020: one) of the hospitals within the healthcare sector.

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	**2020**
	RM'000	**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	**(15,265)**	(15,265)
	224,266	224,266

Details of the subsidiaries are as follows:

Names of subsidiaries	**Country of incorporation**	**Principal activities**	**Proportion of ownership interest 2021 %**	**2020 %**
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. ("KLLT")	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. ("TDMC")	Malaysia	Investment holding, trading, cultivation of oil palms and other related products.	**100**	100
Kumpulan Medic Iman Sdn. Bhd. ("KMI")	Malaysia	Investment holding and provision of consultancy and management services to specialist medical centres.	**99.28**	99.28

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 2021 %	2020 %
PT RKA *@ ^	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	**93.75**	93.75
PT SRA *@ ^	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	Investment holding and provision of consultancy and management services to specialist medical centres.	**90.49**	90.49
Indah Sari Travel & Tours Sdn. Bhd.	Malaysia	Business of tourist and travel agents.	**70**	70
TD Gabongan Sdn. Bhd.	Malaysia	Property development.	**51**	51
Kemaman Capital Sdn. Bhd.	Malaysia	Investment holding.	**100**	100
TDM-YT Plantation Sdn. Bhd. ("TDMYT")	Malaysia	Cultivation of oil palms, trading of palm oil and other related products.	**70**	70

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Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 2021 %	2020 %
Held by Kumpulan Medic Iman Sdn. Bhd.				
Kuantan Medical Centre Sdn. Bhd. ("KMC")	Malaysia	Specialist medical centre.	**92.33**	92.33
Kelana Jaya Medical Centre Sdn. Bhd.	Malaysia	Specialist medical centre.	**99.54**	99.54
Kuala Terengganu Specialist Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	100
TDMC Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	100
KMI Tawau Medical Centre Sdn. Bhd. ("KTMC")	Malaysia	Private hospital.	**100**	-
KMI Ambulatory Care Centre Sdn. Bhd.	Malaysia	Ambulatory care centre.	**100**	-
KMI Tunjong Medical Centre Sdn. Bhd.	Malaysia	Private hospital.	**100**	-
KMI Chukai Medical Centre Sdn. Bhd.	Malaysia	Medical centre.	**100**	-
KMI Assets Sdn. Bhd.	Malaysia	Facility management and maintenance, assets management and real estates.	**100**	-

* Audited by firms of auditors other than Ernst & Young PLT.

@ Subsidiaries with emphasis of matter paragraphs on going concern, legal claims and revocation of operating license in the auditors' report. The auditors' reports are not qualified.

^ Classified as held for sale. Further details are disclosed in Note 25.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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.

(i) Summarised statements of financial position

	2021		2020	
	KMC RM'000	**TDMYT RM'000**	**KMC RM'000**	**TDMYT RM'000**
Non-current assets	**110,692**	**71,458**	116,446	79,428
Current assets	**34,553**	**3,296**	36,587	2,058
Total assets	**145,245**	**74,754**	153,033	81,486
Current liabilities	**33,356**	**2,700**	23,930	383
Non-current liabilities	**50,948**	**76,078**	55,422	77,917
Total liabilities	**84,304**	**78,778**	79,352	78,300
Net assets/(liabilities)	**60,941**	**(4,024)**	73,681	3,186
Equity attributable to owners of the parent	**56,267**	**(2,817)**	68,030	2,230
Non-controlling interests	**4,674**	**(1,207)**	5,651	956
	60,941	**(4,024)**	73,681	3,186

(ii) Summarised statements of comprehensive income

	2021		2020	
	KMC RM'000	**TDMYT RM'000**	**KMC RM'000**	**TDMYT RM'000**
Revenue	**117,940**	**12,925**	109,062	4,576
Profit/(loss) for the financial year	**3,051**	**(7,210)**	554	(1,394)
Profit/(loss) attributable to owners of the parent	**2,817**	**(5,047)**	512	(976)
Profit/(loss) attributable to non-controlling interests	**234**	**(2,163)**	42	(418)
Total comprehensive income/(loss)	**3,051**	**(7,210)**	554	(1,394)
Total comprehensive income/(loss) attributable to owners of the parent	**2,817**	**(5,047)**	512	(976)
Total comprehensive income/(loss) attributable to the non-controlling interests	**234**	**(2,163)**	42	(418)
	3,051	**(7,210)**	554	(1,394)

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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

	2021		2020	
	KMC RM'000	TDMYT RM'000	KMC RM'000	TDMYT RM'000
Net cash flows from/(used in) operating activities	**11,595**	**(1,221)**	10,192	(50,697)
Net cash flows used in investing activities	**(3,803)**	**(118)**	(2,028)	(478)
Net cash flows (used in)/from financing activities	**(13,996)**	**-**	(8,216)	52,898
Net (decrease)/increase in cash and cash equivalents	**(6,204)**	**(1,339)**	(52)	1,723
Cash and cash equivalents at 1 January	**17,488**	**1,749**	17,540	26
Cash and cash equivalents at 31 December	**11,284**	**410**	17,488	1,749

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Business combination (cont'd.)

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.

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 palm 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 (Note 12)	47,748
Right-of-use assets (Note 13)	54,500
Inventories	9
Biological assets (Note 20)	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 (Note 30)	692
	54,713

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Business combination (cont'd.)

Group: (cont'd.)

The provisional fair values of the identifiable assets and liabilities of TDMYT as at the date of acquisition were: (cont'd.)

	Fair value RM'000
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 previous financial year were based on the provisional assessment of the fair values and the Group has finalised the independent valuation for the property, plant and equipment and right-of-use assets owned by TDMYT during the financial year. There is no change to the bargain purchase arising on business combination recognised in previous financial year.

Company:

In the previous financial year, the Company recorded a net gain of RM7,470,000 arising from the assignment of the Balance Advances net of the Consideration on acquisition and the Sum Payable.

Cash flows on acquisition:

	Group 2020 RM'000	Company 2020 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

In the previous financial year, from the date of acquisition, TDMYT contributed revenue of RM4,576,000 and loss for the period of RM1,394,000 to the Group. If the combination had taken place at the beginning of 1 January 2020, the revenue would have been RM10,102,000 and loss for the financial year of RM1,140,000 for the Group.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

18. OTHER INVESTMENTS

	Group	
	2021	**2020**
	RM'000	**RM'000**
Fair value through other comprehensive income		
Unquoted shares, at fair value		
Within Malaysia - shares	**38,107**	33,708
Fair value recognised in other comprehensive income (Note 33)	**2,956**	4,399
Total other investments	**41,063**	38,107

The amount represents investments in unquoted shares, of a plantation company which is measured at fair value through other comprehensive income.

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	
	2021	**2020**
	RM'000	**RM'000**
10% increase	**4,106**	3,811
10% decrease	**(4,106)**	(3,811)

19. INVESTMENTS IN SECURITIES

	Group	
	2021	**2020**
	RM'000	**RM'000**
Fair value through other comprehensive income		
Equity instruments (quoted in Malaysia)	**36**	35

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

20. BIOLOGICAL ASSETS

	Group	
	2021 RM'000	2020 RM'000
At 1 January	**4,154**	4,645
Fair value changes (Note 6)	**4,517**	(843)
Acquisition of subsidiaries (Note 17)	**-**	352
At 31 December	**8,671**	4,154

The biological assets of the Group comprise oil palm fresh fruit bunches ("FFB") prior to harvest. The valuation model 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	
	2021	2020
Oil palms		
Average crude palm oil ("CPO") selling price (RM/Metric tonne ("MT"))	**5,262**	3,670
FFB production (MT)	**14,922**	12,637
Average FFB cost (RM/MT)	**215**	164

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

21. INVENTORIES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At cost:				
Produced inventories	**4,843**	5,315	**202**	358
Pharmaceutical products	**3,289**	3,142	**-**	-
Consumables	**3,795**	3,499	**-**	-
Spare parts, equipment and store	**8,182**	5,719	**-**	-
Seedlings	**3,948**	4,112	**-**	-
	24,057	21,787	**202**	358

During the financial year, the amounts of inventories recognised as an expense in cost of sales of the Group and of the Company were RM183,390,000 (2020: RM186,932,000) and RM11,949,000 (2020: RM12,939,000) respectively.

