



**EXPLORING** OPPORTUNITIES  
**UNLOCKING** POTENTIALS

# 58<sup>th</sup> ANNUAL GENERAL MEETING

## Venue

Elysium Skybridge, Level 3,  
Menara B, KTCC Drawbridge,  
Jalan Sultan Zainal Abidin,  
Kampung Tanjung Pantai,  
20000 Kuala Terengganu,  
Terengganu

## Date and Time

Thursday  
08 June 2023  
11.00 a.m.



## EXPLORING OPPORTUNITIES, UNLOCKING POTENTIALS

Exploring opportunities, TDM will find new potential from the vibrant business landscape. With a firm foundation, a stellar reputation, strong financial positions and a culture of excellence, we move towards our next growth cycle confidently.

The theme for year 2022 communicates our resilience and perseverance to stay on course while being resolutely focused on our future. The cover portrays us progressing forward towards new profitable paths through our businesses, represented by the diamond, indicating our commitment in matters governing ESG, possessing technological advancements, professional expertise and innovative core businesses.

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We warmly welcome feedback and input on how we may improve our reporting to benefit all our stakeholders. Kindly write to us by scanning the above QR code or log on to [www.tdmberhad.com.my](http://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.

# 01

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# ABOUT TDM BERHAD







# About Our Report

## INTEGRATED REPORTING APPROACH

In line with TDM Berhad or the Company and its subsidiaries collectively referred to as the Group, we have adopted an integrated reporting format since 2021. Guided by this reporting approach, we strive to communicate to our stakeholders how our strategies, values and governance enables us to create short, mid and long-term value, alongside the risks and opportunities that arise in our business.

We aim to place information accessibility at the forefront of our reporting. To this end, we have continued to augment the report with various icons and links for the ease and convenience of our stakeholders and readers.

## SCOPE AND BOUNDARY

In alignment with the reporting frameworks listed on this page, this Integrated Annual Report presents information on financial and non-financial performance, key activities and events during the 2022 fiscal year, beginning from 1 January 2022 to 31 December 2022. This includes our subsidiaries in which we own a majority shareholding and hold a significant influence.

## MATERIALITY

In determining matters that are material to TDM, the Directors and Management weigh stakeholders' expectations, needs, and concerns, taking into consideration internal and external factors as well as TDM's strategy. This report focuses on these identified material issues, which are instrumental to our value creation and our ability to fulfill our core purpose.

## COMBINED ASSURANCE

The Integrated Annual Report has been reviewed and approved by the Management and Board of Directors, ensuring it adheres to pre-requisite reporting frameworks.

## FORWARD-LOOKING STATEMENT

This report may contain forward-looking statements that express the Group's expectations pertaining to its future performance. These forward statements are premised on current conditions, which are subject to change and uncertainty. Subsequently, actual results may differ substantially from the results expressed in these forward-looking statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Integrated Annual Report provides a fair representation of the Group's performance throughout the fiscal year 2022 and key material matters pertaining to our value creation processes.

In line with the Board of Directors' responsibility to ensure the integrity of the TDM Integrated Annual Report 2022, this report was approved by the Board on 30 March 2023.

## CROSS REFERENCES

TDM Integrated Annual Report for the financial year ended 31 December 2022 is supplemented by our Sustainability Statement 2022.

## REPORTING FRAMEWORK

This report has been guided by the principles and requirements of the:

- International Integrated Reporting Framework issued by the International Integrated Reporting Council
- Main Market Listing Requirements of Bursa Malaysia
- Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

The Sustainability Statement has been guided by the:

- Main Market Listing Requirements of Bursa Malaysia
- Global Reporting Initiative (GRI) Standards

# VISION

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

To be a model corporate citizen in Terengganu:

## MISSION

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

## CORE VALUES



Good Governance



Teamwork



People Centric



Innovation



Environmentally Friendly



Shariah Compliance

## 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.



### PLANTATION DIVISION

TDM develops and manages 13 oil palm estates and two palm oil mills which are located in Terengganu, Malaysia. TDM's two palm oil mills are in Sungai Tong and Kemaman in Terengganu.

The Group also operates two Bio-Composting plants and two Biogas plants located in Malaysia. Currently, the Group has a total of 28,479 ha of planted oil palm at its plantations in Terengganu.

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.

Our company is a premium producer of Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) with the Malaysian Sustainable Palm Oil (MSPO), Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification approved by the European Commission (ISCC EU) certifications.



**28,479** ha of Planted Oil Palm



**13** Oil Palm Estates



**2** Palm Oil Mills



**2** Bio-Composting Plants



**2** Biogas Plants





## HEALTHCARE DIVISION

The Group's Healthcare Division, Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), owns and operates five specialist hospitals, which offer affordable healthcare services to the community.

The five 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)
- KMI Taman Desa Medical Centre (KMI Taman Desa)
- KMI Tawau Medical Centre (KMI Tawau)

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.



**5** Specialist Hospitals



**401** Beds

# CORPORATE STRUCTURE



## PLANTATION

TDM Plantation Sdn. Bhd.	100%
Kumpulan Ladang-Ladang Terengganu Sdn. Bhd.	100%
TDM Trading Sdn. Bhd.	100%
TDM Capital Sdn. Bhd.	100%
TDM-YT Plantation Sdn. Bhd.	70%
TDM Agrobiz Sdn. Bhd.	100%
**Kemaman Capital Sdn. Bhd.	100%
PT. Rafi Kamajaya Abadi	93.75%
PT. Sawit Rezki Abadi	95%



## HEALTHCARE

Kumpulan Medic Iman Sdn. Bhd.	99.28%
Kuantan Medical Centre Sdn. Bhd.	92.33%
Kuala Terengganu Specialist Hospital Sdn. Bhd.	100%
TDMC Hospital Sdn. Bhd.	100%
Kelana Jaya Medical Centre Sdn. Bhd.	99.54%
KMI Tawau Medical Centre Sdn. Bhd.	100%
KMI Assets Sdn. Bhd.	100%
KMI Chukai Medical Centre Sdn. Bhd.	100%
KMI Tunjong Medical Centre Sdn. Bhd.	100%
KMI Ambulatory Care Centre Sdn. Bhd.	100%
**Kumpulan Mediiman Sdn. Bhd.	95.02%

## OTHER ACTIVITIES

\*\*TD Gabongan Sdn. Bhd. 51%

\*\* Dormant



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**YBM TENGKU SERI BIJAYA RAJA**  
(DATUK TENGKU FAROK HUSSIN BIN  
TENGKU ABDUL JALIL)  
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)  
Haji Azlan bin Md Alifiah  
Mohd Kamaruzaman bin A Wahab

## 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

## COMPANY SECRETARIES

Badrol bin Abu Bakar  
(LS0009999)  
(SSM PC No. 202008002474)  
Wan Muhammad Akmal bin Wan Zawawi  
(MACS 01702)  
(SSM PC No. 201908000307)

## AUDITORS

Ernst & Young PLT  
Hendrawinata Hanny Erwin &  
Sumargo (Kreston International)

## PRINCIPAL BANKERS

Bank Islam Malaysia Berhad  
Maybank Islamic Berhad  
CIMB Bank Berhad  
RHB Islamic Bank Berhad  
Bank Pertanian Malaysia Berhad (Agrobank)  
AmBank Islamic Berhad  
Bank Muamalat Malaysia Berhad

## SOLICITORS

Messrs. Azmi & Associates  
Messrs. Zaid Ibrahim & Co  
Messrs. Rahana Zurina & Partners  
Messrs. Hadi Zamani & Associates  
Messrs. Hutabarat Halim & Rekan

## REGISTERED OFFICE

Wisma TDM  
443D, Jalan Kamaruddin  
20400 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

25<sup>th</sup> Floor, Menara KH  
Jalan Sultan Ismail  
50250 W.P. Kuala Lumpur  
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)  
Wisma TDM  
443D, Jalan Kamaruddin  
20400 Kuala Terengganu  
Terengganu Darul Iman  
Tel : +609 620 4800/+609 622 8000  
Fax : +609 620 4805

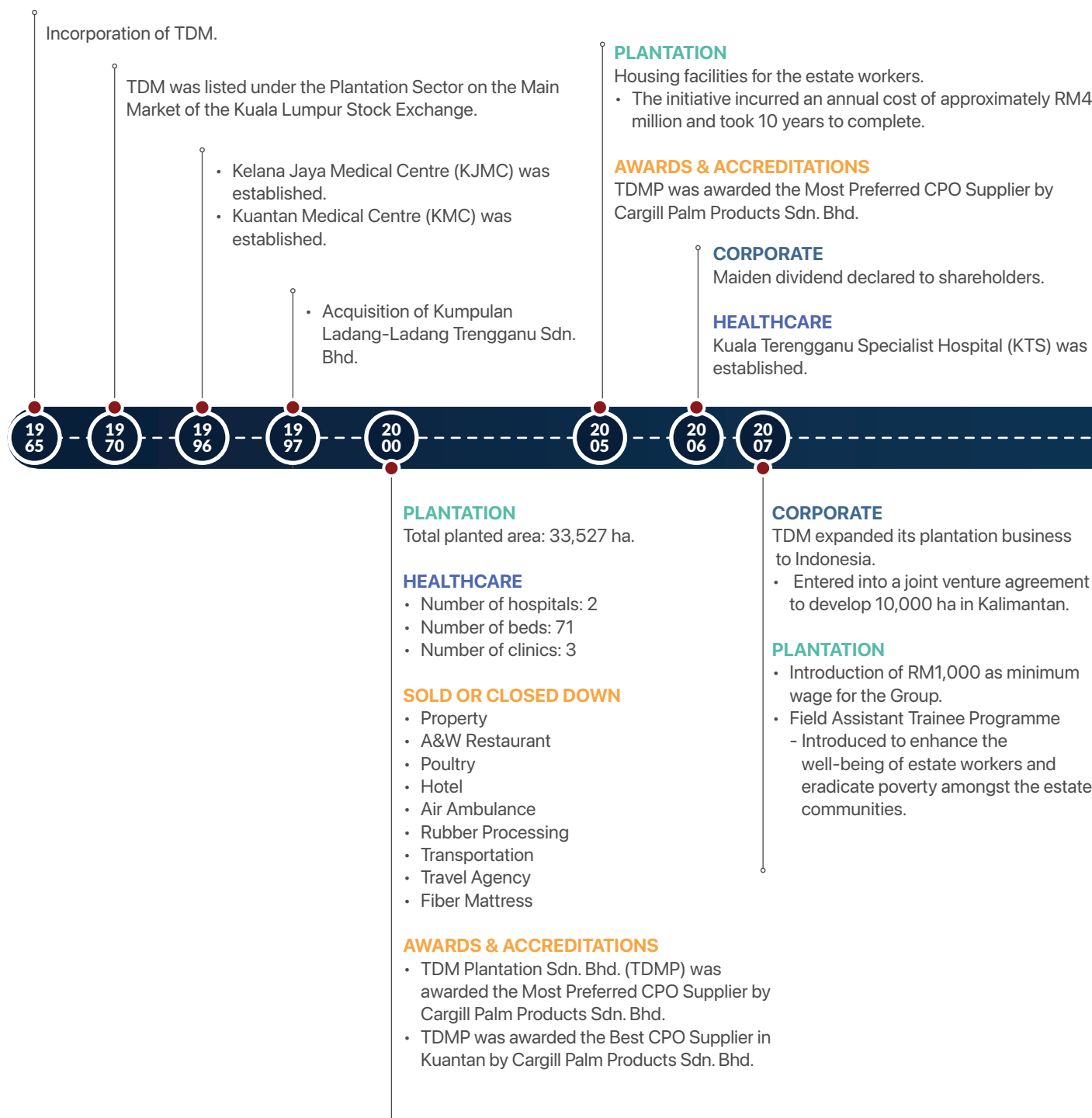
## HEALTHCARE DIVISION

Kumpulan Medic Iman Sdn. Bhd.  
Registration No: 201301032521 (1062350-H)  
25<sup>th</sup> Floor, Menara KH  
Jalan Sultan Ismail  
50250 W.P. Kuala Lumpur  
Tel : +603 2148 0811  
Fax : +603 2148 9900

## COMMODITIES TRADING

TDM Trading Sdn. Bhd.  
Registration No.: 197901002090 (46372-U)  
25<sup>th</sup> Floor, Menara KH  
Jalan Sultan Ismail  
50250 W.P. Kuala Lumpur  
Tel : 603 2148 0811  
Fax : 603 2148 9900

## MILESTONES AND ACHIEVEMENTS



### 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.

### 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 & ACCREDITATIONS

- 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.

2008

2010

2011

2012

### CORPORATE

- Introduction of the MBA Scholarship Programme.
- To encourage employees to further develop their knowledge, skill and capabilities.

### PLANTATION

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

### AWARDS & ACCREDITATIONS

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

### 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.

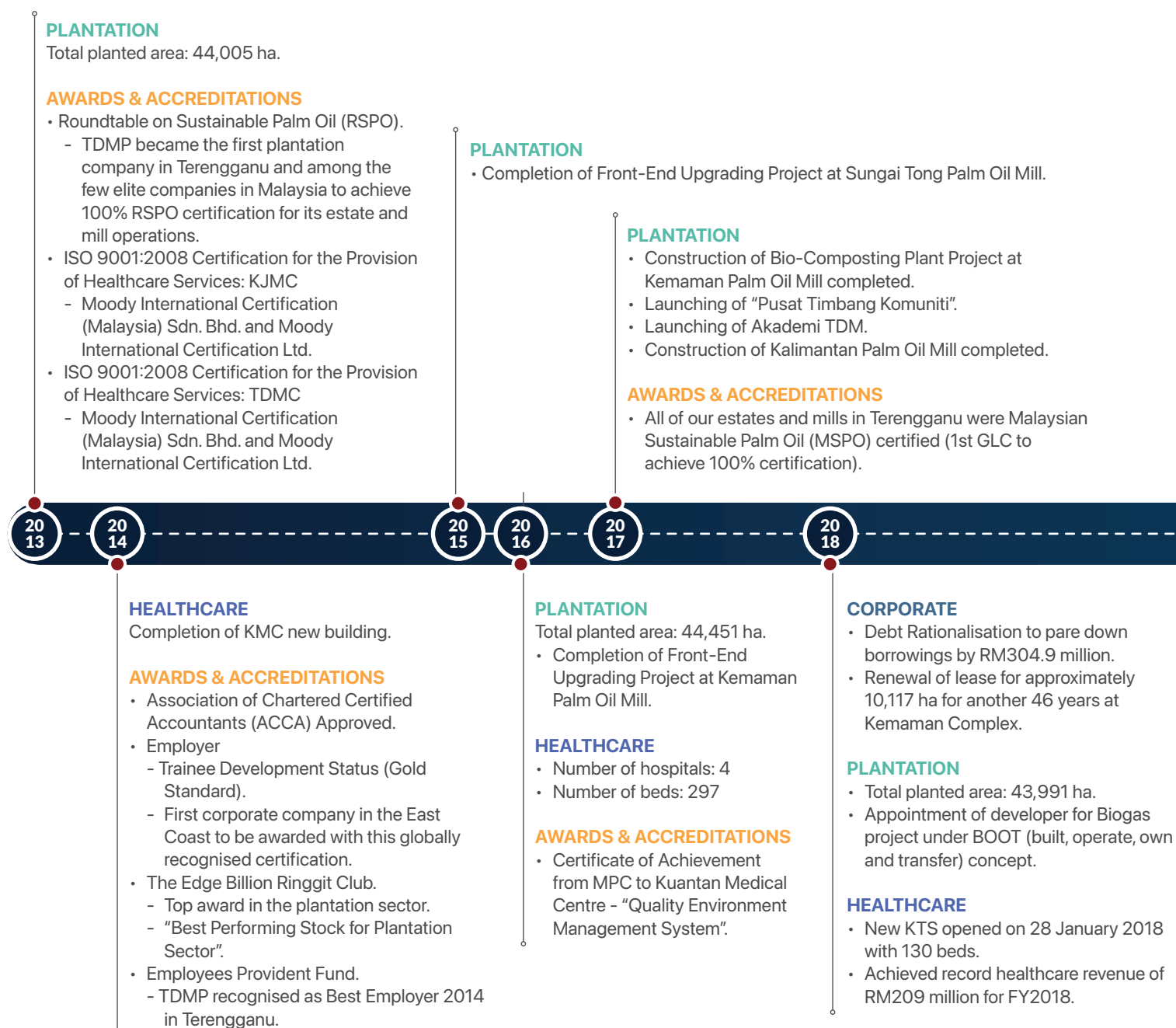
### HEALTHCARE

- 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 & ACCREDITATIONS

- Awarded a pioneer status for five years by the Ministry of International Trade and Industry Malaysia (MITI) for the bio-composting mill in Sungai Tong, Setiu, Terengganu.
  - The award entitles the company to 100% tax exemption on statutory income for five years.
- MSWG - 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).

## MILESTONES AND ACHIEVEMENTS



### HEALTHCARE

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

### 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 an 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.

2019

2020

2021

2022

### CORPORATE

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

### PLANTATION

- 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.

### CORPORATE

- TDM Berhad has received 3-star rating out of 4 for ESG Ratings of PLCs assessed by FTSE Russell.

### PLANTATION

- International Sustainability and Carbon Certification by the European Commission (ISCC EU) (17 March 2022 to 16 March 2023).

### HEALTHCARE

- Completed the acquisition of Tawau Specialist Hospital and renamed to KMI Tawau Medical Centre.

### AWARDS & ACCREDITATIONS

- KMI Healthcare received The Brand Laureate Corporate Excellence in Healthcare - Private Hospitals.
- KMI Kuantan received full accreditation from Malaysian Society for Quality in Health (MSQH).
- KMI Kuantan awarded Best Coordinator (Level 5) SOHELP 2022 by DOSH Pahang.

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

These regular periodic updates are driven through multiple channels of communication and engagement that allow TDM to mitigate any crisis and communicate essential information, gauge the feedback from both its valued shareholders and the key members of the investment community.

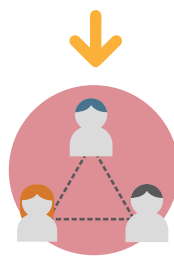
Our quarterly and annual financial result announcements are updated timely and comprehensively on Bursa Malaysia to comply with the Main Market Listing Requirements in accordance with the guidelines of the Malaysian Code on Corporate Governance 2021. These announcements can also be viewed on our corporate 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](mailto: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.



**Number of page visits  
in 2022**

**137,242**



**Number of users  
in 2022**

**37,857**



**TDM's Share Average Daily  
Volume 2022 (shares)**

**3.4 million**

WEBSITE, IR WEBSITE/PORTAL & EMAIL ADDRESS

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



[investor.relations@tdmberhad.com.my](mailto:investor.relations@tdmberhad.com.my)







- 017 Financial Calendar
- 018 Financial Highlights



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# HIGHLIGHTS

# FINANCIAL CALENDAR

## ANNOUNCEMENT ON QUARTERLY RESULTS

**30 MAY 2022**

Announcement of the unaudited consolidated results for the first quarter ended 31 March 2022.

**29 AUG 2022**

Announcement of the unaudited consolidated results for the second quarter ended 30 June 2022.

**29 NOV 2022**

Announcement of the unaudited consolidated results for the third quarter ended 30 September 2022.

**28 FEB 2023**

Announcement of the unaudited consolidated results for the fourth quarter ended 31 December 2022.

## DIVIDEND

**25 APR 2022**

Announcement of Final Single-Tier Dividend of 0.35 sen per ordinary share in respect of the financial year ended 31 December 2021.

**26 APR 2022**

Announcement of Notice of Book Closure.

**7 JUL 2022**

Date of entitlement.

**22 JUL 2022**

Date of payment.

**12 DEC 2022**

Announcement of the Interim Dividend of 0.17 sen per ordinary share, tax exempt under the single-tier system for the financial year ended 31 December 2022.

**13 DEC 2022**

Announcement of Notice of Book Closure.

**28 DEC 2022**

Date of entitlement.

**17 JAN 2023**

Date of payment.



**27 APRIL 2023**

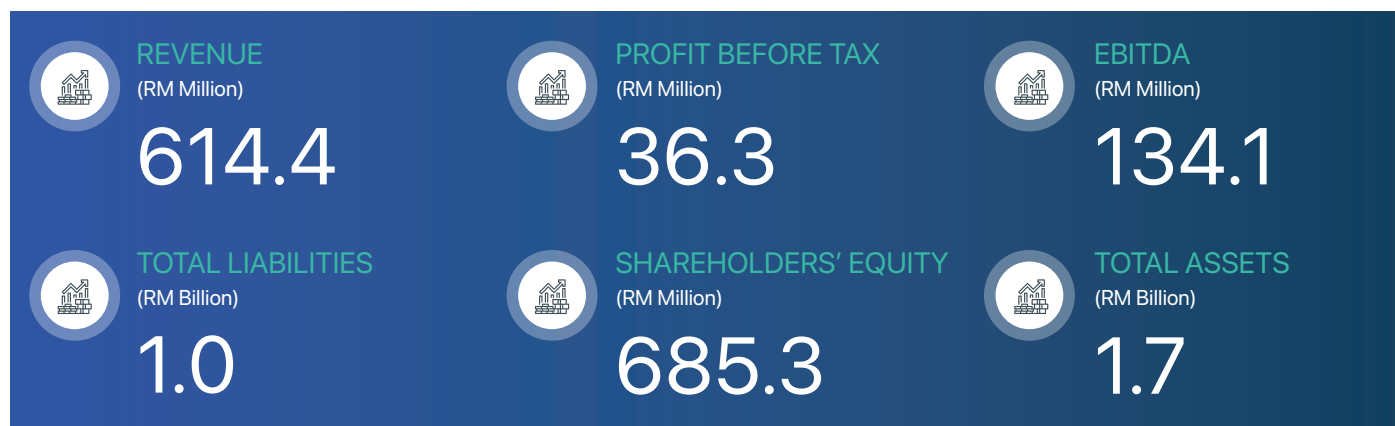
NOTICE OF ANNUAL GENERAL MEETING/CIRCULATION OF INTEGRATED ANNUAL REPORT

**8 JUNE 2023**

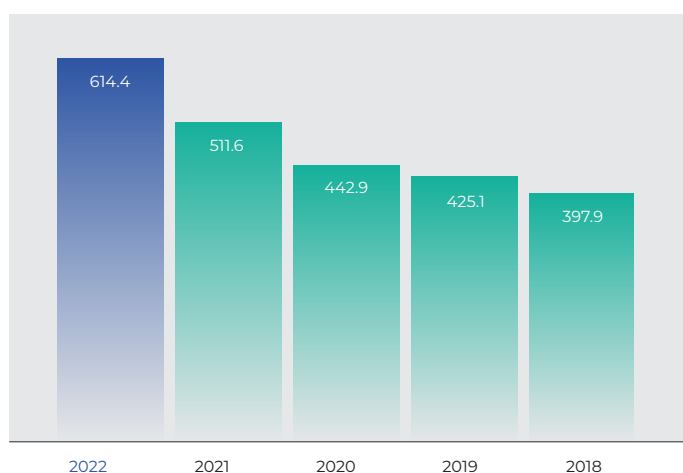
58<sup>th</sup> ANNUAL GENERAL MEETING

# FINANCIAL HIGHLIGHTS

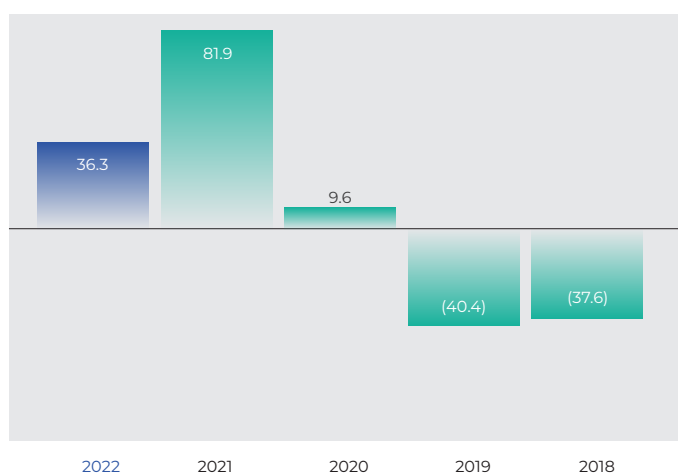
	2022	2021	2020	2019	2018
<b>INCOME STATEMENT</b>					
Revenue (RM'000)	614,372	511,582	442,877	425,070	397,947
Profit/(Loss) Before Tax (RM'000)					
- continuing operations	36,255	81,928	9,590	(40,385)	(37,586)
Adjusted EBITDA (RM'000)					
- continuing operations	134,085	177,455	96,385	63,639	35,451
Profit/(Loss) After Tax (RM'000)					
- continuing operations	16,993	53,682	1,364	(35,837)	(36,020)
Loss After Tax (RM'000)					
- discontinued operations	(46,722)	(90,475)	(12,515)	(174,084)	(82,025)
Loss After Tax (RM'000) - Total	(29,729)	(36,793)	(11,151)	(209,921)	(118,045)
<b>STATEMENTS OF FINANCIAL POSITION</b>					
Total Assets (RM'000)	1,665,451	1,744,929	1,876,872	1,665,214	1,848,121
Total Liabilities (RM'000)	1,008,561	1,036,151	1,121,010	924,629	918,228
Shareholders' Equity (RM'000)	685,251	732,140	770,853	769,724	949,096
<b>FINANCIAL INDICATORS</b>					
PBT/(LBT) Margin (%)					
- continuing operations	5.90	16.01	2.17	(9.50)	(9.44)
Return on Average Shareholders' Equity (%)					
- continuing operations	2.40	7.14	0.18	(4.17)	(3.56)
Profit/(Loss) Per Share (sen)					
- continuing operations	1.09	3.21	0.11	(2.13)	(2.18)
Net Assets Per Share (RM)	0.38	0.41	0.44	0.44	0.55
Net Dividends Per Share (sen)	0.17	0.64	0.52	-	-
Gearing Ratio (times)	0.49	0.46	0.47	0.45	0.40
Current Ratio (times)	0.99	1.38	1.58	1.35	0.66
Price to Earnings Ratio (times)					
- continuing operations	17.43	7.01	322.73	(19.72)	(7.80)
Price to Book Ratio (times)	0.50	0.55	0.81	0.95	0.31



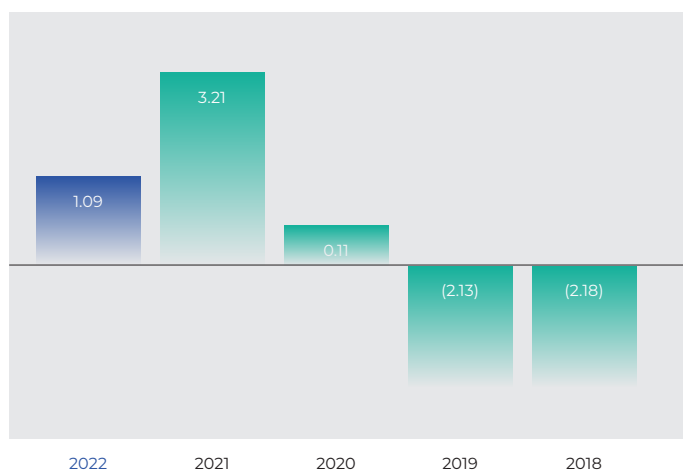
**REVENUE**  
(RM Million)



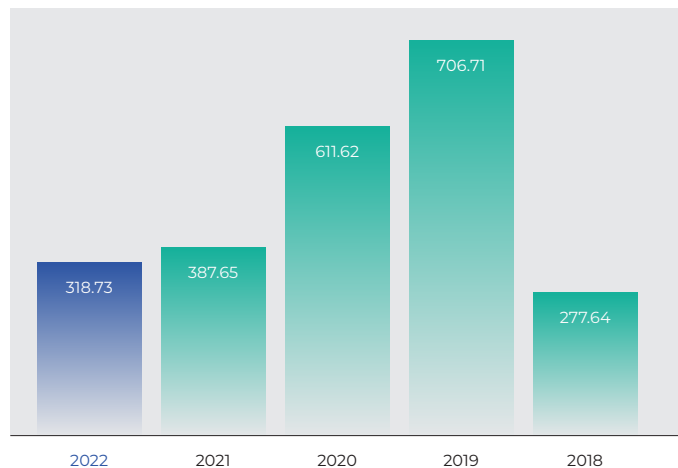
**PROFIT/(LOSS) BEFORE TAX**  
(RM Million)



**PROFIT/(LOSS) PER SHARE**  
(Sen)

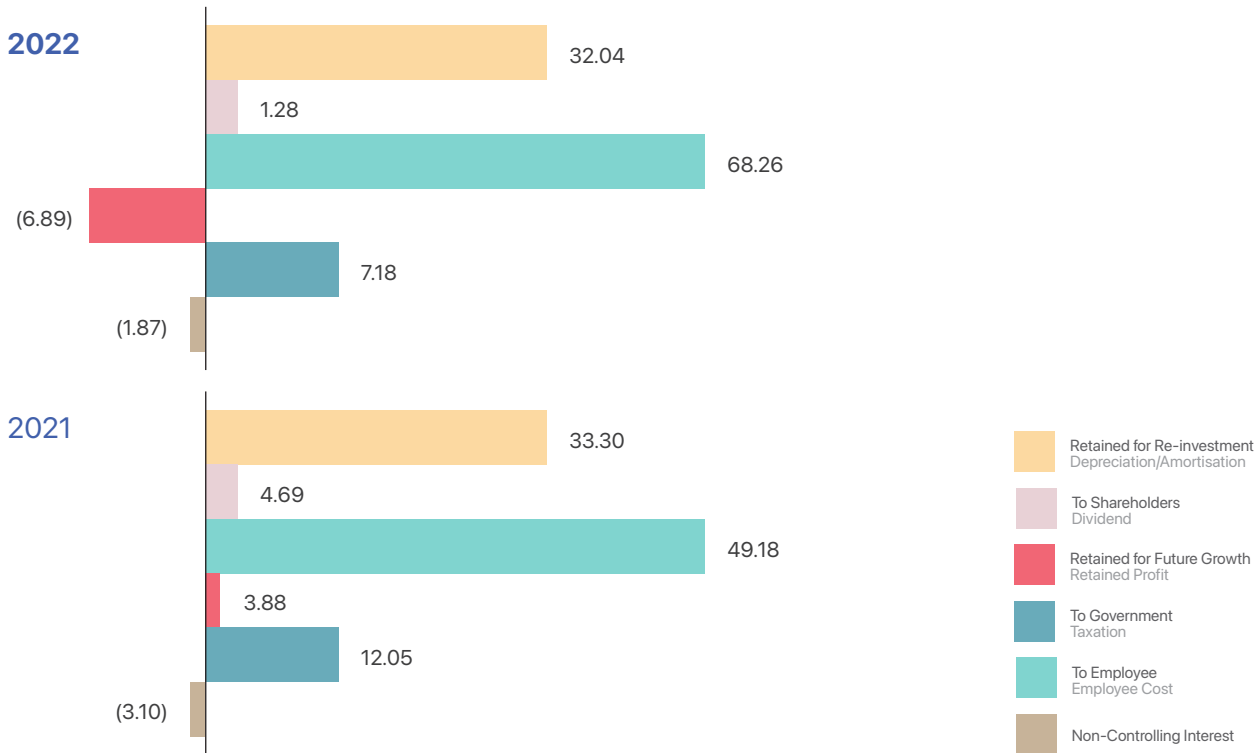


**MARKET CAPITALISATION**  
(RM Million)

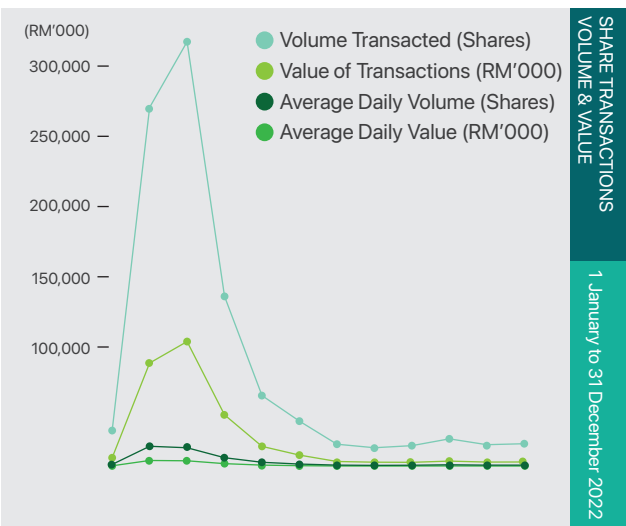
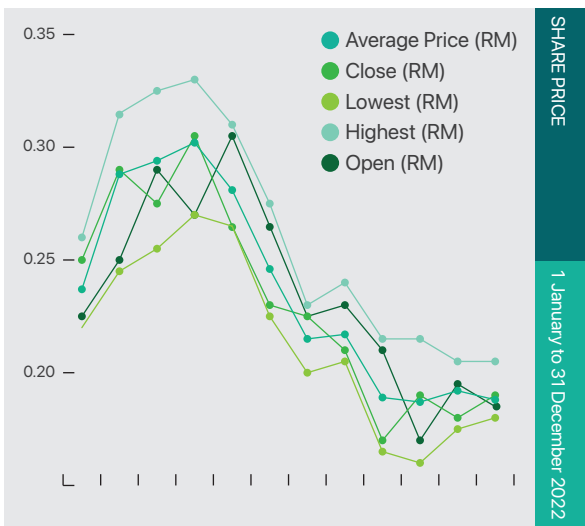


# FINANCIAL HIGHLIGHTS

## STATEMENT OF VALUE ADDED (PERCENTAGE %)

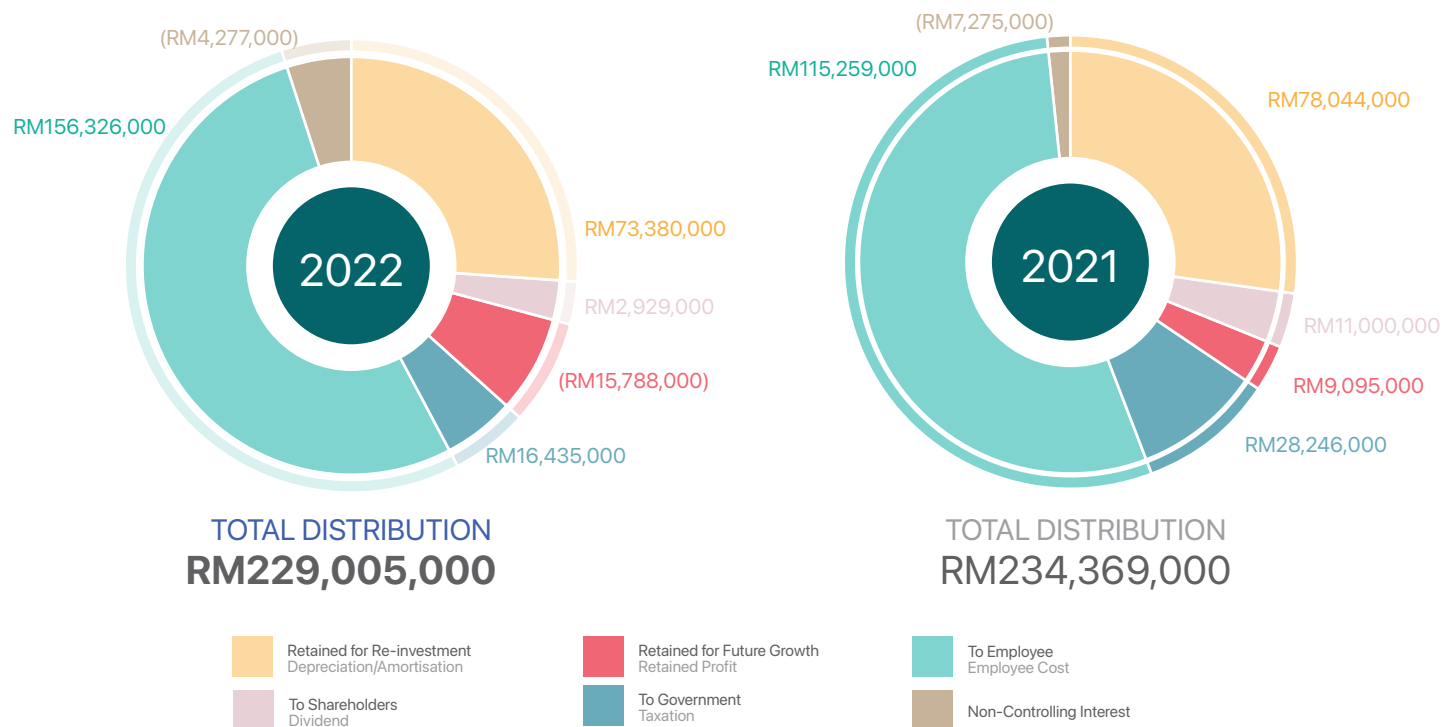


## SHARE PERFORMANCE CHART 1 January to 31 December 2022





## STATEMENT OF VALUE ADDED



### PLANTATION

Profit Before Tax

**RM56.8** million

2021: RM109.0 million



### HEALTHCARE

Profit/(Loss) Before Tax

**RM16.5** million

2021: (RM4.9 million)

	2022	2021
	RM'000	RM'000
Revenue	614,372	511,582
Purchases of Good and Services	(392,557)	(316,154)
Value Added by Group	221,815	195,428
Interest Income	2,390	3,016
Other Income	28,678	60,701
Finance Expenses	(23,878)	(24,776)
<b>Value added available for distribution</b>	<b>229,005</b>	<b>234,369</b>

# 03

024 Calendar of Events

028 Media Highlights

# YEAR IN FOCUS



Medical  
Centre

ERENGGANU  
Centre



## CALENDAR OF EVENTS

### 2022

#### Karnival Penghayatan Islam

In 2022, TDM Berhad together with Persatuan Belia Sahabat Sejahtera (PBSS) Daerah Hulu Terengganu, PBSS Daerah Dungun, PBSS Daerah Kuala Nerus, PBSS Kuala Terengganu, PBSS Daerah Setiu and PBSS Daerah Kemaman have successfully organised 6 series of "Karnival Penghayatan Islam bersama TDM Berhad". In line with the Group's Shariah-compliant status, this carnival is one of TDM's community engagement and CSR enrichment programmes which held across all districts in Terengganu as part of the Group's efforts to reach out to the local community and at the same time, raise awareness of a more holistic appreciation towards Islam. At every carnival held, TDM also took the chance to make monetary donation to Asnaf families from each area which in total, TDM has donated RM480,000 to 2,400 less fortunate families.



### JAN

### 13

#### TDM Group Pledges its support as sponsor for TSG

TDM Berhad together with its healthcare arm, KMI Healthcare sponsored Terengganu Polygon Cycling Team (TSG) worth RM500,000 for 2022 season. The Group sets to support the local continental team for keeping its winning momentum and climbing up the world rankings while knocking on promotional doors in the sport tourism sector for KMI Healthcare, given its recent rebranding move and business expansion. The event was officiated by Terengganu Youth, Sports, and Non-Governmental Organisations (NGO) Development Committee Chairman, YB Haji Wan Sukairi Wan Abdullah.



### APR

### 27

#### TDM shares the beauty of Eid with Orphans

TDM Berhad, in collaboration with Pertubuhan Muafakat Sejahtera, had the opportunity to bring joy to a group of 40 orphans. They were taken shopping at Kuala Terengganu City Mall and given the opportunity to choose their own Hari Raya clothing. Also present to pamper and help these orphans try on various types of clothes, shoes and accessories were YB Dato' Haji Yahaya Ali, Speaker of the Terengganu State Legislative Assembly. The children were then brought to Paya Bunga Hotel for Iftar ceremony and Encik Hamdan Ibrahim, Chief Executive Officer of TDM Plantation, along with YB Dato' Haji Yahaya and Mrs. Norfar'izan, also took the chance to present "duit raya" to each of the children, for their preparation to celebrate Hari Raya Aidilfitri.



### JUN

### 23

#### 57<sup>th</sup> Annual General Meeting

TDM Berhad concluded the 57<sup>th</sup> Annual General Meeting chaired by YM Raja Dato' Idris Raja Kamarudin, Chairman of TDM. After two consecutive years of not being able to gather under the same roof, this time the meeting took place physically at the Camelia Ballroom, Hotel Paya Bunga, Kuala Terengganu. All resolutions were approved by the shareholders present.





JUL

16

### KMI Sports Forum – “Cycle In Sync with TSG”

KMI Healthcare in collaboration with the Terengganu Polygon Cycling Team (TSG) and with the support of TDM has organized the KMI Sports Forum program “Cycle In Sync with TSG” located at KMI Kuala Terengganu which has successfully attracted nearly 200 participants of all ages. The program is part of the breakthrough and strategic collaboration of TDM and KMI Healthcare with TSG, an extension of the group's sponsorship of a continental level team for the year 2022. The program started with 22KM Fun Ride followed by a 3-way talk forum entitled “Common Injuries among Cyclists” and ended with a lucky draw session.



17

### TDM Celebrates Eid al-Adha

TDM is pleased to be able to participate in this year's act of “qurban” which is also an annual company tradition and a corporate social responsibility (CSR) program in conjunction with the celebration of Eid al-Adha. The program took place simultaneously in each operational unit of TDM Plantation Sdn. Bhd. (TDMP) and several other locations in Terengganu with the help of TDMP workers and local non-governmental organizations (NGOs) who were directly involved in the slaughtering, cutting and distribution process. As many as 1,600 portions of sacrificial meat were successfully distributed to Asnaf families identified by workers and to nearby residents in all the locations involved.



AUG

25

### Distribution of “Bubur Asyura” to local community

In spirit of giving back to the community, Kelab Sukan dan Kebajikan Ibu Pejabat (KSKIP) of TDM Berhad has joined Masjid Abidin to distribute 500 packets of “bubur asyura” to the local community. This unique cuisine of Muharram was personally prepared by volunteers from TDM Staff as well as a group of traditional cooking experts from the Masjid Abidin. This programme was very significant to TDM as the Group managed to share its rizq and at the same time strengthen its relationships with the public, the Masjid Abidin community and its employees.



26

### KMI contributes its services at “Pahang Fun Run & Ride 2022”

KMI Kuantan came down to provide support and also provide free basic health checks to visitors and participants of Pahang Fun Run & Ride 2022. The program was organized on a large scale in conjunction with the 215<sup>th</sup> Police Day Commemoration which was joined by almost 2,000 participants consisting of policemen from all over the State of Pahang as well as community members from all over Malaysia.



# CALENDAR OF EVENTS

AUG

26

## Waving Jalur Gemilang together with public

In honour of the 65<sup>th</sup> Malaysia Independence Day and Malaysia Day of 2022, TDM Berhad has generously distributed more than 500 Malaysian flags to the public including road users, in hope to spread the spirit of patriotism and encourage them to proudly display, raise and wave the Jalur Gemilang. It was an amazing sight to see the passing vehicles interacted with one another, exchanging unity-fostering messages in support of the celebration, and truly embracing the meaning of "Keluarga Malaysia".



SEP

21

## TDM Berhad joins TIG's Pact for Education Support with Yayasan Terengganu

TDM Berhad, alongside five other members of the Terengganu Inc Group (TIG), have joined TIG to enter into a memorandum of agreement (MOA) with the Yayasan Terengganu for the establishment of the YT-TI Young Talent Scholarship Programme. TDM's participation in this joint initiative echoes its continued efforts to develop and enrich local talents by providing education sponsorships to deserving students from B40 families, thus further bolstering the State Government's commitment to advancing the education industry and human capital growth.



25

## TDMP recognizes 143 outstanding employees with Excellent Service Awards

TDM Plantation Sdn. Bhd. (TDMP) held the 2022 TDMP Excellent Service Awards Ceremony to celebrate its employees who have been the backbone of the various successes achieved by the company. Located at the TDM Academy, Sungai Tong, this event has gathered more than 1,500 TDMP estates and mills workers from all over Terengganu. A total of nine awards with 13 categories were conducted, recognizing more than 130 employees who showed outstanding performance and loyalty from managements and operation teams in estates and mills.



30

## KMI Kuantan receives MSQH accreditation

KMI Kuantan has emerged as the first-ever hospital under KMI Healthcare to receive full accreditation by the Malaysian Society for Quality in Health (MSQH) for its healthcare services. The four-year accreditation was awarded to the Pahang-based hospital through an official ceremony as a recognition of its compliance with the requirements outlined by the accreditation body in delivering the highest quality of care to Malaysians.



## NOV

16

### TDM Joins Terengganu Student Town Hall 2022

TDM Berhad had the opportunity to participate in the Terengganu Student Town Hall 2022 program which has brought together hundreds of students from various educational institutions throughout Terengganu. Haji Najman Kamaruddin, The Executive Director of TDM, gave a career briefing where he shared his experience of the corporate world through the lens of an employer to help students make early preparations for their future career life. This program was also attended by YB. Dato' Haji Yahaya Ali, Speaker of the Terengganu State Legislative Assembly, who gave the opening speech, also YAB. Dato' Seri Dr. Ahmad Samsuri Mokhtar, Menteri Besar Terengganu, who was the guest of honor at the summit event - Student Town Hall with Menteri Besar Terengganu - where he answered various questions from the students present.



## DEC

3

### KMI Kuantan celebrates Silver Jubilee – 25 Years of Operational Excellence

Hosted at Hyatt Regency Kuantan Resort, KMI Kuantan organised its Silver Jubilee celebration, commemorating its magnificent 25 years of operations and accomplishments. This grand anniversary celebration also recognized the hospital's outstanding achievement of emerging as the first hospital under KMI Healthcare, to receive full accreditation from the Malaysian Society for Quality in Health (MSQH) back in September.



7

### TDM Pays FY2021 Joint Venture Profit-Sharing of RM2.7 million to LTAWNT

TDM Berhad paid RM2.7 million to Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT) as part of a profit-sharing agreement of the companies' joint venture for the financial year ended 31 December 2021. The profit-sharing cheque was handed over to LTAWNT Secretary Encik Nor Azam A Rahman @ Yusof by TDM Executive Director Haji Najman Kamaruddin in the presence of Terengganu Menteri Besar YAB Dato' Seri Dr. Ahmad Samsuri Mokhtar and Terengganu State Secretary as well as TDM Chairman YBM Tengku Seri Bijaya Raja Datuk Tengku Farok Hussin Tengku Abdul Jalil right after the State executive committee meeting at Wisma Darul Iman.



17

### International Golden Monsoon Ride 2022

TDM Berhad is pleased to participate in the International Golden Monsoon Ride 2022 cycling tournament at the Terengganu International Endurance Park (TIEP), Setiu. The Terengganu Inc Challenge Series cycling programme has been upgraded to an international level, which also gathered participants from local and abroad. The total number of participants was 1,395; with 104 participants from TDM.





## MEDIA HIGHLIGHTS



### UTUSAN MALAYSIA

24 JANUARY 2022

800 Kekosongan Pekerja Tempatan Di Ladang milik TDM di Terengganu

Source: Utusan Malaysia



Scan the QR code for more information

### KOSMO

28 FEBRUARY 2022

TDM Untung RM81.4 Juta Tahun 2021

Source: Kosmo



Scan the QR code for more information

### KABARTOTABUAN

21 MARCH 2022

CPO Ikhasas akan membeli dua perusahaan Indonesia dari TDM, pemegang saham minoritas seharga RM115 juta

Source: Kabartotabuan



Scan the QR code for more information

## MALAYSIAN BUSINESS

25 MARCH 2022

Plantation Maintains Its ISCC EU Certification

Source: Malaysian Business



Scan the QR code for more information

26 JUNE 2022

TDM Berhad Foresees Positive Future Outlook Supported by Twin Growth Engines of Plantation and Healthcare

Source: Malaysian Business



Scan the QR code for more information

## I INVESTOR

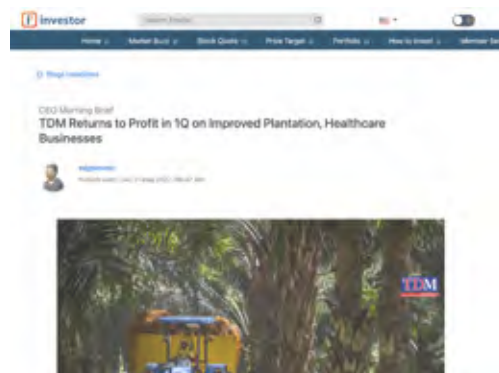
30 MAY 2022

TDM Returns to Profit in 1Q on Improved Plantation, Healthcare Businesses

Source: I Investor



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## TRDI

25 JUNE 2022

Penstrukturan Semula TDM Sumbang Dividen Tertinggi Sejak 2016

Source: TRDI



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## BUSINESS TODAY

29 AUGUST 2022

TDM's Revenue Propped by Plantation, Jumped 44% YoY

Source: Business Today



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## THE EDGE MARKETS

4 DECEMBER 2022

TDM's KMI Healthcare records RM78.1 mil revenue in Q3

Source: The Edge Markets



Scan the QR code for more information



# 04

- 032 Material Matters
- 034 Stakeholders Engagement
- 036 Strategic Business Model
- 040 Key Risks and Mitigation

## HOW WE CREATE VALUE









## MATERIAL MATTERS

In FY2021, TDM embarked on an exercise to identify material matters critical to its immediate and long term value creation plan. A Materiality Survey was duly prepared and shared among our diverse stakeholders, which ranged from Board Members, investors, employees, vendors, suppliers, bankers, legal firms, customers and the media. Internally, we also researched on market trends and expectations in plantation agriculture and healthcare.

Based on what we gathered, a total of 16 material matters were identified and grouped under the Economic, Environment, Social and Governance (EESG) framework. In FY2022, we have switched to Environment, Social (which also encompasses Economic indicators) and Governance (ESG), in line with the latest MCCG and Bursa Malaysia's sustainability Reporting guide.

Since there were no changes to our business operations during FY2022, we have continued to retain these 16 Materials Matters under our ESG framework.

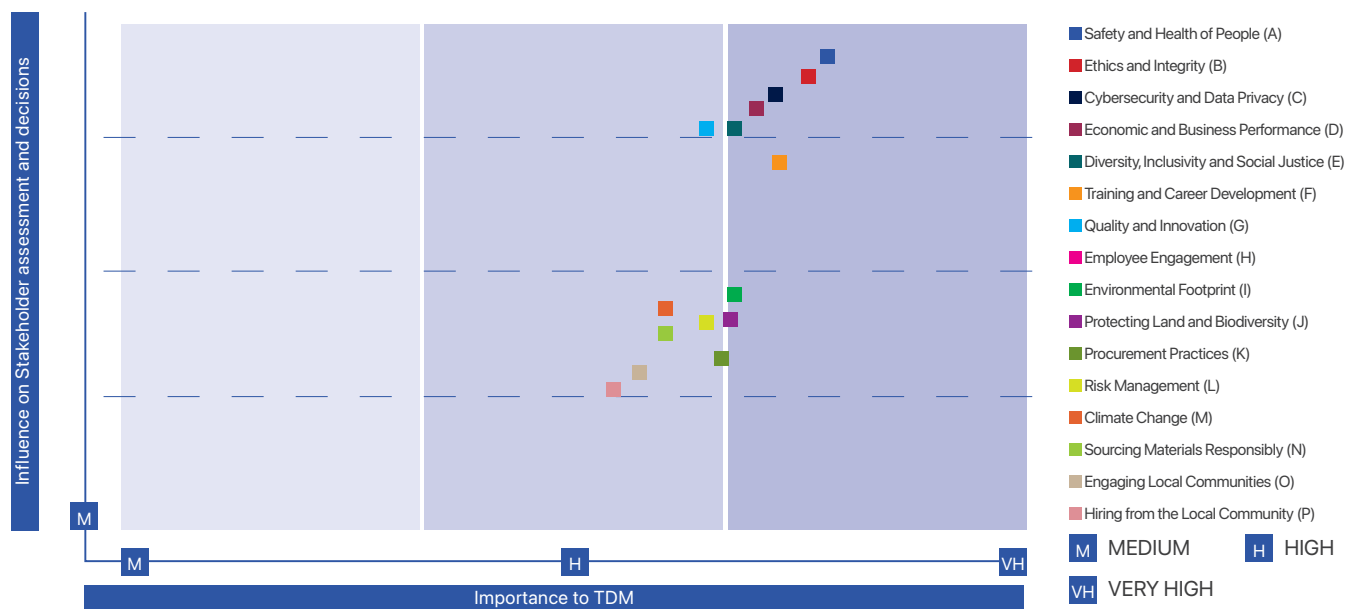


ENVIRONMENT (E)	SOCIAL (S)	GOVERNANCE (G)
<b>Goal 1:</b> Preserving the Environment (4)	<b>Goal 2:</b> Enhancing Economic Value (3)	<b>Goal 4:</b> Practising Good Governance (3)
<b>Material Matters</b> <ul style="list-style-type: none"> <li>• Environmental footprint</li> <li>• Climate change</li> <li>• Sourcing materials responsibly</li> <li>• Protecting land and biodiversity</li> </ul>	<b>Material Matters</b> <ul style="list-style-type: none"> <li>• Economic and business performance</li> <li>• Procurement practices</li> <li>• Hiring from the local community</li> </ul>	<b>Material Matters</b> <ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Cybersecurity and data privacy</li> <li>• Risk management</li> </ul>
	<b>Goal 3:</b> Driving Positive Social Impact (6)	
	<b>Material Matters</b> <ul style="list-style-type: none"> <li>• Safety and health of people</li> <li>• Training and career development</li> <li>• Diversity, inclusivity and social justice</li> <li>• Employee engagement</li> <li>• Quality and innovation</li> <li>• Engaging local communities</li> </ul>	

## MATERIALITY MATRIX

TDM developed a materiality matrix to gauge the impact of the 16 material matters on TDM's ESG performance, as well as their influence on stakeholder decisions and perceptions.

### MATERIALITY MATRIX



### RANKING OF MOST MATERIAL MATTERS

#### Material Matters

- | Order of Significance | Material Matters                              | ESG Legend    |
|-----------------------|---|---------------|
| 1                     | Safety and Health of People (A)               | Governance    |
| 2                     | Ethics and Integrity (B)                      | Governance    |
| 3                     | Cybersecurity and Data Privacy (C)            | Governance    |
| 4                     | Economic and Business Performance (D)         | Social        |
| 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)                     | Social        |
| 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)           | Social        |

#### ESG Legend

- Social
- Environmental
- Governance

# STAKEHOLDERS ENGAGEMENT (GRI 2-29)

## LISTENING TO OUR STAKEHOLDERS

(GRI 2-29)

Our stakeholders play a pivotal role in our Value Creation Plan, as their inputs, concerns and perceptions are part of our decision-making process. We engage with various stakeholder groups to understand their expectations on strategic and material matters that will influence the ESG performance of TDM.

	EMPLOYEES	INVESTORS, SHAREHOLDERS & BANKERS	MEDIA	CUSTOMERS
WHY ARE THEY IMPORTANT	Employees that are empowered, forward-thinking, and devoted are fundamental to our company's success.	Shareholders are an important source of equity capital to fund our business and growth plans.	Media platforms are important for communicating key messages and building reputation with our stakeholders.	Customers purchase our products or receive our services, and they drive revenue of the Group.
AREAS OF INTEREST	<ul style="list-style-type: none"> <li>• Training and career development</li> <li>• Work life balance</li> <li>• Conducive working environment</li> <li>• Employee welfare</li> <li>• Occupational safety and health</li> <li>• Employee engagement</li> <li>• Employee remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Operational excellence</li> <li>• Group's business direction</li> <li>• Current industry trend</li> <li>• Sustainability issues</li> </ul>	<ul style="list-style-type: none"> <li>• Brand positioning, image, and credibility</li> <li>• Business performance and growth</li> <li>• Ethical business conduct and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and safety of product and services</li> <li>• Product pricing and credit terms</li> <li>• Product certification</li> <li>• Ethical business practices</li> </ul>
ENGAGEMENT CHANNELS	<ul style="list-style-type: none"> <li>• Talent development programmes</li> <li>• Social, sports, health and wellness activities</li> <li>• Town hall meetings</li> <li>• Induction for new employees</li> <li>• Roll-Calls at mills</li> <li>• Roll-calls at estates</li> <li>• Morning briefings</li> <li>• Employee performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual reports</li> <li>• Dedicated Investor Relations posts on the corporate website</li> <li>• Announcements of quarterly financial results</li> <li>• Direct engagement and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Media interviews, Briefing sessions, and press conferences</li> <li>• Press releases</li> <li>• Company events or activities</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Feedback forms</li> <li>• 24-hr support form/correspondence</li> <li>• Email correspondence</li> <li>• Mobile correspondence</li> <li>• Meetings, visits, seminars, talks and events</li> <li>• Corporate website</li> </ul>
HOW WE DELIVER VALUE	<ul style="list-style-type: none"> <li>• Competitive salary that is above market minimum</li> <li>• Attractive benefits</li> <li>• Training and development</li> <li>• Career growth opportunities</li> <li>• Work life balance</li> <li>• Enhance health, safety and environment protocols</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring operational continuity</li> <li>• Consistent returns on investment</li> <li>• Strong corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent business operations and reporting of financial performance</li> <li>• Updates on latest company developments</li> <li>• Corporate/product branding and networking</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and safety of products and services</li> <li>• Technology to improve customer and patient experience</li> <li>• Health awareness and information for patients and the public</li> <li>• Efficient medicine supply systems and testing</li> </ul>

We have several channels and undertake various activities to foster stakeholder engagement. In FY2022, our stakeholder engagement sessions were held either virtually or physically, with the latter gaining momentum after Malaysia entered the endemic phase of COVID-19 in June 2022.

VENDORS, SUPPLIERS & CONTRACTORS	CERTIFICATION BODIES & INDUSTRY ASSOCIATIONS	REGULATORS (Government, Ministries & Agencies)	LOCAL COMMUNITIES & SMALLHOLDERS
Vendor and suppliers play an important role in the value chain of the business.	TDM needs to maintain the status of all certifications and have a voice in the industry by being a member of business-related associations.	TDM has to comply with various industry rules and regulations to operate.	As a responsible corporate citizen, we strive to uplift the socio-economic status of smallholders as well as that of the less fortunate in communities where we operate.
<ul style="list-style-type: none"> <li>Access to opportunities</li> <li>Ethical business practices</li> <li>Product and service quality</li> <li>Service scope and payment schedule</li> <li>Supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Relevant issues and updates in the industry</li> <li>Wildlife conservation and human-elephant conflict issues</li> <li>Industry's best practices</li> </ul>	<ul style="list-style-type: none"> <li>Support for government policies and initiatives in the industry</li> <li>Contribution to national sustainability goals</li> <li>Legal compliances</li> <li>Upholding human rights and labour regulations</li> <li>Governance, ethics and integrity</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Community support</li> <li>Support for local businesses</li> <li>Employment opportunities</li> <li>Pollution prevention</li> <li>Environmental stewardship</li> <li>Public safety and security</li> </ul>
<ul style="list-style-type: none"> <li>Vendor/supplier registration</li> <li>Procurement policies</li> <li>Performance evaluation</li> <li>Site visits and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and meetings</li> <li>Submission of regulatory documentation</li> <li>On-site inspections and audits</li> <li>Constructive partnerships</li> <li>Email surveys</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory discussions and meetings with authorities</li> <li>Public consultation with local authorities</li> <li>Dialogue sessions</li> <li>On-site inspections</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility activities</li> <li>Outreach programmes for our CSR focus areas: education, entrepreneurship and sports</li> <li>Environmental initiatives</li> </ul>
<ul style="list-style-type: none"> <li>Create awareness of TDM's Policy and Code of Business Ethics</li> <li>Valuable contracts, good procurement practices, and service improvements</li> <li>Supply chain security and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Audits and certification</li> <li>Compliance with laws, regulations and international quality which safety standards reflect the strong governance practices in TDM</li> <li>Compliance with policies and latest requirement changes</li> </ul>	<ul style="list-style-type: none"> <li>Development and implementation of shared initiatives</li> <li>Monitoring compliance with laws and regulations to reflect the strong governance practices in TDM</li> </ul>	<ul style="list-style-type: none"> <li>Education development</li> <li>Entrepreneurship development</li> <li>Community development</li> <li>Charitable activities</li> </ul>



# STRATEGIC BUSINESS MODEL

## OUR APPROACH TO VALUE CREATION

TDM has grown to become a prominent plantation and healthcare company in East Coast Peninsular Malaysia. Through a combination of stable financial support and strategic leadership, we have established our footprint in the plantation and healthcare business in the past 57 and 25 years respectively. We will be entering the next phase of growth in 2023, and have expansion and diversification in our sights.

FY2022 saw us in the final lap of our Five-Year Strategic Plan that began in 2017 where we have consolidated our resources and accelerated our sustainability journey. As FY2022 came to an end, we have mapped out our strategic direction for 2023-2027. It is our aim to remain relevant, resilient and resourceful in managing the six capitals as to create meaningful value for our stakeholders, not only for immediate gains but also for long-term growth. We will continue on this pathway as we move forward.

For FY2022, we continued our strategic thrusts that were customized to suit the needs of each business, given the fact that they are distinctively different. It is our aim to strengthen our inner core and brand positioning in the competitive marketplace.

### STRATEGIC THRUSTS

### OUR SIX (6) CAPITAL INITIATIVES



## PLANTATION

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



### 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 natural resources such as water, fossil fuels and other natural capital, directly in our operations and indirectly via our value chain.



### MANUFACTURED CAPITAL

We have a bank of physical assets that include built facilities and infrastructure that are utilised to develop solutions for our two core businesses. We invest in this capital to improve our capacities and capabilities, as well as to assure the safety and reliability of our operations.



## HEALTHCARE

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



### INTELLECTUAL CAPITAL

Over the course of 57 years in plantation and 25 years in healthcare, we have developed a distinct business model which includes TDM Business Model, our Values, our Code of Business Ethics and our governance frameworks and processes.


























### HUMAN CAPITAL

We are always investing in developing a culture of learning, professionalism, and innovation to ensure that our people have the competencies and capacities to serve our clients and compete favorably in the markets we serve.



### SOCIAL & RELATIONSHIP CAPITAL


We maintain strong relationships with our shareholders, investors, suppliers, customers, employees, certification bodies, regulators, media and the communities where we operate.

CAPITAL	INPUTS	BUSINESS ACTIVITIES
	<div>  Total Equity: <b>RM685.3</b> million </div> <div>  Total Assets: <b>RM1.7</b> billion </div> <div>  Cash: <b>RM107.2</b> million </div>	<b>PLANTATION DIVISION:</b> Plantation business: Upstream Activities
	<div>  Group's Plantation Landbank: <b>41,197.6 ha</b> (Malaysia) </div> <div>  Oil Palm Planted: Malaysia: <b>28,479 ha</b> </div>	 <b>ESTATE</b> <ul style="list-style-type: none"> <li>Oil palm planting and production of FFB</li> <li>Continuous replanting programme</li> <li>Innovation in mechanisation</li> </ul>
	<div>  <b>PLANTATION: (Malaysia)</b> <ul style="list-style-type: none"> <li>2 Palm Oil Mills</li> <li>2 Bio-Composting Plants</li> <li>2 Biogas Plants</li> </ul> </div> <div>  <b>HEALTHCARE:</b> <ul style="list-style-type: none"> <li>5 Specialist Hospitals</li> <li>401 Beds Capacity</li> </ul> </div>	 <b>MILL</b> <ul style="list-style-type: none"> <li>Processing FFB into CPO</li> <li>Utilising new technology and mill automation</li> <li>Renewable energy projects via biogas plants</li> </ul>
	<p>TDM is supported by a team of highly trained employees with expertise in:</p> <div>  <b>PLANTATION:</b> Agronomy, GIS &amp; Drone Operations, Mill Engineering, Oil Palm Plantation, and Microbiology aside from of other plantation related expertise. </div> <div>  <b>HEALTHCARE:</b> Various medical services and disciplines aside from other healthcare related expertise.. </div>	 <b>CASH CROP</b> <ul style="list-style-type: none"> <li>Maximise land usage for agricultural activities to increase potential growth in the future</li> </ul>
	<div>  Total Employees: <b>4,308</b> </div> <div>  Male: <b>64%</b> </div> <div>  Female: <b>36%</b> </div>	
	<p>General Workers at Plantation:</p> <div>  Local Workers: <b>1,837</b> </div> <div>  Foreign Workers: <b>758</b> </div>	
	<ul style="list-style-type: none"> <li>RSPO member since 2011 with almost all plantations in Malaysia fully certified since 2013. All estates and mills in Malaysia are also MSPO certified.</li> <li>First plantation company in Terengganu to receive the ISCC EU certification.</li> <li>MSQH accreditation to be attained by all hospitals, starting with KMI Kuantan.</li> <li>Various conservation initiatives such as War on Waste Programme, River of Life Programme, and Living Together with Elephants.</li> <li>Various CSR and engagement initiatives inspired by the 5Ps Philosophy of People, Planet, Prosperity, Peace and Partnership.</li> </ul>	<b>HEALTHCARE BUSINESS:</b> KMI hospitals offer essential medical services covering general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics, gynaecology, ENT, dermatology, ophthalmology, urology, anaesthesiology, and gastroenterology

# STRATEGIC BUSINESS MODEL

## OUR APPROACH TO VALUE CREATION

OUTPUTS	DELIVERING VALUES FOR OUR STAKEHOLDERS	STAKEHOLDERS WHO BENEFIT FROM THE VALUE WE CREATE
	<div>  Revenue: <b>RM614.4 million</b> </div> <div>  Dividend: <b>RM2.9 million</b> </div>	<b>INVESTORS, SHAREHOLDERS &amp; BANKERS</b> <ul style="list-style-type: none"> <li>Ensuring operational continuity</li> <li>Consistent returns on investment</li> <li>Strong corporate governance</li> </ul>
	<div>  FFB production: <b>277,739 mt</b> (Malaysia)         </div> <div>  YPH: <b>12.82 mt/ha</b> (Malaysia)         </div>	<b>CUSTOMERS</b> Regaining the customers trust by portraying our ability to operate with good agriculture practices which are essential for sustainable agriculture, producing high-quality products while enhancing productivity through yield optimisation
	<div>  <b>PLANTATION BUSINESS</b>            Mills FFB Processed: <b>310,352 mt</b>            CPO Production: <b>59,634 mt</b>            Palm Kernel Production: <b>14,003 mt</b> </div> <div>  <b>HEALTHCARE BUSINESS</b>            No of Inpatients: <b>23,675</b>            No of Outpatients: <b>189,739</b>            Occupancy Rate: <b>47 %</b>            MSQH accreditation: <b>KMI Kuantan</b> </div>	<b>CUSTOMERS, BUSINESS PARTNERS, REGULATORS &amp; CERTIFICATION BODIES</b> <ul style="list-style-type: none"> <li>Offering a variety of value-added products and services to the competitive market.</li> <li>We also address climate change initiative to reduce carbon emission through renewable energy projects via biogas plants</li> </ul>
	<div>  <b>PLANTATION BUSINESS</b> <ul style="list-style-type: none"> <li>28 units mechanical buffalo (Badang) allocated at North and South Zone operations for collecting FFB with coverage areas of 4,500.33 ha</li> <li>57 units of mechanical cutters being utilised for pruning and harvesting young palm areas</li> <li>Improvements to mill throughput as well as cost efficiency by creating greater synergy between transportation of FFB and milling activities</li> </ul> </div> <div>  <b>HEALTHCARE BUSINESS</b> <ul style="list-style-type: none"> <li>Expansion of healthcare access via Ambulatory Care Centre</li> <li>KMI KT introduced occupational therapy</li> <li>Visiting Oncologist at KMI KT since FY2021</li> <li>Launched iWard, an intelligent ward management solution to improve healthcare efficiency and enhance patient engagement</li> <li>Mesra Ibadah Programme</li> </ul> </div>	<b>CUSTOMERS, VENDORS, SUPPLIERS, INDUSTRY ASSOCIATION &amp; REGULATORS</b> <ul style="list-style-type: none"> <li>Offering high quality products and services to the customer</li> <li>Valuable contracts, good procurement practices, and service improvements</li> <li>Supply chain security and sustainability</li> <li>Operating responsibly to contribute to socio-economic growth through tax payment</li> <li>Maintain a positive relationship with local authorities and support programme</li> </ul>

OUTPUTS	DELIVERING VALUES FOR OUR STAKEHOLDERS	STAKEHOLDERS WHO BENEFIT FROM THE VALUE WE CREATE
	 <p>New Hire: <b>315 employees</b> Resignations: <b>206 employees</b></p> <p>Training Cost: <b>RM1,596,752</b> allocated for formal training and development in 2022</p> <p><b>36,084 hours</b> were spend on formal training and development in 2022</p>	<p><b>EMPLOYEES</b></p> <ul style="list-style-type: none"> <li>Competitive salary that is above market minimum</li> <li>Attractive benefits</li> <li>Training and development programmes</li> <li>Career growth opportunities</li> <li>Work life balance</li> <li>Enhance health, safety and environment protocols</li> </ul>
	<ul style="list-style-type: none"> <li><b>100% MSPO &amp; 92% RSPO</b> certified for plantation operations in Malaysia</li> <li>Utilised <b>RM2,202,683</b> for donation, sponsorship and CSR programme in 2022</li> </ul>	<p><b>LOCAL COMMUNITY, SMALLHOLDERS, CERTIFICATION BODIES &amp; REGULATORS</b></p> <ul style="list-style-type: none"> <li>Building peaceful relations with community as well as provide support to vulnerable communities</li> <li>Audit and certification</li> <li>Compliance with laws, regulations and international quality and safety standards</li> <li>Maintain a positive relationship with local authorities and support programme</li> </ul>



## KEY RISKS AND MITIGATION



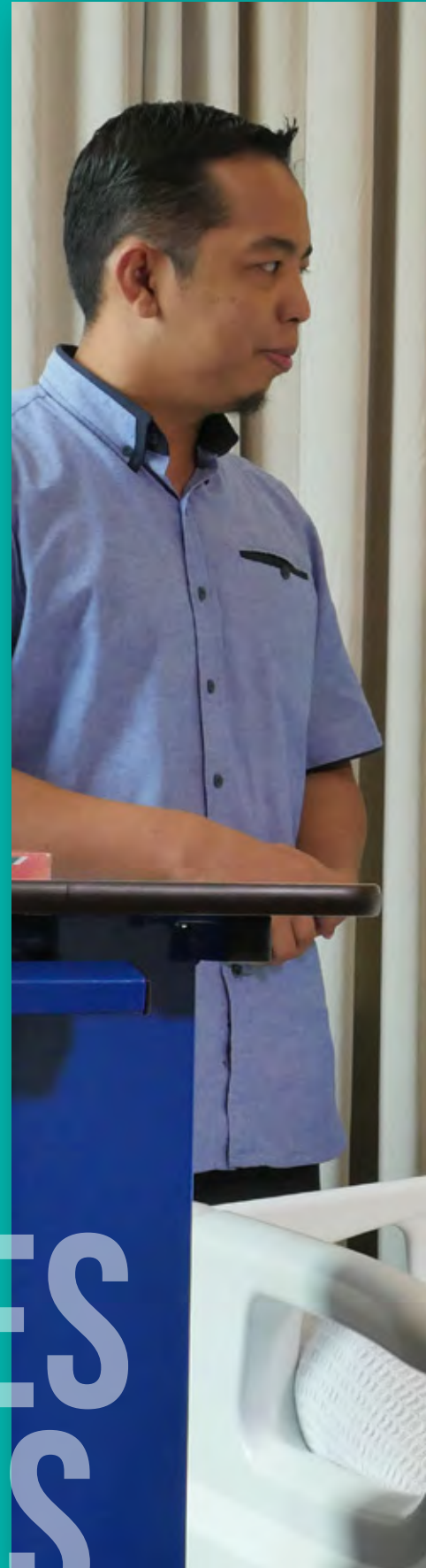
### MITIGATING RISKS AND EXPLORING OPPORTUNITIES

The world is fraught with rising geopolitical tensions leading to economic uncertainties, and for some, continuing COVID-19 related disruptions. Based on this year's results, TDM was not spared. The labour shortage issue in the Plantation industry couple with the shortage of nursing personnel in Healthcare industry, and high dependency on technology in response to the global pandemic has pushed us to prioritise and respond promptly to the changes of business environment. Effective risk management can be a source of competitive advantage. By understanding and effectively managing risk in a holistic manner, the Group is able to provide greater certainty and strengthen stakeholders' confidence.