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current				
Trade receivables				
Third parties	**48,519**	45,417	**-**	-
Less: Allowance for impairment	**(2,984)**	(5,775)	**-**	-
Trade receivables, net	**45,535**	39,642	**-**	-
Other receivables				
Due from subsidiaries	**-**	-	**106,330**	89,691
Sundry receivables	**24,335**	25,645	**10,329**	9,438
	24,335	25,645	**116,659**	99,129
Less: Allowance for impairment				
Due from subsidiaries	**-**	-	**(1,477)**	(1,470)
Sundry receivables	**(12,240)**	(12,574)	**(7,087)**	(7,087)
	(12,240)	(12,574)	**(8,564)**	(8,557)

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

22. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other receivables (cont'd.)				
Other receivables,net	**12,095**	13,071	**108,095**	90,572
Total trade and other receivables (current)	**57,630**	52,713	**108,095**	90,572
Non-current				
Other receivables				
Due from subsidiary	**-**	-	**23,864**	-
Sundry receivables	**186**	186	**-**	-
	186	186	**23,864**	-
Total trade and other receivables (current and non-current)	**57,816**	52,899	**131,959**	90,572
Add: Cash and bank balances (Note 24)	**194,443**	232,899	**48,316**	56,576
Total financial assets carried at amortised cost	**252,259**	285,798	**180,275**	147,148

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2020: 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	
	2021 RM'000	2020 RM'000
Trade receivables - nominal amounts	**3,869**	7,396
Less: Allowance for expected credit losses	**(2,984)**	(5,775)
	885	1,621

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

22. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Movement in allowance accounts:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 January	**5,775**	8,515
Provision for expected credit losses (Note 6)	**96**	379
Reversal of expected credit losses (Note 6)	**(168)**	(1,177)
Written off	**(2,719)**	(1,942)
At 31 December	**2,984**	5,775

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 RM23,864,366 (2020: Nil) which attracted interest at 4.00% (2020: Nil) per annum. The amount is repayable within 180 months from September 2020 to August 2035 and include a grace period of 36 months commencing September 2020. During the grace period, only interest payments are to be serviced monthly.

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Other receivables - nominal amounts	**18,691**	20,159	**8,564**	8,557
Less: Allowance for expected credit losses	**(12,240)**	(12,574)	**(8,564)**	(8,557)
	6,451	7,585	**-**	-

Movement in allowance accounts:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 January	**12,574**	12,573	**8,557**	8,557
Provision for expected credit losses (Note 6)	**-**	1	**7**	-
Reversal of expected credit losses (Note 6)	**(91)**	-	**-**	-
Written off	**(243)**	-	**-**	-
At 31 December	**12,240**	12,574	**8,564**	8,557

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 years were as follows:

	Group	
	2021 RM'000	**2020 RM'000**
As at 1 January	**7,690**	-
Addition during the financial year	**-**	8,121
Less: Amortisation during the financial year (Note 6)	**(2,863)**	(431)
As at 31 December	**4,827**	7,690

Contract liability

Contract liability represents advance payment received by the Group from customers for the supply of CPO and/or Roundtable on Sustainable Palm Oil ("RSPO") certified sustainable palm oil. 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 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.

The movements in the contract liability balance during the financial years were as follows:

	Group	
	2021 RM'000	**2020 RM'000**
As at 1 January	**634**	16,485
Add: Amounts received during the financial year	**-**	10,000
Less: Amounts recognised as revenue during the financial year	**(634)**	(25,851)
As at 31 December	**-**	**634**
Revenue recognised which was included in contract liability at the beginning of the financial year	**634**	16,485

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

24. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash at banks and in hand	**139,762**	169,660	**1,932**	1,000
Deposits with licensed banks	**54,681**	63,239	**46,384**	55,576
Cash and bank balances	**194,443**	232,899	**48,316**	56,576

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 (2020: 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 2021 of the Group and of the Company were 1.82% (2020: 2.03%) and 1.73% (2020: 1.91%) per annum respectively.

Deposits with licensed banks of the Group and of the Company amounting to RM36,844,000 (2020: RM36,185,000) and RM36,144,000 (2020: RM35,571,000) respectively are pledged for bank guarantee facility and Finance Service Reserve Account (Note 27).

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances				
- Continuing operations	**194,443**	232,899	**48,316**	56,576
- Discontinued operation (Note 25)	**439**	958	**-**	-
Less: Deposits pledged for bank guarantee facility and Finance Service Reserve Account (Note 27)	**(36,844)**	(36,185)	**(36,144)**	(35,571)
Less: Deposits with maturity period more than 3 months	**(10,403)**	(20,167)	**(10,240)**	(20,005)
Cash and cash equivalents	**147,635**	177,505	**1,932**	1,000

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 RKA and PT SRA as a strategic direction of the Company. On 28 February 2020, the Company publicly announced the decision of the Board to dispose the Indonesian subsidiaries following the acceptance of offer from a potential buyer.

In the current financial year, the directors reassessed 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, as follows:

(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.

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 (Note 41) which has affected the finalisation of the transaction.

On 21 March 2022, The Company has accepted an offer from Ikhasas CPO Sdn. Bhd. to acquire this disposal group subject to the terms and conditions as contained in the letter offer dated 14 March 2022 as further disclosed in Note 42.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

The directors assessed the above events do 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.

The assets and liabilities of PT RKA and PT SRA classified as held for sale in the Group's statements of financial position are as below:

		Group	
	Note	2021 RM'000	2020 RM'000
Assets:			
Property, plant and equipment	a	**67,594**	128,629
Right-of-use assets	a	**17,046**	32,300
Trade receivables		**136**	134
Amount due from Plasma	b	**19,951**	22,369
Prepayment		**14**	22
Biological assets		**444**	255
Inventories		**42**	10
Cash and bank balances		**439**	958
		105,666	184,677
Liabilities:			
Other payables		**(9,217)**	(7,156)
Retirement benefit obligations	c	**(1,161)**	(828)
Income tax payable		**(34)**	(34)
Lease liabilities		**-**	(50)
		(10,412)	(8,068)
Net assets directly associated with disposal group		**95,254**	176,609

	Group	
Reserves	2021 RM'000	2020 RM'000
<u>Foreign currency translation reserve:</u>		
At 1 January	**30,205**	28,807
Foreign currency translation during the financial year	**(1,803)**	1,398
At 31 December	**28,402**	30,205

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

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:

		Company	
	Note	2021 RM'000	2020 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	d	**770,558**	765,591
Less: Allowance for impairment	d	**(681,257)**	(600,020)
		89,301	165,571

The results of PT RKA and PT SRA for the financial year are presented below:

	Group	
	2021 RM'000	2020 RM'000
Revenue	**4,215**	2,998
Cost of sales	**(7,495)**	(6,948)
Gross loss	**(3,280)**	(3,950)
Interest income	**14**	3
Administrative expenses	**(3,278)**	(4,172)
Other expenses *	**(83,931)**	(4,396)
Loss before tax	**(90,475)**	(12,515)
Income tax expense (Note 9)	**-**	-
Loss for the financial year from discontinued operations	**(90,475)**	(12,515)

* Included in other expenses are impairment/(reversal of impairment) and allowance for expected credit losses as disclosed in the Note 6.

The net cash flows of PT RKA and PT SRA are as follows:

	Group	
	2021 RM'000	2020 RM'000
Operating	**(4,062)**	(4,619)
Investing	**(1,328)**	(2,598)
Financing	**4,882**	7,923
Effect of foreign exchange rate changes	**(11)**	(38)
Net cash (outflow)/inflow	**(519)**	668

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 additional/(reversal of) impairment loss during the financial year based on the fair value less cost to sell of the disposal group as follows:

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipments	64,519	(31,294)
Right-of-use assets	16,199	(7,841)

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.

During the financial year, the Group acquired property, plant and equipment and right-of-use assets at aggregate costs of RM429,000 (2020: RM936,000) and RM158,000 (2020: RM514,000) by means of cash.

(b) Amount due from Plasma

	Group	
	2021 RM'000	2020 RM'000
Amount due from Plasma	92,419	89,941
Less: Allowance for impairment	(72,468)	(67,572)
Amount due from Plasma, net	19,951	22,369

Amount due from Plasma relates to advances by PT 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 PT 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	
	2021 RM'000	2020 RM'000
Amount due from Plasma - nominal amounts	92,419	89,941
Less: Allowance for impairment	(72,468)	(67,572)
	19,951	22,369

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

25. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

(b) Amount due from Plasma (cont'd.)

Movement in allowance accounts:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 January	**67,572**	25,601
Provision for expected credit losses (Note 6)	**3,413**	42,952
Exchange differences	**1,483**	(981)
At 31 December	**72,468**	67,572

(c) Retirement benefit obligations

The principal assumptions used in determining the retirement benefit obligations are shown below:

	2021	**2020**
Discount rate	**7%**	7%
Future salary increase	**10%**	10%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 3 January 2022. Further details are disclosed in Note 29.

(d) Other receivables

The directors have estimated the ECL relating to the amount due from PT 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 RKA was impaired by RM81,237,000 (2020: RM17,970,000) during the financial year.