Following are the significant risks highlighted by the Group in 2022 and its mitigation actions to reduce the risks.

RISKS AND OPPORTUNITIES	MITIGATION ACTIONS
<p><b>LIQUIDITY RISK</b> Difficulty in maintaining the expected cash flow, long outstanding receivables and payables, high gearing and borrowings would affect the operations of the company.</p>	<ul style="list-style-type: none"> <li>• Maintaining sufficient credit facilities and overseeing cash inflows and outflow of the group.</li> <li>• Monetization and Optimization of idle assets.</li> <li>• Monitoring the agreed covenants with the lenders.</li> </ul>
<p><b>LOW YIELD OF FFB</b> The shortage of workers, along with other agronomic and productivity-related variables, caused the Group's operations to suffer a low yield per hectare, which had a negative impact on the Group's revenue.</p>	<ul style="list-style-type: none"> <li>• Continuous improvement and monitoring of the harvesting system.</li> <li>• Continuous monitoring of the KPIs achieved.</li> <li>• Improve our adherence to the Agriculture Policy such as implementing high density planting during replanting.</li> </ul>
<p><b>INSTABILITY OF LABOUR SUPPLY</b></p> <p><b>PLANTATION</b> The Group confronts the difficulty of relying on foreign labour for most of the field work in the estates, such as harvesting, fruit loading, manuring, spraying, etc.</p> <p><b>HEALTHCARE</b> There may be a possible shortage of personnel who are appropriately trained and experienced to provide patient-centred care to our clients because of the growing demand for private healthcare service.</p>	<ul style="list-style-type: none"> <li>• Increasing the use of agricultural tools like small tractors/grabbers with scissor lifts and mechanized tools will improve field mechanization.</li> <li>• Regularly reviewing the compensation packages of employees.</li> <li>• Increasing automation and implementing new technology to decrease the need for labour.</li> <li>• Improving living conditions and amenities for workers by upgrading the quarters and providing crèche, mosque, and medical facilities.</li> <li>• Collaborating with agricultural and labour officials to increase the use of local labour in the plantation sector.</li> <li>• In order to increase staff job opportunities to support the Group, TDMB places a strong emphasis on staff retention and seeks a variety of training and productivity strategies.</li> <li>• The Group Healthcare Clinical Governance Framework fosters clinical safety and quality while acting as a solid safety net for healthcare professionals.</li> <li>• Retaining our talents and professionals is made easier by continuing to invest in the development of suitable skills and by providing a succession plan program and reward strategy.</li> </ul>
<p><b>LEGAL &amp; REGULATORY RISK</b> Legal actions alleging negligence, malpractice, and other claims against the company.</p>	<ul style="list-style-type: none"> <li>• Proactive interactions and dialogue with all parties involved to guarantee that the potential effects of suggested regulatory changes are known and, where possible, mitigated.</li> <li>• Open dialogue with regional authorities to find cooperative answers.</li> <li>• A thorough and organized compliance program is in place to guarantee conformance.</li> <li>• Constantly keeping an eye out for any alterations to the law.</li> <li>• Arrangement with the insurance company and third parties to share the risk exposure.</li> </ul>
<p><b>FLUCTUATING COMMODITY PRICES</b> The primary influence on commodity prices is supply and demand expectations for the future. To preserve shareholder value, managing fluctuating commodity prices is a crucial aspect of the company.</p>	<ul style="list-style-type: none"> <li>• Close monitoring of CPO and other edible oil prices.</li> <li>• Keep abreast of Malaysian Government Policies (Palm Oil Export Tax Policies, Biodiesel Policies).</li> <li>• Maximise CSPO sales potential.</li> <li>• Identify agriculture related business that could provide additional revenue to the company such as cash crops, fruits and forestry.</li> <li>• Purchase of crops from other producers or markets.</li> </ul>
<p><b>CYBERSECURITY</b> Risk of information Technology (IT) security breaches such as intrusions, Distributed Denial of Services (DDoS), malwares and ransomware resulting in significant data breaches or failure of key business systems.</p>	<ul style="list-style-type: none"> <li>• Established additional Linux backup server to perform daily offline backup.</li> <li>• Commenced immediate security preventive actions including upgrade Active Directory, firewall and practice changing staff email password regularly.</li> <li>• Upgrade Endpoint Security on staff laptop to ensure another layer of protection.</li> <li>• Conducted security penetration testing to monitor and identify the security vulnerabilities that might get exploited by the attackers.</li> <li>• Subscribe and upgrade the ERP system to the Microsoft SaaS system on Cloud with a secure and stable environment.</li> </ul>

# LEADERSHIP PERSPECTIVES AND PROFILES











## MANAGEMENT DISCUSSION & ANALYSIS

### STATEMENT BY **HAJI NAJMAN BIN KAMARUDDIN**

ASSALAMUALAIKUM WARAHMATULLAHI WABAROKATUH AND  
SALAM SEJAHTERA.

We are pleased to announce that the TDM Group ended 31 December 2022 (FY2022) with a record high revenue of RM614.4 million, a 20% increase over the previous year.

Both our business segments recorded significantly higher revenues. The Plantation Division's revenue rose by 17% to RM335.4 million (FY2021: RM287.3 million) while the Healthcare Division's revenue grew by 24% to an all-time high of RM279.0 million (FY2021: RM224.3 million).

The Plantation continued riding on the momentum of rising crude palm oil (CPO) and palm kernel (PK) prices that began in FY2021, and successfully overcame lower FFB production due to labour shortages, unfavourable weather conditions and rising material costs.

The strong performance of our Healthcare Division can be attributed to the substantial rise in outpatients and inpatients, higher inpatient days and higher bed occupancy rates. We are pleased that KMI Healthcare has gained traction for providing quality and affordable healthcare through our five community specialist hospitals.

By the third quarter of FY2022, Malaysia had entered the COVID-19 endemic phase and the economy was in recovery mode. However, the economic rebound was dampened by global uncertainties such as the Russia-Ukraine military conflict and concerns over weaker growth in China. These developments led to a re-escalation of global supply chain disruptions, higher commodity prices and inflationary pressures.

For FY2022, EBITDA declined 26% to RM134.1 million (FY2021: RM181.7 million) while PBT stood at RM36.3 million, a decrease of 56% (FY2021: RM81.9 million). PAT from continuing operations decreased to RM17.0 million (FY2021: RM53.7 million). The Group's total LAT narrowed to RM29.7 million (FY2021: RM36.8 million). The significant difference was mainly due to a one-off recognition of accumulated profit amounting to RM40.4 million from sublessees recorded in FY2021.

## MANAGEMENT DISCUSSION & ANALYSIS

During the year, we re-evaluated TDM's approved Vision 2025, and extended it to Vision 2027, alongside our next Five-Year Strategic Business Plan (2023-2027). This was done through extensive stakeholder engagement. It saw us studying the risk appetite of both our segments, and the Group is now poised to enter FY2023 with renewed vigour.

Meanwhile, we will continue to strengthen the inner core of our Plantation Division by focusing on cost optimisation, yield improvement, mill efficiency as well as securing higher Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) premiums in 2023.

For our Healthcare Division, we will be expanding our footprint to become the preferred healthcare provider in the East Coast belt by offering more new services and specialties as well as expanding our bed capacity. Another strategic goal is to make our hospitals the preferred health tourism destination not only in Peninsular Malaysia's East Coast belt but also in Sabah.

### Three-Year Financial Performance Highlights

Group Financial Performance	2022 (RM)	2021 (RM)	2020 (RM)
REVENUE	614.4 mil	511.6 mil	442.9 mil
EBITDA	134.1 mil	181.7 mil	109.6 mil
PBT	36.3 mil	81.9 mil	9.6 mil
REVENUE (BY DIVISION)	2022	2021	2020
Plantation	335.4 mil	287.3 mil	240.3 mil
Healthcare	279.0 mil	224.3 mil	202.6 mil







## BUSINESS OBJECTIVES AND STRATEGIES

TDM Group is driven by the notion of shared prosperity, to play a vital role in the equitable distribution of socio-economic benefits in Malaysia. Since the bulk of the nation's economy is concentrated in the West Coast of Peninsular Malaysia, our crucial role is to enable the development of traditionally less-developed regions in the East Coast. More recently, we have also gone to Sabah, to expand our healthcare business there.

Since incorporation, the Group has progressively become a platform supporting micro, small and medium businesses through our plantation and healthcare business ecosystems. Our Plantation operations is a key player in the plantation sector of Terengganu, while our Healthcare arm contributes to the well-being of residents not only in the East Coast, but also Sabah and the Klang Valley.

We have now identified strategic thrusts and initiatives for each of our businesses, with deliverables to be achieved.

### VISION 2027 DELIVERABLES

#### GROUP LEVEL

The Group will continue with two core businesses, namely, plantation and healthcare, as a producer of certified sustainable palm oil (CSPO) and a leading provider of community-based healthcare.

#### PLANTATION

To increase the production of FFB, CPO and PK with:

- Cost reduction strategy
- Reduce cost to maturity
- Value creation plan: To increase revenue from biogas plants
- Mechanisation of estate operations
- Yield improvement strategy for FFB
- OER improvement strategy
- KER improvement strategy

#### HEALTHCARE

- Achieve revenue growth
- Employ asset light business model for capacity growth (BDP)
- Venture into new modalities for capability growth (VCP)
- Strengthen the brand name, market presence and strategic marketing
- Strengthen corporate management team and level of service to the Group
- Elevate KMI service level and enhance customer experience through hospital quality-related initiatives
- Strategic thrust for sustainable return to shareholders through effective EBITDA management



## MANAGEMENT DISCUSSION & ANALYSIS



### MOVING FORWARD WITH STRATEGIC BUSINESS PLAN 2023-2027

As we navigated through the year, we knew that the COVID-19 pandemic has dramatically changed the way we live and work. We have since accelerated our automation, mechanisation and digitalisation priorities. We are confident that this direction will ensure that we are more resilient when facing challenges, while enhancing the quality of our products and services and raising our brand in the marketplace. These measures have also proven to be successful in addressing other challenges such as manpower shortages, operational and cost efficiencies.

In FY2022, we re-evaluated our Vision 2025 and Strategic Business Plan, to study on how to improve our business resilience further. Our focus was on operational excellence and cost efficiency across our business operations to minimise workforce risks and to continue being competitive in the market.

In the face of various challenges, we committed ourselves to intensifying efforts to advance the sustainable development goal agenda throughout the organisation and beyond our approved Vision 2025 that we have now extended up to 2027.

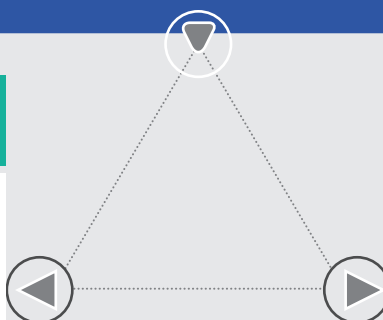
The following diagram indicates TDM's strategic framework to drive our next growth cycle, to be implemented 2023-2027 at the Group level and by the Plantation and Healthcare Divisions.

## TDM STRATEGIC FRAMEWORK 2023-2027

STRATEGIC THRUST	INITIATIVES & TARGET OUTCOME
<b>1. Portfolio Management</b>	<b>Business Model: VISION 2025 extended to 2027</b> <ul style="list-style-type: none"> <li>Improve market capitalisation, PAT and dividends for our stakeholders</li> <li>Business Model Public Listed Companies competencies</li> <li>Undertake new vertical investments</li> </ul>
<b>2. Capital Management</b>	<b>Asset Monetisation</b> <ul style="list-style-type: none"> <li>Monetisation of Group's assets and properties</li> </ul>
<b>3. Asset Management</b>	<b>Disposal of Low Return Asset for example PT Rafi</b>
<b>4. Thought Leadership</b>	<b>Catalyst for advancement of thought leadership</b> <ul style="list-style-type: none"> <li>Focus on quality over quantity (e.g. designed thinking)</li> <li>Create a structure for the development of innovation skills</li> <li>Intensify with professional development</li> <li>Intensify financial competencies (analysis and financial modeling)</li> <li>Intensify integrity and governance initiatives</li> </ul>

We re-evaluated the approved  
**VISION 2025** to be extended to **VISION 2027**

PLANTATION
1. PAT: <b>RM80 mil</b> i. PAT Oil Palm: <b>RM75 mil</b> ii. PAT Agro-Commodity Business <b>RM5 mil</b>
2. <b>&gt;10%</b> PAT Margin
3. FFB: <b>386,700 MT</b>
4. OCP of <b>150,000 MT</b>
5. CPO Production Cost (Ex-Mill): <b>RM1,910/MT CPO</b>



HEALTHCARE
1. PAT: <b>RM32 mil</b>
2. Beds : <b>880 Operational</b> Beds (from Greenfield and Brownfield)
3. PAT Margin: <b>4%</b>
4. No of Inpatients <b>(84,028)</b> and Outpatients <b>(652,740)</b>



## OPERATION REVIEW

### EXPLORING OPPORTUNITIES, UNLOCKING POTENTIAL

#### PLANTATION

High CPO and PK prices are the primary factor behind the stellar revenue performance of our Plantation Division. It helped mitigate the downside of labour shortages and bad weather.

Malaysia's plantation sector is heavily reliant on foreign labour given the slow pace of mechanisation. As part of post-pandemic economic recovery in FY2022, the Government has facilitated foreign labour arrivals from traditional sourcing nations such as Bangladesh, India and Indonesia. This assisted in meeting the majority of the 1.8 million foreign labour demand from the plantation industry. There was also some relief when Indonesia agreed to lift a ban on the export of migrant workers to Malaysia, effective 1 August 2022.

On our part, TDMP has stepped up its efforts to hire locals in the estates that saw the local harvester ratio rose to 33% in FY2022 (FY2021: 20%). This was achieved with the implementation of six strategic initiatives to attract and retain local harvesters, such as productivity incentives, new harvesting rates and a mentoring system.

The production of oil palm fresh fruit bunch (FFB) fell in FY2022, partly due to a longer period of heavy rainfall during the monsoon season. To address this issue, various approaches have been adopted for operational activities, including strategic water management and productivity innovation.

The Plantation Division is also in the position to leverage on digital technologies such as the Internet of Things (IoT), and data analytics to better monitor the performance of our machineries and scheduling of preventive maintenance. We utilise Estate Block Analytical System (E-BAS) and data analytics to monitor the performance of our estate production block and the optimisation of manpower and machineries. On the field, Geographic Information System (GIS) and Global Positioning System (GPS) are being deployed for oil palm tree replanting jobs.



To improve mechanisation in the estate, several initiatives were taken whereby TDMP implemented Mechanical Assisted In-Field Collection (MAIC) and Mechanical Assisted Collection & Transport (MACT) for nearly 6,000 ha and 4,200 ha respectively.

Food security is a growing challenge. The prospect of a nation dependent on food imports prompted the Government to allocate RM5.32 billion for the development, management and subsidies for agriculture. Given our strength in plantation agriculture, we started exploring crop diversification such as chilli. This marks the expansion of our Plantation portfolio to include other cash crops. Another initiative on the drawing board for our Plantation business is renewable energy generation from palm waste, as part of our circular economy initiatives.







## HEALTHCARE

In FY2022, the Government allocated RM36.1 billion to healthcare, to make it more resilient and ensure the well-being of the people. The healthcare sector faces a shortage of manpower, beds, equipment and medications.

Accordingly, our Healthcare arm, KMI Healthcare's business continuity plan was the realignment of the growth strategies at the hospitals as well as the corporate office. The strategies put in place aimed at the introduction of value-added products and creation of new revenue streams. Digitalisation has become the backbone of KMI operations, while the hospital expansion projects in Terengganu, Pahang and Sabah will translate into additional beds and healthcare products in the Group. Meanwhile, KMI Healthcare is also exploring the prospect of expanding its presence in Kelantan, which will further strengthen its foothold in the East Coast belt.





## OPERATION REVIEW

### CORPORATE EXERCISES

As part of capital and asset management, our focus is on asset monetisation and disposal of low return assets. On 29 July 2022, TDM entered into a Conditional Share Purchase Agreement with Ikkhasas Sawit Sdn. Bhd. for the disposal of PT Rafi Kamajaya Abadi and PT Sawit Rezki Abadi for a total consideration of RM115.0 million. PT Rafi Kamajaya Abadi is now fully operated by PT Ikkhasas Sawit Indo Makmur through a management services agreement that took effect on 1 August 2022.



### Profit-sharing with LTAWNT continues

TDM Berhad paid RM2.7 million to Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT) as part of a profit-sharing agreement of the companies' joint venture (JV) for the financial year ending 31 December 2021 (FY2021).

LTAWNT has 1,336 hectares of oil palm fields under TDM Plantation Sdn Bhd's Air Putih Estate in Kemaman. Following a joint venture agreement between the two businesses in 1996, these estates are today maintained and administered by TDMP.

### HUMAN CAPITAL

Despite manpower shortages, FY2022 saw some milestones in our human resources policy, which was revised to be in line with national legislation. Our Board also has approved a range of staff benefits that will elevate TDM's positioning as an employer of choice.

#### Revised HR Policy

On 28 August 2022, TDM Berhad's Board approved the amendment of Human Resource Policy, in line with Employment Act 1955 (Amendment Bill 2022), which was approved in Parliament and gazetted for implementation on 1 January 2023.

The highlight of TDM's revised Human Resource Policy was the realignment of the job grade and salary structure according to market benchmarks to attract and retain quality talents. Other highlights were improved staff welfare benefits like 7 days paternity leave and 98 days maternity leave.

#### Succession Planning

Succession planning is an essential component of the human resources strategy for the Group, to ensure the continuity of strong and visionary leadership. A consistent process has been established to identify, assess and develop potential candidates for critical leadership positions within the Group. The expertise, skills and experience of each identified candidate are thoroughly discussed during reviews by the Committee involved. Following this, assessments are conducted and the findings are translated into individual development interventions to enhance the potential candidates' capabilities and outlook.

#### Handling Manpower Shortages

TDMP's biggest challenge was the shortage of experienced harvesters. During the year, we conducted a Harvester Upskilling Program that saw 109 harvesters being trained to meet the demands of the job.

Mechanisation was another priority. In FY2022, we introduced mechanical buffaloes, land surfs and mechanical cutters for pruning and harvesting young palms. Technical training was provided to the operators to ensure optimal performance of the machinery.

## Financial Performance

For FY2022, TDM recorded an all-time high revenue of RM614.4 million, a 20% increase over the previous year. There was a double-digit growth in revenue for both our businesses segments. TDMP's revenue rose by 17% to RM335.4 million (FY2021: RM287.3 million) while the Healthcare Division's revenue grew by 24% to an all-time high of RM279.0 million (FY2021: RM224.3 million).

The year ended with EBITDA declining by 26% to RM134.1 million (FY2021: RM181.7 million) while PBT stood at RM36.3 million, a decrease of 56% (FY2021: RM81.9 million). Overall, LAT narrowed to RM29.7 million from RM36.8 million in the previous year. The significant difference was mainly due to a one-off recognition of accumulated profit amounting to RM40.4 million from sublessees recorded in FY2021.

Statements of comprehensive income  
For the financial year ended 31 December 2022

for the financial year ended 31 December 2022

		GROUP		COMPANY	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	4	614,372	511,582	72,126	141,151
Cost of sales		(392,557)	(316,154)	(17,398)	(17,845)
Gross profit		221,815	195,428	54,728	123,306
Other items of income					
Interest income		2,390	3,016	2,400	1,768
Other income		28,678	60,701	10,017	7,555
Other items of expense					
Distribution costs		(5,057)	(4,977)	(355)	(1,007)
Administrative and other operating expenses		(177,254)	(142,951)	(80,759)	(115,774)
Other expenses		(10,439)	(4,513)	(4,235)	(3,633)
Finance costs	5	(23,878)	(24,776)	(8,606)	(11,664)
Profit/(loss) before tax	6	36,255	81,928	(26,810)	551
Taxation	9	(19,262)	(28,246)	(3,225)	556
Profit/(loss) for the financial year from continuing operations		16,993	53,682	(30,035)	1,107
Share Capital					
		GROUP AND COMPANY			
		Number of ordinary shares		share capital	
		'000		RM'000	
At 1 January 2021/31 December 2021/					
1 January 2022/31 December 2022		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.

## OPERATION REVIEW

### Distribution

During the year, a total of RM229.0 million was distributed to our various stakeholders as value-added contributions, indicated in the table below. The biggest allocations were made for employee costs (68.3%) and re-investments (32.0%) to fuel future growth.

STATEMENT OF VALUE ADDED			
	2020	2021	2022
	(RM'000 AND %)	(RM'000 AND %)	(RM'000 AND %)
Employee (employee cost)	105,801 67.1	115,259 49.2	156,326 68.3
Shareholders (dividend)	9,000 5.7	11,000 4.7	2,929 1.3
Government (taxation)	8,226 5.2	28,246 12	16,435 7.2
Retained for Re-Investment	79,568 50.5	78,044 33.3	73,380 32.0
Retained for Future Growth	(43,654) (27.7)	9,095 3.8	(15,788) (6.9)
Non-Controlling Interest	(1,212) (0.8)	(7,275) (3.1)	(4,277) (1.9)
Total Distribution	157,729 100	234,369 100	229,005 100

### Dividends

An interim dividend of 0.17 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 12 December 2022 was paid on 17 January 2023.

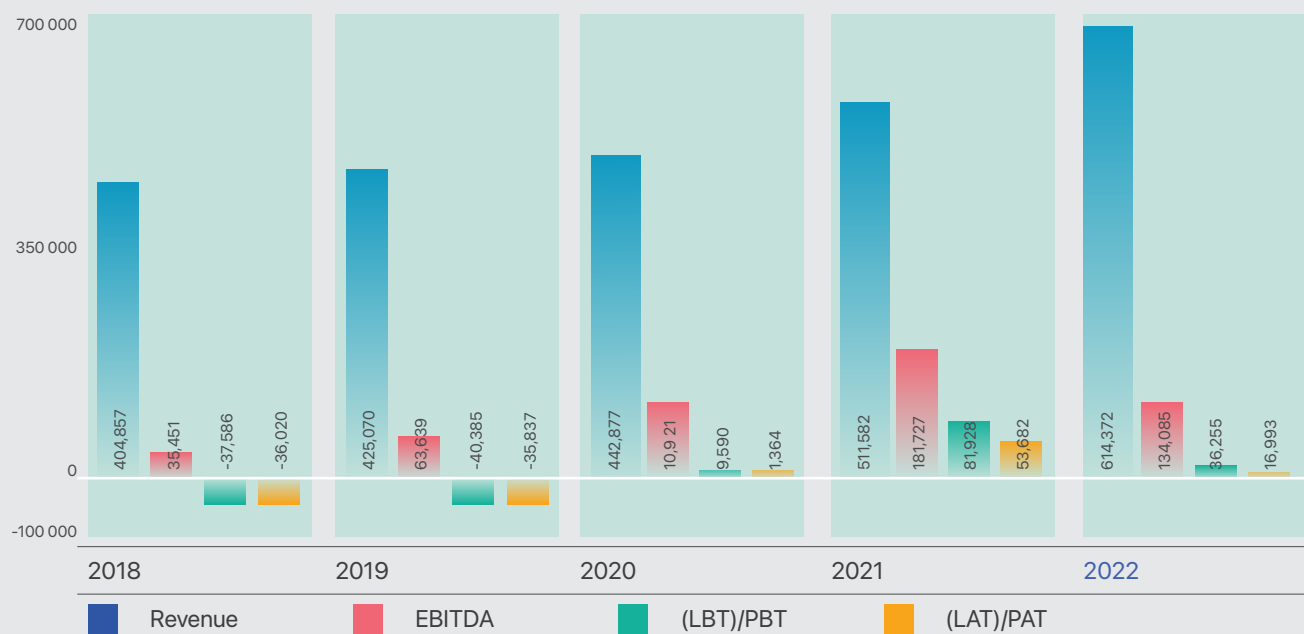
### (Loss)/earnings per Share

Basic (loss)/earning 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. In FY2022, the Group's basic (loss)/earning per share (sen) remained in negative territory, decreasing from (1.71) sen to (1.48) sen.

### Discontinued Operations

In February 2020, TDM announced 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.

## FIVE-YEAR PERFORMANCE



	2018	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	404,857	425,070	442,877	511,582	614,372
PLANTATION	195,165	188,440	240,310	287,316	335,353
HEALTHCARE	209,627	236,630	202,567	224,266	279,019
<b>EBITDA</b>	35,451	63,639	109,621	181,722	134,085
<b>(LBT)/PBT</b>	(37,586)	(40,385)	9,590	81,928	36,255
<b>(LAT)/PAT</b>	(36,020)	(35,837)	1,364	53,682	16,993



TDMP became the first plantation company in Terengganu to be awarded the ISCC EU certification that endorses the sustainability of its operations. The certification involved an independent technical examination on the supply chain, operations, and greenhouse gas (GHG) calculations of our South Zone operations. First certified in March 2021, the certification was renewed in March 2022 for another year. More details in the Sustainability Statement, page 112.



## OPERATION REVIEW



### PLANTATION

TDMP is a producer of premium CSPO, which operates 13 oil palm estates with a total planted area of 28,479 hectares (ha) and two palm oil mills in Terengganu. 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 Environmental, Social and Governance (ESG) standards in our managing estates, and production of CSPO and CSPK.

In FY2022, TDMP continued to ride the wave of rising CPO and PK prices averaging at RM4,965 per mt and RM3,303 per mt respectively, to deliver a stellar 17% revenue growth of RM335.4 million which accounted for 54.6% of Group revenue. However, EBITDA and PBT fell to 35% and 53% respectively to RM122.2 million and RM56.8 million, largely due to high operational costs, bad weather as well as lack of labour.

### Operational Efficiency with New Technologies & Mechanisation

The Plantation Division implements digital technologies such as Estate Block Analytical System (E-BAS) and data analytics to monitor the performance of our estate production block, and optimisation of manpower and machineries.

TDM's Digital Transformation vision includes the integration of precision agriculture with TDMP operational processes. Geographic Information System (GIS) and Global Positioning System (GPS), which are important components of precision agriculture, are being used by TDMP for redesigning the replanting layout for future mechanisation programmes.

Precision agriculture digitalises labour intensive oil palm management processes such as:

- Oil palm tree census  
In 2022, drone-based oil palm tree census covered about 10,000 ha. The advantages of drone-based palm census are:
  - Palm census reports with >99% accuracy.
  - Aerial images introduce accountability to the palm census report.
  - Cost savings by reducing the dependency on manual labour.

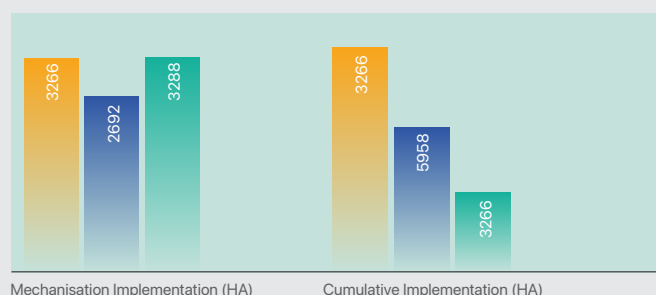
In addition to the above technologies, in FY2022, TDMP explored the feasibility of using agriculture drones for the application of fungicides. This project is currently at the commercial trial and development stage. The precision agriculture team worked together with agronomists to establish the best practices for drone-based fungicide application.

The advantages of drone-based fungicide application are:

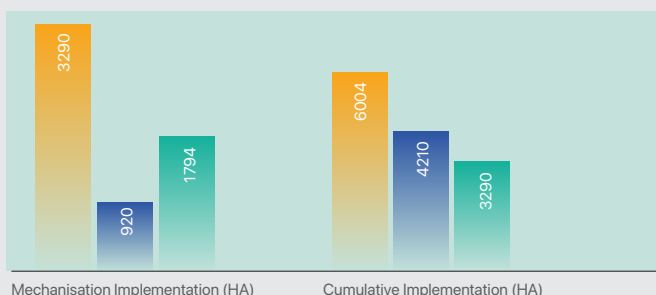
- Cost saving in terms of material
- Transformation of current labour-intensive practice with advanced robotic solution



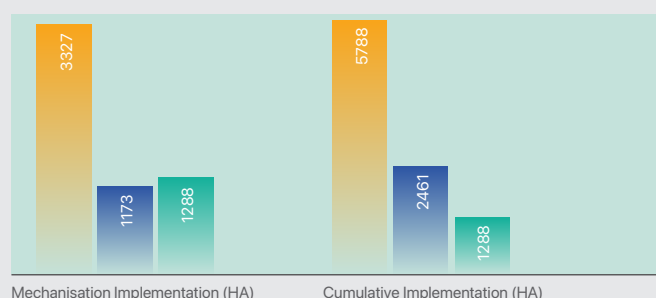
### MECHANICAL ASSISTED INFIELD COLLECTION (MAIC)



### MECHANICAL ASSISTED COLLECTION AND TRANSPORT (MACT)



### MECHANICAL FERTILIZER APPLICATION



2023 (FORECAST) 2022 (ACTUAL) 2021 (ACTUAL)



### TREE AGE PROFILING WITH GIS/GPS

In FY2022, mature trees occupied 76% of our estates in Malaysia. Immature trees accounted for 6,809 hectares or 24% of the total planted area. Our ongoing replanting programs which were deferred during the COVID-19 pandemic are now scheduled to restart in FY2023 for 1,977 ha.

GPS & GIS are tools or technology associated with land survey and mapping works. In FY2022, TDMP conducted the "Reconciliation of TDMP Planted Hectarage Through GPS/GIS Approach" project by utilising newly available technology such as aerial images captured from drones or satellite images (GIS) and precise geolocating devices (Real Time Kinematic GNSS) to resurvey and analyse the actual productive oil palm cultivation hectarage. Also, to standardise TDMP hectarage declaration as of other oil palm growers, such as excising out unproductive areas (e.g. infield roads & drains, other areas, etc.) from planted hectarage.

By excising out these unproductive areas, it gives a better baseline to benchmark the company's performance against the other oil palm growers. Following this exercise, the tree age profile of our estates are as follows:

Tree Age Profile	2021	2022
(years)	(ha)	(ha)
Very Old (>25)	3,042	4,592
Old (21 – 25)	10,347	6,660
Prime-old (16 – 20)	3,106	2,910
Prime-young (11 – 15)	1,941	1,450
Young (4 – 10)	6,156	6,058
Immature (0 – 3)	8,771	6,809
Total	33,363	28,479

The variance of planted hectares in 2022 was mainly due to the exercise of "Reconciliation of TDMP Planted Hectarage Through GPS/GIS Approach."

## OPERATION REVIEW



### 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 end of FY2022, the Group operated five medical facilities – one each in Kuala Terengganu and Kuantan, two in the Klang Valley and one in Sabah. TDM's focus is to provide more comprehensive healthcare services with state of the art medical facilities throughout our network of hospitals.

As Malaysia transitioned into endemicity in mid-2022, several COVID-19 Standard Operating Procedures (SOP) were relaxed, and this further boosted healthcare revenue by the population who felt safer seeking treatment in hospitals. Subsequently, KMI experienced an increase in inpatient numbers in 2022.

### Branding

KMI Healthcare rebranding exercise started in 2021 has contributed to the Group's improved performance in FY2022. Customer loyalty and brand image have improved at the hospital level, and enhanced public awareness of the KMI Healthcare brand. Our goal is to make KMI Healthcare as the premier community hospital with excellent services and affordable prices.

In August 2022, KMI Healthcare won international recognition from the World Brands Foundation, which honored us with two awards at the BrandLaureate Best Brands Award 2022. They are the BrandLaureate Corporate Excellence in Healthcare – Private Hospitals; and BrandLaureate Brand Leadership Award 2022 that was presented to Dr Rayney Azmi bin Ali, CEO of KMI Healthcare.

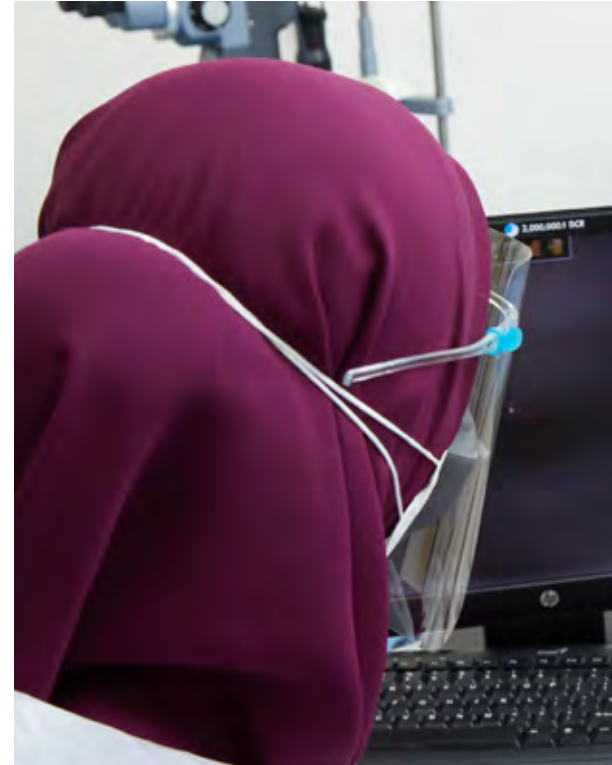
### Capacity Expansion

During the year, KMI Healthcare continued its expansion mode, exploring the potential acquisition of brownfield hospitals to enhance the Group's brand presence in the industry. In May 2022, the transfer of Tawau Specialist Hospital was completed, followed by the management embarking on the post-acquisition plan for KMI Tawau Medical Centre.

In addition, KMI is pursuing in earnest the establishment of Ambulatory Care Centres (ACC) at strategic locations along the East Coast of Malaysia, connecting them with the Group's hospitals. Meanwhile, collaborations with other major hospital entities on specific healthcare services are at an exploratory stage.

### Capability Growth

We have also continued our pursuit to provide comprehensive healthcare services, which saw KMI Kuantan launching an Eye Treatment Centre in 2022, to complement other existing services such as the Orthopedic and Spine Centre and Cardiac Centre, which is currently being upgraded to become a Centre of Excellence ("CoE"). KMI Kuantan targets five more CoEs in the coming years, and this bodes well for the hospital's ongoing patient-centric initiatives.



KMI Kuala Terengganu Medical Centre (KMI Kuala Terengganu), meanwhile, introduced occupational therapy in early 2022, to provide treatment for children with special needs such as autism spectrum disorder (ASD), attention deficit hyperactivity disorder (ADHD), cerebral palsy, Down's syndrome, among others. The new facilities include a multi-sensory room, which provides relaxation through various stimulations – light, touch, sound, and smell – to help children with special needs remain calm and be in control of their surroundings. In addition, there is a visiting oncologist at KMI Kuala Terengganu since FY2021.

KMI Kuala Terengganu also offers comprehensive physiotherapy services, covering postsurgical therapy, sports injuries, back pain and neck pain, stroke rehabilitation, Bell's palsy, and its newly introduced occupational therapy, manned by seven highly skilled and experienced physiotherapists.





## Quality Assurance

KMI Kuantan celebrates 25th anniversary, marked by MSQH Accreditation

On 3 December 2022, KMI Kuantan Medical Center (KMI Kuantan) celebrated its silver jubilee, which was made more meaningful because it became the first hospital under KMI Healthcare to receive full accreditation from the Malaysian Society for Quality in Health (MSQH) earlier in September 2022. KMI Kuantan's accreditation is to be the pathway for our other hospitals to attain a similar recognition.

KMI Kuala Terengganu is the next hospital under KMI Healthcare undergoing MSQH accreditation, targeted in 2024. In FY2023, the following quality assurance endorsements are planned:

- ISO 9001 certification renewals for all hospitals
- Baby Friendly Hospital Initiative for KMI Kuantan
- Integrated Management System for KMI Kuantan
- ISO 9001 certification and MS 9100 Shariah Compliant for KMI Healthcare corporate office

## Customer Experience

The KMI Group continued with its digitalisation journey to improve customer experiences. In FY2022, smart healthcare initiatives, saw the upgrading of the hospital information system (HIS) in KMI Kuala Terengganu, KMI Kuantan and KMI Taman Desa, together with the digitalisation of the EMR medical record system.

Another initiative is iWard, an intelligent ward management solution to improve healthcare efficiency and enhance patient engagement. A pilot project was carried out at KMI Kelana Jaya, and it is scheduled to become fully operational in Q3 2023. With the iWard system, KMI Healthcare will become a pioneer in the installation of such a solution in Malaysia.

Mesra Ibadah is another initiative launched in 2023. It involves the appointment of a religious officer at KMI Kuala Terengganu, KMI Kuantan and KMI Kelana Jaya. We also embarked on the publication of "Buku Panduan Solat & Ibadah bagi Pesakit" and "Buku Doa & Zikir Harian", in line with the company's efforts to make the Hospital Mesra Ibadah (HMI) concept a success and to realise our aim to have a network of shariah compliant hospitals.





## OPERATION REVIEW

### 3-Year Performance Highlights

	2020	2021	2022
No. of hospitals	4	4	5
No. of capacity beds	394	394	401
No. of licensed beds*	330	330	336
No. of operational beds**	312	312	308
Inpatient admissions (days)***	58,287	48,775	66,711
Average length of stay (days)****	2.91	2.85	2.82
Occupancy rate*****	41%	35%	47%
Average revenue per inpatient admission	RM8,146	RM9,205	RM8,832
No. of inpatients	18,063	17,135	23,675
No. of outpatients	151,007	186,645	189,739

\*Licensed beds are the approved number of beds by the MOH that the hospital regularly maintains and staff.

\*\*Operational beds are the inpatient beds which includes licensed beds utilised by patients.

\*\*\*Represents the total number of overnight inpatients admitted.

\*\*\*\*Represents the percentage of hospital operational/overnight beds occupied by inpatients.

### Licensed Beds by Hospital in 2022

Hospital	Types of bed	No of Bed	Total
KMI Kuala Terengganu	Inpatient	75	82
	Daycare	4	
	HDU	1	
	ICU	2	
KMI Kuantan	Inpatient	155	176
	Daycare	18	
	HDU	0	
	ICU	3	
KMI Kelana Jaya	Inpatient	32	32
	Daycare	0	
	HDU	0	
	ICU	0	
KMI Taman Desa	Inpatient	37	39
	Daycare	0	
	HDU	2	
	ICU	0	
KMI Tawau	Inpatient	7	7
	Daycare	0	
	HDU	0	
	ICU	0	
			336

## OUTLOOK

The prospects are bright for plantation agriculture, especially for in demand agro-commodities that will address domestic and global food security issues. Agriculture and agro-businesses resonate the Government's sustainable green growth agenda, and several incentives and programs have been rolled out to promote the cultivation of various types of crops to reduce food imports while generating export revenue, with the support of existing capacity and capabilities.

For Malaysia, oil palm is one of the main pillars in economy, and its cultivation will continue to play a vital role especially since it is the world's most consumed vegetable oil. The demand in emerging markets continues to increase from expanding populations and a rising middle class with improved spending power. Palm oil's versatility as an active ingredient in nutraceuticals and pharmaceuticals and its underexplored potential as a renewable energy producer ensures its endurance, especially when sustainability challenges associated with it are addressed as is being done by TDMP.

As with other agricultural products, the key risks are manpower shortages, climate, and market volatility. TDM has embarked on various measures to improve production with the adoption of agricultural best practices and mechanisation. The latter is an important solution to alleviate plantation manpower shortages. Plans are afoot to use technology for climate alerts as well as monitor consumer markets.

The outlook for the healthcare market and industry is promising for healthcare providers recognizing the need to enhance and optimize the prevailing business and operational model. The key lies in addressing cost pressures and capitalizing on new technologies.

In FY2022, the Government continued to prioritize the healthcare sector, which received the second highest allocation in the 2023 national budget to restore the healthcare system battered by the COVID-19 pandemic.

KMI Healthcare has responded to the demand for quality healthcare and is building a new extension at KMI Tawau that will add another 52 beds at the hospital. At KMI Kuantan, plans to construct an 80-bed extension are underway, while a due diligence is being conducted for an acquisition of a private medical centre.

Digitalization lies at the core of the modernization of healthcare, with artificial intelligence already making inroads into reshaping how hospitals and clinics respond to patient treatment and care. Malaysia's health tourism potential is yet to be fully exploited, especially given its reputation for affordable, quality healthcare.

KMI Group has already started its digitalization and health tourism journey. To make its hospitals an attractive proposition, it plans to expand its service offerings with more sub-specialty treatments, while making continuous improvements in patient care. The KMI Group is also accelerating its presence in selected geographical areas and reinforcing its brand recognition in the existing market with top-notch, cost-effective healthcare services to the community.

## IN APPRECIATION

On behalf of TDM Berhad, I wish to thank our shareholders for their loyalty and continuous engagement to drive the Group forward. We are also fortunate to have an inclusive, multidisciplinary Board of Directors and engaged stakeholders, who have been instrumental in guiding us to build a more resilient and sustainable Group.

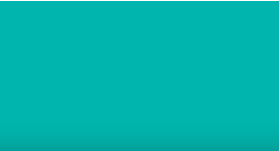
We also appreciate the support extended to us by federal and state governments, regulatory authorities, partners and supply chain players for their contributions to the Group. Last but not least, I wish to express my deepest appreciation to the TDM management and employees for their commitment and dedication in transforming boardroom strategies and management action plans into realities on the ground.

# 06

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# GOVERNANCE







**BOARD OF DIRECTORS**

Standing from left:

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

**Haji Najman bin Kamaruddin**  
Executive Director

**YBM Tengku Seri Bijaya Raja**  
**(Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)**  
Non-Independent & Non-Executive Chairman



Standing from left:

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

**Haji Azlan bin Md Alifiah**  
Independent &  
Non-Executive Director

**Haji Samiun bin Salleh**  
Non-Independent &  
Non-Executive Director

**Mohd Kamaruzaman bin A Wahab**  
Independent & Non-Executive Director

## BOARD OF DIRECTORS' PROFILES

**YBM TENGKU SERI BIJAYA RAJA  
(DATUK TENGKU FAROK HUSSIN  
BIN TENGKU ABDUL JALIL)**


Non-Independent & Non-Executive Chairman

Appointed on 3 August 2022



MALE



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MALAYSIA

**DIRECTORSHIP OF PUBLIC COMPANIES AND  
LISTED ISSUERS**

Eastern Pacific Industrial Corporation Berhad

**NUMBER OF BOARD MEETINGS ATTENDED FROM  
1 JANUARY 2022 TO 31 DECEMBER 2022**

7/7

**MEMBER OF BOARD COMMITTEES:**

None

**QUALIFICATIONS**

- Master of Business Administration in Management Accounting from National University San Diego California, USA.
- Bachelor of Business Administration from Pacific Lutheran University, Tacoma, Washington, USA.

**WORKING EXPERIENCE**

- State Secretary of Terengganu (2021).
- State Financial Officer of Terengganu (2021).
- Land and Mines Director, Terengganu State Land and Mines Director Office (2019).
- Deputy State Secretary (Management), Terengganu State Secretary Office (2019).
- District Officer, Kuala Nerus District and Land Office (2016).
- Chief Assistant Secretary (Human Resource Management), Terengganu State Secretary Office (2014).
- Chief Executive Officer, Terengganu Integrity & Strategic Studies Institute (2012).
- Senior Private Secretary to His Royal Highness the Sultan of Terengganu (2011).
- Datuk Pengelola Bijaya Diraja, Istana Negara (2008).
- Datuk Paduka Maharaja Lela, Istana Negara (2006).
- Senior Private Secretary to His Royal Highness the Sultan of Terengganu (2004).
- Assistant Secretary (Protocol), Terengganu State Secretary Office (2003).
- Assistant Secretary (Services), Terengganu State Secretary Office (1999).
- Assistant Secretary, Kuala Terengganu City Council (MBKT) (1994).
- Besut Assistant District Officer (1991).

YBM Tengku Seri Bijaya Raja is currently the State Secretary of Terengganu, Deputy Chairman of Perbadanan Memajukan Iktisad Negeri Terengganu, Director of Terengganu Incorporated Sdn Bhd, Director of Eastern Pacific Industrial Corporation Berhad, and the Executive Director of Terengganu Pro-Asia Cycling Team.

## HAJI NAJMAN BIN KAMARUDDIN



Executive Director

Appointed on 17 September 2018



MALE



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MALAYSIA

### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None

### NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

17/17

### MEMBER OF BOARD COMMITTEES:

None

### QUALIFICATIONS

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

### WORKING EXPERIENCE

- 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.
- Executive Director, TDM Trading Sdn. Bhd., a subsidiary of TDM Berhad (2000 to 2004).
- Assistant Manager, EON Bank Berhad (1997 to 2000).
- Senior Executive, Kuwait Finance House (KFH) Ijarah House (1996 to 1997).
- Credit Officer, Bumiputra Development Department, Maybank (1994 to 1996).
- Marketing Manager, Permint Suterasemai Sdn. Bhd. a subsidiary of Terengganu State Economic Development Corporation (1992 to 1994).

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

Haji Najman was appointed as a Trustee Member of Malaysia Rubber Council from 2020 to 2021, of which he is the Chairman of its Audit Committee.

Haji Najman is currently the Deputy President for 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

Appointed on 30 July 2018



MALE



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MALAYSIA

#### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

- Eastern Pacific Industrial Corporation Berhad
- UZMA Berhad

#### NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

13/17

#### MEMBER OF BOARD COMMITTEES:

- Chairman, Nomination and Remuneration Committee
- Member, Board Risk & Compliance Committee
- Member, Board Tender Committee

#### QUALIFICATIONS

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

#### WORKING EXPERIENCE

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

Haji Mazli Zakuan is a Fellow for Institute of Corporate Directors Malaysia, registered 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 the Chief Executive Officer of Menteri Besar Terengganu (Incorporated) since 7 June 2018. He also sits as a board member of Terengganu Incorporated Sdn. Bhd. (Terengganu Inc.), the strategic investment arm of Terengganu State Government since 11 June 2018.

## HAJI BURHANUDDIN HILMI BIN MOHAMED @ HARUN



Non-Independent & Non-Executive Director

Appointed on 30 July 2018



MALE



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MALAYSIA

### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

- Eastern Pacific Industrial Corporation Berhad
- Golden Pharos Berhad

### MEMBER OF BOARD COMMITTEES:

- Chairman, Board Tender Committee
- Member, Audit Committee
- Member, Board Risk & Compliance Committee

NUMBER OF BOARD MEETINGS ATTENDED FROM  
1 JANUARY 2022 TO 31 DECEMBER 2022  
16/17

### QUALIFICATIONS

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

### WORKING EXPERIENCE

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

Haji Burhanuddin Hilmi was appointed as the Non-Executive Director of Terengganu Incorporated Sdn. Bhd. (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



#### QUALIFICATIONS

- Member of the Chartered Institute of Management Accountants CIMA (UK), Chartered Global Management Accountants (CGMA) and Malaysia Institute of Accountants (MIA).
- Fellow member of the Institute of Corporate Directors Malaysia (ICDM).
- Chartered Management Accountant (CIMA UK) qualifying at the Institut Teknologi MARA (now UiTM).
- Diploma in Accountancy, Institut Teknologi MARA (ITM).

#### WORKING EXPERIENCE

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

Independent & Non-Executive Director

Appointed on 30 August 2019



MALE



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MALAYSIA

#### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None

#### NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

17/17

#### MEMBER OF BOARD COMMITTEES:

- Chairman, Audit Committee
- Member, Nomination and Remuneration Committee
- Member, Board Risk & Compliance Committee
- Member, Board Tender Committee

## MOHD KAMARUZAMAN BIN A WAHAB



Independent & Non-Executive Director

Appointed on 30 July 2018



MALE



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MALAYSIA

### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None

### NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

17/17

### MEMBER OF BOARD COMMITTEES:

- Chairman, Board Risk & Compliance Committee
- Member, Audit Committee
- Member, Nomination and Remuneration Committee
- Member, Board Tender Committee

### QUALIFICATIONS

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

### WORKING EXPERIENCE

- Marang District Council (2018 to 2022).
- Part-time Lecturer, Faculty of Laws and Human Relations, Universiti Sultan Zainal Abidin (2012 to 2019).
- Partner, Messrs. Khaled Jalil & Co. (2005).
- Legal Assistant, Messrs. Fariz Halim & Co. (2005).
- Peguam Syarie, State of Terengganu (2004).
- Legal Assistant, Messrs. Abdul Haris & Co. (2003).
- Admitted as an Advocate and Solicitor of the High Court of Malaya (2003).

Presently, he is a Partner at Messrs. Aziz & Co since 2006.



# BOARD OF DIRECTORS' PROFILES

## HAJI SAMIUN BIN SALLEH



### QUALIFICATIONS

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

### WORKING EXPERIENCE

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

Non-Independent & Non-Executive Director

Appointed on 30 June 2021



MALE



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MALAYSIA

### DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

None

### NUMBER OF BOARD MEETINGS ATTENDED FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

16/17

### MEMBER OF BOARD COMMITTEES:

- Member, Board Risk & Compliance Committee

#### 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.

## KEY SENIOR MANAGEMENT



*Standing from left:*

**Badrol bin Abu Bakar**

Chief, Corporate Services, TDM Berhad  
Company Secretary, TDM Group

**Hasmadi bin Desa**

Person In-Charge of Finance (PiCoF)  
TDM Berhad

**Dr. Rayney Azmi bin Ali**

Chief Executive Officer  
Kumpulan Medic Iman Sdn. Bhd.

**Haji Najman bin Kamaruddin**

Executive Director  
TDM Berhad

**Hasnol Zariman bin Mohd Hashim**

Head, Investment Performance Monitoring,  
TDM Berhad

**Eidit bin Hashim**

Chief, Strategic Partnership & Investment,  
TDM Berhad

**Hamdan bin Ibrahim**

Chief Executive Officer  
TDM Plantation Sdn. Bhd.

## KEY SENIOR MANAGEMENT PROFILES

### HAJI NAJMAN BIN KAMARUDDIN



Executive Director, TDM Berhad



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MALAYSIA



DATE OF APPOINTMENT

17 September 2018

#### QUALIFICATIONS

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

#### WORKING EXPERIENCE

- 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.
- Executive Director, TDM Trading Sdn. Bhd., a subsidiary of TDM Berhad (2000 to 2004).
- Assistant Manager, EON Bank Berhad (1997 to 2000).
- Senior Executive, Kuwait Finance House (KFH) Ijarah House (1996 to 1997).
- Credit Officer, Bumiputra Development Department, Maybank (1994 to 1996).
- Marketing Manager, Permint SuteraseMai Sdn. Bhd. a subsidiary of Terengganu State Economic Development Corporation (1992 to 1994).

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

Haji Najman was appointed as a Trustee Member of Malaysia Rubber Council from 2020 to 2021, of which he is the Chairman of its Audit Committee.

Haji Najman is currently the Deputy President for 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



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MALAYSIA



DATE OF APPOINTMENT

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).
- Diploma in Accountancy, Universiti Teknologi MARA (UiTM).

#### WORKING EXPERIENCE

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

## EIDIT BIN HASHIM



Chief Strategic Partnership & Investment, TDM Berhad



MALE



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MALAYSIA



DATE OF APPOINTMENT

02 March 2022

### QUALIFICATIONS

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

### WORKING EXPERIENCE

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

## BADROL BIN ABU BAKAR



Chief, Corporate Services,  
TDM Berhad Company Secretary, TDM Group



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MALAYSIA



DATE OF APPOINTMENT

01 December 2020

### QUALIFICATIONS

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

### WORKING EXPERIENCE

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



## KEY SENIOR MANAGEMENT PROFILES

### HASNOL ZARIMAN BIN MOHD HASHIM



Head, Investment Performance Monitoring,  
TDM Berhad



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MALAYSIA



DATE OF APPOINTMENT

02 December 2019

#### QUALIFICATIONS

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

#### WORKING EXPERIENCE

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

### HAMDAN BIN IBRAHIM



Chief Executive Officer, TDM Plantation Sdn. Bhd.



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MALAYSIA



DATE OF APPOINTMENT

15 November 2021

#### QUALIFICATIONS

- MSc. In Microbiology, Universiti Kebangsaan Malaysia.
- BSc. (Hons) in Microbiology (MIA), Universiti Kebangsaan Malaysia.

#### WORKING EXPERIENCE

- Committee Member of Scientific Advisory Panel for Kursi Kelestarian UKM-YSD (2021 – 2023)
- Head of Biosolutions & Renewable Energy Department, FGV R&D Sdn. Bhd. (2019 – 2021).
- Head of Crop Protection Department, FGV R&D Sdn. Bhd. (2017-2019).
- Head of Beneficial Microbes Unit, FGV R&D Sdn. Bhd. (2011-2017).
- Senior Scientist with Golden Hope Research Sdn. Bhd. and Senior Scientist with Sime Darby Research Sdn. Bhd. (2004-2011).

## DR. RAYNEY AZMI BIN ALI



Chief Executive Officer, Kumpulan Medic Iman Sdn. Bhd.



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MALAYSIA



DATE OF APPOINTMENT

01 July 2020

### QUALIFICATIONS

- M.B.B.S, Monash University, Melbourne Australia.
- Qualified Trainer in Basic & Advanced Life Support.

### WORKING EXPERIENCE

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

## MANAGEMENT TEAM TDM BERHAD



**HAJI NAJMAN BIN KAMARUDDIN**

Executive Director



**HASMADI BIN DESA**

Person In-Charge of Finance (PiCoF)



**EEDIT BIN HASHIM**

Chief, Strategic Partnership & Investment



**BADROL BIN ABU BAKAR**

Chief, Corporate Services  
Company Secretary, TDM Group



**HASNOL ZARIMAN BIN MOHD HASHIM**

Head, Investment Performance Monitoring



**MUHD HASHIM BIN WAHAB**

Head, Digital Transformation



**JALAINI BIN CHE KAR**

Plantation Advisor



**AZROL HADI BIN ROSALAN**

Head, Internal Audit



**HAJI MOHD MARDI BIN ISMAIL**

Head, Risk Management, Compliance,  
Integrity & Sustainability


**AHMAD SHUKRI BIN MOHD ALI**

Head, Human Resource &amp; Administration


**SYED ZULFADHLIE BIN SYED ZIN**

Head, Legal


**ISMAWI BIN NGADALI**

Head, Procurement


**NORFAR'IZAN BINTI HASHIM**

Head, Corporate Communications


**YASMADI BIN YATIM**

Head, Information Technology


**MUHAMAD HAMDİ BIN HARUN**

Head, Shariah &amp; Shakhshiah Development


**ZAKARIA BIN JUSOH**

Head, Corporate Finance &amp; Sublease


**WAN MUHAMMAD AKMAL BIN  
WAN ZAWAWI**

Head, Secretarial  
Company Secretary, TDM Group

**NOR AZRA BINTI KAMARUDIN**

Head, Accounts &amp; Planning



## MANAGEMENT TEAM KMI HEALTHCARE



**DR. RAYNEY AZMI BIN ALI**

Chief Executive Officer  
Kumpulan Medic Iman Sdn. Bhd.



**YUSNI BIN ALI**

General Manager  
KMI Kelana Jaya Medical Centre



**MUHAMMAD GHAZALI BIN  
ZAINAL YUSOF**

General Manager  
KMI Kuantan Medical Centre



**SALINA BINTI LONG**

General Manager  
KMI Kuala Terengganu Medical Centre



**NORLIZA BINTI RAZALI**

General Manager  
KMI Taman Desa Medical Centre



**ZAINUL ALIM BIN SAMSDIN**

General Manager  
KMI Tawau Medical Centre

## MANAGEMENT TEAM HEAD OF SUBSIDIARIES



**HAMDAN BIN IBRAHIM**

Chief Executive Officer  
TDM Plantation Sdn. Bhd.



**DR. RAYNEY AZMI BIN ALI**

Chief Executive Officer  
Kumpulan Medic Iman Sdn. Bhd.



**ASFANI BIN MAHMOOD**

General Manager  
TDM Trading Sdn. Bhd.



**ZHARUDIN BIN NARUDIN**

General Manager  
TDM Agrobiz Sdn. Bhd.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (CG Overview Statement) is made pursuant to Paragraph 15.25 (1) and Practice Note 9 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Bursa Securities Listing Requirements). In preparing this CG Overview Statement, TDM Berhad (the Company) is guided by Malaysian Code on Corporate Governance 2021 (MCCG) and Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Securities Berhad (Bursa Securities).

This CG Overview Statement is to be read together with the Corporate Governance Report 2022 (CG Report) of the Company prepared based on the prescribed format as set out in Paragraph 15.25 (2) of the Bursa Securities Listing Requirements which contains details on the application of each of the practice as well as the departures and alternative measures established by the Company. The CG Report is available on the Company's corporate website at [www.tdmberhad.com.my](http://www.tdmberhad.com.my).

## COMMITMENT FROM THE BOARD

The Company's Board of Directors (the Board) recognises the importance of sound 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. The Board believes that the sound corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders and to enhance the shareholder value. In concise, the Board sees corporate governance as an integral part of the Group's business strategy.

In view of that, the Board is pleased to present the CG Overview Statement 2022, which provides key highlights on how the Company complies with the three (3) principles of the MCCG during the financial year ended 31 December 2022 as follows :

### PRINCIPLE A:

#### Board Leadership and Effectiveness

- Board Responsibilities
- Board Composition
- Remuneration

### PRINCIPLE B:

#### Effective Audit and Risk Management

- Audit Committee
- Risk Management and Internal Control Framework

### PRINCIPLE C:

#### Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

- Engagement with Stakeholders
- Conduct of General Meeting

## KEY GOVERNANCE ENHANCEMENTS

During the year, governance enhancements implemented by the Board include: -

- Directors' Fit and Proper Policy for appointment and re-election of Directors in the Group.
- Sustainability questionnaire for the Board Effectiveness Evaluation 2022.

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board is responsible for the overall leadership, policy directions and strategic guidance to the Group, as well as supervising the implementations of the Company's strategic initiatives and plan. While 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.

In discharging the Board's duties and responsibilities effectively, the Board is guided by the Board Charter, which provides the framework for the performance of the Board's functions and duties. The Company's Board Charter which has been revised and approved on 30 March 2023 serves as a comprehensive guide to the Board members to understand their roles and responsibilities and the commitment of time and contribution expected from the Board. On top of that, the Board is also guided by Director's Handbook which is recently revised and approved on 28 August 2022.

The Company is committed to build sustainable value to shareholders by providing strategic leadership to the Company. In understanding the importance of driving objectives and meritorious, the Company has adopted the following policies as enlightened and encouraged in corporate governance practices.

**a) Directors' Fit and Proper Policy**

The Company has developed Directors' Fit and Proper Policy in assessing fitness and propriety and consider all relevant matters including competence and capability, honesty, integrity, fairness, ethical behaviour and financial soundness of its Board. The Board is primarily responsible to ensure that the fit and proper assessment are carried out for all Board members and the said assessment have the necessary character, experience, integrity, competence and time to effectively discharge his role as stipulated in Paragraph 2.20A and 15.01A of the Bursa Securities Listing Requirements. The Directors' Fit and Proper Policy has been adopted and take effective within the Group on 25 April 2022.

**b) Code of Business Ethics (CoBE)**

Furthermore, the Board has adopted the CoBE which has been endorsed by Board Risk and Compliance Committee on 24 August 2022 and approved by the Board of Directors on 28 August 2022. CoBE is applicable to all Directors, Management and employees of the Group, which sets the foundation on how to conduct operations and provides guidance in maintaining the trust and credibility with customers, partners, employees, shareholders and other stakeholders.

**c) The Whistleblowing Policy**

The Company is committed to maintain a high standard of good corporate governance and adhere to the CoBE. The Whistleblowing 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 the Group without fear of reprisals if acting in a good faith. The Whistleblowing Policy through its procedures, provides a transparent and confidential process when dealing with such raised concerns. The Whistleblowing Policy has been revised and approved by the Board on 7 December 2020 and is applicable to all companies within the Group.

**d) Anti-Bribery and Corruption Policy**

The Company is committed to preventing all forms of bribery and corruption in the daily business activities across the Group. This is consistent with 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.

**e) "No Gift" Policy**

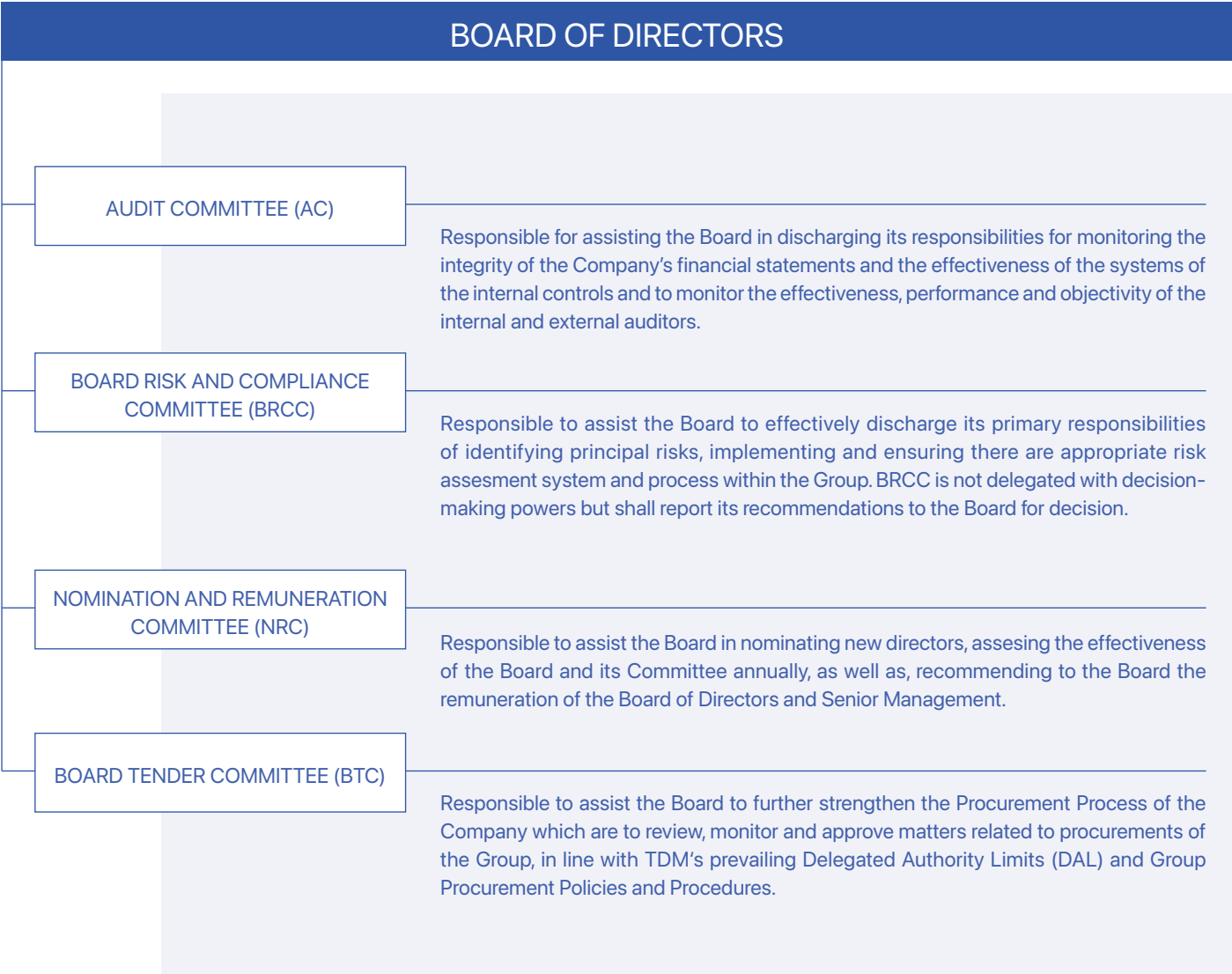
The Company adopts "No Gift" Policy where all directors and employees shall not solicit, demand or accept directly or indirectly, any gift from third parties, at any time on or off the work premises. The Company strictly prohibited directors and employees to accept gifts in the form of cash or cash equivalent, excessive or lavish entertainment from third parties. The No Gift Policy has been revised and approved by the Board on 7 December 2020 and it is applicable to all companies within the Group.

Besides the above-mentioned policies, the Company also proves its commitment for a good corporate governance by adopting other policies such as Gender and Diversity Policy, Social and Humanity Policy, Sustainability Policy, Occupational Safety and Healthy Policy and a few other policies which aligned with the nature of business of the Company such as No Deforestation, No Peat and No Exploitation Policy.

To ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board may from time to time establish committees to assist in carrying out its duties and responsibilities. Where a committee is established, specific terms of reference of the committee would be established to cover matters such as the purpose, composition and functions of the committee. Currently, the Board has delegated specific powers to the relevant Board Committees, namely Audit Committee (AC), Nomination & Remuneration Committee (NRC), Board Risk & Compliance Committee (BRCC) and Board Tender Committee (BTC). Each committee operates within its respective defined Terms of References (TORs) which was approved by the Board. The Chairman of the AC, NRC, BRCC and BTC updates the Board on the proceedings of their respective Committee meetings.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Constitution of the Company, Board Charter, the adopted policies by the Company as well as the respective TORs of the AC, NRC, BRCC and BTC are available on the Company's corporate website at [www.tdmberhad.com.my](http://www.tdmberhad.com.my).

The Board meets at least four (4) times in each financial year based on quarter basis. Additional meetings may be convened as Special Board meetings, as and when necessary. In the intervals between the Board meetings, any matters requiring urgent Board's decisions or approvals will be sought via Directors' Circular Resolutions which are supported with the Board Papers consists of all relevant information and explanation required for an informed decision to be made.

The Board is satisfied with the level of time commitment given by Directors and its Committees in discharging their roles and responsibilities in accordance with the respective TORs and evidenced by the attendance record as per below.

Name of Director	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board Risk and Compliance Committee	Board Tender Committee
YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) # Appointed on 3 August 2022	7/7	NA	NA	NA	NA
YM Raja Dato' Idris Raja Kamarudin * Resigned on 20 July 2022	6/6	NA	NA	NA	NA
Haji Najman bin Kamaruddin	17/17	NA	NA	NA	NA
Haji Mazli Zakuan bin Mohd Noor	13/17	NA	13/14	6/7	3/3
Haji Burhanuddin Hilmi bin Mohamed @ Harun	16/17	9/9	NA	6/7	3/3
Haji Azlan bin Md Alifiah	17/17	9/9	14/14	7/7	3/3
Mohd Kamaruzaman bin A Wahab	17/17	9/9	14/14	7/7	3/3
Haji Samiun bin Salleh	16/17	NA	NA	7/7	NA

The attendance of all the Directors at Board meetings held during the financial year ended 31 December 2022 surpassed the minimum requirements stipulated under Rule 15.05 (3) of the Bursa Securities Listing Requirements. Furthermore, recognising the importance of devoting sufficient time and effort to carry out responsibilities, none of the directors hold more than five (5) directorships each in listed issuer in accordance to Paragraph 15.06 of the Bursa Securities Listing Requirements. Above that, none of the Independent & Non-Executive Directors hold office for more than nine (9) years under the reporting period.

Paragraph 15.08 of the Bursa Listing Requirements requires Directors to undertake continuous professional developments programs to keep themselves abreast with the changing business environment, regulatory and corporate governance. The trainings/courses attended by the Directors during the financial year ended 31 December 2022 and as of 27 March 2023 are as follows:

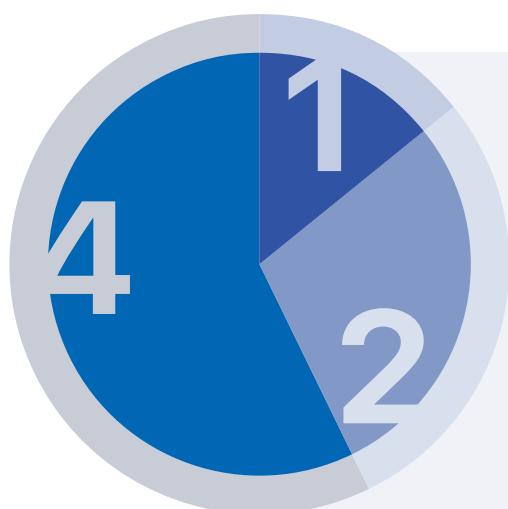
# CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTOR	TRAINING ATTENDED	DATE
YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) #Appointed on 3 August 2022	Mandatory Accreditation Programme	26 October 2022
YM Raja Dato' Idris Raja Kamarudin * Resigned on 20 July 2022	Plan Your ESG Journey: Lessons for the Boardroom	27 June 2022
	Why Investors Care about ESG	28 June 2022
Haji Najman bin Kamaruddin	Cyber Security: What's Directors Need to Know	8 June 2022
	The 2H2022 Outlook and Beyond – In the Eye of the Storm	17 June 2022
	Emerging Trends Talk #4 – ESG Oversight: Role of the Board	25 August 2022
	Taklimat Akta Syarikat 2016 Terengganu 2022	27 September 2022
	LEAP Summit 2022	25 October 2022
	Seminar Related Party Transaction (RPT) & Conflicts of Interest, Including the "Arms-Length" Definition on Transaction	13 December 2022
Haji Mazli Zakuan bin Mohd Noor	NRC Dialogue & Networking – Session #1	15 April 2022
	Invitation to be ICDM Screener - Affiliate Board-Readiness Screening Day 2-Batch 2/2022	21 June 2022
	Emerging Trends Talk #4 – ESG Oversight: Role of the Board	25 August 2022
	International Directors Summit	26 to 28 September 2022
Haji Burhanuddin Hilmi bin Mohamed @ Harun	Audit Committee Conference	23 to 24 May 2022
	International Accountant Conference	8 to 9 June 2022
	Workshop on Strategic Roles for Board of Directors	10 January 2023
Haji Azlan bin Md Alifiah	Emerging Trends Talk: Integrated Reporting but Disintegrated Thinking	23 February 2022
	Audit Committee Dialogue and Networking Session 1	24 February 2022
	Why Investors Care about ESG	28 June 2022
	Taklimat Akta Syarikat 2016 Terengganu 2016	27 September 2022
Mohd Kamaruzaman bin A Wahab	Why Investors Care about ESG	28 June 2022
	KPMG Board Leadership Center Exclusive – Human Rights Risk Management for Malaysian Companies	27 September 2022
Haji Samiun bin Salleh	KPMG Board Leadership Center Exclusive – Human Rights Risk Management for Malaysian Companies	27 September 2022

## Board Composition

The Board is made up of a diverse group of individuals with broad experiences and all Directors 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 two (2) Directors or 1/3 of the Board of Directors of a listed issuer, whichever is the higher are Independent Directors.