Movement in allowance accounts:

	Company	
	2021 RM'000	**2020 RM'000**
At 1 January	**600,020**	582,050
Provision for expected credit losses (Note 6)	**81,237**	17,970
At 31 December	**681,257**	600,020

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 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
At 1 January 2021	**60,757**	**884**	**61,641**
Additions	**-**	**2,552**	**2,552**
Accretion of interest	**4,866**	**65**	**4,931**
Payments	**(4,903)**	**(1,557)**	**(6,460)**
At 31 December 2021	**60,720**	**1,944**	**62,664**
Current	**41**	**1,024**	**1,065**
Non-current	**60,679**	**920**	**61,599**
	60,720	**1,944**	**62,664**

	Company Other assets*	
	2021 RM'000	2020 RM'000
At 1 January	**538**	1,134
Additions	**1,508**	310
Accretion of interest	**34**	49
Payments	**(1,057)**	(955)
At 31 December	**1,023**	538
Current	**658**	315
Non-current	**365**	223
	1,023	538

* Other assets consist of building and office equipment.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

26 LEASE LIABILITIES (CONT'D.)

The Group and the Company have total cash outflows for lease of RM6,460,000 (2020: RM6,416,000) and of RM1,057,000 (2020: RM955,000) respectively.

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current				
Less than one year	**1,065**	646	**658**	315
Non-current				
More than 1 year less than 2 years	**1,098**	191	**134**	97
More than 2 years and less than 5 years	**20**	268	**231**	126
5 years and more	**60,481**	60,536	**-**	-
	61,599	60,995	**365**	223
Total	**62,664**	61,641	**1,023**	538

27. LOANS AND BORROWINGS

Current	Maturity	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Secured					
Obligations under hire purchase (Note 35(b))	2022	**3,708**	2,871	**79**	104
Bank loans:					
- Business Financing-i at Base Financing Rate -1.0% per annum	2022	**643**	672	**-**	-
- Business Financing-i at Base Financing Rate -2.0% per annum	2022	**465**	718	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2022	**24,869**	30,293	**20,748**	24,647
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2022	**14,867**	6,667	**-**	-
- Term Financing-i at Cost of Fund +1.0% per annum	2022	**3,809**	6,336	**-**	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2022	**1,299**	1,508	**-**	-
		49,660	49,065	**20,827**	24,751
Unsecured					
Bank loans:					
- Revolving Credit Facility-i at Cost of Fund +1.0% per annum	2022	**-**	12,500	**-**	12,500
- Revolving Credit Facility-i at Cost of Fund +1.25% per annum	2022	**-**	10,780	**-**	-
		-	23,280	**-**	12,500
		49,660	72,345	**20,827**	37,251

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

27. LOANS AND BORROWINGS (CONT'D.)

		Group		Company	
Non-Current	**Maturity**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Secured					
Obligations under hire purchase (Note 35(b))	2023 - 2026	**8,775**	9,286	**26**	105
Bank loans:					
- Business Financing-i at Base Financing Rate -1.0% per annum	2023 - 2028	**5,100**	5,307	**-**	-
- Business Financing-i at Base Financing Rate -2.0% per annum	2023	**25**	497	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2023 - 2030	**173,005**	190,872	**130,082**	144,762
- Term Financing-i at Cost of Fund +1.0% per annum	2023 - 2026	**13,625**	17,686	**-**	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2023 - 2030	**200,695**	189,385	**-**	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2023 - 2024	**3,269**	3,755	**-**	-
- Cash Line-i at Base Financing Rate +0.0% per annum	2025	**19,047**	9,841	**19,047**	9,841
		423,541	426,629	**149,155**	154,708
Unsecured					
Bank loans:					
- Revolving Credit Facility-i at Cost of Fund +1.25% per annum	2023 - 2024	**17,150**	-	**-**	-
		17,150	-	**-**	-
Total loans & borrowing		**490,351**	498,974	**169,982**	191,959

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

27. LOANS AND BORROWINGS (CONT'D.)

The remaining maturities of the loans and borrowings as at year end are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
On demand or within one year	**49,660**	72,345	**20,827**	37,251
More than 1 year and less than 2 years	**98,192**	55,694	**45,542**	25,535
More than 2 years and less than 5 years	**214,106**	230,271	**81,065**	95,204
5 years and more	**128,393**	140,664	**22,548**	33,969
	490,351	498,974	**169,982**	191,959

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 facility 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 with the Bank, where the subsidiary shall maintain a Minimum Reserve Requirement of an equivalent amount of two monthly payments amounting to RM258,007 (2020: RM214,819) as at the reporting date.

Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum

The facility is secured by:

(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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

27. LOANS AND BORROWINGS (CONT'D.)

Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum (cont'd.)

The facility is secured by (cont'd.):

(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 of General Investment Accounts 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

The facility is secured by:

(i) 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.

27. LOANS AND BORROWINGS (CONT'D.)

Term Financing-i at Cost of Fund +1.0% per annum

The 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.

Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum

The facility 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.

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.

Cash Line-i at Base Financing Rate +0.0% per annum

The facility is secured by a 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 August 2015. The facility already expired in 2020 and renew for another 5 years.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

27. LOANS AND BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities:

Group	At 1 January 2021 RM'000	Cash flows RM'000	Other changes RM'000	At 31 December 2021 RM'000
Obligations under hire purchase and finance leases	12,157	(3,189)	3,515	12,483
Revolving Credit Facility-i at Cost of Fund +1.0% per annum	12,500	(12,500)	-	-
Revolving Credit Facility-i at Cost of Fund +1.25% per annum	10,780	6,370	-	17,150
Bank loans:				
- Business Financing-i at Base Financing Rate -1.0% per annum	5,979	(236)	-	5,743
- Business Financing-i at Base Financing Rate -2.0% per annum	1,215	(725)	-	490
- Commodity Murabahah Term Financing-i at Cost of Fund+1.0% per annum	221,165	(23,291)	-	197,874
- Term Financing-i at Cost of Fund +1.0% per annum	24,022	(6,588)	-	17,434
- Commodity Murabahah Term Financing at Cost of Fund +1.25% per annum	196,052	19,510	-	215,562
- Muamalat Term Financing-i at 1.5% per annum above 3 months Cost of Fund	5,263	(695)	-	4,568
- Cash Line-i at Base Financing Rate +0.0% per annum	9,841	9,206	-	19,047
Advances (Note 28)	167,676	(64,855)	-	102,821
	666,650	(76,993)	3,515	593,172

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 2020 RM'000**	**Cash flows RM'000**	**At 31 December 2020 RM'000**	**Cash flows RM'000**	**At 31 December 2021 RM'000**
Obligations under hire purchase and finance leases	285	(76)	209	**(104)**	**105**
Revolving Credit Facility-i at Cost of Fund +1.0% per annum	33,426	(20,926)	12,500	**(12,500)**	**-**
Bank loans:					
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	182,134	(12,725)	169,409	**(18,579)**	**150,830**
- Cash Line-i at Base Financing Rate +0.0% per annum	16,846	(7,005)	9,841	**9,206**	**19,047**
	232,691	(40,732)	191,959	**(21,977)**	**169,982**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

28. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current					
Trade payables					
Third parties	a	**48,291**	53,339	**52**	54
Due to Sublessees	c	**42,667**	76,925	**-**	-
		90,958	130,264	**52**	54
Other payables					
Due to subsidiaries	b	**-**	-	**121,944**	124,969
Sundry payables		**31,234**	25,964	**8,968**	3,252
Deposits		**-**	-	**1,813**	1,813
Accruals		**31,139**	26,710	**3,240**	6,554
Advances	d	**66,708**	64,855	**-**	-
Other advances	c	**2,227**	903	**-**	-
		131,308	118,432	**135,965**	136,588
Total current trade payables and other payables		**222,266**	248,696	**136,017**	136,642
Non-current					
Other payables					
Advances	d	**36,113**	102,821	**-**	-
Other advances	c	**5,821**	5,060	-	-
		41,934	107,881	**-**	-
Total trade and other payables (current and non-current)		**264,200**	356,577	**136,017**	136,642
Add: Lease liabilities (Note 26)		**62,664**	61,641	**1,023**	538
Add: Loans and borrowings (Note 27)		**490,351**	498,974	**169,982**	191,959
Less: Other advances		**(8,048)**	(5,963)	**-**	-
Total financial liabilities carried at amortised cost		**809,167**	911,229	**307,022**	329,139

(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 (2020: 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 had expired between year 2011 to 2013. 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. In prior 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 30 November 2021 ("Notice Period") to exercise the renewal option in accordance with the Notice.