### BOARD COMPOSITION

- 4 - Non-Independent & Non-Executive Director
- 2- Independent & Non-Executive Director
- 1- Executive Director

The positions of the Chairman of the Board and the Executive Director are held by two (2) different individuals. The Chairman of the Board is primarily responsible for the orderly conduct and functioning of the Board and ensure its effectiveness on all aspects of its roles. While, Executive Director of the Company has the responsibility over the operations, organisational effectiveness and implementation of policies and making decision within the Delegation of Authority Limit. In general, the Executive Director is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions. The Chairman of the Board is not a member of a Board Committees. This to ensure the objectivity of the Chairman and the Board is not impaired, particularly during deliberation on the recommendations put forth by the Board Committees.

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.

The Non-Executive Directors do not participate in the 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

## 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 as prescribed by the Bursa Securities Listing Requirements by way of a set of customised questionnaires. For the financial year ended 31 December 2022, the Board Effectiveness Evaluation was facilitated by the Company Secretaries via online questionnaires. In addition, the BEE also included questions on the Group's sustainability matters.

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.

The Board agreed that its composition is well structured and represented with an appropriate mix of skills, expertise and experience, contributing to the overall effectiveness of the decision-making process for the Group. The composition of the Board and its Committees deliver an appropriate balance of experience and technical knowledge and it will continue to be monitored.

The Company realistic on the continued effective operations of the Board and Board Committees and overall performance of the individual Directors, effectiveness of the Board and Board Committees and the independency of Independent Directors.

The key findings as well as the recommended area for the improvement arising from the BEE for financial year ended 31 December 2022 has been tabled to the NRC for consideration and subsequently highlighted to the Board for notation.

## Qualified and Competent Companies Secretaries

The Board is supported by in-house 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 Company Secretaries also assist the Board in organising and facilitating the induction programme or on-boarding session for newly appointed Directors and making arrangements for their professional development and training. The Company Secretaries kept abreast of the evolving regulatory changes and developments in the corporate governance through continuous training as they play an important role in advertising the Board on updates relating to new statutory and relevant regulatory requirements.

## 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.

## Remuneration

The Board's Remuneration Policy is designated with the aim to support the Company's key strategies and create a strong performance-oriented environment and be able to attract, motivate, retain, and fairly reward its Board members. This policy has been in place since 27 March 2018 and are based on the following key principles:

- The remuneration should be set at levels that are competitive with the relevant market and industry.
- Executive Director's remuneration should be linked to performance, i.e. through the achievement of performance target.

The remuneration packages for Directors are commensurate with the experience and level of responsibilities undertaken by them. Each remuneration package comprises annual Directors' Fees, meeting allowance, medical coverage and other claimable benefits.

As accordance with Section 230 of the Companies Act, 2016, the Company will be seeking the shareholders' approval for the Directors' Fees and Benefits payable to the Directors for the period from 1 July 2022 until 30 June 2023.

The Board applies Practice 8.1 of the MCCG 2021 to disclose Directors' remuneration on named basis for individual Directors with detailed remuneration breakdown. Below are the details of remuneration breakdown for each of Directors of the Company:

**a. Company Level**

Director	Fees (RM)	Salaries (RM)	Chairman & Committee Allowance (RM)	Meeting Allowances (RM)	Bonus (RM)	Other Benefits (RM)	Total (RM)
<b>NON-INDEPENDENT &amp; NON-EXECUTIVE DIRECTORS</b>							
1 YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) #Appointed on 3 August 2022	30,763	-	50,000	12,000	-	-	92,763
2 YM Raja Dato' Idris Raja Kamarudin *Resigned on 20 July 2022	56,412	-	70,000	5,000	-	-	131,412
3 Haji Mazli Zakuan bin Mohd Noor	82,000	-	24,000	26,100	-	-	132,100
4 Haji Burhanuddin Hilmi bin Mohamed @ Harun	82,000	-	24,000	23,200	-	-	129,200
5 Haji Samiun bin Salleh	82,000	-	10,218	18,600	-	-	110,817
<b>INDEPENDENT &amp; NON-EXECUTIVE DIRECTORS</b>							
6 Haji Azlan bin Md Alifiah	82,000	-	31,000	32,800	-	-	145,800
7 Mohd Kamaruzaman bin A Wahab	82,000	-	33,728	32,800	-	-	148,529
<b>EXECUTIVE DIRECTOR</b>							
8 Haji Najman bin Kamaruddin	82,000	447,000	-	16,500	342,000	33,000	920,500

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## b. Group Level

Director	Fees (RM)	Salaries (RM)	Chairman & Committee Allowance (RM)	Meeting Allowances (RM)	Bonus (RM)	Other Benefits (RM)	Total (RM)
NON-INDEPENDENT & NON-EXECUTIVE DIRECTORS							
1 YBM Tengku Seri Bijaya Raja (DatukTengku Farok Hussin bin Tengku Abdul Jalil) #Appointed on 3 August 2022	30,763	-	50,000	12,000	-	-	92,763
2 YM Raja Dato' Idris Raja Kamarudin *Resigned on 20 July 2022	77,831	-	125,000	8,000	-	-	210,831
3 Haji Mazli Zakuan bin Mohd Noor	110,334	-	107,500	31,100	-	-	248,934
4 Haji Burhanuddin Hilmi bin Mohamed @ Harun	98,000	-	66,000	25,200	-	-	189,200
5 Haji Samiun bin Salleh	82,000	-	10,218	18,600	-	-	110,817
INDEPENDENT & NON-EXECUTIVE DIRECTORS							
6 Haji Azlan bin Md Alifiah	82,000	-	31,000	32,800	-	-	145,800
7 Mohd Kamaruzaman bin A Wahab	95,000	-	38,728	34,800	-	-	168,529
EXECUTIVE DIRECTOR							
8 Haji Najman bin Kamaruddin	117,833	447,000	64,333	25,000	342,000	33,000	1,029,166

## Key Senior Management Remuneration

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 the Key Senior Management. The overall structure of the Key Senior Management remuneration is in accordance with the remuneration policy approved by the Board anchored on the performance capability, experience and requirements based on the level of job grades.

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. Instead, the Board discloses the Key Senior Management's remuneration on an aggregate basis for the financial year ended 31 December 2022, as follows:

RANGE OF REMUNERATION PER ANNUM (RM)	NO. OF MANAGEMENT
200,001.00 - 250,000.00	0
250,001.00 - 300,000.00	1
300,001.00 - 350,000.00	1
350,001.00 - 400,000.00	3
400,001.00 - 450,000.00	0
450,001.00 - 500,000.00	0

## PRINCIPLE B

### – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee (AC)

The Audit Committee (AC) consist of three (3) Non-Executive Directors with majority of them being Independent Directors and no alternate Director has been appointed as member of the AC. Currently, the AC is chaired by Haji Azlan bin Md Alifiah who is a member of Chartered Institute of Management Accountants CIMA (UK), Chartered Management Accountants (CGMA) and Malaysia Institute of Accountants (MIA). Haji Azlan bin Md Alifiah has vast experience in finance and corporate matters to lead discussions and deliberations related to financial issues and to review results and statements. The AC chairmanship held by Haji Azlan bin Md Alifiah is in line with the Practice 9.1 of MCCG which requires the AC Chairman and Chairman of the Board to be held by different individual.

Generally, the AC has responsibility to assist the Board to monitor the integrity of the Company's financial statements and the effectiveness of the systems of internal control and to monitor the effectiveness, performance and objectivity of the internal and external auditor. To ensure that the AC has carried out their duties and responsibilities in accordance with the TOR, the term of office and the performance of AC is reviewed annually by the Board through the NRC.

The details activities of how AC has carried out its duties and responsibilities for the financial year under review has been set out in the Audit Committee Report on pages 94 to 100 of this Integrated Annual Report.

#### Internal Audit Function

The Company has in place an in-house Internal Audit Department (IAD) which comprises of eight (8) members, led by Encik Azrol Hadi bin Rosalan. IAD reports directly to the AC and is guided by its Internal Audit Charter, Internal Audit Manual and TOR. The principal objective of the IAD is to assist AC by providing independent assurance reviews on the adequacy and effectiveness of the Group internal control system encompassing governance processes, operations and information systems by ensuring reliability and integrity of financial and operational information, effectiveness and efficiency of operations, as well as the company's assets are safeguarded, and the processes comply with the laws, regulations and contracts.

During the year under review, the Company has incurred RM839,167.24 for internal audit function cost.

#### External Auditor

In the fourth quarter of 2022, the Company's external auditor, Messrs Ernst & Young PLT (EY) presented its Audit Planning Memorandum for 2022 which outlines its engagement team, audit timeline and areas of audit emphasis for the AC review. This formed part of the AC'S assessment on the suitability, objectivity and independence of EY on an annual basis. Based on the outcome of the assessment, the AC decides whether or not to recommend to the Board for shareholders' approval to be sought for the re-appointment of EY at the forthcoming AGM in 2023.

Having regards to the outcome of the annual assessment of EY, the Board approved the AC recommendation that shareholders' approval be sought at the forthcoming AGM for the re-appointment of EY as external auditor of the Company for the financial year ending 31 December 2023.

#### Risk Management and Internal Control Framework

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 assets, 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.

During the year under review, the BRCC has reviewed and assessed the readiness of the Company to comply with the Bursa Malaysia's requirement on Enhanced Sustainability Disclosure. The BRCC will continue to diligently monitor risks associated to the business operations as well as overall financial risk, operational risk and ESG matters.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Having reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review, the Board is of the view that the risk management and internal control system is satisfactory and there were no material losses incurred during the year review as a result of internal control weaknesses or adverse compliance events. 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 101 to 107 of this Integrated Annual Report.

## PRINCIPLE C INTEGRITY ON CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Engaging Our 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 communication with its stakeholders through a variety of communication channels such as Company's Corporate Website, Annual Reports, Annual General Meeting (AGM) and via Announcements to Bursa Securities. The Company's 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

The Company had conducted its 57th AGM at Camelia Ballroom, Paya Bunga Hotel Terengganu on Thursday, 23 June 2022 at 11.00 a.m. In keeping with Practice 13.1 of the MCCG, the notice of 57th AGM was circulated to shareholders on 28 April 2022, 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. Shareholders who are not able to participate in the AGM were allowed to appoint any person as their proxies to participate on behalf of the shareholders at the AGM. The Chairman provided ample time for shareholders/proxies to participate in the Questions and Answers session. Suggestions and comments communicated by shareholders were noted by the Board and Management.

To ensure transparency, questions submitted in advance by the Minority Shareholders Watch Group (MSWG) was presented to the shareholders at the AGM together with the Group's response.

All resolutions tabled during the AGM are voted by poll with the voting results and procedures validated by an independent scrutineer. The Chairman announced the voting results of all the resolutions tabled before the closure of the AGM and the outcome of the meetings were released to Bursa Securities after the AGM.

In relation to the forthcoming 58th 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 8 June 2023. The said notice will also be advertised in a national circulated English or Bahasa Melayu newspaper.

Recognising the importance of shareholders' value, the Company continues to encourage shareholders to attend the forthcoming AGM and convey their expectations and possible concerns on the proposed resolutions and matters relating to the Group's operations.

## KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Group has maintained high standards of corporate governance and strives to achieve the highest level of integrity and ethical standards.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instill a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

This CG Overview Statement was approved by the Board on 30 March 2023.

# 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, mutual 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.

Amongst the highlights under the Code are as follows:

## 1. Dress Code

Employees must ensure that their appearance reflects the professionalism expected of them, which includes high regards to personal hygiene and good grooming. They should be neatly, appropriately and decently attired during office working hours and represent the Group.

## 2. Health, Safety and Environment

The Group 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.

## 3. Sexual Harassment and Bully

The act of sexual harassment, unsolicited and unwarranted sexual propositions and advances including bully at workplace shall be treated as misconduct, in which the party involved is subject to disciplinary action. The Group is committed to providing a safe working environment for all its employees to ensure they are protected from any harassment and bully.

## 4. Misbehaviour and Misconduct

All employees shall conduct themselves responsibly, ethically, honestly and with integrity and respect for one another. Among the acts of misbehaviour and misconduct include fraud and dishonesty acts, involvement in drugs, alcohol and gambling activities and other acts of violence and criminal offences including acts that could bring dispute or embarrassment to the Group.

## 5. Group Assets

Using Group assets for personal purposes is prohibited. At all times, you must use the Group assets only for the purpose and in the manner intended, in accordance with Group policies and procedures, as well as applicable laws and regulations. Employees are responsible to take proper precautions to ensure the assets are safe from theft, damage, or misuse.

## 6. Use of Information

Confidential information must not be disclosed to any person outside of the Group, including family and friends, except when disclosure is required for the Group's business purposes. Any unauthorised disclosure of confidential and proprietary information is a violation of the Code and subject to disciplinary action.

## 7. Information Technology (IT) and Systems

The Group IT and communication systems are to be used for the Group's work and business purposes only. Employees are responsible for safeguarding the IT and data from any loss, damage, theft, misappropriation or unauthorised access using necessary precautions. Inappropriate use of IT or data or storing or accessing inappropriate information using the systems is prohibited.

## 8. Anti-Bribery and Corruption

All Directors and employees must not offer, give, solicit, demanding or accept any bribes and/or any other improper gratification in order to achieve any business or personal advantage for themselves or others or engage in any transaction that contravenes any applicable anti-bribery or anti-corruption laws. The Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and in implementing and enforcing effective systems to counter bribery and corruption.

## 9. Working With Local Communities

The Group is often engaged 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 in developing sustainability growth.

## 10. Avoiding Conflict of Interest

Directors and employees are expected to make decisions and actions in the best interests of the Group and must not be influenced by personal interest, considerations or relationships. When dealing with counterparties business partners, any actual or potential 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. Declaration must be made for those who have the interest in business arrangement with the Group and being excluded from involving in business dealings.

## 11. Non-Compliance

Everyone in the Group is held accountable for their own behaviour. Any violation of the Code shall be viewed as a serious matter and subject to disciplinary action.

# AUDIT COMMITTEE REPORT

Pursuant to the Section 15.15 of Main Market Listing Requirement (MMLR), the Board Audit Committee (AC) of the Group hereby present the AC Report for financial year ended 31 December 2022.

## MEMBERSHIP AND ATTENDANCE

The members of the AC for the financial year ended 31 December 2022 are as follows: -

- Tuan Haji Azlan bin Md Alifiah (Chairman) (Member since 30 Aug 2019) Independent Non-Executive Director
- Tuan Haji Burhanuddin Hilmi bin Mohamed @ Harun (Member since 1 Aug 2018) Non-Independent Non-Executive Director
- Encik Mohd Kamaruzaman bin A Wahab (Member since 1 Aug 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 nine (9) 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 2022 are as follows.

Members	Attended/Held	%
Tuan Haji Azlan bin Md Alifiah (Chairman)	9/9	100
Tuan Haji Burhanuddin Hilmi bin Mohamed @ Harun	9/9	100
Encik Mohd Kamaruzaman bin A Wahab	9/9	100

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 twice during the financial year under review. During the session without the presence of the Management, the external auditors discussed issues and concerns arising from the audit and any other relevant matters with the AC.

Other officers of the Company and its subsidiary companies were also invited to the AC meetings while deliberating on matters related to them as and when necessary.

The Chairman of Board Audit Committee regularly provides updates to the Board on crucial 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 BOARD AUDIT COMMITTEE

### 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 establish the scope, authority, duties and responsibilities of the AC, and are 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 the sequence of reviews conducted are as follows:

Date of meetings	Quarterly results/financial statements reviewed
22 February 2022	Unaudited fourth quarter results for the period ended 31 December 2021 and the unaudited results of the Group for the financial year ended 31 December 2021
21 April 2022	Audited Financial Statements for the year ended 31 December 2021
22 May 2022	Unaudited first quarter results for the period ended 31 March 2022
25 August 2022	Unaudited second quarter results for the period ended 30 June 2022
24 November 2022	Unaudited third quarter results for the period ended 30 September 2022

The review of the unaudited quarterly financial results is to ensure the disclosures are following the Financial Reporting Standard 134 – Interim Financial Reporting and applicable disclosure provisions in the Main Listing Requirement (MLR).

The AC also reviewed the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022 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.



# AUDIT COMMITTEE REPORT

## External Audit

- |   |   |
|---|---|
| <p>a) Reviewed and endorsed the External Auditors' audit for the year, including the review on audit documentation of significant component auditors in the subsidiaries;</p>   | <p>d) Reviewed and deliberated the IA reports tabled during the year, the audit recommendations, and the management responses to the IA findings; and</p> |
| <p>b) Met with the External Auditors at least once a year without the presence of Management to review and discuss the key issues within their duties and responsibilities. There were no major concerns raised by the External Auditors at the meetings;</p> | <p>e) Held private meetings and discussions with the Head of IA on key internal controls and IA related matters; and</p>                                  |
| <p>c) Reviewed and approved the audit and non-audit services provided by the External Auditors;</p>   | <p>f) Met the senior management of subsidiaries to discuss audit and internal control matters.</p>  |
- Related Party Transactions which include Recurrent Related Party Transactions (RPT)
- |  |   |
|--|---|
| <p>d) Obtained written assurance from the External Auditors to confirm their independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and</p>  | <p>a) Reviewed the RPTs entered into by the Company and the Group and disclosure of such transactions pursuant to Chapter 10 of the MLR, Malaysian Financial Reporting Standard 124 and the Companies Act, 2016;</p>  |
| <p>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 &amp; 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.</p> | <p>b) Reviewed the Circular to Shareholders in relation to the proposed shareholders' mandate for recurrent related party transactions; and</p>   |
|  | <p>c) Reviewed the processes and procedures in the Policy on RPTs to ensure that they were undertaken on an arm's length basis, fair, reasonable and on normal commercial terms, not more favorable to the related party than those generally available to the public, not detrimental to the minority shareholders, and carried out in the best interest of the Group.</p> |

## 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 required by the IA;

## Annual Report Disclosure

- a) Report the work of AC in the discharge of its duties and how it had met its responsibilities, the number of meetings held in a year, details of attendance of each member in respect of the meeting and details of relevant training attended; and
- b) Review the accuracy and adequacy of the corporate governance disclosure and statement of risk management and internal control.

The summary on activities of the AC in the discharge of its duties and responsibilities for the financial year ended 31 December 2022 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.

Person in Charge of Finance (PiCoF) responsible for the financial management of the Company is Encik Hasmadi Bin Desa, and the detail of his profile is available on page \_ of this Annual Report.

During the year under review, the AC has discharged its key responsibilities in relation to financial reporting in the following manner:

- a) Review on the unaudited quarterly financial report for submission to Bursa Securities with the Management before recommending it to the Board of Directors for its approval. When reviewing the report, the 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 on the audited statutory accounts of the Group and the Company, raised issues and concerns, if any, arising from the statutory audit with the external auditors, prior to recommending to the Board of Directors for its approval.

The AC's review included a 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 financial statements disclosures 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 of the reasonableness of accounting policies and estimates applied by the Group, and reporting ongoing concerns, as concurred by the external auditors in its Report to the AC. The AC also reviewed pertinent audit matters highlighted by the external auditors in their report to the AC which warrants the AC's attention;

- 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 on the audit plan of the Company and its Group for the year under review (inclusive of key audit matters, audit approach, audit focus areas and scope of work) with external auditors prior to the commencement of the annual audit. The external auditors briefed the 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;

## AUDIT COMMITTEE REPORT

- c) Meet with the external auditors without the presence of the Management to discuss issues and concerns if any, arising from the statutory audit and other matters the external auditors may wish to highlight such as level of assistance provided by the Company's and its Group's employees to the external auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information; and
- d) Evaluate the performance, independence and suitability of the external auditors and made recommendations to the Board of Directors on their re-appointment and remuneration. In reviewing the performance, independence and suitability of the external auditors, the AC reviewed the qualifications and experience of the audit team as well as conducting an assessment on the effectiveness and the performance of the external auditors and other areas such as the scope of audit, their independence and objectivity, audit fees and audit experience.

### 3. Related Party Transaction

- a) With the assistance from PiCoF and Internal Auditors, conduct a review of related party transactions entered into by the Company and the Group to ensure that the transactions entered into were in compliance with paragraphs 10.08 and 10.09 of the MMLR (Chapter 10 Part E – Related Party Transactions) and pursuant to MFRS 124 disclosures (Related Party Disclosures);
- b) Review and report to the Board all related party transactions entered by the Company and its Group;
- c) Review the reports of recurrent related party transactions and the Shareholders regarding the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading in nature; and
- d) Monitor any potential conflict of interest situations involving Directors and ensured that such situations of conflicts were avoided and that the requirements under the Directors' Code of Ethics were adhered to.

### 4. Internal Audit

#### 4.1. How Internal Audit Operates

The IAD is a fundamental part of the assurance structure of the Group. Its main responsibility is to provide an independent and reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal control, risk management and governance process. This is accomplished through the following:

- a) 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 Organizations (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 affect the process of controlling the activities and managing the risks faced by the departments, divisions and companies audited; and
- f) Seeking the Management's agreed course of action 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 engaging 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 engagement.

#### 4.4. IAD Resources

IAD consists of seven (7) resources including of the Head. Details of responsible personnel for Internal Audit as follows:

Name	Professional Certification	Professional Membership	Years of Experience
Azrol Hadi bin Rosalan	The Association of Chartered Certified Accountant (ACCA)	ACCA IIAM	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, COSO Enterprise Risk Management Framework and IPPF to guide the IA activities.

#### 4.6. Evaluation of Internal Audit

To enhance the capability of IAF, the 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;
- Efficient implementation of Internal Audit Plan. Speedy rectification of audit recommendations; and
- The competency of the internal auditors and adequacy of resources. The assessment of the IAF provides assurance to the AC on the adequacy and effectiveness of the Group's Governance, Risk Management and Control Process.



# AUDIT COMMITTEE REPORT

## 4.7. Internal Audit Activities For The Year 2022

The summary of the activities of the IAD for the year under review are as follows:

- a) Preparation of the Internal Audit Plan for approval of the AC. The Audit Plan was developed based on assessment of the significant potential risk exposure of the auditable areas. Therefore, the internal audit activities are really focused on giving 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 plantation using the newly adopted methodology. The recommended improvement in terms of GRC processes will increase the likelihood of the Group achieving its corporate objectives;
- 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 corrective actions on audit issues raised by IAD, internal auditor of Terengganu Incorporated and external auditors. Determine whether corrective actions taken had generally achieved the desired results. This is part of the check and balance between the management to ensure the sustainability of the Group. Report to AC, the review on the adequacy, appropriateness, and compliance of GRC. 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 compliance with relevant legal, regulatory, and internal policies. This is to ensure the management is properly guided and complied with the relevant regulatory requirements and the policies of the Group.

## 5. Other Board Audit Committee 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 of 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 2022, the TOR of the Board Audit Committee (BAC) was reviewed to reflect the recommendations of 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 BAC and its members. The BAC has discharged its duties in accordance with its TOR and in line with the requirements of MMLR and MCCG 2021.

This statement is made in accordance with a resolution of the Board dated 30 March 2023.

# 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

### RESPONSIBILITIES

#### 1.1 BOARD

- 1.1.1 The Board of Directors (Board) affirms its responsibility for maintaining a sound risk management framework and internal control system 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.
- 1.1.2 The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's enterprise risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerance.
- 1.1.3 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.
- 1.1.4 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.

#### 1.2 MANAGEMENT

- 1.2.1 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.

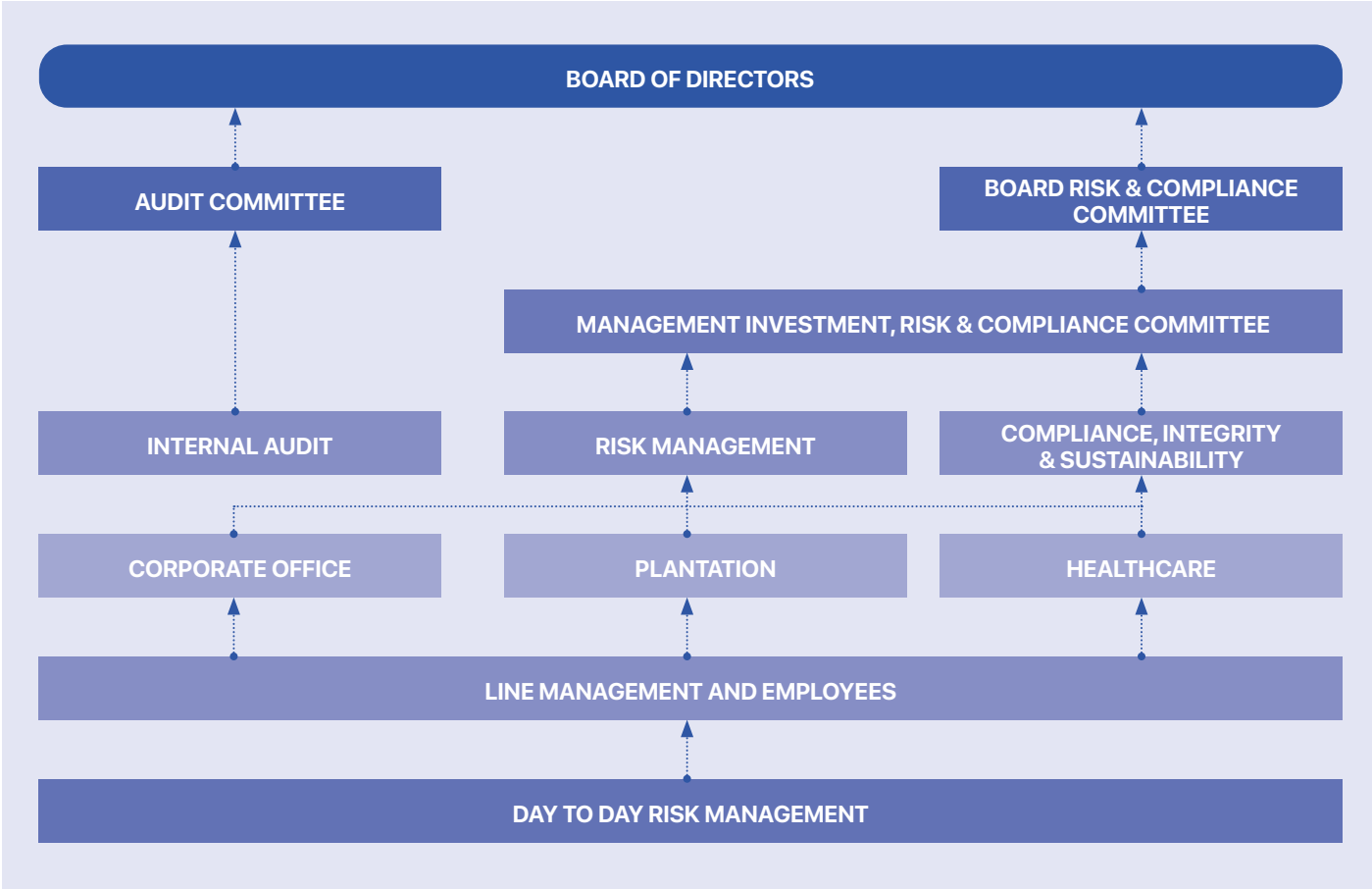
#### 1.3 RISK MANAGEMENT DEPARTMENT

- 1.3.1 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.
- 1.3.2 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.

#### 1.4 INTERNAL AUDIT DEPARTMENT

- 1.4.1 The adequacy and effectiveness of risk management and internal control systems is reviewed by the Internal Audit Department (IAD) and the audit findings are deliberated at the Audit Committee and subsequently presented to the Board.

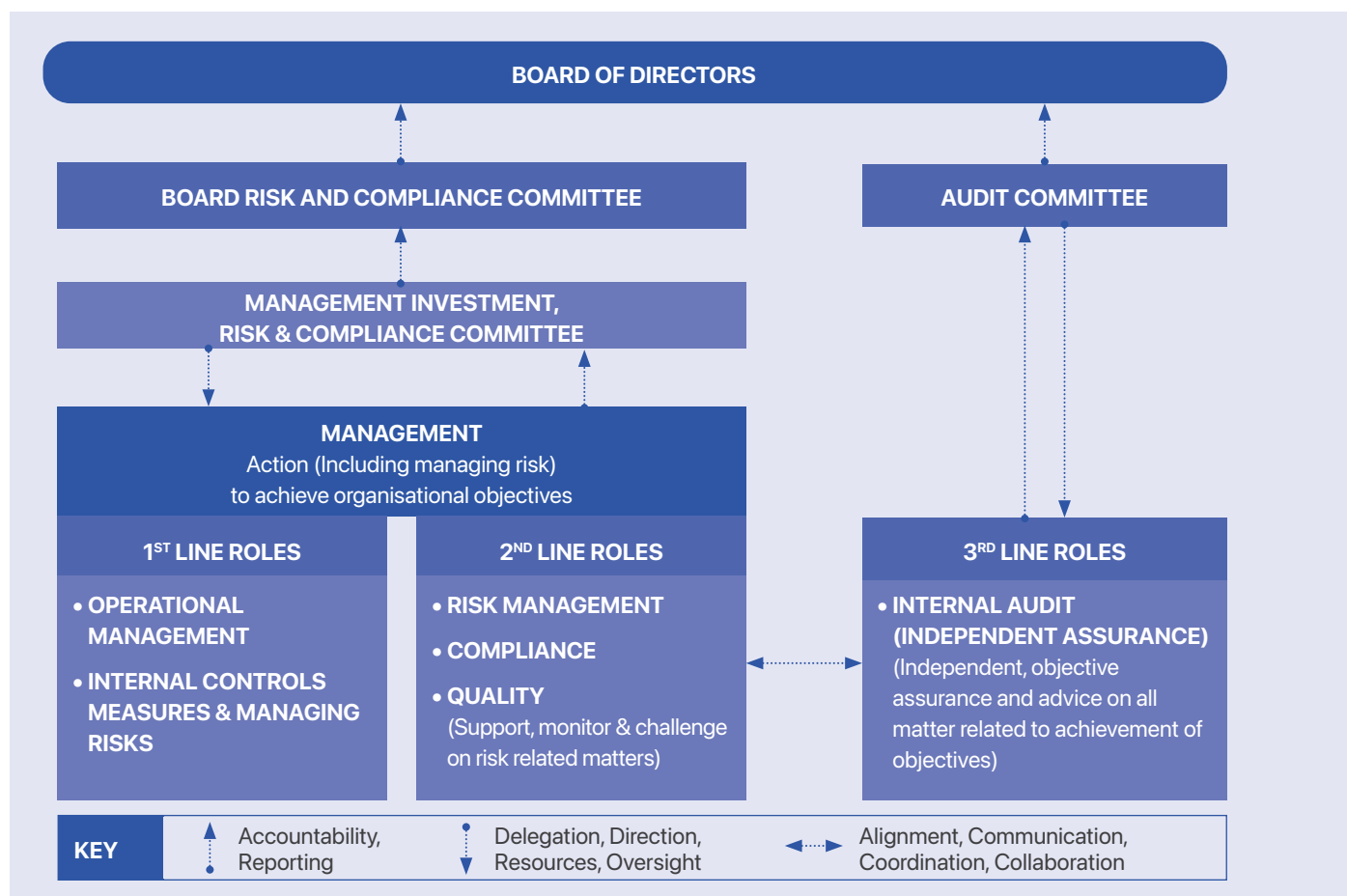
The governance structure on risk management and internal controls is shown below:



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.
- 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.
- f. The roles of each of the lines are:

• **First Line Roles: Operational Management**

- Leads and directs actions (including managing risk) and application of resources to achieve the objectives of the organisation.
- Maintains a continuous dialogue with the governing body, and reports on planned, actual, and expected outcomes linked to the objectives of the organisation; and risk.
- Establishes and maintains appropriate structures and processes for the management of operations and risk (including internal control).
- Ensures compliance with legal, regulatory, and ethical expectations.

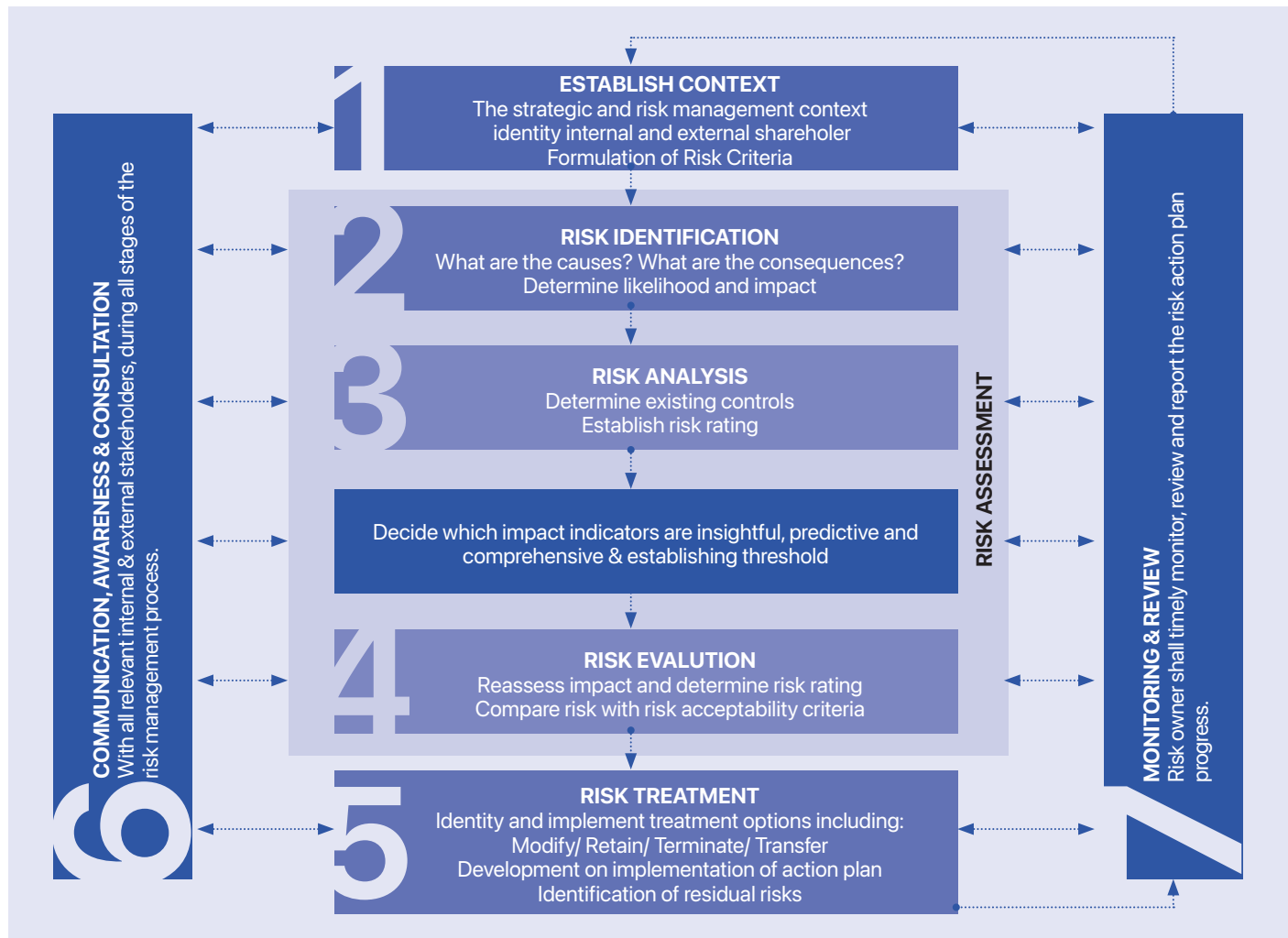


# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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, to promote and facilitate continuous improvement.
  - Reports impairments to independence and objectivity to the governing body and implements safeguards as required.

## 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 office:



For the year ended 31 December 2022, 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.

**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 should 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. 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.

# 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:

5 COMPONENTS/ 17 PRINCIPLES OF INTERNAL CONTROLS (COSO)					GENERAL CORPORATE OBJECTIVES
CONTROL ENVIRONMENT	RISK ASSESMENT	CONTROL ACTIVITIES	INFORMATION & 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. Enforces accountability	6. Specific relevant objectives  7. Identify and analyse risks  8. Assess fraud negligence risk  9. Identifies and analyses significant changes	10. Select and develop control activities  11. Select and develop general controls over technology  12. Deploys through policies and procedures	13. Use relevant information  14. Communicates Internally  15. Communicates Externally	16. Conducts ongoing and/or separate evaluations  17. Evaluates and communicates deficiencies	1. The achievement of the organisation's strategic objectives  2. Effectiveness and efficiency of operations and programmes  3. Reliability and integrity of financial and operational information  4. Safeguarding of assets  5. Compliance with laws, regulations and shariah requirements

The key elements of the internal control system established by the Group include:

### a. Board's Oversight

The Board's oversight function and responsibility was clearly stated in Board Charter. In discharging its fiduciary duties, the Board delegates the function to Board Committees namely Audit Committee (AC), BRCC, Nomination and Remuneration Committee (NRC), and Board Tender Committee (BTC). The specific duty is 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

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. It was presented to the Board for approval. The achievements of performance are monitored periodically and remedial actions are taken appropriately for any obstacles and risks that 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, Director's Fit & Proper Policy, Dividend Policy, Profit Distribution Policy, Anti-Bribery and Corruption Policy, No Gift Policy, Whistleblowing Policy, Sustainability Policy, Environment & Biodiversity Policy, Gender & Diversity Policy, No Deforestation, No Peat and No Exploitation Policy, Occupational Safety & Healthy Policy, Philanthropy Policy and Social & Humanity Policy.

**f. Code of Business Ethics (CoBE)**

CoBE 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 CoBE is mandatory to all directors, employees and related third parties.

**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 Internal Audit Department, provides an independent assessment on the adequacy, effectiveness and efficiency of the Group's internal control system and advises management on areas that require improvements. The Internal Audit Department also reviews the extent to which its recommendations have been agreed and implemented by the management.

**5.0 ASSURANCE TO THE BOARD**

For the financial year ended 31 December 2022, 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 30 March 2023.

# 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 2022, 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	884	482
Non-Audit Fees	65	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 2022 or entered into since the end of the previous financial year ended 31 December 2021.

## 4. LIST OF PROPERTIES

The list of properties is stated on pages 323 to 327 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 23 June 2022. 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 (58th AGM) unless such authority is renewed by a resolution passed at the 58th 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 58th 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 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 2022**.

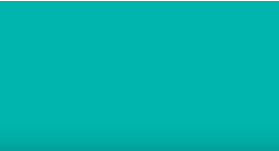
This statement is made in accordance with a resolution of the Board of Directors dated 20 April 2023.

112	About This Statement
115	Our Sustainability Commitment
118	Sustainability Governance
119	Our Approach to Material Matters
	Progress Towards Sustainability Goals
122	Goal No. 1: Preserving the Environment
140	Goal No. 2: Enhancing Economic Value
147	Goal No. 3: Driving Positive Social Impact
175	Goal No. 4: Practising Good Governance

# SUSTAINABILITY STATEMENT











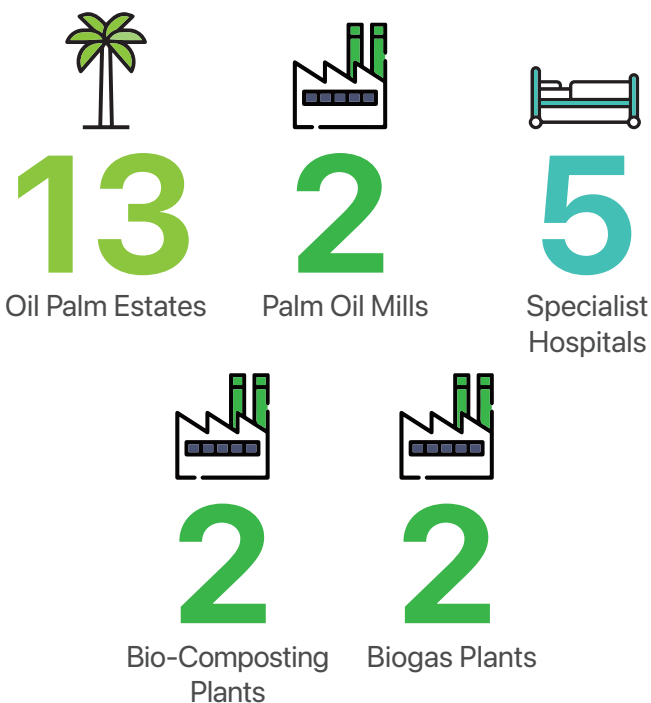
## **ABOUT THIS STATEMENT** (GRI 2-1)

TDM Berhad (TDM or the Group) is pleased to present its sixth Sustainability Statement (Statement). The purpose of this Statement is to present the Group's Environmental, Social and Governance (ESG) performance and progress in 2022, outlining our initiatives and commitments to deliver value for our stakeholders.



## REPORTING SCOPE AND BOUNDARY (GRI 2-2)

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



## REPORTING PERIOD AND CYCLE (GRI 2-3)

TDM's Sustainability Statement 2022 covers the period from 1 January to 31 December 2022, unless otherwise specified, and is published annually in the form of a Sustainability Statement for inclusion in the Group's Integrated Annual Report 2022.

## REPORTING GUIDELINES

This Statement has been prepared in accordance with the framework and guidance provided by the latest Global Reporting Initiative (GRI) Universal Standards 2021. 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 Index. We also continue to be guided by our commitment towards the UN SDGs and report TDM's contributions towards these sustainability goals.



ACCURACY AND ASSURANCE  
(GRI 2-5)

We have strong governance controls and internal checks to ensure the data and information reported are accurate. Sustainability performance is closely monitored internally at every division, and issues related to sustainability matters are discussed at the Sustainability Committee Meetings (SCoM), chaired by the Executive Director. We are focused on improving reporting processes internally with the involvement of Internal Audit Department to validate the data and information. Hence, 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 2-3)

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



Wisma TDM  
443D Jalan Kamaruddin  
20400 Kuala Terengganu



+609 620 4800



sustainability@tdmberhad.com.my

MEMBERSHIP IN ASSOCIATIONS  
(GRI 2-28)

We hold memberships in various international and local organisations, including those with a focus on sustainability. This enable us to remain up to date with the latest developments relevant to our industry. Our memberships include:

- Malaysian Palm Oil Board (MPOB)
- Malaysian Palm Oil Association (MPOA)
- Incorporated Society of Planters (ISP)
- Malayan Agricultural Producers Association (MAPA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Malaysian Sustainable Palm Oil (MSPO)
- International Sustainability and Carbon Certification approved by the European Commission (ISCC EU)
- Association of Private Hospitals of Malaysia (APHM)
- Malaysian Medical Association (MMA)
- Malaysian Nurses Association (MNA)
- Persatuan Perubatan Islam Malaysia (PPIM)

## OUR SUSTAINABILITY COMMITMENT (GRI 2-22, 2-23, 2-24)

Sustainability is embedded in the way we plan, act and conduct business. We are aligned to Malaysian and global sustainability standards, while our efforts are governed by regulatory compliances. As a plantation company, we are committed to upholding RSPO principles for responsible oil palm cultivation and palm oil production. Likewise, as a private healthcare provider, we abide by the policies and standards of the Ministry of Health Malaysia and World Health Organisation.

### SUSTAINABILITY FRAMEWORK

This year, we devised a sustainability framework that serves as a roadmap for TDM's long-term sustainability efforts. The framework is developed in line with the UN SDGs and ESG initiatives to better position TDM in delivering our sustainability aspirations and commitments.



SUSTAINABILITY POLICY STATEMENT (GRI 2-23)

The first revision of the Sustainability Policy (Policy) was approved by the Board of Directors on 27 March 2018. The Policy clearly indicates our commitment to sustainability that centres around the 3Ps Philosophy of “People, Planet & Profit”.

The abovementioned Policy was revised on 24 November 2021 to ensure that it stays relevant as a guiding principle, whereby our commitment to sustainability is now based on the 5Ps Philosophy of “People, Planet, Prosperity, Peace & Partnership”.

SUPPORTING POLICIES

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

TDM GROUP-WIDE	
Environment & Biodiversity Policy	Board Remuneration Policy
No Deforestation, No Peat and No Exploitation Policy	Director’s Fit and Proper Policy (new)
Occupational Safety & Health Policy	Code of Business Ethics
Social & Humanity Policy	Anti Bribery and Corruption Policy
Philanthropy Policy	No Gift Policy
Dividend Policy	Whistleblowing Policy
Profit Distribution Policy	

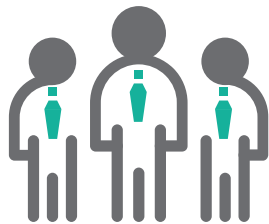
## SUPPORTING POLICIES (CONTINUED)

BY DIVISION	
Plantation	Healthcare
<ul style="list-style-type: none"> <li>• Quality Policy</li> <li>• Social Policy</li> <li>• Gender Policy</li> <li>• Child Protection Policy</li> <li>• Freedom of Association Policy</li> <li>• Foreign Labour Policy</li> <li>• Occupational Safety &amp; Health Policy</li> <li>• Environment &amp; Biodiversity Policy</li> <li>• Agrochemical Management Policy</li> <li>• River Buffer Zone &amp; Slope Protection Policy</li> <li>• Code of Business Ethics</li> <li>• Human Rights Policy</li> <li>• MSPO Policy</li> <li>• Reproductive Health Policy</li> </ul>	<p><b>Policies &amp; procedures relating to:</b></p> <ul style="list-style-type: none"> <li>• Clinical Governance</li> <li>• Quality Assurance</li> <li>• Finance</li> <li>• Front and Business Office</li> <li>• Medical Records</li> <li>• Procurement</li> <li>• Corporate Communications</li> <li>• Marketing</li> <li>• Information Technology</li> <li>• Facilities Engineering &amp; Support Services</li> <li>• Human Resources</li> <li>• Hospital Mesra Ibadah</li> <li>• Nursing</li> <li>• Customer Service</li> <li>• Pharmacy</li> <li>• Laboratory</li> <li>• Rehabilitation</li> <li>• Radiology</li> <li>• Dietetics</li> <li>• Cardiac Cath</li> <li>• Outsourced Services</li> </ul>

For the details of the Group policies, kindly refer to [www.tdmberhad.com.my](http://www.tdmberhad.com.my)

SUSTAINABILITY GOVERNANCE (GRI 2-12, 2-13, 2-14)

ROLES & RESPONSIBILITIES



- BOARD OF DIRECTORS**
- Approve policies and sustainability disclosures.
  - Oversight of sustainability initiatives and strategies.
  - Evaluate sustainability performance.



- SUSTAINABILITY COMMITTEE (SCoM)**
- Monitor overall performance of the Group's sustainability initiatives.
  - Perform management oversight to ensure the Group's sustainability strategies, goals and targets are aligned with all the laws and regulations relevant to its business and industry.
  - Review sustainability issues highlighted by independent audits and assurance reports.



- SUSTAINABILITY WORKING GROUP (SWG)**
- Review, discuss and communicate the company's sustainability strategies, policies and goals.
  - Facilitate the implementation of sustainability initiatives and manage ESG risks.



- SUSTAINABILITY DEPARTMENT**
- Facilitate and advise all divisions on the implementation of sustainability initiatives and internal controls to mitigate ESG risks.
  - Ensure the Sustainability Statement is prepared in accordance with the Listing Requirements of Bursa Malaysia and other references and guidelines.
  - Serve as the Secretariat for SCoM.

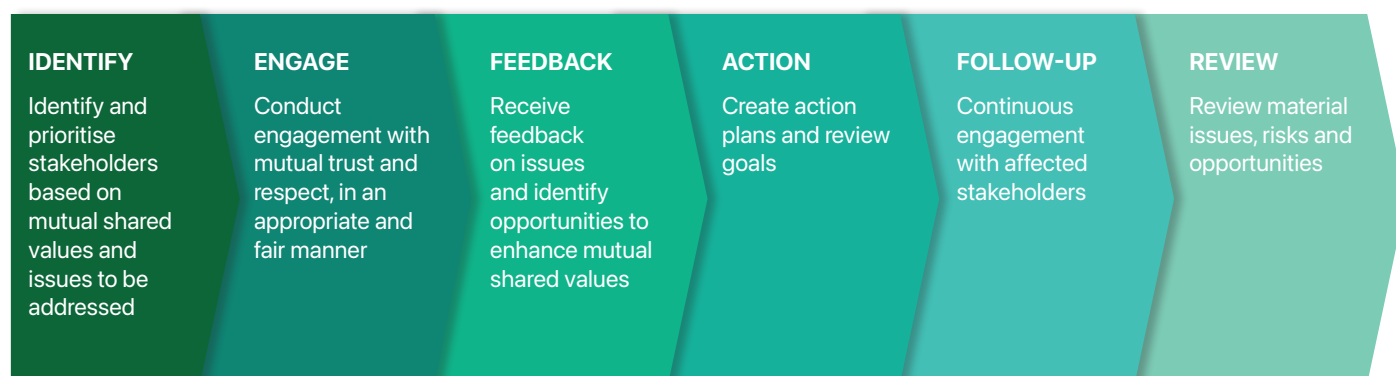


## OUR APPROACH TO MATERIAL MATTERS (GRI 3-1)

Materiality assessment is vital to ensure the material matters for TDM are relevant and updated, whilst making sure that matters of significance to stakeholders and the business are addressed. Our materiality assessment is guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Bursa Malaysia's Toolkit, including Toolkit on Stakeholder Engagement and Toolkit in Materiality Assessment, together with Global Reporting Initiative (GRI) Standards. Industry trends and best practices of selected industry players were also used as guidance.

At TDM, 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. We engage with our stakeholders via several channels and through selected activities, which are highlighted in a separate section of this Integrated Annual Report, under "How We Create Value – Stakeholders Engagement."

At TDM, we practise the following approach in managing our stakeholders' concerns.



Our focus in 2022 was to strengthen the governance of the company, which saw the introduction of the Director's Fit & Proper Policy. We also updated the Group's Code of Business Ethics (CoBE) in August 2022, to reflect the current values of TDM. We also improved our sustainability reporting with additional disclosures, specifically on matters related to climate change and protecting land and biodiversity. This is to align with the latest MCCG requirement under Practice 4.3, whereby the board takes appropriate action to ensure the company stays abreast with and understands the sustainability issues relevant to the company and its business, including climate related risks and opportunities.

Since there were no major changes to TDM's business operations in 2022, hence the material matters that we identified and prioritised in 2021 remain pertinent during this reporting year. Our Sustainability Statement during this reporting year is based on the Environmental, Social and Governance (ESG) format, in line with the latest MCCG and Bursa Malaysia's Sustainability Reporting Guide. This is also the practice of many organisations all over the world, who have adopted the term ESG. Accordingly, material matters previously classified as "Economic" in the past report are placed under the "Social" dimension here.

SUSTAINABILITY PRIORITIES: FOCUS ON MATERIAL MATTERS  
(GRI 3-2) (F4GBM)

ENVIRONMENTAL 	SOCIAL 	GOVERNANCE 
<b>Goal 1</b> Preserving the Environment	<b>Goal 2</b> Enhancing Economic Value	<b>Goal 4</b> Practising Good Governance
<b>MATERIAL MATTERS</b> <ul style="list-style-type: none"><li>1. Environmental Footprint</li><li>2. Climate Change</li><li>3. Sourcing Materials Responsibly</li><li>4. Protecting Land and Biodiversity</li></ul>	<b>MATERIAL MATTERS</b> <ul style="list-style-type: none"><li>1. Economic and Business Performance</li><li>2. Procurement Practices</li><li>3. Hiring from the Local Community</li></ul> <b>Goal 3</b> Driving Positive Social Impact <ul style="list-style-type: none"><li>1. Safety and Health of People</li><li>2. Training and Career Development</li><li>3. Diversity, Inclusivity and Social Justice</li><li>4. Employee Engagement</li><li>5. Quality and Innovation</li><li>6. Engaging Local Communities</li></ul>	<b>MATERIAL MATTERS</b> <ul style="list-style-type: none"><li>1. Ethics and Integrity</li><li>2. Cybersecurity and Data Privacy</li><li>3. Risk Management</li></ul>



A description for each material matter identified at TDM is provided below.

Material Matter	Definition
<b>Environmental Footprint</b>	This relates to TDM's efforts to reduce its environmental footprint resulting from its business activities. This includes monitoring energy consumption and water usage, managing waste, promoting recycling activities and other environmental initiatives.
<b>Climate Change</b>	This relates to TDM's efforts to control emissions from its business operations, including efforts to identify climate-related risks and opportunities over short, medium and long term that could be significant for TDM. This includes initiatives or programmes to reduce the Group's carbon footprint.
<b>Sourcing Materials Responsibly</b>	This relates to TDM's efforts to encourage or prefer eco-friendly materials and services from responsible sources. This includes preferring to purchase from a source which is less polluting or uses clean technology.
<b>Protecting Land and Biodiversity</b>	This relates to TDM's efforts to preserve natural ecosystems and protect biodiversity in all aspects and stages of its operations.
<b>Economic and Business Performance</b>	This relates to TDM's impacts on the economic conditions of its stakeholders and the wider economy. This includes the economic value generated and distributed by TDM.
<b>Procurement Practices</b>	This relates to TDM's efforts to manage the Group's supply chain to meet business needs. This includes TDM's practice in maintaining and upholding its procurement policies and procedures.
<b>Hiring from the Local Community</b>	This relates to TDM's efforts in emphasising local talents for job creation and employment opportunities.
<b>Safety and Health of People</b>	This relates to TDM's efforts to manage safety and health in the workplace. This includes conducting risk assessment to identify hazards and risks in the workplace and putting measures in place to ensure these hazards and risks will not cause harm to employees and third parties.
<b>Training and Career Development</b>	This relates to TDM's efforts to attract and retain talent by providing opportunities for career advancement via training and education.
<b>Diversity, Inclusivity and Social Justice</b>	This relates to TDM's efforts to create a positive workplace environment that reflects its values. This includes promoting diversity and mutual respect, providing a conducive work environment, upholding human rights and observing good labour practices.
<b>Employee Engagement</b>	This relates to efforts to connect with TDM's employees to create an engaged organisation. Employee engagement strategies can help improve productivity, reduce employee turnover, attract talent and help improve employee performance.
<b>Quality and Innovation</b>	This relates to TDM's efforts to embrace innovation by using tools or technology in business operations that enable efficiency, productivity or promote cost savings. This includes new initiatives conducted to meet client expectations, processes for quality assessments, controls and certifications.
<b>Engaging Local Communities</b>	This relates to TDM's efforts to promote community capacity building, awareness and engagement events. This includes proactive community investment and corporate social responsibility, particularly focusing on thematic areas of education, financial literacy and environmental protection.
<b>Ethics and Integrity</b>	This relates to TDM's efforts to uphold good ethics and high standards of integrity, governance and responsible business practices. This includes policies, procedures and initiatives to build awareness and prevent bribery and corruption within TDM.
<b>Cybersecurity and Data Privacy</b>	This relates to TDM's efforts to protect the confidentiality and integrity of information and transactions relating to its business, operations, customers, strategic partners and all third parties.
<b>Risk Management</b>	This relates to TDM's efforts in assessing and managing strategic, financial, operational or other related risks in pursuing broader opportunities.

Details of our progress for each material matter identified and prioritised above are discussed under the topic of "Progress Towards Sustainability Goals" of this Sustainability Statement.

PROGRESS TOWARDS SUSTAINABILITY GOALS

**GOAL 1: PRESERVING THE ENVIRONMENT**

**Material Matters**

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

**Related UN SDGs**

6  
CLEAN WATER  
AND  
SANITATION

7  
AFFORDABLE  
AND  
CLEAN  
ENERGY

12  
RESPONSIBLE  
CONSUMPTION  
AND  
PRODUCTION

13  
CLIMATE  
ACTION

14  
LIFE  
BELOW  
WATER

15  
LIFE  
ON  
LAND

ENVIRONMENTAL FOOTPRINT (GRI 3-3, 302-1, 302-4, 303-2, 303-4, 303-5)

WHY IT MATTERS

Economic growth resulting from trade expansion and human activities can have a direct impact on the environment. Overexploitation of natural resources and persistent increase in greenhouse gas (GHG) emissions can lead to severe and irreversible damage to our natural ecosystems. As concerns around climate change and environmental degradation continue to grow, it is important for businesses to take action to measure, manage and reduce their environmental impacts on the wider ecosystem. Given the intrinsic link between human activities and the environment, we recognise that going green is important, so as to protect the environment, reduce resources consumption and eliminate waste.

OUR APPROACH

TDM strives to reduce adverse environmental impacts arising from its day-to-day operations. To do this, the Group continuously monitors its energy consumption and water usage including A4 paper usage. We also measure the amount of hazardous and non-hazardous waste generated and practise recycling to ensure responsible waste disposal. We are also exploring renewable energy sources and promoting other environmental initiatives to minimise our environmental footprint. To achieve this, we are guided by our Environment & Biodiversity Policy and No Deforestation, No Peat, No Exploitation Policy.





## WASTE MANAGEMENT PRACTICES AT TDM

### CORPORATE OFFICE

#### Reduction of paper consumption by:

- conducting paperless Board meetings
- encouraging our employees to practise double-sided printing of drafts and documents and avoiding printing unnecessary documents
- distributing the Annual Report in digital format since 2019

These efforts help to educate and build awareness amongst our diverse stakeholders on good environmental practices.

### PLANTATION DIVISION

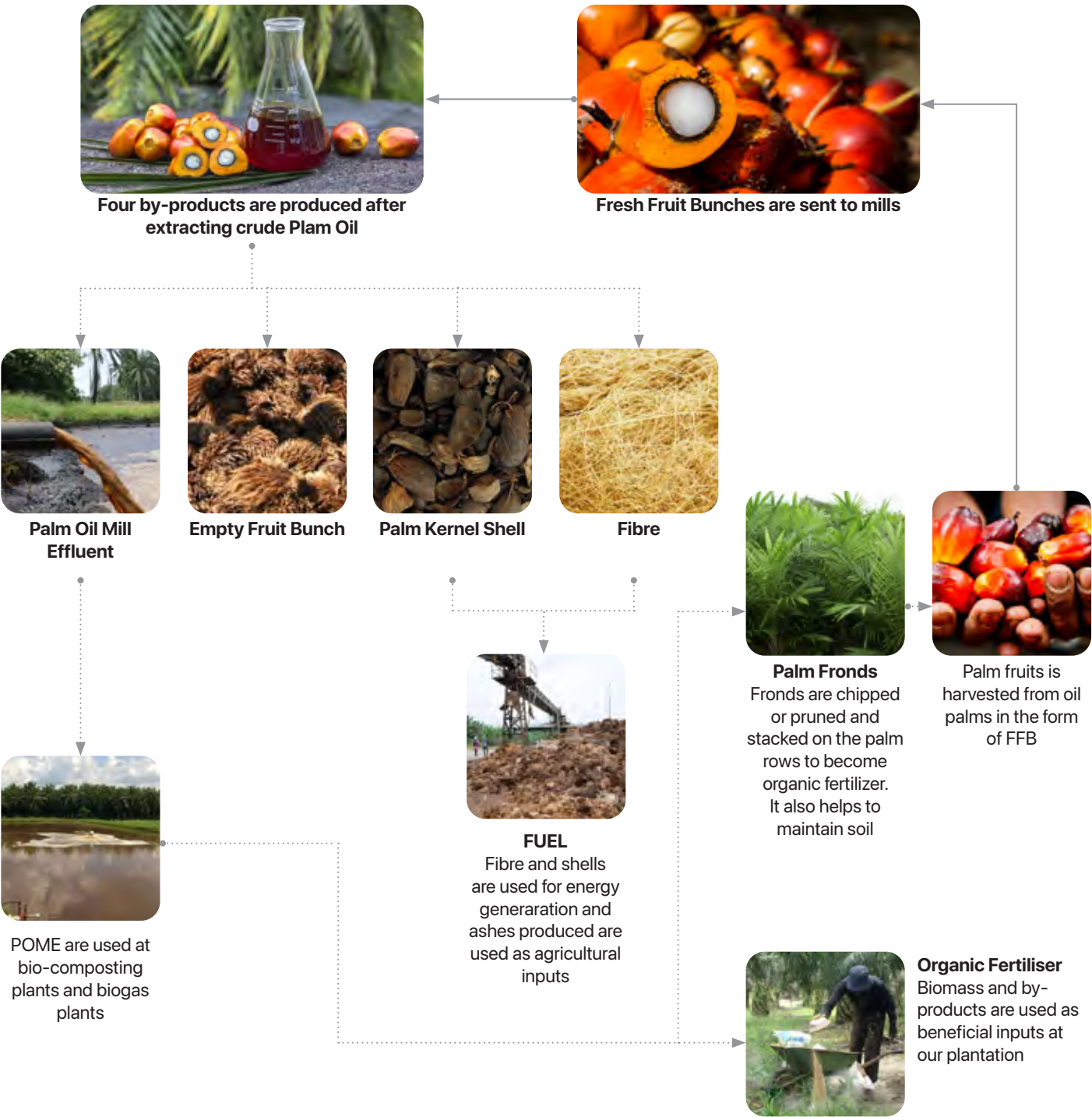
#### Recycling of Waste Biomass

- Reusing and recycling waste, as well as recovering energy from it, and cutting down on the overall amount of garbage produced are the three cornerstones of effective waste management. In oil palm cultivation and milling, there is the capacity to recycle biomass waste, an immediately available resource that has the potential to produce energy sources that are cleaner, more affordable, and readily available. In addition, there is the opportunity to transform the palm waste into products that have value added to them. The recycling of waste biomass can achieve both economic and environmental goals simultaneously.
- In our palm oil mills, converting FFB into CPO has led to the production of high volumes of solid and liquid waste. We use these wastes for value-added products as part of responsible waste management because leaving them to rot pollutes the environment. For example, solid waste such as empty fruit bunches (EFB) and decanter cakes, which are high in nutrients, are recycled and returned to the soil as organic fertiliser.
- Other solid waste such as mesocarp fibres and palm kernel shells are transformed as renewable fuel feedstock for the steam boilers at our mills.
- Palm fronds are also placed between palm rows to improve soil fertility and prevent the loss of nutrients and leaching of fertilisers, especially during the rainy and monsoon season.
- All scheduled, domestic and industrial wastes produced in our estates are collected, stored and disposed of properly.
- Scheduled waste is collected by appointed licensed contractors, whereas domestic waste is either sent to a landfill in the estate or recycled, while industrial waste is recycled or used as topsoil mulch.
- The waste at all our complexes is monitored by qualified Certified Environmental Professionals in Scheduled Waste Management (CePSWAM) who regularly report to the Environmental Performance Monitoring Committee (EPMC) and Environmental Regulatory Compliance Monitoring Committee (ERCMC).
- We also treat liquid waste such as palm oil mill effluent (POME), by transforming the liquid effluents anaerobically into biogas, which can then be used to generate electricity through gas-fired engines or gas turbines.
- We continuously implement the "War on Waste" campaign, by closely monitoring the usage of electricity, water, stationery, petrol and diesel in each operational unit. The objective is to prevent wastage while trying to reduce their operational cost and carbon footprint.

### HEALTHCARE DIVISION

- At KMI Healthcare, the 3R programme is a policy implemented in all hospitals.
- Waste management in KMI hospitals that is outsourced is monitored periodically.
- A4 paper consumption is monitored, with data collected to implement reduction of usage.
- We ensure that proper handling, labelling, storing, packaging and collection of waste is conducted in accordance with the Environmental Quality Act 1974 (Act 127).
- General and clinical waste from our hospitals is handled by appointed waste management vendors who specialise in the handling and disposal of clinical waste.
- We recycle non-clinical waste such as paper.
- We have installed recycling bins at strategic locations in all our hospitals.
- We conduct continuous training on proper clinical waste disposal methods for our nurses and other hospital staff.
- We track and report waste generated by types of hazardous waste (scheduled waste) and non-hazardous waste.
- All waste is removed daily by dedicated vehicles from designated collection areas that are kept clean and locked.

TRANSFORMING WASTE TO WEALTH - BIOMASS BY PRODUCTS



## OUR PROGRESS

### TOTAL WASTE GENERATED AT TDM PLANTATION

TOTAL SCHEDULED WASTE GENERATED (mt)			
Location	2020	2021	2022
KPOM	1.16	1.71	1.87
STPOM	1.47	1.73	1.26
<b>Total</b>	<b>2.63</b>	<b>3.44</b>	<b>3.13</b>

TOTAL INDUSTRIAL WASTE GENERATED (mt)			
Location	2020	2021	2022
KPOM	260,364.34	152,783.94	150,576.48
STPOM	151,348.69	119,571.30	143,245.08
<b>Total</b>	<b>411,713.03</b>	<b>272,355.24</b>	<b>293,821.56</b>

BIOMASS (FIBRE & SHELL IN MT) FOR ENERGY GENERATION AT MILLS					
2020		2021		2022	
KPOM	STPOM	KPOM	STPOM	KPOM	STPOM
44,719	39,278	32,132	29,974	31,663	29,960
<b>83,997</b>		<b>62,106</b>		<b>61,623</b>	

### TOTAL WASTE GENERATED AT KMI HEALTHCARE

TOTAL WASTE GENERATED (mt)			
	2020	2021	2022
<b>Amount of clinical waste generated (mt)</b>	68.85 mt	66.34 mt	79.57 mt
<b>Amount of general waste generated (mt)</b>	56.38 mt	29.73 mt	43.03 mt

Note: Clinical waste is classified as scheduled waste under the Environmental Quality (Scheduled Wastes) Regulations, 2005. Clinical wastes contain human or animal tissue blood or body fluids, excretions, drugs, pharmaceutical products, soiled swabs or dressings, syringes, needles, sharps, any waste that has come into contact or been mixed with any of the above types of wastes, and waste unless rendered safe may prove hazardous to any person coming into contact with it.

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.

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.

In the case of Plantation, 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. We also deploy a chemical-free Integrated Pest Management (IPM) to control pests using biological and natural methods such as by barn owls.

WATER MANAGEMENT PRACTICES AT TDM

CORPORATE OFFICE
<p>We strive to conserve our water consumption by:</p> <ul style="list-style-type: none"><li>• Monitoring water usage at the corporate office every quarter.</li><li>• Promoting eco-friendly practices across our operations and instilling environmental awareness among our employees and other stakeholders.</li></ul>
PLANTATION DIVISION
<ul style="list-style-type: none"><li>• We monitor water usage at all our estates and mills every quarter.</li><li>• All wastewater in our estates flows through grease traps or sumps before being released into estate land or nearby rivers.</li><li>• While we reuse 20% of wastewater in bio-organic fertiliser plant processes, 80% is treated and released into natural water bodies with permissible Biological Oxygen Demand (BOD) levels of less than 100 parts per million (ppm).</li><li>• We conduct weekly and monthly water sampling tests at the final discharge points at all our mills.</li><li>• We perform annual water sampling tests in our estates at specific entry and exit points, and at each estate's river boundaries to ensure efficient wastewater management and there are no leachate and pollution from chemicals used in estate operations.</li><li>• We ensure that there are no protected areas rich in biodiversity adjacent to areas where our wastewater or effluents are released.</li><li>• We practise rainwater harvesting in our estates, using collection tanks to store rainwater for later use. Rainwater undoubtedly comes in handy during the dry season for watering plants and mill compounds. An example of this initiative is the roof at the Kemaman Bio-Organic Fertiliser (KBOF) plant, which has been designed and constructed to be slanted for optimal rainwater harvesting.</li><li>• We comply with the relevant standards on effluent discharge, such as the Environmental Quality (Industrial Effluents) Regulations 2009.</li></ul>
HEALTHCARE DIVISION
<ul style="list-style-type: none"><li>• Our hospitals use water for patient/staff cooling, cleaning and washing facilities.</li><li>• We monitor water usage at hospitals every quarter.</li><li>• We practise rainwater harvesting at hospitals to promote water conservation.</li></ul>



## OUR PROGRESS

### TOTAL WATER CONSUMPTION FOR THE GROUP

WATER CONSUMPTION (M <sup>3</sup> )		
Location	2021	2022
TDMB	1,613	1,347
TDMP	10,890,075	13,310,784
KMI Healthcare	126,468	152,175
<b>Total Water Consumption for the Group</b>	<b>11,018,156</b>	<b>13,464,306</b>

Note: We have restated the figures for the year 2021 at TDMP and KMI Healthcare to reflect the validated amounts.

In 2022, we consumed a combined 13.5 million cubic metres (m<sup>3</sup>) of water across all operations. However, we recorded an increase in water consumption at KMI Healthcare and TDMP in 2022. At KMI Healthcare, the increase amount of water usage by 25,707 m<sup>3</sup> as compared to the previous year was due to removal of Movement Control Order (MCO) since April 2022 and the restoration of full operations at KMI Hospitals. Meanwhile, the increase amount of water usage at TDMP was due to the arrival of new foreign workers at our estates, as well as the flood incident in early December 2022. We used a substantial amount of water to clean the residential area of affected employees. In addition, we constructed additional housing for our employees (16 new houses were constructed at Jaya estate in 2022, and were occupied in October 2022), which also contributes to the high water consumption at our plantation operations.

At Plantation, the biggest water consumption is for mill processing. Recognising that water is becoming a scarce commodity, we strive to use water efficiently, by monitoring the amount of water used and its intensity.