Pursuant to the renewal of the Sublessees agreement above, the Sublessees are 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 the unamortised Premium Income and unutilised Replanting Reserves Fund.

In the current financial year, the accumulated profits of the Sublessees who have not renewed their option upon the expiry of the Notice Period of RM40,431,000 have been reversed to profit or loss (Note 6).

(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 a 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 years, as follows:

		Group	
	Maturity	2021 RM'000	2020 RM'000
Current			
Advances from Ikhasas	2022	**66,708**	64,855
Non-current			
Advances from Ikhasas	2023-2025	**36,113**	102,821

The advances bore an average effective interest rate at the reporting date of 4.87% per annum (2020: 4.87% per annum).

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Present value of unfunded defined benefit obligations	**6,212**	5,931	**528**	490

The amounts recognised in the statements of comprehensive income are determined as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current service cost	**525**	523	**19**	18
Past service cost	**10**	83	**-**	-
Interest cost on defined benefit obligations	**305**	253	**19**	19
Net benefit expense, included under employee benefits expense (Note 7)	**840**	859	**38**	37
Analysed as:				
- Continuing	**447**	433	**38**	37
- Discontinued	**393**	426	**-**	-
	840	859	**38**	37

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	**5,931**	5,327	**490**	428
Net loss on remeasurement of defined benefit obligations recognised in other comprehensive income	**-**	205	**-**	25
Amount recognised in profit or loss				
Continuing operation (Note 7)	**447**	433	**38**	37
	6,378	5,965	**528**	490
Contribution paid	**(166)**	(34)	**-**	-
At 31 December	**6,212**	5,931	**528**	490
Analysed as:				
Current:				
Not later than 1 year	**742**	436	**-**	-
Non current:				
Later than 1 year	**5,470**	5,495	**528**	490
	6,212	5,931	**528**	490

The principal assumptions used in determining the retirement benefit obligations are shown below:

	Group and Company	
	2021	2020
Discount rate	**3.70%**	3.70%
Future salary increase	**6.00%**	6.00%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 25 January 2021.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 December 2021 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)	**346**	**(333)**	**39**	**(44)**
Future salary increase (1% movement)	**396**	**(372)**	**51**	**(46)**

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 January	**188,925**	189,675	**3,256**	2,664
Recognised in profit or loss (Note 9)	**(3,293)**	(1,442)	**(556)**	592
Acquisition of a subsidiary (Note 17)	**-**	692	**-**	-
At 31 December	**185,632**	188,925	**2,700**	3,256

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 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
At 1 January 2021	**120,281**	**5,262**	**99,785**	**225,328**
Recognised in profit or loss	**2,771**	**758**	**(3,691)**	**(162)**
At 31 December 2021	**123,052**	**6,020**	**96,094**	**225,166**

* 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 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)
At 1 January 2021	**(2,170)**	**(14,711)**	**(19,522)**	**(36,403)**
Recognised in profit or loss	**(422)**	**(103)**	**(2,606)**	**(3,131)**
At 31 December 2021	**(2,592)**	**(14,814)**	**(22,128)**	**(39,534)**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

30. DEFERRED TAX (CONT'D.)

Group
Presented after appropriate offsetting as follows:

	2021 RM'000	2020 RM'000
Deferred tax assets	**996**	87
Deferred tax liabilities	**(186,628)**	(189,012)
	(185,632)	(188,925)

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 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
At 1 January 2021	**1,046**	**4,650**	**86**	**5,782**
Recognised in profit or loss	**419**	**(235)**	**121**	**305**
At 31 December 2021	**1,465**	**4,415**	**207**	**6,087**

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 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)
At 1 January 2021	**(471)**	**(130)**	**(1,925)**	**(2,526)**
Recognised in profit or loss	**24**	**(116)**	**(769)**	**(861)**
At 31 December 2021	**(447)**	**(246)**	**(2,694)**	**(3,387)**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

30. DEFERRED TAX (CONT'D.)

Company (cont'd.)

Deferred tax assets (cont'd.):

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021 RM'000	**2020 RM'000**
Unused tax losses	**77,782**	71,834
Unabsorbed capital allowances	**72,661**	58,466
Other temporary differences	**4,237**	4,543
	154,680	134,843

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 2021, the unused tax losses are available for utilisation in the next ten years from the year it was accumulated, for which, any excess at the end of the tenth year, will be disregarded.

Pursuant to the relevant tax regulations, the unrecognised tax losses at the end of reporting period will expired as follows:

	2021 RM'000	**2020 RM'000**
Expiring within 10 years	**77,782**	71,834

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

31. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares '000	Share capital RM'000
At 1 January 2020	1,682,641	350,713
Issuance of shares	40,240	8,732
At 31 December 2020	1,722,881	359,445
At 1 January 2021/31 December 2021	**1,722,881**	**359,445**

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

33. OTHER RESERVES

Group	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 2020	28,957	(32)	(31)	28,894
Other comprehensive loss:				
Fair value movement of investments in securities	(10)	-	-	(10)
Fair value movement of other investments (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
At 1 January 2021	**33,346**	**(237)**	**(31)**	**33,078**
Other comprehensive income:				
Fair value movement of investments in securities	**1**	**-**	**-**	**1**
Fair value movement of other investments (Note 18)	**2,956**	**-**	**-**	**2,956**
Total comprehensive income for the financial year	**2,957**	**-**	**-**	**2,957**
At 31 December 2021	**36,303**	**(237)**	**(31)**	**36,035**

Company	Capital reserve RM'000	Employee benefits plan reserve RM'000	Total RM'000
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
At 1 January 2021/31 December 2021	**2,736**	**(68)**	**2,668**

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

33. OTHER RESERVES (CONT'D.)

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.

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(21,447)**	(9,161)	**(6,124)**	(2,734)
Rental expense on sublease arrangement	**-**	-	**10,976**	-
Management fees charged to subsidiaries	**-**	-	**(7,666)**	(4,913)
Interest income from a subsidiary	**-**	-	**(958)**	(372)
Dividend income from subsidiaries	**-**	-	**(97,000)**	(257,950)
Rental income from a subsidiary	**-**	-	**(6,516)**	(6,516)

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

34. RELATED PARTY DISCLOSURES (CONT'D.)

(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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Short term benefits	**3,514**	2,917	**661**	797
Post-employment benefits:				
- Defined contribution plan	**320**	361	**99**	120
- Defined benefit plan	**8**	7	**2**	2
	3,842	3,285	**762**	919

Included in the total compensation of key management personnel are:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Executive and non-executive directors' remuneration excluding benefits-in-kind and indemnity (Note 8)	**2,343**	2,499	**995**	1,156

35. COMMITMENTS

(a) Capital commitments

Capital commitments as at the reporting date are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Capital expenditure:				
Approved and contracted for:				
Lease of properties (Note 41(a))	**5,040**	-	**-**	-
Property, plant and equipment	**11,951**	1,042	**638**	-

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

35. COMMITMENTS (CONT'D.)

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Minimum hire purchase :				
Not later than 1 year	**4,194**	3,659	**81**	116
Later than 1 year and not later than 2 years	**4,219**	3,552	**37**	81
Later than 2 years and not later than 5 years	**5,166**	6,315	**-**	37
5 years and more	**133**	-	**-**	37
	13,712	13,526	**118**	271
Less: Future finance costs	**(1,229)**	(1,369)	**(13)**	(25)
Present value of hire purchase	**12,483**	12,157	**105**	246
Analysis of present value of hire purchase :				
Not later than 1 year	**3,708**	2,871	**79**	104
Later than 1 year and not later than 2 years	**3,853**	3,144	**26**	73
Later than 2 years and not later than 5 years	**4,796**	6,142	**-**	32
5 years and more	**126**	-	**-**	-
	12,483	12,157	**105**	209
Less: Due within 12 months	**(3,708)**	(2,871)	**(79)**	(104)
Due after 12 months	**8,775**	9,286	**26**	105

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 interest rate at the reporting date of 2.65% (2020: 2.71%) 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 and non 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D.)

(b) Fair value hierarchy (cont'd.)

Financial instruments

The following table shows the 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 2021					
Financial assets					
Other investments	**18**	**-**	**-**	**41,063**	**41,063**
Investments in securities	**19**	**36**	**-**	**-**	**36**
31 December 2020					
Financial assets					
Other investments	18	-	-	38,107	38,107
Investments in securities	19	35	-	-	35

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 the 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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
Non-financial instruments					
Group:					
Biological assets					
31 December 2021	**20**	**-**	**-**	**8,671**	**8,671**
31 December 2020	**20**	**-**	**-**	**4,154**	**4,154**
Company:					
Investment properties					
31 December 2021	**15**	**-**	**-**	**183,500**	**183,500**
31 December 2020	**15**	**-**	**-**	**184,400**	**184,400**

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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			
	2021		2020	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Plantation	**22,101**	**49%**	18,906	48%
Healthcare	**23,434**	**51%**	20,736	52%
	45,535	**100%**	39,642	100%

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 RM23,700,000 (2020: RM21,006,000) due from eight customers (2020: eight customers), representing approximately 52% (2020: 53%) of the net trade receivables of the Group.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

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 2021		Days past due			
	Current RM'000	**<30 days RM'000**	**30-240 days RM'000**	**>241 days RM'000**	**Total RM'000**
Expected credit losses rate	**0.0%**	**19.5%**	**36.4%**	**100.0%**	**6.2%**
Estimated total gross carrying amount at default	**42,133**	**3,688**	**684**	**2,014**	**48,519**
Expected credit loss	**-**	**721**	**249**	**2,014**	**2,984**

31 December 2020		Days past due			
	Current RM'000	**<30 days RM'000**	**30-240 days RM'000**	**>241 days RM'000**	**Total RM'000**
Expected credit losses rate	0.0%	25.3%	35.1%	100.0%	12.7%
Estimated total gross carrying amount at default	37,986	1,362	985	5,084	45,417
Expected credit loss	-	345	346	5,084	5,775

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 10% (2020: 14%) and 12% (2020: 19%) 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2021			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	222,266	41,934	-	264,200
Lease liabilities	6,010	20,565	637,215	663,790
Loans and borrowings	63,870	375,889	126,563	566,322
Total undiscounted financial liabilities	292,146	438,388	763,778	1,494,312

	2020			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	248,696	107,881	-	356,577
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	343,824	436,502	758,827	1,539,153

	2021			
	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	136,017	-	-	136,017
Lease liabilities	707	381	-	1,088
Loans and borrowings	23,089	148,499	22,340	193,928
Total undiscounted financial liabilities	159,813	148,880	22,340	331,033

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2020			
	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	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

(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 75 basis points (2020: 50 basis points) lower/ higher with all other variables held constant, the Group's profit before tax would have been RM3,678,000 (2020: RM2,495,000) lower/higher, and the Company's profit before tax would have been RM1,275,000 (2020: RM960,000) 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 2021, 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/MT higher/lower, with all other variables being held constant, the Group's and the Company's profit before tax would increase/(decrease), by approximately:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Effect to profit before tax if CPO price:				
- increased by RM100/MT (2020: RM100/MT)	**6,156**	8,502	**682**	965
- decreased by RM100/MT (2020: RM100/MT)	**(6,156)**	(8,502)	**(682)**	(965)
Effect to profit before tax if palm kernel price:				
- increased by RM100/MT (2020: RM100/MT)	**1,479**	1,937	**161**	228
- decreased by RM100/MT (2020: RM100/MT)	**(1,479)**	(1,937)	**(161)**	(228)

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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 2021 and 31 December 2020.

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	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings	27	**490,351**	498,974	**169,982**	191,959
Trade and other payables	28	**264,200**	356,577	**136,017**	136,642
Lease liability	26	**62,664**	61,641	**1,023**	538
Less: Cash and bank balances	24	**(194,443)**	(232,899)	**(48,316)**	(56,576)
Net debt		**622,772**	684,293	**258,706**	272,563
Equity attributable to the owners of the parent		**732,140**	770,853	**375,067**	387,915
Less: Fair value adjustment reserve	33	**(36,303)**	(33,346)	**-**	-
Total capital		**695,837**	737,507	**375,067**	387,915
Capital and net debt		**1,318,609**	1,421,800	**633,773**	660,478
Gearing ratio		**47%**	48%	**41%**	41%

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 (cont'd.)
For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D.)

Business segments

	Plantation Malaysia Continuing operation		Plantation Indonesia Discontinued operation		Healthcare		Investment holding and others		Note	As reported in consolidated financial statements	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**		**2021 RM'000**	**2020 RM'000**
Revenue:											
Total revenue	**289,746**	241,319	**4,215**	2,998	**225,302**	203,145	**-**	-		**519,263**	447,462
Inter-segment	**(2,430)**	(1,009)	**-**	-	**(1,036)**	(578)	**-**	-	A	**(3,466)**	(1,587)
External revenue	**287,316**	240,310	**4,215**	2,998	**224,266**	202,567	**-**	-		**515,797**	445,875
Results:											
Interest income	**1,966**	1,196	**14**	3	**240**	197	**810**	928		**3,030**	2,324
Dividend income	**3,014**	1,935	**-**	-	**-**	-	**-**	-		**3,014**	1,935
Depreciation and amortisation	**58,821**	58,095	**-**	-	**16,141**	16,029	**5,945**	5,875		**80,907**	79,999
Finance cost	**13,513**	8,071	**-**	-	**2,803**	4,369	**8,460**	9,913		**24,776**	22,353
Other non-cash items	**(45,289)**	2,300	**84,995**	4,675	**147**	457	**2,231**	(16,503)	B	**42,084**	(9,071)
Total segment profit/(loss):											
Total segment profit/(loss):	**108,954**	24,808	**(90,475)**	(12,515)	**4,875**	(7,059)	**(31,901)**	(8,159)		**(8,547)**	(2,925)

Notes to the Financial Statements (cont'd.)

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D.)

Business segments (cont'd.)

	Plantation Malaysia Continuing operation		Plantation Indonesia Discontinued operation		Healthcare		Investment holding and others		Note	As reported in consolidated financial statements	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000		2021 RM'000	2020 RM'000
Assets:											
Additions to non-current assets	**41,987**	34,383	**-**	-	**7,763**	12,016	**3,133**	2,053	C	**52,883**	48,452
Segment assets	**891,232**	967,139	**105,666**	184,677	**253,648**	257,341	**494,383**	467,715		**1,744,929**	1,876,872
Segment liabilities	**704,309**	763,629	**10,412**	8,068	**136,013**	141,279	**185,417**	208,034		**1,036,151**	1,121,010

Geographical segments

	Total revenue		Segment assets		Capital expenditure	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	**511,582**	442,877	**1,639,263**	1,692,195	**52,883**	48,452
Indonesia	**4,215**	2,998	**105,666**	184,677	**587**	1,450
	515,797	445,875	**1,744,929**	1,876,872	**53,470**	49,902

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

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	2021 RM'000	2020 RM'000
Loss on disposal of property, plant and equipment	6	**5**	58
Inventories written off	6	**245**	92
Property, plant and equipment written off	6	**1,051**	4,505
Impairment/(reversal) of right-of-use assets	6	**16,199**	(7,841)
Impairment/(reversal) on property, plant and equipment	6	**64,519**	(31,294)
Expected credit losses of trade receivables	6	**96**	379
Expected credit losses of other receivables	6	**3,413**	42,953
Reversal of expected credit losses of trade receivables	6	**(168)**	(1,177)
Reversal of expected credit losses of other receivables	6	**(91)**	-
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	6	**2,690**	1,868
Share of losses from estates by Majlis Agama Islam dan Adat Melayu Terengganu	6	**(459)**	(498)
Gain on bargain purchase	6	**-**	(17,873)
Fair value changes of biological assets	6	**(4,706)**	860
Land premium on sublessee land	6	**(1,119)**	(1,962)
Accumulated post expiry profits distributions of Sublessees Scheme	6	**(40,431)**	-
Provision for retirement benefit obligations	7	**840**	859
		42,084	(9,071)

C Additions to non-current assets consist of:

	Note	2021 RM'000	2020 RM'000
Property, plant and equipment	12	**50,331**	47,916
Right-of use assets	13	**2,552**	536
		52,883	48,452

40. CONTINGENT LIABILITIES

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

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

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

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

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

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

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

The Court has also fixed tentative hearing dates as follows:

i. 7 March 2022 (adjourned);
ii. 24 March 2022 (adjourned);
iii. 31 March 2022 (adjourned);
iv. 14 April 2022 for Plaintiff to produce its documentary evidence;
v. 25 April 2022 for parties to produce any additional documentary evidence; and
vi. 9 May 2022 for the examination of the Plaintiff's witnesses.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

40. CONTINGENT LIABILITIES (CONT'D.)

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

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

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

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

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

The Court has fixed mention dates as follows:

i. 7 March 2022 (adjourned);
ii. 24 March 2022 (adjourned);
iii. 31 March 2022 (adjourned);
iv. 14 April 2022 and for defendant to file its defense; and
v. 9 May 2022 for prosecution to file its reply to the defense.

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

40. CONTINGENT LIABILITIES (CONT'D.)

(c) Tunas Capital Sdn. Bhd. vs Kuantan Medical Centre Sdn. Bhd.