WATER USAGE INTENSITY	
LOCATION	Water to FFB ratio (m <sup>3</sup> /FFB) FY2022
	Mill Processing
STPOM	1
KPOM	1

### TREATMENT OF EFFLUENT

We continuously monitor the quality of discharged wastewater whereby effluents from our operations are treated prior to discharge, in compliance with local regulatory requirements. For instance, the Biological Oxygen Demand (BOD) is an important indicator for assessing water quality, and we will ensure that the BOD remains below the permissible level to avoid pollution of rivers in our estates or nearby areas. We also re-use effluent for the production of bio-organic fertilisers.

MILL EFFLUENT DISCHARGE				
Palm Oil Mill	Legal Limit (mg/L)	Final Discharge BOD Level (mg/L)		
		2020	2021	2022
KPOM	100	33	77	47
STPOM	100	53	63	50

REUSE OF EFFLUENT (MT) IN PRODUCTION OF BIO-ORGANIC FERTILISER			
	2020	2021	2022
Kemaman BOF POME (mt)	11,536	10,450	24,250
Sg Tong BOF POME (mt)	15,414	6,663	0
Total (mt)	26,950	17,113	24,250

PRODUCTION OF BIO-ORGANIC FERTILISER (MT)			
	2020	2021	2022
Kemaman BOF (mt)	21,039	15,846	20,996
Sg Tong BOF (mt)	22,019	11,100	13,225
Total (mt)	43,058	26,946	34,222

## ENERGY MANAGEMENT PRACTICES AT TDM

### CORPORATE OFFICE

We strive to conserve our electricity consumption by:

- Quarterly monitoring of electricity consumption at our corporate office
- Promoting eco-friendly practices across our operations and instilling environmental awareness among our employees and other stakeholders

### PLANTATION DIVISION

We have adopted several eco-energy initiatives such as:

- Some by-products such as palm kernel shell and mesocarp fibre are used as boiler fuel at our mills.
- Supply 2 megawatts (MW) of electricity to the national grid under Tenaga Nasional Berhad's (TNB) Feed in-Tariff (FiT) scheme, with the installation of biogas plants at KPOM and STPOM.
- Solar-powered electric fences have been installed at the Sungai Tong & Kemaman Complex to protect crops from damage by wild boars and elephants.
- Replacement of pendaflour lighting with LED lighting. In FY2022, we installed 813 units of LED lighting in most estates.
- Automatic switch timers for lighting systems and machinery at both mills.
- Automatic solar panel timers for measurement of water outflow at the Kemaman Complex's wastewater treatment plant.

### HEALTHCARE DIVISION

As an essential service, KMI hospitals operate 24/7/365. Our hospitals utilise a substantial amount of electricity for our Heating, Ventilation and Air Conditioning (HVAC) systems, computers, hospital and medical equipment, refrigeration and food preparation equipment. Some of the initiatives implemented to promote sustainable energy consumption at KMI Healthcare include:

- Replacement of conventional light bulbs with energy efficient LED lights in all KMI hospitals.
- Installation of timers on air conditioners.
- Utilisation of funds and grants under the Ministry of Energy, Green Technology and Water.
- Appointment of Energy Managers at hospitals exceeding 3 million kWh of electricity usage to manage the building's energy intensity and assess and implement energy efficiency programmes.
- Upgrading of chiller systems.
- Implementation of Scheduled and Planned Preventive Maintenance to ensure our equipment is functioning at an optimum capacity, without unnecessary additional energy consumption, by minimising faults and leakages.
- Continuously repair and replace defective parts of the Air Conditioning Mechanical Ventilation (ACMV) systems to ensure our ACMV systems performance are optimised.

## OUR PROGRESS

### TOTAL ELECTRICITY CONSUMPTION FOR THE GROUP

ELECTRICITY CONSUMPTION (KWH)			
Location	2020	2021	2022
TDMB	316,630	289,200	354,260
TDMP	3,245,514	3,248,042	3,236,999
KMI Healthcare	17,031,672	19,638,007	18,806,781
<b>Total Electricity Consumption for the Group</b>	<b>20,593,816</b>	<b>23,175,249</b>	<b>22,398,040</b>

At TDM, we have taken steps to reduce our environmental footprint. In 2021, we were able to reduce the energy consumption at TDMB, partly due to the implementation of the work from home "WFH" arrangement for non-essential service employees amid MCOs. However, the WFH arrangement was no longer applicable since April 2022, hence our energy consumption increased accordingly for year 2022. However, the total electricity usage for the Group decreased by 3.4% in 2022, as compared to the previous year due to energy savings in our plantation and healthcare operations, which indicates our commitment to electricity savings.

### TRACKING PAPER USAGE

As part of our initiative to promote the use of paper efficiently, TDM started monitoring paper usage for the Group in 2022; our plantation operation has already implemented this initiative a few years ago as part of our "War on Waste" campaign. In 2022, the total cost for the use of A4 paper for the Group was RM126,529. TDMP managed to reduce the cost of paper consumption by almost 40%, showing our commitment to minimise the environmental impacts arising from our operations.

A4 PAPER USAGE (RM)		
Location	2021	2022
TDMB	-	5,950
TDMP	34,005	20,312
KMI Healthcare	-	100,277
<b>Total A4 Paper Usage for the Group</b>	<b>34,005</b>	<b>126,529</b>

### MOVING FORWARD

The Group will continue to control and where possible, reduce our environmental footprint related to our operations and other activities. We will also continue creating awareness among employees through environmental awareness activities, to support the global and national agenda to reduce pollution and global warming.

CLIMATE CHANGE (GRI 3-3, 201-2, 305-2, 305-3, 305-4, 305-5)

WHY IT MATTERS

Climate change has a direct impact on the environment, disrupts economic and social stability as businesses face operational disruptions and resource scarcity due to extreme weather conditions. Investors nowadays are increasingly focused not only on business governance and profitability, but also how resilient a company is in adapting to climate change. The willingness of companies to disclose climate change related management activities and greenhouse gas emissions has grown rapidly in recent years, and more companies have signed up to the TCFD to provide support on ideas for the enhancement of their climate-related financial disclosures.

OUR APPROACH

TDM is cognizant of the global threat posed by climate change and is committed to lowering carbon emissions. As a key player in the plantation and healthcare businesses, our operational activities involve the emission of GHG as well as consumption of energy from various sources. At TDM, 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 caused by climate change impacting our operations.

OUR APPROACH TO CLIMATE RISKS AND MITIGATION ACTIONS

TDM is committed to addressing the impact of our activities that may contribute to global warming, and in turn affect our long-term sustainability. At our plantation operations, we have begun to reduce our carbon footprint through various activities and initiatives as illustrated in the diagram below.

CLIMATE RISKS CATEGORY	RISKS	MANAGEMENT APPROACH
Forest Degradation	Habitat Lost	Support No Deforestation
		Support No Development of Peat of any depth
		Conservation of HCV
		Conservation of HCS
		Human-wildlife conflict management
		Creation of wildlife sanctuaries and corridors
Water	Drought	Water conservation & rainwater harvesting system
		Optimise and reduce water use intensity for operations
	Flood	Water risk analysis
		Flood hydrological study – monitoring and mapping
		Flood mitigation/adaptation programme
	Water Pollution	Management of effluent and discharges
		Application of organic chemical and fertiliser
	Clean Water / Drinking Water	Installation and maintenance of water treatment systems
		Improve infrastructure and technology
		Engage with the local community and relevant institutions to protect water sources & natural ecosystem



CLIMATE RISKS CATEGORY	RISKS	MANAGEMENT APPROACH
Carbon Emission	Global Warming	Commitment to carbon neutrality
		Strive to use safe alternative chemical substance and/or biological solution in operation
		GHG emission management
		Implementing GHG savings technology
	Air Pollution	Commitment to zero burning
		Fire prevention training, fire risk campaign, fire monitoring and fire risk sign installation
Pest & Diseases	Influx of Pest	Integrated Pest Management
		Monitor increase in pests and diseases
	Decreasing Pollinators	Monitor key species population – pollinators and beneficial species
		Identify alternative species – plants and insects
Waste	Increased Amount of Waste	Sustainable use of chemical
		Perform waste segregation and separate wastes based on their characteristics
		Perform waste management by implementing 3Rs – develop method to use waste and by-products
		Maintain equipment regularly
		Manage waste in accordance with national standards of waste and hazardous wastes management
		Provide proper waste storage for hazardous and toxic waste
		Encourage and increase the usage of Biodegradable products

To combat climate change and its impacts, the Group currently operates two (2) bio-composting plants and two (2) biogas plants at our plantations in Malaysia. We recycle the by-products of our upstream processes back into our operations as biomass. Our EFB are reused at our plantations as compost, POME is treated and used to irrigate fields, and palm kernel shell and fibre are shredded and used as solid fuel for operation of steam boilers, which deliver significant cost savings and minimise waste from our mills. Doing so will significantly support our plans to reuse waste and offset emissions.

Meanwhile, we also manage wastewater produced from FFB processing to produce renewable energy. Both palm oil mills in Kemaman and Sungai Tong are capable of processing more than 600,000 metric tonnes of FFB for a year. During palm oil production, liquid waste will be generated and undergoes anaerobic digestion to produce biogas (mostly methane). Our biogas plants capture the methane, which is then utilised for carbon reduction and renewable energy through combustion. Doing so will significantly reduce the climate change impacts of palm oil production.

## OUR PROGRESS

### THE FIRST FIT BIOGAS PLANT OPERATED IN TERENGGANU

Our two (2) biogas plants were successfully commissioned and fully operational in March and June 2022. Each biogas plant could produce 2 MW electricity to be channeled to the Tenaga Nasional Bhd's grid, generating revenue of RM28mil to TDM for 21 years. In 2022, a total of 11,278,665 kWh of renewable energy was generated.

### SWITCHING FROM PENDAFLOUR TO LED LIGHTING

As part of our initiatives to implement energy efficiency, TDMP had replaced 813 units pendafLOUR (conventional lighting) with LED lighting in 2022.

### TRACKING AND REPORTING THE GHG EMISSIONS

GHG emissions at plantation operations are measured using the latest version of the RSPO PalmGHG calculator, where the data is audited and certified annually by BSI Malaysia, an appointed RSPO certification body. In 2022, emissions from our planting and replanting activities amounted to 329,323 tCO<sub>2</sub>e. However, our operations also sequestered 284,574 tCO<sub>2</sub>e from all oil palm trees. Including our operational GHG emissions and crop sequestration, our net GHG emissions was 70,322 tCO<sub>2</sub>e, significantly reduced by 16.6% as compared to the previous year.

GHG EMISSIONS AT TDM PLANTATION				
Sources	2021		2022	
	KPOM	STPOM	KPOM	STPOM
Land Conversion	151,253	94,418	220,666	108,657
Fuel Consumption	1,989	851	2,543	1,147
N <sub>2</sub> O emissions from fertiliser	8,810	3,657	0	0
CO <sub>2</sub> emissions from fertiliser	12,969	5,003	15,037	6,846
Total tCO <sub>2</sub> e	175,021	103,929	238,246	116,650
SINKS				
Crop Sequestration	112,696	81,975	187,269	97,305
Sequestration in Conservation area	0	0	0	0
Total sinks	112,696	81,975	187,269	97,305
Net tCO <sub>2</sub> e	62,325	21,954	50,977	19,345
Total Net tCO <sub>2</sub> e	84,279		70,322	

GHG EMISSION INTENSITY AT TDM PLANTATION					
TCO <sub>2</sub> E / MT FFB PRODUCED					
2020		2021		2022	
KPOM	STPOM	KPOM	STPOM	KPOM	STPOM
0.15	0.08	0.26	0.14	0.31	0.14
0.23		0.40		0.45	

GHG EMISSIONS FROM ELECTRICITY CONSUMPTION AT KMI HEALTHCARE		
	2021	2022
Electricity Consumption (kWh)	19,638,007kWh	18,806,781kWh
*GHG Emission (CO <sub>2</sub> )	12,175,564 CO <sub>2</sub>	11,660,204 CO <sub>2</sub>
Total area of KMI Hospitals in square foot (sq ft)	866,215 sq ft	877,011 sq ft
Average of electricity per square foot (sq ft) of consumption	22.67 kWh/sq ft	21.44 kWh/sq ft
GHG Emission per square foot (sq ft)	0.0157 mt CO <sub>2</sub>	0.0132 mt CO <sub>2</sub>

\* Formula: conversion of electricity to CO<sub>2</sub>: kWh x 0.62kg.

Note: Total area for 2022 includes KMI Tawau (1,003 sqm)

At KMI Healthcare, we managed to reduce GHG emissions by 4.2% from the use of electricity in 2022 as compared to the previous year.

GHG EMISSIONS FROM CLINICAL WASTE GENERATED AT KMI HEALTHCARE			
	2020	2021	2022
Amount of clinical waste generated (kg)	68,850 kg	66,340 kg	79,570 kg
*GHG Emission (CO <sub>2</sub> )	82,620 CO <sub>2</sub>	79,608 CO <sub>2</sub>	95,484 CO <sub>2</sub>
Numbers of patients served	167,604	203,780	213,454
Average clinical waste generated per patient (kg)	0.41 kg	0.32 kg	0.37 kg
GHG Emission per patient served (CO <sub>2</sub> )	0.49 CO <sub>2</sub>	0.39 CO <sub>2</sub>	0.45 CO <sub>2</sub>

\*Formula: conversion of clinical waste to CO<sub>2</sub>: kg x 1.20

At KMI Healthcare, GHG emissions from the use of clinical waste slightly increased by 19.9% as compared to the previous year, mainly due to the increasing number of patients served in 2022.

GHG EMISSIONS FROM WATER CONSUMPTION AT KMI HEALTHCARE			
	2020	2021	2022
Water Consumption (m <sup>3</sup> )	126,506 m <sup>3</sup>	126,468 m <sup>3</sup>	152,175 m <sup>3</sup>
*GHG Emission (CO <sub>2</sub> )	530,060 CO <sub>2</sub>	529,901 CO <sub>2</sub>	637,613 CO <sub>2</sub>
No of Employees	1,188	1,195	1,318
Average of water consumption per employee	107 m <sup>3</sup>	106 m <sup>3</sup>	115 m <sup>3</sup>
GHG Emission per employee	446 CO <sub>2</sub>	443 CO <sub>2</sub>	484 CO <sub>2</sub>

\*Formula: conversion of water to CO<sub>2</sub>: m<sup>3</sup> x 4.19

At KMI Healthcare, GHG emissions from the consumption of water slightly increased by 20.3% as compared to the previous year, mainly due to the increasing number of employees in 2022.

CARBON EMISSIONS AT KMI HEALTHCARE			
	2020	2021	2022
Scope 2: GHG emissions from electricity consumption (CO <sub>2</sub> )	10,559,636	12,175,564	11,660,204
Scope 3: GHG emissions from clinical waste generated (CO <sub>2</sub> )	82,620	79,608	95,484
Scope 3: GHG emissions from water consumption (CO <sub>2</sub> )	530,060	529,901	637,613
Total Carbon Emissions (CO <sub>2</sub> )	11,172,316	12,785,073	12,393,301

\*Formula: conversion of clinical waste to CO<sub>2</sub>: kg x 1.20

At KMI Healthcare, GHG emissions from the use of clinical waste slightly increased by 19.9% as compared to the previous year, mainly due to the increasing number of patients served in 2022.

### ENVIRONMENTAL COMPLIANCE GRI (307-1)

In FY2022, TDM Berhad and its subsidiaries had complied with all environmental regulations governing them.

### MOVING FORWARD

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.

## SOURCING MATERIALS RESPONSIBLY (GRI 3-3, 308-2)

### WHY IT MATTERS

In today's business practices, consumers and investors are becoming increasingly mindful of ethically sourced and sustainable products and services. Companies that prioritise responsible sourcing by incorporating social, environmental and ethical operations into their business, taking responsibility for the entire life cycle of products and protecting the rights of workers during the production process will forge sustainable supply chains. By so doing, they will gain the trust of stakeholders. Nowadays, companies can trace a product or service at each stage of the supply chain, and work with their business partners and suppliers to ensure working conditions are fair, with provisions made for sustainable environmental practices. This will enhance their brand reputation, ensure business continuity and create a competitive advantage.

### OUR APPROACH

At TDM, we work with suppliers to reduce our environmental impacts, fight human trafficking, modern slavery and child labour, and make every effort to be transparent with our stakeholders. For our plantation business, we ensure that our supply chain comprises only palm oil produced or sourced responsibly. We keep track of the flow of our FFB to retain customer confidence with regard to the sourcing of our raw palm oil materials.

In our healthcare business, we recognise that an efficient supply chain is vital to prevent drug shortages, which could affect our healthcare quality and clinical outcomes. Therefore, to ensure we follow good distribution practices, 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).

### OUR PROGRESS

FFB SOURCE FOR MILL PROCESSING	CROP TRACEABILITY (%) FY2022	
	KPOM	STPOM
Internal sources (TDMP own estates)	100%	95%
Smallholders (<40 Ha)	0%	5%
Total	100%	100%



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

- Establishment of SOP on the traceability of the FFB
- Assigned the Traceability Person in Charge for each estate to implement and maintain the traceability system
- Records of sales, delivery or transportation of FFB were maintained and updated on daily basis

## MOVING FORWARD

Going forward, we will work closely with our suppliers and other stakeholders to build a 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.

## PROTECTING LAND AND BIODIVERSITY (GRI 3-3, 304-1, 304-2, 304-4)

### WHY IT MATTERS

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 are carbon sinks. If we destroy these ecosystems, 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 arise from money spent in restoring natural habitats. For instance, making agricultural and food production methods more sustainable to protect biodiversity could lead to new business opportunities.

### OUR APPROACH

TDM is committed to conserving biodiversity by identifying, protecting and maintaining areas of High Conservation Value (HCV). As a member of the RSPO, the Group strives to conserve and rehabilitate the 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 wildlife habitats of protected and endangered species
- recording sightings of wildlife in a logbook
- preventing any encroachment in these and neighbouring areas

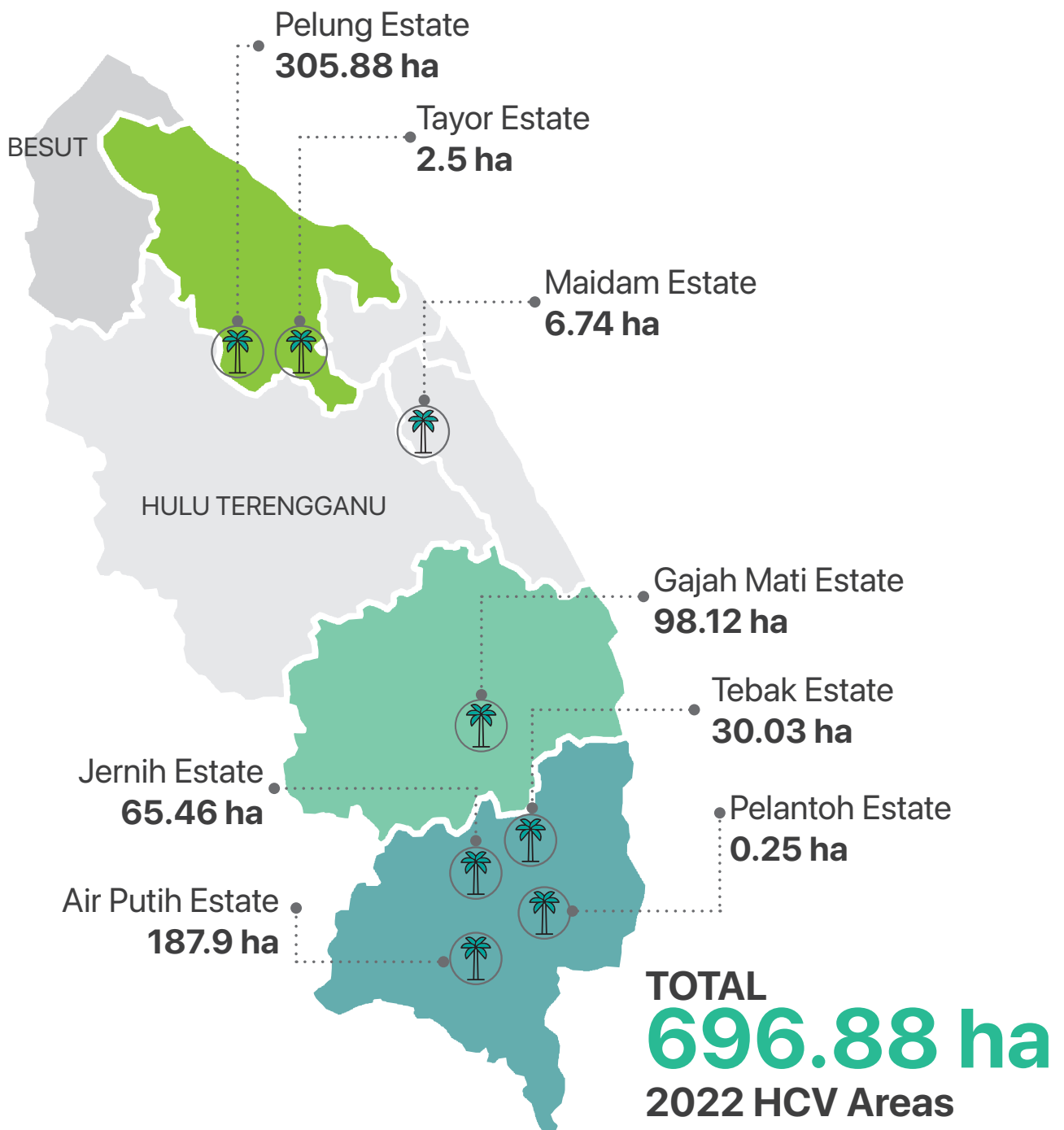
In addition, the Group deploys non-harmful and non-chemical methods to reduce the potential risk of human-wildlife conflict. Some examples are:

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

## OUR PROGRESS

As of 2022, we had designated 696.88 hectares as High Conservation Value areas in our North and South Complexes in Terengganu.

### HCV AREAS AT TDMP ESTATE



## PROMOTE WILDLIFE CORRIDORS WITHIN TDMP ESTATES, LIVING TOGETHER WITH ELEPHANT AND RIVER OF LIFE PROGRAMME

On 10 November 2022, TDMP received a visit from the Malaysian Palm Oil Green Conservation Foundation (MPOGCF) at its Pelantoh Estate, Kemaman. The visit was to discuss two of TDMP's sustainability initiatives, namely the "River of Life" and the "Living Together with Elephants" projects, following the MoU inked by the company and MPOGCF as collaboration partners last year. Among the matters discussed included current and future development of both projects, as well as potential collaborations, especially for the installation of tracking collars on elephant herds roaming around TDMP estates.

MPOGCF delegates were then taken to Sungai Kijing – the second river rejuvenated by TDMP through its "River of Life" project and one of the sites for the company's participation in the 100 million Tree Planting campaign, located at Jernih Estate, Kemaman.

### FLORA FAUNA ENVIRONMENTAL DATA

Below is the list of flora & fauna found and protected in our estates, in line with the Flora Inventory under IUCN Red List of Threatened Species.

TDM'S FLORA INVENTORY UNDER IUCN RED LIST OF THREATENED SPECIES				
IUCN STATUS	SCIENTIFIC NAME	COMMON NAME	FAMILY	LOCATION
Critically Endangered (CR)	Hopea sangal	Gagil	Dipterocarpaceae	LTY
Critically Endangered (CR)	Dryobalanops aromatica	Keladan	Dipterocarpaceae	LTY
Critically Endangered (CR)	Dipterocarpus grandiflorus	Keruing	Dipterocarpaceae	LPL
Critically Endangered (CR)	Shorea lamellata	Maharun/Meranti	Dipterocarpaceae	LTY
Critically Endangered (CR)	Shorea almon	Meranti Merah	Dipterocarpaceae	LPL
Critically Endangered (CR)	Shorea accuminatissima	Meranti Putih	Dipterocarpaceae	LTY
Critically Endangered (CR)	Hopea mengarawan	Merawan	Dipterocarpaceae	LPL
Endangered (EN)	Durio kutejensis	Durian Burung/ Peukawai	Bombacaceae	LTY
Endangered (EN)	Dryobalanops beccarii	Kayu Kapur	Dipterocarpaceae	LPL, LTY
Endangered (EN)	Dipterocarpus costatus	Keruing	Dipterocarpaceae	LAP, LPL
Endangered (EN)	Shorea dasyphylla	Meranti Putih	Dipterocarpaceae	LTY
Endangered (EN)	Shorea dasyphylla	Meranti Putih	Dipterocarpaceae	LTY
Vulnerable (VU)	Durio kutejensis	Durian Burung	Bombacaceae	LTY
Vulnerable (VU)	Gonystylus bancanus	Ramin	Thymelaeaceae	LTY

# TDM'S FAUNA INVENTORY UNDER IUCN RED LIST OF THREATENED SPECIES

IUCN STATUS	GROUP	SCIENTIFIC NAME	COMMON NAME	FAMILY	LOCATION
<b>Critically Endangered (CR)</b>	Mammals	Manis javanica	Tenggiling	Manidae	LAP, LJN, LPL, LTY
<b>Endangered (EN)</b>	Mammals	Tomistoma shlegii	Buaya Senyulong	Crocodylidae	LBB
<b>Endangered (EN)</b>	Mammals	Hylobates albibarbis	Ungko Borneo	Hylobatidae	LMA
<b>Vulnerable (VU)</b>	Aves	Spilornis kinabaluensis	Elang-ular Kinabalu	Accipitridae	LGM, LMA
<b>Vulnerable (VU)</b>	Mammals	Lutra sp.	Berang-berang	Mustelidae	LAP, LFK, LGM, LJN, LPL, LPT, LTY
<b>Vulnerable (VU)</b>	Mammals	Helarctos malayanus	Beruang Madu	Ursidae	LAP, LGM, LMA, LPT, LTB
<b>Vulnerable (VU)</b>	Mammals	Macaca nemestrina	Monyet Beruk	Cercopithecidae	LAP, LBB, LFK, LGM, LJN, LJR, LJY, LMA, LPE, LPL, LPT, LTB, LTY
<b>Vulnerable (VU)</b>	Mammals	Cervus unicolor	Rusa sambar	Cervidae	LPL
<b>Vulnerable (VU)</b>	Aves	Treron capellei	Punai besar	Columbidae	LAP, LGM, LJY, LTY
<b>Vulnerable (VU)</b>	Reptiles	Ophiophagus hannah	King Cobra	Elapidae	LAP, LBB, LFK, LGM, LJN, LJR, LJY, LMA, LPE, LPL, LPT, LTY
<b>Vulnerable (VU)</b>	Mammals	Neofelis nebulosa	Panther	Felidae	LGM, LJN, LMA, LPT
<b>Near Threatened (NT)</b>	Aves	Buceros rhinoceros	Rhinoceros Hornbill	Bucerotidae	LAP, LGM, LJR, LJY, LMA, LPE, LPT, LTY
<b>Near Threatened (NT)</b>	Aves	Chloropsis cyanopogon	Lesser Green Leafbird	Chloropseidae	LGM, LMA, LPE, LTY
<b>Near Threatened (NT)</b>	Mammals	Ratufa bicolor	Black Giant Squirrel	Sciuridae	LGM, LMA, LPT, LTY

## MOVING FORWARD


TDM will continue to comply with the principles outlined in the NDPE policy and adhere to all other laws and regulations governing biodiversity and conservation in the jurisdictions where we operate.

### GOAL 2: ENHANCING ECONOMIC VALUE

**Material Matters**

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

Related UN SDGs



ECONOMIC PERFORMANCE (GRI 3-3, 201-1, 203-1)

**WHY IT MATTERS**

The economic value generated and distributed by TDM has a direct impact on the well-being of the socio-economy of the community and country. Our tax contributions to the government translate into national development funds, to be used for better infrastructure and services that benefit the community, as well as create jobs to foster a better quality of life.

TDM is committed to creating value 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 health of our nation's economy. In fact, this has a strong bearing in increasing investor confidence and attract Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) in Malaysia.

**OUR APPROACH**

Our businesses play a vital role in the Malaysian socio-economy. Plantations have a long history in the country, with oil palm agriculture reigning as one of top generators of national revenue as well as a direct and indirect employer of thousands since the 1980s. The industry has survived various threats and global competition from vegetable oil producers to be recognised as the most consumed cooking oil in the world. In addition, palm oil has made headway in the nutraceuticals and pharmaceutical industries.

At TDM, we are building on this rich legacy, addressing the risks while pushing ahead by focusing on sustainable crude palm oil. As a result, our estates and mills have been subject to rigorous audits and our products deemed sustainable by certification bodies, namely, RSPO and MSPO. Sustainable crude palm oil (SCPO) fetches a premium price in the markets such as the EU.

In healthcare, we have a growing footprint in East Coast Peninsular Malaysia, and while our primary focus is to serve communities in this underserved part of the country, we are also exploring the health tourism potential of our KMI Hospitals, in line with national ambition to make Malaysia a regional healthcare hub.

Our Progress

**DIRECT ECONOMIC IMPACT (GRI 201-1)**  
*(please see more details in MD&A's Operational Review, page 50 to 60)*

FY2022 continued riding the wave of the previous year's higher CPO and PK prices, which in turn contributed to higher plantation revenue. In healthcare, we recorded higher returns per patient and an increase in number of outpatients, both of which boosted our healthcare revenue.

Accordingly, Group revenue rose by 20% to RM614.4 million, from RM511.6 million. In keeping with our revenue distribution policy, we shared the value we created with our diverse shareholders, while at the same time, setting aside funds to fuel our growth plans in the near future.



## GROUP FINANCIAL PERFORMANCE

Group Financial Performance	2020 (RM)	2021 (RM)	2022 (RM)
Revenue	442.9 mil	511.6 mil	614.4 mil
EBITDA	109.6 mil	181.7 mil	134.1 mil
PBT	9.6 mil	81.9 mil	36.3 mil

## REVENUE GENERATION BY DIVISION

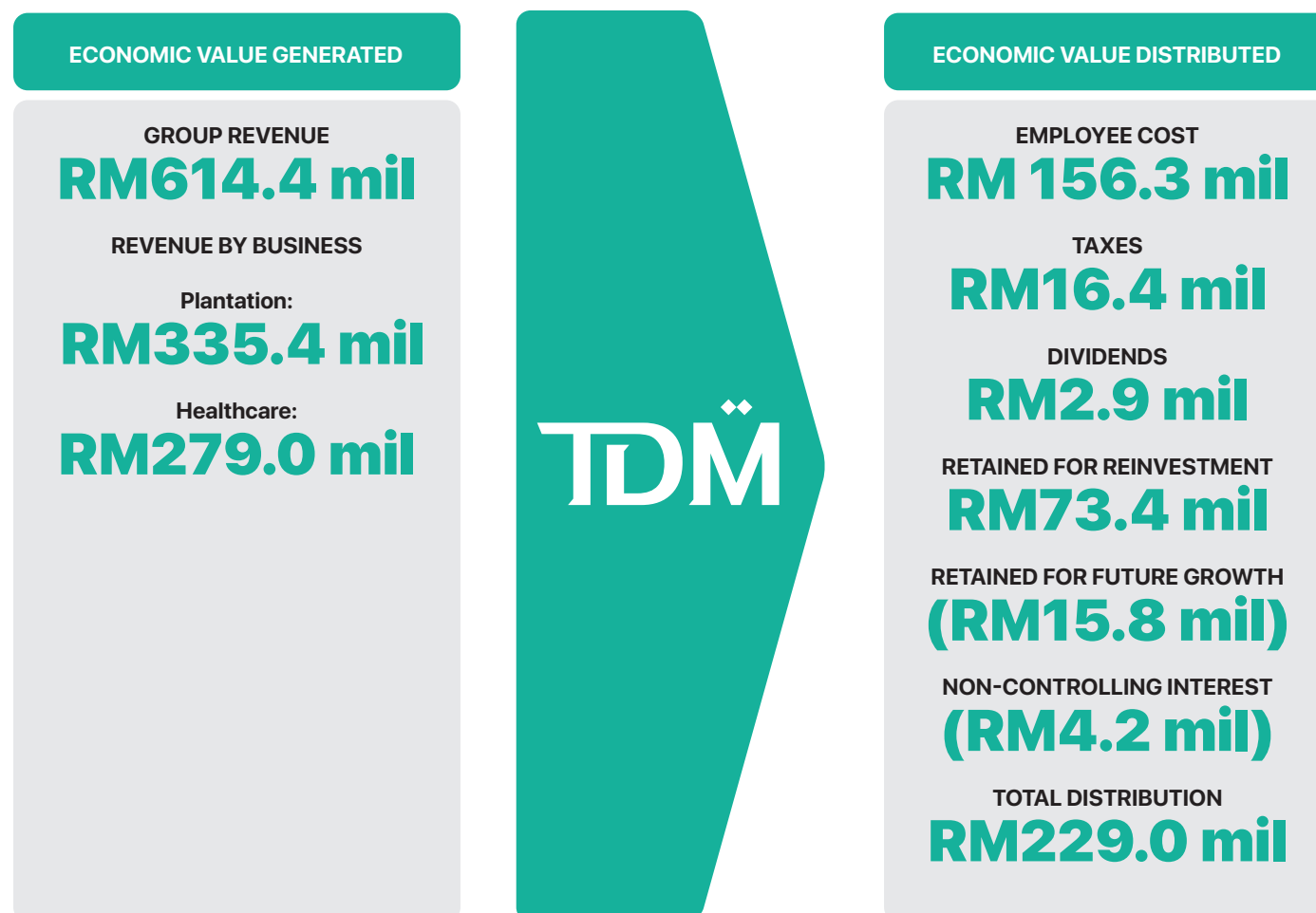
DIVISION	REVENUE		
	2020 (RM)	2021 (RM)	2022 (RM)
Plantation	240.3 mil	287.3 mil	335.4 mil
Healthcare	202.6 mil	224.3 mil	279.0 mil

## 3-YEAR REVENUE DISTRIBUTION

## STATEMENT OF VALUE ADDED

	2020	2021	2022
Employee (employee cost)	RM105.8 mil 67.1%	RM115.3 mil 49.2%	RM156.3mil 68.3%
Shareholders (dividend)	RM9.0 mil 5.7%	RM11.0 mil 4.7%	RM2.9 mil 1.3%
Government (taxation)	RM8.2 mil 5.2%	RM28.2 mil 12%	RM16.4 mil 7.2%
Retained for Re-Investment	RM79.6 mil 50.5%	RM78.0 mil 33.3%	RM73.4mil 32.0%
Retained for Future Growth	(RM43.7 mil) (27.7%)	RM9.0 mil 3.8%	(RM15.8 mil) (6.9%)
Non-Controlling Interest	(RM1.2 mil) (0.8%)	(RM7.3 mil) (3.1%)	(RM4.2 mil) (1.9%)
Total Distribution	RM157.7 mil 100%	RM234.2 mil 100%	RM229.0 mil 100%

## 2022 PERFORMANCE



PLANTATION HIGHLIGHTS		
PLANTATION	2022	2021
Oil Palm Planted	28,479 ha	33,363 ha
FFB Production	277,739 mt	315,167 mt
Yield per mature hectare	12.82 mt/ha	12.82 mt/ha
Mills FFB Processed	310,352 mt	322,216 mt
CPO Production	59,634 mt	61,651 mt
PK Production	14,003 mt	14,907 mt
CPO Average Selling Price	RM4,965 per mt	RM4,447 per mt
PK Average Selling Price	RM3,303 per mt	RM3,007 per mt

HEALTHCARE HIGHLIGHTS		
HEALTHCARE	2022	2021
No. of Hospital	5	4
No. of Capacity Beds	401	394
No. of Licensed Beds	336	330
No. of Operational Beds	308	312
Inpatient Admissions (days)	66,711 days	48,775 days
Average length of stay (days)	2.82 days	2.85 days
Occupancy rate	47%	35%
Average Revenue per Inpatient Admissions (in RM)	RM8,832	RM9,205
No. of Inpatients	23,675	17,135
No. of Outpatients	189,739	186,645

Note: Licensed beds are the approved number of beds by the MOH that the hospital regularly maintains and staff.  
Operational beds are the inpatient which includes licensed beds utilised by patients.