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

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

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

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

41. SIGNIFICANT EVENTS

(a) Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn. Bhd. ("TSHSB") for the acquisition of the business of operating Tawau Specialist Hospital ("TSH"); and Sub-Lease Agreement with Tawau Specialist Hospital Sdn. Bhd. for the Hospital Land together with the Hospital Building.

On 30 September 2021, KTMC has entered into:

(a) BTA with TSHSB for the acquisition of the business of operating Tawau Specialist Hospital ("Business") which is located at the postal address of TB 4551, Jalan Abaca, P.O. Box 61873, Tawau, Sabah, together with the assets related to the Business and assets for ambulatory care services ("Ambulatory Assets") (collectively the "Purchased Assets") at a purchase consideration of RM8,000,000, but subject to adjustment; and

(b) Sub-Lease Agreement with TSH for the grant by TSH to KTMC of a sub-lease of the Hospital Land together with the Hospital Building for an initial period of 15 years and may be renewed for a further term of 15 years at the option of KTMC.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

41. SIGNIFICANT EVENTS (CONT'D.)

(a) Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn. Bhd. ("TSHSB") for the acquisition of the business of operating Tawau Specialist Hospital ("TSH"); and Sub-Lease Agreement with Tawau Specialist Hospital Sdn. Bhd. for the Hospital Land together with the Hospital Building. (cont'd.)

(c) The salient terms of the BTA are as follows:

Purchased Assets

(i) the Business License and other permits;

(ii) tangible assets such as medical equipment, motor vehicle, office equipment, furniture, etc of the Hospital;

(iii) the Hospital's patient's medical records;

(iv) inventories such as drugs, foods, disposable, consumables and other supplies those located at the Hospital as at the Transfer Date;

(v) contractual rights of TSH under contracts to be assigned/novated to KTMC such as medical consultancy agreement made with the medical consultants, Hospital panelship, blood supply agreement made with the Government of Malaysia and selected business contracts ("Assumed Contracts"); and

(vi) the Ambulatory Assets.

Assumed Liabilities

(i) KTMC shall assume the future payment and performance of the following TSH's liabilities and obligations (collectively the "Assumed Liabilities") on and after the Transfer Date;

(ii) arising from the operation of the Business or the use or ownership of the Purchased Assets and the operation of the Assumed Contracts on and after the Transfer Date; and

(iii) under the Business License and the other permits on and after the Transfer Date, to the extent that such liabilities and obligations relate solely to the KTMC's use or ownership of the Business or the Purchased Assets.

41. SIGNIFICANT EVENTS (CONT'D.)

(a) Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn. Bhd. ("TSHSB") for the acquisition of the business of operating Tawau Specialist Hospital ("TSH"); and Sub-Lease Agreement with Tawau Specialist Hospital Sdn. Bhd. for the Hospital Land together with the Hospital Building. (cont'd.)

On 29 December 2021 and 31 March 2022, The Board of Directors of TDM Berhad announced that the period for completion of the Proposed Acquisition of Business has been automatically extended for a period of three (3) months commencing from 1 January 2022 and ended 31 March 2022 and two (2) months commencing from 1 April 2022 as to facilitate the fulfilment of the Conditions Precedent as stipulated in the BTA.

(b) 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, on 18 March 2020, 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 was subsequently extended with different phases enacted nationwide. On 15 June 2021, the Government further introduced the National Recovery Plan (“NRP”) to help the country to emerge from the COVID-19 pandemic while continuing to control the spread of the infection. This 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.

Notes to the Financial Statements (cont'd.)
For the financial year ended 31 December 2021

41. SIGNIFICANT EVENTS (CONT'D.)

(b) Outbreak of Coronavirus ("COVID-19") (cont'd.)

Plantation segment:

The operations for plantation segment have been running largely as usual during the various phases of MCO and NRP. 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 the various phases of MCO and NRP 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 2021.

(c) Renewal of Sub-Lease Agreements

On 8 December 1965, Perbadanan Memajukan Iktisas Negeri Terengganu ("PMINT") and National and Development Finance Corporation Limited ("Nadefinco"), entered into a lease agreement ("Principal Lease Agreement") whereby PMINT leased several pieces of lands in the District of Kemaman, Terengganu ("Leased Lands") to Nadefinco, for a term of 46 years ("Lease") for the purpose of developing the Leased Lands into a palm oil plantation. The Principal Lease Agreement contains a provision for Nadefinco to renew the Lease for a further term of 46 years. Thereafter, Nadefinco entered into separate Sub-Lease Agreements to sublease the Leased Lands to the member of public ("Individual Sub-Lessees") and the Company and TDMC (collectively "Corporate Sub-Lessees") for a term of 30 years with an automatic renewal for a second term of 15 years ("Sub-Lease Agreements").

The Principal Lease Agreement has been novated to the KLLT. Upon the expiry of the lease term of 45 years ("Expiry"), the Individual Sub-Lessees and Corporate Sub-Lessees have an option to renew the sub-lease term subject to revised terms and conditions to be agreed by all parties.

41. SIGNIFICANT EVENTS (CONT'D.)

(c) Renewal of Sub-Lease Agreements (cont'd.)

The lease term of the Sub-Lease Agreements with the Individual Sub-Lessees had expired between year 2011 to year 2013. During the financial year ended 31 December 2020, KLLT has issued letter of offer to the Individual Sub-Lessees to renew the sub-lease scheme and execution of sub-lease agreement and management agreement ("Renewal of Sub-Lease Agreement") for 30 years from Expiry.

In the current financial year, the accumulated profits of the Individual Sub-Lessees who have not renewed their option upon the expiry of the Notice Period of RM40,431,000 have been reversed to profit or loss (Note 6).

42. SUBSEQUENT EVENTS

(a) Heads of Agreement ("HOA") with Mutiara Premier Sdn. Bhd. ("MPSB") for the proposed build and lease of a Specialist Hospital Building ("Proposed Project")

On 7 April 2022, KMI had entered into:

HOA with MPSB, a wholly owned subsidiary of Pelaburan Hartanah Berhad for the proposed build and lease of a Specialist Hospital Building in Bandar Baru Tunjong, Kota Bharu, Kelantan Darul Naim.

MPSB will construct a specialist hospital building and upon completion of the construction of the Specialist Hospital Building, MPSB shall lease the Specialist Hospital Building to KMI.

(b) Acceptance of letter of offer in respect of the proposed disposal of the entire equity interests in PT RKA and PT SRA

On 21 March 2022, the Company accepted an offer from Ikhasas CPO Sdn. Bhd. ("Purchaser") in respect of the proposed disposal by the Company and the minority shareholders of the entire equity interest in PT RKA and PT SRA ("Disposal Companies") for an aggregate cash consideration of RM115,000,000 ("Offer").

The Offer shall be conditional on the Company and/or Disposal Companies in fulfilling certain agreed specific conditions ("Specific Conditions") within six (6) months from the date of the Company's acceptance of the Offer ("Specific Conditions Period"), or such longer period as may be agreed between the parties.

The Specific Conditions include certain conditions that TDM and the Disposal Companies have to resolve and to provide evidence that certain specific operational issues involving the Disposal Companies, intercompany transactions between the Disposal Companies, its directors and TDM and the settlement of certain lawsuits filed by third parties against PT RKA, are resolved within the Specific Conditions Period.

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Statistics of Shareholdings

As at 11 April 2022

Analysis by Size of Holdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	261	2.181	8,270	0.000
100 - 1,000	529	4.420	266,741	0.015
1,001 - 10,000	3,698	30.904	22,660,429	1.315
10,001 - 100,000	6,424	53.685	211,229,251	12.260
100,001 - 86,144,049 (*)	1,052	8.791	460,638,757	26.736
86,144,050 AND ABOVE (**)	2	0.016	1,028,077,553	59.672
TOTAL	**11,966**	**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.	Name	Holdings	%
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	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Koon Chai (E-Ktn/Jbh)	18,100,000	1.050
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee (Tee0063c)	7,124,400	0.413
6	Khoo Chai Pek	6,500,000	0.377
7	Low Keng Joo	6,400,000	0.371
8	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Leow Kay Pin (E-Ss2)	5,718,500	0.331
9	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	5,045,351	0.292
10	Tan Aik Choon	4,911,600	0.285
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TOH HOOI HAK (PB)	4,800,000	0.278

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Statistics of Shareholdings
As at 11 April 2022

List Of Top 30 Holders (Continued)

No.	Name	Holdings	%
12	Goh Chuan Yong	4,400,000	0.255
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Boon Huat	4,317,510	0.250
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Kok Choy (8092812)	4,200,000	0.243
15	Tan Kian Ser	4,080,000	0.236
16	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee (M09)	4,007,900	0.232
17	Hlib Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Qwee Beng	3,300,000	0.191
18	Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd	3,140,016	0.182
19	Public Invest Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lam Kong Tang (M)	3,000,000	0.174
20	Public Invest Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kenwingston Sdn Bhd (M)	3,000,000	0.174
21	Maybank Nominees (Tempatan) Sdn Bhd Yap Koon Teck	2,980,000	0.172
22	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Cheu Leong	2,970,000	0.172
23	Megategas Sdn Bhd	2,938,610	0.170
24	Lee Bee Geok	2,800,000	0.162
25	Maybank Nominees (Tempatan) Sdn Bhd Mohd Iskandar Lau Bin Abdullah	2,591,000	0.150
26	Huang, Yu-Ling	2,573,060	0.149
27	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For On Kok Thong (7010694)	2,420,100	0.140
28	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Ocbc Securities Private Limited (Client A/C-Nr)	2,414,695	0.140
29	Tai Tsu Kuang @ Tye Tsu Hong	2,250,000	0.130
30	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rosle Bin Ahmad	2,079,700	0.120

Statistics of Shareholdings
As at 11 April 2022

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 Azlan bin Md Alifiah	64,000	0.003
2	Haji Burhanuddin Hilmi bin Mohamed @ Harun	0	0.000
3	Mohd Kamaruzaman bin A Wahab	0	0.000
4	YM Raja Dato' Idris Raja Kamarudin	1,000,000	0.058
5	Haji Mazli Zakuan bin Mohd Noor	0	0.000
6	Haji Najman bin Kamaruddin	0	0.000
7	Haji Samiun bin Salleh	0	0.000

Group Plantation Hectarage Statement

OIL PALM		Total Hectarage Managed By Groups (Hectares)	
		2021	**2020**
Mature Hectarage		35,319	35,117
Immature Hectarage 9		8,771	9,130
Total Planted		**44,090**	**44,247**
Sublease	Mature	7,808	8,159
	Immature	2,223	1,890
TDM Capital Sdn. Bhd.	Mature	419	584
	Immature	1,073	997
Kumpulan Ladang-Ladang Trengganu Sdn Bhd	Mature	12,283	13,702
	Immature	5,204	4,419
Ladang Tabung Warisan	Mature	1,336	1,336
	Immature	0	0
Ladang Majlis Agama Islam Terengganu	Mature	500	500
	Immature	210	256
TDM-YT Plantation Sdn Bhd	Mature	2,246	1,882
	Immature	61	425
PT Rafi Kamajaya Abadi	Mature	10,727	9,584
	Immature	0	1,143
TOTAL PLANTED	**Mature**	**35,319**	**35,117**
	Immature	**8,771**	**9,130**
GRAND TOTAL		**44,090**	**44,247**

5-Year Group Plantation Statistics

PLANTED AREA		UNIT	2021	2020	2019	2018	2017
Oil Palm Area							
Malaysia Operation							
Immature	(0 - 3 Year)	hectare	8,771	7,986	4,954	5,606	4,986
Young	(4 - 10 Year)	hectare	6,156	6,741	4,796	3,568	2,417
Prime-Young	(11 - 15 Year)	hectare	1,941	1,504	3,339	3,339	3,363
Prime-Old	(16 - 20 Year)	hectare	3,106	3,999	3,701	4,219	4,361
Old	(21 - 25 Year)	hectare	10,347	10,276	10,086	9,852	13,444
Very Old	(25 Year Above)	hectare	3,042	3,014	4,419	4,762	2,982
Total Planted Area			**33,363**	**33,520**	**31,295**	**31,346**	**31,553**
Indonesia Operation							
Immature	(0 - 3 Year)	hectare	-	1,143	1,143	3,752	3,752
Young	(4 - 10 Year)	hectare	9,453	9,584	9,584	8,893	8,893
Prime-Young	(11 - 15 Year)	hectare	1,274	-	-	-	-
Prime-Old	(16 - 20 Year)	hectare	-	-	-	-	-
Old	(21 - 25 Year)	hectare	-	-	-	-	-
Very Old	(25 Year Above)	hectare	-	-	-	-	-
			10,727	10,727	10,727	12,645	12,645
Total Planted Area			**44,090**	**44,247**	**42,022**	**43,991**	**44,198**
Oil Palm Area							
Malaysia Operation							
FFB Production		mt	315,167	393,581	398,475	373,213	453,608
Yield per mature hectare (with Bidong)		mt/ha	12.82	15.94	15.13	14.50	17.07

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5-Year Group Plantation Statistics

	UNIT	2021	2020	2019	2018	2017
Indonesia Operation						
FFB Production	mt	8,207	5,782	3,389	2,082	1,897
Yield per mature hectare	mt/ha	0.77	0.66	0.35	0.23	0.21
Mills FFB Processed						
- own	mt	307,046	386,192	394,497	364,255	445,063
- outside MT	mt	7,779	5,640	3,852	6,444	5,396
FFB Purchase by Mills	mt	7,391	31,831	27,577	2,385	0
Total		**322,216**	**423,663**	**425,926**	**373,084**	**450,459**
FFB Sold	mt	-Nil-	1,541	141.72	2,779	2,868
Average selling prices:						
- Crude Palm Oil	RM/mt ex-mill	4,447	2,822	2,129	2,313	2,872
- Palm Kernel	RM/mt ex-mill	3,007	1,697	1,318	1,955	2,614
- Fresh Fruit Bunch	RM/mt	-Nil-	492	347	383	488
Production						
- Crude Palm Oil	mt	61,651	82,814	83,843	72,550	84,027
- Palm Kernel	mt	14,907	18,101	19,617	17,308	21,969
Extraction Rate						
- Crude Palm Oil	%	19.14	19.49	19.68	19.32	18.56
- Palm Kernel	%	4.64	4.26	4.61	4.61	4.85
Palm Product Per Mature Hectare (With Bukit Bidong Estate)	mt/ha	3.10	3.79	3.68	3.47	3.99

5-Year Group Healthcare Statistics

HEALTHCARE	2021	2020	2019	2018	2017
No. Beds	394	394	407	407	297
Occupancy Rate	35%	41%	67%	59%	56%
Consultants - Resident	61	57	56	54	53
Doctor - Patient Ratio	3,364	2,975	3,486	3,557	3,377
No. of Inpatients	17,135	18,033	25,431	23,507	21,579
No. of Outpatients	186,645	150,043	169,820	168,576	162,335
Average Length of Stay	2.85	2.91	2.96	2.96	2.66

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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	**92,419,412**
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 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		
Mukim Belara	**Sungai Tong**					**Oil Palm Plantation**	**42,454,545**
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	51,258,219
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 2071		895.83		
HS (D) 399 Lot PT 642 K (replacing HS (D) 561 Lot PT 642 K)	Fikri Estate	Sentosa	Leasehold 2071		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		

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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	**37,742,498**
HS (D) 764 Lot 707 K	Tayor Estate		Leasehold 2071		498.02		
GM 1533 Lot 0054	Tayor Estate		Leasehold 2071		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		20,304,524.06
						Oil Palm Plantation	**60,692,327**
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	**10,282,877**
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	**102,907,030**
GN 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	**4,652,233**
PN 10735 Lot 4050 (replacing HS (D) 397 PT 3643)	Jerangau Estate	Chakuh 9		Leasehold 2051	406.90		
						Oil Palm Plantation	**6,416,410**
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	**9,232,726**
PN 825 Lot 1157	Jerangau Estate	Landas		Leasehold 2058	580.52		
							4,981,683
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	

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List of Properties

List of Assets	Estates	Division	Tenure		Area (Ha)	Description	Net Book Value (RM)
			First Expiry Date	Second Expiry Date			
							80,227,649
Mukim Kuala Kuantan PN 7723 Lot 54559 District of Kuantan			Leasehold 2096		43,240.00 sq. m	Hospital Building	
							24,830,769
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	
							7,861,951
Mukim Damansara Lot No. 3,4,5,6 HS (D) 259689 PT No. 14532 District			Leasehold 2092		2,888.4 sq. m	Hospital	
							64,457,388
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia.			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

Group Directory

ESTATES AND MILLS

BUKIT BESI COMPLEX

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

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 57th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh (57th) Annual General Meeting ("AGM") of the Company will be held at **Camelia Ballroom, Paya Bunga Hotel Terengganu, Jalan Tengku Embong Fatimah, Off Jalan Sultan Ismail, 20200 Kuala Terengganu, Terengganu** on **Thursday**, **23 June 2022** 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 2021 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 0.35 sen per Ordinary Share in respect of the financial year ended 31 December 2021. — **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:-
   3.1 Haji Burhanuddin Hilmi bin Mohamed @ Harun — **Ordinary Resolution 2**
   3.2 Haji Azlan bin Md Alifiah — **Ordinary Resolution 3**

4. To re-elect Haji Samiun bin Salleh who retires in accordance with Clause 118 of the Constitution of the Company and being eligible, offers himself for re-election. — **Ordinary Resolution 4**

5. To approve the payment of Directors' Fees up to an amount of RM765,917 for the period from 1 July 2022 until 30 June 2023. — **Ordinary Resolution 5**

6. To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,081,830 for the period from 1 July 2022 until 30 June 2023. — **Ordinary Resolution 6**

7. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 7**

Notice of 57th Annual General Meeting

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

8. **Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016 ("the Act")** **Ordinary Resolution 8**

"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 issue and 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."

9. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Existing Shareholders' Mandate")** **Ordinary Resolution 9**

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") 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 Part A of the Circular to Shareholders dated 28 April 2022 ("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 AGM 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 AGM 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.

Notice of 57th Annual General Meeting

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary (including executing all such documents as may be required) to give effect to the Proposed Renewal of Existing Shareholders' Mandate".

10. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")** **Ordinary Resolution 10**

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") 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 Part B of the Circular to Shareholders dated 28 April 2022 ("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 AGM 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 AGM 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.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary (including executing all such documents as may be required) to give effect to the Proposed New Shareholders' Mandate".

11. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of Company.

Notice of 57th Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the 57th AGM to be held on Thursday, 23 June 2022 at 11.00 a.m., the Final Single-Tier Dividend of 0.35 sen per Ordinary Share in respect of the financial year ended 31 December 2021 will be paid on 22 July 2022 to Depositors whose names appear in the Record of Depositors at the close of business on 7 July 2022. A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 7 July 2022 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: 28 April 2022

Notice of 57th Annual General Meeting

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company. A member shall appoint not more than two (2) proxies to attend and vote 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.

2. 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.

3. 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.

4. Pursuant to Paragaraph 8.29 (A) (1) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out on the Notice of 57th AGM will be put to vote by poll. Poll administrator and Independent Scrutineer will be appointed to conduct the polling/e-polling process and verify the results of the poll respectively.

5. 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.

6. The original signed instrument appointing a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative must be 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.**

7. For the purpose of determining a member who shall be entitled to attend and vote at the 57th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 16 June 2022. **Only a depositor whose name appears on the Record of Depositors as at 16 June 2022 shall be entitled to attend the said AGM or appoint proxies to attend and vote in his/her stead.**

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 Act 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 forward for voting.

Notice of 57th Annual General Meeting

Item 2 of the Agenda – Ordinary Resolution 1

The Board is recommending that the shareholders approve the payment for a final dividend.

According 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 25 April 2022, 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 solvents as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution date which will be announced by the Company after 57th AGM in accordance with Section 132(2) and (3) of the Act.

Item 3 of the Agenda – Ordinary Resolution 2 and 3

Clause 119 of the Constitution of Company provides that an election of directors shall take place each year. At the first AGM of the Company, all the Directors shall retire from office, and at the AGM 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.

Haji Burhanuddin Hilmi bin Mohamed @ Harun and Haji Azlan bin Md Alifiah are standing for re-election as Directors and being eligible, have offered themselves for re-election. The profiles of Haji Burhanuddin Hilmi bin Mohamed @ Harun and Haji Azlan bin Md Alifiah are set out in the Profiles of the Board of Directors on pages 71 and 72 of the Company's Annual Report 2021 respectively.

The Board, through Nomination and Remuneration Committee ("NRC") has accessed Haji Burhanuddin Hilmi bin Mohamed @ Harun and Haji Azlan bin Md Alifiah and recommended both of them for re-election at the forthcoming 57th AGM.

Item 4 of the Agenda – Ordinary Resolution 4

Clause 118 of the Constitution of Company provides that the Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any Director so appointed shall hold office only until the conclusion of the next AGM and shall be eligible for re-election at such meeting. A Director retiring under this Clause shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

Haji Samiun bin Salleh is standing for re-election as a Director and being eligible, has offered himself for re-election. His profile is set out in the Profiles of the Board of Directors on pages 74 of the Company's Annual Report 2021.

The Board, though NRC has accessed Haji Samiun bin Salleh and recommended the re-election of Haji Samiun bin Salleh at the forthcoming AGM.

Item 5 and 6 of the Agenda – Ordinary Resolution 5 and 6

Section 230 (1) of the Act, 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 57th AGM on the Directors' Fees and benefit in two (2) separate resolutions.

The payment of the Directors' Fees for the period from 1 July 2022 until 30 June 2023 will only be made if the proposed Ordinary Resolution 5 has been approved at the 57th AGM of the Company.

Notice of 57th Annual General Meeting

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 involved in these meetings.

The estimated sum of RM1,081,830 is for Directors' Benefits for the period from 1 July 2022 until 30 June 2023. The payment of the Directors' benefit will be made on monthly basis and/or as and when incurred if the proposed Ordinary Resolution 6 has been passed at the 57th 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 7 of the Agenda – Ordinary Resolution 7

The Board at its meeting held on 25 April 2022 endorsed for the re-appointment of of Messrs. Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 December 2022 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, of Messrs. Ernst & Young PLT has met the criteria prescribed by Paragraph 15.21 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Item 8 of the Agenda – Ordinary Resolution 8

Authority to Issue Shares pursuant to Sections 75 and 76 of the Act

The Company had in its 56th AGM held on 24 June 2021, obtained its Shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Section 75 & 76 of the Act.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 24 June 2021 and will lapse at the conclusion of the 57th AGM.

The proposed Ordinary Resolution 8 is a renewal of the mandate to issue shares under Section 75 and 76 of the Act. 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 AGM 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 9 and 10 of the Agenda – Ordinary Resolution 9 and 10

The proposed Ordinary Resolution 9 and 10, if passed, will provide a 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 AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Part A and Part B of the Circular to Shareholders dated 28 April 2022 on the Proposed Renewal of Existing Shareholders' Mandate and Proposed New of Shareholders' Mandate respectively for further information.

Statement Accompanying Notice of 57th Annual General Meeting

(Pursuant to Paragraph 8.27 (2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

No individual is standing for election as Director at the forthcoming Fifty-Seven Annual General Meeting of the Company.

PROXY FORM

TDM BERHAD

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

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-Seventh (57th) Annual General Meeting ("AGM") of the Company to be held at **Camelia Ballroom, Paya Bunga Hotel Terengganu, Jalan Tengku Embong Fatimah, Off Jalan Sultan Ismail, 20200 Kuala Terengganu, Terengganu** on **Thursday, 23 June 2022** at **11.00 a.m.**, or at any adjournment thereof, on the following resolutions referred to in the Notice of 57th 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 0.35 sen per Ordinary Share in respect of the financial year ended 31 December 2021.		
Ordinary Resolution 2	To re-elect Haji Burhanuddin Hilmi bin Mohamed @ Harun who retires in accordance with Clause 119 of the Constitution of the Company and being eligible, offer himself for re-election.		
Ordinary Resolution 3	To re-elect Haji Azlan bin Md Alifiah who retires in accordance with Clause 119 of the Constitution of the Company and being eligible, offer himself for re-election.		
Ordinary Resolution 4	To re-elect Haji Samiun bin Salleh who retire in accordance with Clause 118 of the Constitution of the Company and being eligible, offer himself for re-election.		
Ordinary Resolution 5	To approve the payment of Directors' Fees up to an amount of RM765,917 for the period from 1 July 2022 until 30 June 2023.		
Ordinary Resolution 6	To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,081,830 for the period from 1 July 2022 until 30 June 2023.		
Ordinary Resolution 7	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 8	Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016.		
Ordinary Resolution 9	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 10	Proposed New 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 ____________________, 2022

____
Signature(s) of Shareholder(s) or Common Seal

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company. A member shall appoint not more than two (2) proxies to attend and vote 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.
2. 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.
3. 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.
4. Pursuant to Paragaraph 8.29 (A) (1) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out on the Notice of 57^{th} AGM will be put to vote by poll. Poll administrator and Independent Scrutineer will be appointed to conduct the polling/e-polling process and verify the results of the poll respectively.
5. 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.

Please fold here

Affix
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

Please fold here

6. The original signed instrument appointing a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative must be 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.**
7. For the purpose of determining a member who shall be entitled to attend and vote at the 57^{th} AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 16 June 2022. **Only a depositor whose name appears on the Record of Depositors as at 16 June 2022 shall be entitled to attend the said AGM or appoint proxies to attend and vote in his/her stead.**
8. 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.

TDM BERHAD (No. 196501000477) (6265-P)

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