#### INDIRECT ECONOMIC IMPACTS (GRI 203-1)

Several initiatives were initiated to provide infrastructure investments and services supported including:

- Continue to improve access to healthcare for our workers. As of to date, TDM has established 6 clinics at our own expense in estates that are located at remote areas. Those clinics are managed by our Estate Hospital Assistant (EHA) / medical assistant.
- New additional services are offered at KMI Hospitals to meet the needs and expectations of our patients such as:

HOSPITAL	ADDITIONAL SERVICES
KMI Kuantan	Eye Treatment Centre
KMI Kuala Terengganu	Urology
KMI Kelana Jaya	Orthopaedic services, Postpartum Care
KMI Taman Desa	Urology, Neurology
KMI Tawau	International Patient Service towards Medical Tourism, Orthopaedic, Physician

## EXPANSION OF HEALTHCARE ACCESS VIA AMBULATORY CARE CENTRE

To serve the market better, KMI Healthcare has established the Ambulatory Care Centre in FY2022, initially for selected districts in Terengganu. This marks the beginning of KMI Hospital as the operator of ambulatory care services, complementing KMI Healthcare. The Centre's primary focus is to meet the demand for outpatient healthcare services in the state.

## MOVING FORWARD

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

Towards the end FY2022, the Group began revising the Strategic Business Plan (2017-2022), to prepare for our next growth cycle. Sustainability, business continuity and diversification will underscore our future ambitions, as we work towards optimising the economic value of the Group. Currently we are testing the business viability of other agricultural crops. In healthcare, our focus is to accelerate digitalisation to enhance the customer experience.

## PROCUREMENT PRACTICES (GRI 3-3, 204-1, 308-1)

### WHY IT MATTERS

An open and transparent procurement process ensures value for money, increases efficiency, and reduces the threat of unfairness and corruption. Indeed, when a procurement exercise is carried out in an open and transparent manner, it helps streamline processes, reduces raw material processes and costs, and assists in identifying better sources of supply.

TDM advocates open tenders to secure the best possible value for money because it promotes competition as well as incentivises new or emerging entrants in the business. This, in turn, will drive more innovation because suppliers will have to deliver on time, while adhering to quality and competitive pricing.

### OUR APPROACH

At TDM, open tenders are a standard practice. Prior to the appointment of suppliers and vendors, we conduct a pre-qualification exercise, especially when the invitee is a new player and not from the Approved Vendor List, to ascertain the company's suitability to meet our expectations. Our selection criteria include the evaluation of the quality of goods and services, price, timely delivery, and other related factors. In recent years, we have started to procure goods and services from companies that share our sustainability goals and practices.

At the TDM HQ, we have the e-bidding system for tenders valued above RM500,000, to ensure fairness and transparency in our dealings with vendors.

In our Plantation business, although the bulk of FFB is sourced from our estates, in FY2022, we procured 5% from external smallholders. As an RSPO and MSPO-certified planter, we enforce supply chain management processes that can trace the chain of custody of their FFB products, to ensure they are produced sustainably.

At KMI, each hospital has its own hospital inventory management system (HIMS) for the procurement of goods and services. This is an automated system that improves efficiency by reducing manual error.

For purchases below RM250,000, three quotations are a prerequisite part of the KMI procurement process, to ensure the purchase of goods is within its budget. Tender invitations are sent for purchases of RM250,000 and above, to ensure the procurement process is fair to all vendors.

All appointed suppliers and vendors are monitored on a quarterly basis for the duration of the contract and for every purchase order for one-off supply, to ensure all goods and services supplied adhere to the terms & conditions of the contract.

As part of our commitment to boost the local economy, the Group supports local suppliers and vendors. Priority is given to those who can help us reduce environmental impacts caused by freight transportation in our supply chain. As such, we select vendors close to our operational areas. We also support the government's initiative to provide opportunities to small and medium enterprises.

## OUR PROGRESS

In 2022, the Group engaged 1,782 vendors, of which 94% were local vendors with a contract value of almost RM40 million. The Group also provides various procurement opportunities for Bumiputera entrepreneurs. In 2022, they benefited from contracts valued at RM22.7 million. At KMI Healthcare, the procurement for drugs and consumable items is centralised, resulting in a cost savings of RM2.5 million.

## MOVING FORWARD

Post- COVID-19 pandemic and the inflationary pressures that followed, especially with supply chain disruptions and political tensions in Ukraine, resulted in our vendors and suppliers experiencing tight cash flow. We will continue to support local vendors and suppliers during these hard times by making prompt payment a priority.

In addition, given our aspiration to be an agent of sustainable change, the Group is moving towards formally assessing and selecting suppliers, vendors and service providers who embed sustainability in business plans and operations.

## HIRING FROM THE LOCAL COMMUNITY (GRI 3-3)

### WHY IT MATTERS

Employing locals in senior management positions can be beneficial for the growth of the company since they will have a better understanding of local cultural nuances, political and regulatory environments, and market conditions. Having grown up in the local community also presupposes that such hires will be more driven to serve the local economy well, and display vision, loyalty and compassion to deliver best value for their company and community.

### OUR APPROACH

To foster growth, the Group believes in investing in Malaysian talent. So far, we have been successful in hiring senior management from a talent pool of local individuals with broad expertise and experience in our industry to help us expand our presence on the East Coast.

Meanwhile, KMI Healthcare prefers to employ people from the local community since it encourages staff retention and has a beneficial impact as a community job generator, as well as opening up entrepreneurial options for residents. KMI works with the local community to achieve these aims through hosting events, job fairs, and walk-in interviews, among other things.



## OUR PROGRESS

As of 2022, 93% of our senior management staff are Malaysian citizens. Distribution for TDM's senior management demographics is as follows:

Location	Nationality of Senior Management Personnel							Overall Total
	Malaysian Citizen						Non-Malaysian Citizen	
	Trg	Klntn	KL	Singor	Kedah	Sarawak	S'pore	
TDMP	1					1		2
KMI Healthcare:								
KMI KT	1							1
KMI Kuantan						1		1
KMI Kelana Jaya							1	1
KMI Taman Desa				1				1
KMI Tawau				1				1
KMI HQ				1				1
TDMB	2	1	1		1			5
TDMT		1						1
Total No	4	2	1	3	1	2	1	14

## MOVING FORWARD

TDM will always support local talent and is developing a pool of qualified professionals to assume leadership roles. We have already started to identify, train and promote local talent for this, as part of our succession planning.

As TDM moves ahead, our biggest hurdles are likely to be leadership gaps, the middle-income trap and labour shortages. To counter these trends, TDM is investing more resources in training, learning and leadership development.

For Healthcare, KMI plans to collaborate with its Marketing and Corporate Communications Department to organise events and CSR programmes, which can also be talent scouting exercises.

### GOAL 3: DRIVING POSITIVE SOCIAL IMPACT

#### Material Matters

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

#### Related UN SDGs



## SAFETY AND HEALTH OF PEOPLE (GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9)

### WHY IT MATTERS

A safe work environment is a given, regardless of the size of a company or the number of employees. Studies indicate that companies with a strong health and safety culture can boost employee morale and productivity, improve efficiency and minimise disruptions such as sick leave and incidents. In fact, nowadays, investors or business partners are keen to associate only with companies with a good health and safety record.

At TDM, the health and well-being of our employees is a priority since we are involved in high-risk businesses. In plantations, field work and milling carry the risk of incidents while our hospitals focus on the safety of both employees and patients. Our policy is also to ensure that all TDM workplaces are safe for external parties such as hospital visitors, guests, vendors and other third parties.

### OUR APPROACH

Our Occupational Safety and Health Policy ensures that our employees and other stakeholders are aware of our health and safety standards and adhere to our policy. Our subsidiaries have their own safety and health policies, which 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, which help us to identify, mitigate and manage potential hazards and issues related to safety, health and environment, especially on waste management.

As required under OSHA 1994, TDM Berhad and its subsidiaries comes under the guidance of an OSH Committee. Each committee comprises a chairperson, a secretary and representatives consisting of employees and managerial staff. The OSH Committee holds meetings on a quarterly basis to deliberate on matters pertaining to OSH. Any safety complaints received from stakeholders or employees will be discussed through this channel as well as incident investigations conducted. The Committee also reviews the safety and health performance of all operation units. Training or new initiatives at operating units are also communicated and briefed during the meeting as part of OSH programmes.

At each subsidiary, we have Safety and Health Officers (SHO) and Compliance Clerks. Specific to plantation operations, we have appointed staff with CePSWAM and CEPPOME qualifications registered with DOE Malaysia, after they have undergone the relevant training courses. We are also have AGT-ES, AESP registered with DOSH.

OUR SAFETY & HEALTH FRAMEWORK

OSH Committee

**Objectives:**

- To ensure safety and health of all our employees and customers
- 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

**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 operation units

**MEETING FREQUENCY: ON A QUARTERLY BASIS**  
**CHAIRMAN: HEAD OF COMPANY**

**FUNCTION OF OSH COMMITTEE AT KMI HOSPITALS**

- Assist in development of safety and health rules and safe systems of work
- Review the effectiveness of safety and health programmes
- Carry out studies on the trends of accident, near-miss accident, dangerous occurrence, occupational poisoning, or occupational disease, which occurs at the workplace, and shall report to the employer 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 to the employer for any revision of such policies

**MEETING FREQUENCY: ON A QUARTERLY BASIS**  
**CHAIRMAN: HEAD OF COMPANY**

We also established the Accident Panel Review Committee (APRC) at TDMP HQ to review the outcome of accident investigations for Class 1 cases reported as well as to further minimise accident recurrence at our operations. TDMP accident reporting is illustrated in the following chart:

Summary Flow Chart of Accident Reporting

TDMP Internal Accident Reporting

Accident Occurence

24 hours - All class

Submission - INR

14 days - Class 1,2,3,4,5,8

Submission - DIR

Quarterly - Class 1,2,3,4,5,8, etc

Submission - Alert

Within 1 month - Class 1

APRC Meeting

DOSH Accident Reporting

Accident Occurence

7 working days

Submission - JKKP6 / JKKP7

when required - Class 1,2,3,4,5,8

Submission - JKKP9 / JKKP 10

Annually before 31st Jan next year

Submission - JKKP 8

For healthcare operations, there is an incident reporting mechanism in place 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 in order to prevent incidents from recurring and to 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 disasters. Specific to plantation operations, all estates are provided with Accident and Emergency procedures in addition to Emergency Preparedness and Response (EPR) Plan. They have also established their own Estate Emergency Response Team (ERT). A common ERP was developed, and includes the following credible scenarios: accident/incident, fire, explosion, oil or chemical spillage, effluent spillage, and flood. Each estate has site specific plans, including maps showing assembly areas, emergency response tools or equipment and up-to-date lists of emergency contacts with training conducted to communicate the plan.

In addition, the following practices have been adopted by the Group.

#### PLANTATION DIVISION

- Chemical Health Risk Assessment (CHRA) is conducted every five years, or whenever new chemicals are introduced at operating units and verified by engaging DOSH-Registered Assessor.
- Noise Risk Assessment (NRA) is conducted every five years, or whenever new noise risk exposure is detected at operating units and verified by engaging DOSH-Registered Assessor.
- Ergonomic Risk Assessment (ERA) is conducted every five years, or whenever new ergonomic risk exposure is detected at operating units and to be verified by engaging DOSH-Registered Assessor.
- Monthly health surveillance programme and annual medical surveillance programme is conducted for targeted groups with chemicals exposure, as recommended by CHRA assessor, such as sprayers, manuring gangs, workshops workers, diesel handlers, etc.
- Annual audiometric test is conducted for targeted groups with excessive noise exposure as recommended by NRA assessor, such as sprayers, grass cutters, workshops workers, tractor drivers, process operators, etc.
- Awareness and training programme for workers exposed to pesticides at all estates. Training and refresher training on chemical and scheduled waste handling, PPE and individual SOP for sprayer workers are conducted annually. The objective is to ensure all workers involved are adequately train in understanding SDS, Safe Work Practices and the correct use of PPE as well as the dangers arising from chemical handling.



HEALTHCARE DIVISION

- **Chemical**
  - Chemical health risk assessment report
  - Chemical management and spillage policy
  - Chemical management and spillage training
  - JKPP hygiene department inspection and advice for chemical management
- **Noise**
  - Baseline noise risk assessment report
  - PPE (earmuff and earplug) provided to the staff
  - "Hearing Protection Zone" signage
- **Ergonomic**
  - Meeting with JKPP on ergonomic issues
  - Appointment of competent ergonomic person to carry out ergonomic risk assessment
  - Ergonomic training

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

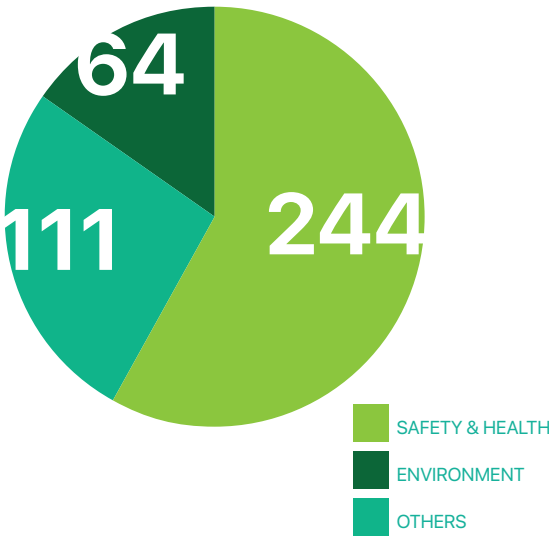
- Accidents and Incidents
- Safety with the usage of electrotherapy equipment
- Management of environment, safety and health
- Management of hospital wastes
- Recyclable waste management
- Product recalls, incidents and adverse events reporting
- Management of visitors in operation theatre
- Management of radiation protection and safety measures
- Infection control manual
- Emergency preparedness manual (occupational and safety environment)

OUR PROGRESS

TRAINING COURSES 2022

The highlight of the TDMP's 2022 OSH Training Calendar was the DOSH technical seminar held on 13 September 2022. Entitled "Seminar Pemerkasaan Keselamatan & Kesihatan Pekerjaan di Sektor Pertanian", it was a collaboration with the Terengganu Department of Occupational Safety and Health (DOSH) and Terengganu Social Security Organisation (SOCISO). It was attended by three Compliance Executives and 15 Compliance Clerks from TDMP estates and mills. There was an OSH management sharing session involving TDMP's SHO. The seminar was a platform for OSH practitioners to improve on OSH management in the agricultural sector, in addition to sharing the best and latest OSH practices.

A TOTAL OF 419 TRAINING PROGRAMMES PARTICIPATED BY TDMP EMPLOYEES IN 2022

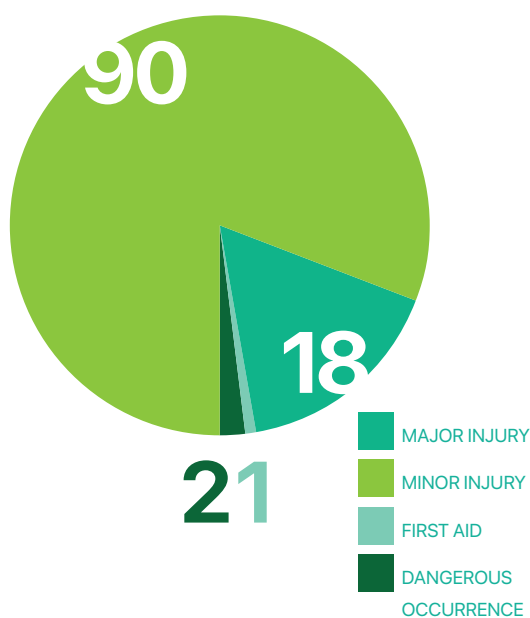




### Safety and Health Performance at TDM Plantation (GRI 403-9)

Types of Incidents	No. of Cases	
	2021	2022
Fatalities (Class 1)	0	0
LTI resulting in permanent disability (Class 2)	1	1
LTI resulting in temporary disability (Class 3 and 4)	33	30
LTI resulting from occupational disease / poisoning case (Class 5)	123	77
Cases requiring medical treatment (Class 6)	11	2
First aid (Class 7)	0	0
Dangerous occurrence case (Class 8)	0	1
<b>Total Occupational Incidents</b>	<b>168</b>	<b>111</b>

TYPES OF INCIDENTS  
AND NUMBER OF CASES IN 2022



Safety & Health Statistics at TDM Plantation	2020	2021	2022
*Injury Rate (IR)	2.87	5.65	3.95
*Occupational Disease Rate (ODR)	0.00	4.13	2.77
Loss Time Injury Frequency Rate (LTIFR)	7.53	24.88	18.54
*Fatality Rate (FR)	0.03	0.00	0.00

\* Per 1000 employees

2022 total working hours for the year = 5,824,888

Note:

IR = (YTD Number of Accident Cases x 1,000)/YTD total employees

ODR = (Total no of occupational disease x 1,000)/YTD total employees

LTIFR = (YTD No. of LTI Cases x 1,000,000)/YTD total man hours

FR = (YTD Number of Fatal Cases x 1,000)/YTD total employees

Safety and Health Performance at KMI Healthcare (GRI 403-9)			
Types of Incidents	No. of Cases		
	2020	2021	2022
Fatalities	0	0	0
LTI resulting in permanent disability	0	0	0
LTI resulting in temporary disability	0	0	0
Cases requiring medical treatment	0	4	0
Traffic incidents	0	0	0
Property damage	1	1	0
Others	0	0	2
<b>Total Incidents</b>	<b>1</b>	<b>5</b>	<b>2</b>

### COVID-19 PANDEMIC

All cases detected were discharged and cleared as of 31 Dec 2022. Should any case be detected at the workplace, TDM follows all procedures prescribed by the Ministry of Health. Swab test kits are available but not compulsory, and is normally suggested for symptomatic person usage only.

### MOVING FORWARD

TDM's goal is for zero fatality, and we will be continuously monitoring safety and health practices across all operations in order to improve workplace safety and foster a safe working environment.

At KMI Healthcare, immediate future plans revolve around strengthening its newly incepted HSE. Among the plans are to schedule quarterly HSE Committees, audits and workplace inspections. It also plans to roll out OSH coordinator training and establish BCP to raising the standard of health and safety in KMI hospitals and the head office.

## TRAINING AND CAREER DEVELOPMENT (GRI 3-3, 404-1, 404-2)

### WHY IT MATTERS

With the increasingly competitive and complex business landscape, it is important to create a culture of continuous learning in the workplace. Reskilling and upskilling have become the new normal, especially with digitalisation and marketplace disruptions. We recognise that human capital is our greatest asset and believe in investing in the professional growth of our employees so that they have the skills set and mindset to drive the organisation forward, to deliver its goals and vision. We envisage a more competitive, agile and employable workforce that we can retain, while attracting new talent to invigorate us with fresh ideas and work styles.

### OUR APPROACH

At TDM, we promote professional and personal advancement through a variety of internal and external training programmes revolving around both soft and technical skills. The Company has a dedicated training budget to enrich the various talents of our employees. Every year, staff are required to complete 16 training hours per person.

During the COVID-19 pandemic, physical training was minimal and we explored online training, e-LATiH, which was subsequently launched by utilising the Human Resources Development Fund (HRDF). Through e-LATiH, which provides unlimited free training courses, our staff can access hundreds of skills development courses. As a result, staff became familiar with online training, with e-LATiH learning and acquiring knowledge has become a daily routine. This is one of the positive outcomes of COVID-19 – creating an environment of lifelong learning through online portals.

To promote life-long learning, TDM sponsors employees keen to pursue their education. We also provide scholarships to employees with high potential and/or financially challenged to pursue their studies.

In addition to this, we have made training a part of employees KPI performance evaluation. By reviewing their performance, the Group is able to identify skill gaps that need to be bridged through training.

### OUR PROGRESS

#### EMPLOYEE

- TDM continues to support employees who wish to pursue their education. To date, TDM has sponsored 19 employees at local universities; in 2022 alone, two employees were selected for the MBA programme.
- 36,084 hours were spent on formal training and development (2021: 18,710hrs).
- RM1,596,752 was allocated for formal training and development (2021: RM466,520)
- Harvester Upskilling Programme – for 4 batches of harvesters to produce knowledgeable estate workforce and maximise their work productivity.
- TDM practises succession planning for keeping talent in the pipeline.
- Realignment of Job Grade & Market Adjustment to ensure employees' job grade and salary scale are competitive and attractive.

#### COMMUNITY

Supporting education through access to quality education, scholarships and school learning programmes

- TDM joined TIG to enter into a MOA with Yayasan Terengganu for the establishment of the YT-TI Young Talent Scholarship Programme.
- TDM supports the "Karnival Mega STePs 2022", organized by SMK Sungai Tong.
- TDM empowers students to face corporate working world during "Town Hall Mahasiswa Terengganu 2022", participated by hundreds of students from various learning institutions across Terengganu

### Realignment of Job Grade & Market Trends

In August 2022, the Board of Directors of TDM Berhad approved the amendment of the Human Resource Policy, to include a new job grade structure and salary scale. This is to ensure that our job grade and salary scale remains competitive and attractive.

## TALENT & SKILLS DEVELOPMENT

### MBA SCHOLARSHIP

TDM launched MBA scholarships for employees wanting to pursue their education in 2008. The objective is to grow a talent pool of professional leaders who can steer the organisation forward through good and hard times. To date, TDM has sponsored 19 employees to pursue MBA studies at local universities. In 2022, another two employees were awarded the MBA scholarship.

### HARVESTER UPSKILLING PROGRAMME

Harvester Upskilling Programme aims to produce a knowledgeable estate workforce and maximise their work productivity. The programme was held at Akademi TDM and Jaya Estate for four batches, where the participants went through a theoretical learning session, attentively listening to fundamental operational insights to become efficient harvesters, before going to the field to experience FFB harvesting first-hand, under the direct supervision and support of a few estate experts.

### SUCCESSION PLANNING

Succession planning is critical for business continuity. TDM established the Committee to identify candidates to attend a structured training programme, inclusive of planned interventions to ensure selected candidates have the right competencies to move the organisation forward.

### YT-TI YOUNG TALENT SCHOLARSHIP PROGRAMME

In September 2022, TDM, alongside five other members of the Terengganu Inc Group, namely Golden Pharos Berhad, Permodalan Terengganu Berhad, GPQ Sdn Bhd, TI Properties Sdn Bhd and Chicken Cottage Limited, joined TIG to enter a memorandum of agreement (MOA) with the Yayasan Terengganu for the establishment of the YT-TI Young Talent Scholarship Programme. TDM's participation in this joint initiative echoes its continued efforts to develop and enrich local talents by providing education sponsorships for deserving students from B40 families, further bolstering the State Government's commitment to advancing the education industry and human capital growth.

### KARNIVAL MEGA STEPS 2022

In November, TDM and TDMP supported the "Karnival Mega STEPS 2022", organised by SMK Sungai Tong. The programme was held to educate students and the local community on the importance of higher education and career development.

### PREPARING STUDENTS TO FACE THE CORPORATE WORLD

Also in November, TDM gave a career talk at in "Town Hall Mahasiswa Terengganu 2022", which saw the gathering of hundreds of students from various learning institutions across Terengganu. TDM Executive Director, Haji Najman Kamaruddin, shared his extensive first-hand experiences of the corporate world through the lens of an employer. These insights were aimed at preparing undergraduates planning to join the corporate world when enter the workforce.

### REVIEWING SKILLS AND TRAINING NEEDED

In 2022, KMI HQ began reviewing current skills and training needed to further raise performance standards of all its hospitals. In this exercise, KMI Group engaged with the hospital's senior management and employee representatives to map out training programmes that will be beneficial for both the employee and the Company.

In FY2022, KMI produced a few graduates and upgraded nurses who had completed their Post Basic (Competency) certificates. Therefore, we managed to fulfill the minimum requirements by CKAPS.

### MOVING FORWARD

Going forward, we will continue support 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.

The healthcare industry faces a shortage of nurses. To address this issue, KMI plans to reach out to nursing colleges for well qualified nurses who can meet the needs of its hospitals.

## DIVERSITY, INCLUSIVITY AND SOCIAL JUSTICE

(GRI 2-25, 2-30, 3-3, 401-1, 401-2, 401-3, 405-1)

### WHY IT MATTERS

Employees spend a significant portion of their day at the workplace. A positive and conducive work environment where employees are treated with dignity and respect, regardless of gender, age and designation, can improve motivation, inspire creativity and enhance the capabilities of employees in performing their daily tasks, which in turn can lead to higher job satisfaction levels. In addition, employees will have high confidence level to work in a company that support human rights, 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 at all times. We prohibit any form of discrimination and our employees are hired and rewarded based on their experience, merit and credibility. Our recruitment process is guided by the TDM Hiring Policy and Procedure, and our employees also have equal opportunities for training and professional development.

### GROUP GENDER & DIVERSITY POLICY

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 mistreatment of women and enhance internal procedure for handling complaints

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

We ensure that our business activities are in compliance 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.



### GROUP SOCIAL & HUMANITY POLICY

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

Ensure passport of guest worker shall only be submitted to the management for safe custody, with consent by the guest worker and will be readily made available upon request

Ensure no difference in rights between guest and local workers

Not tolerate the use of child or forced labour, slavery or human trafficking in our plantation and healthcare operations

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

In addition, we have established a grievance handling procedure for 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 the Human Resource Department.

We acknowledge our employees' right 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).

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	Medical Benefits	Other Benefits
Annual Leave Exam Leave Marriage Leave Paternity Leave Maternity Leave Compassionate Leave Hajj Leave	Medical Coverage (Inpatient & Outpatient) Maternity Coverage Insurance Coverage COVID-19 Test	Education Allowance for Children Employer EPF Contribution above than statutory i.e. 15% 13th months' salary Housing Allowance or Staff Quarters Utility Subsidy Child Nursery for Estate Workers School Transportation for Estate Workers' Children Parking Fees borne by company for HQ

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



**Flexible**  
working hours



Promotion of health living  
amongst employees through  
**wellness** programmes  
and **health** initiatives



Onsite childcare centre with  
**24/7**  
breastfeeding room



Special  
**parking for**  
**pregnant**  
employees



Establishment of internal  
**staff club**



**Respect** the rights of  
employees to **practice**  
their **religion** during their  
working hours



**Tazkirah**  
session every Thursday

## OUR PROGRESS

### REVISED HR POLICY

In August 2022, TDM Berhad's Board had approved the amendment of the corporate Human Resource Policy. The amendment is aligned to the amendment of Employment Act 1955 (Amendment Bill 2022) that was approved in the Parliament on March 2022 and to be implemented from 1 January 2023.

Accordingly, TDM made the following amendments to the Human Resource Policy:

- Maternity leave of ninety-eight (98) days for female employee for up to five surviving children.
- Paternity leave of seven (7) calendar days for male employee for up to five surviving children.
- 60 days of hospitalisation leave per year. This hospitalisation leave is separate from normal sick leave. With this, paid sick leave for staff has increased from maximum of 60 days per year to 80 days or 85 days depending on the years of service.
- Staff overtime claims eligibility is increased from maximum wages (Basic Salary + Fixed Allowance) of RM 2,000.00/month to RM 4,000.00/month.
- Flexible working arrangements where employees are allowed upon request, and subject to the employers' approval.

The TDMB Board also approved Human Resource Policy revisions, to take effect from 01 January 2023. They are:

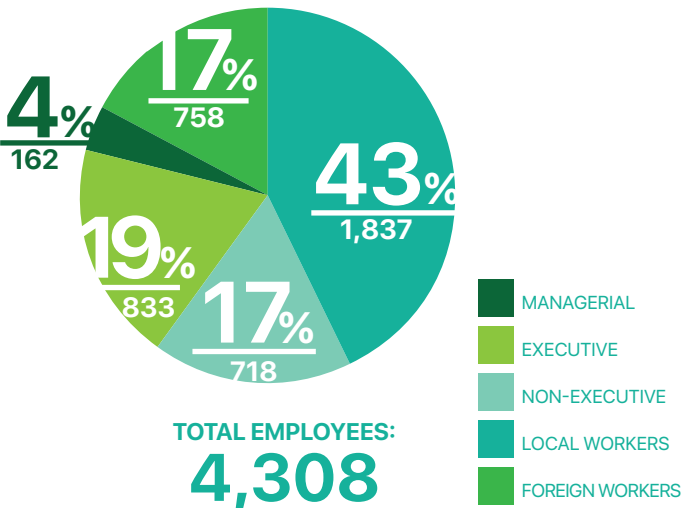
- Revision on Education Benefit Scheme
- Revision on Housing Allowance
- Revision on Travelling & Claim
- Revision on medical benefit for staff as follows:

TREATMENT	ENTITLEMENT
Inpatient (Include Surgery) - Staff & Dependents	As per bill (Maximum of RM 60,000/disability or illness/year)
Outpatient (Staff)	As Per Bill
Outpatient (Dependents)	RM 5,000/family/year
Maternity - Staff & Dependents (5 surviving Children)	Normal Delivery: RM 6,000.00 Caesarean: RM 10,000.00
Dental - Staff & Dependents	RM 800.00/year
Medical Screening (Confirmed Staff Only)	RM 700.00 Staff Above 40 Years: Annually Staff 40 Years and Below: Every 2 Years (At TDM Group Hospital Only)

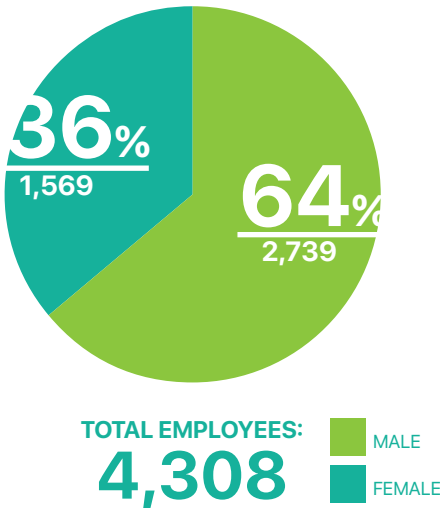
HR2EASY, THE NEW HUMAN RESOURCE MANAGEMENT SYSTEM

At the end of FY2022, TDM embarked on the introduction of a new Human Resource Management System called HR2easy to enhance the employee experience. Fully implemented in January 2023, HR2easy seeks to harmonise human resource processes to allow TDM and its subsidiaries (excluding KMI Healthcare) to leverage on analytics and involve employees in achieving TDM's organisational goals. HR2easy uses cloud technology to provide various solutions such as KPI management, leave, claim, payroll management, timesheet management and many more. Interestingly, this HRMS is a friendly user software whereby employees can sign in for work anytime, from anywhere. • Flexible working arrangements where employees are allowed upon request, and subject to the employers’ approval.

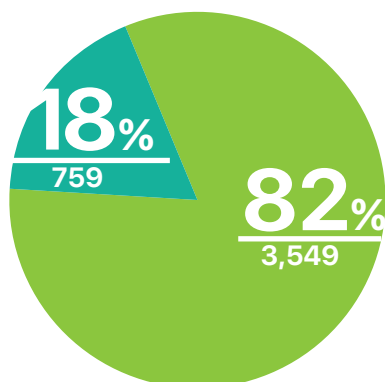
EMPLOYEE BREAKDOWN BY CATEGORY



EMPLOYEE BREAKDOWN BY GENDER



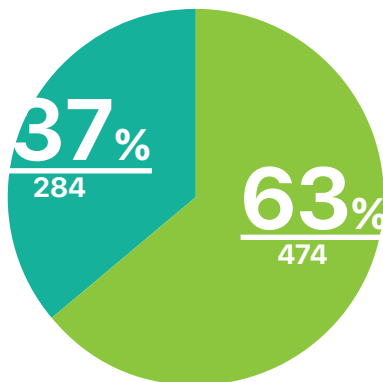
EMPLOYEE BREAKDOWN BY NATIONALITY



TOTAL EMPLOYEES  
**4,308**

■ MALAYSIAN  
■ NON-MALAYSIAN

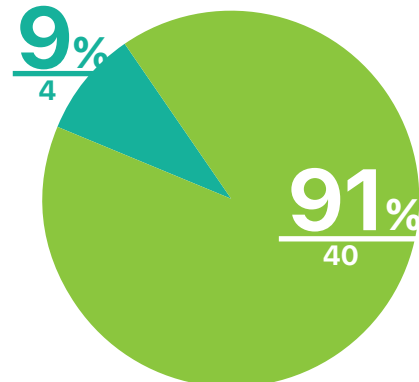
FOREIGN WORKERS AT PLANTATION



FOREIGN WORKERS  
**758**

■ INDONESIA  
■ BANGLADESH

BOARD DIVERSITY BY GENDER



TOTAL NO. OF BOARD MEMBERS FOR THE GROUP  
**44**

■ MALE  
■ FEMALE

NEW HIRES AND ATTRITION, ACCORDING TO AGE IN 2022

AGE GROUP	NEW HIRES	RESIGNS
<30	214	125
30 – 50	98	68
>50	3	13
<b>Total</b>	<b>315</b>	<b>206</b>

NEW HIRES AND ATTRITION, ACCORDING TO GENDER IN 2022

GENDER	NEW HIRES	RESIGNS
Male	93	53
Female	222	153
<b>Total</b>	<b>315</b>	<b>206</b>

PARENTAL LEAVE UTILISED BY STAFF FY2022

	TOTAL
No. of male employees who were entitled to and utilised their 5 days paternity leave	5
No. of female employees who were entitled to and utilised their 60 days maternity leave	3

## MOVING FORWARD

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

EMPLOYEE ENGAGEMENT (GRI 3-3, 401-1, 401-2, 401-3, 405-1, 405-2)

WHY IT MATTERS

Engaging employees is critical for retaining valuable talent and improve employees’ productivity. According to Forbes, employees who are engaged in their work are more likely to be motivated and remain committed to their employer. In fact, studies indicate that organisations with high engagement 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 that our employees remain loyal, committed and driven.

OUR APPROACH

At TDM, our employee engagement initiatives are centred around the appreciation and wellbeing of our employees, as well as 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. At TDM, engagement sessions with Warga TDM are continuously conducted either physically or digitally.

ROUTINE ENGAGEMENT WITH WARGA TDM



Birthday wishes



Newborn wishes



New hire announcement



Farewell for retire staff

OUR PROGRESS

THE BIGGEST LOSER CHALLENGE PROGRAMME AT TDM HQ

In FY2022, the “The Biggest Loser Challenge” is a weight loss challenge launched by the Compliance, Integrity & Sustainability Dept (CISD). It attracted 37 staff from TDM HQ who participated in the 5-month programme that ran from July to December 2022, and is aligned to the UN SDG No.3: Promoting Health and Well-Being.

During the challenge, contestants are to adopt a healthy diet, control food intake and exercise to shed the most weight. This initiative was well-supported by TDM because studies have shown that fit and healthy staff will be spurred to deliver good results for the company.



### INTERNATIONAL GOLDEN MONSOON RIDE 2022

TDM Berhad participated in the International Golden Monsoon Ride 2022, a cycling tournament that was in December 2022 at the Terengganu International Endurance Park (TIEP), Setiu.

The event is the outcome of the Terengganu Inc Challenge Series cycling programme being upgraded to an international level. It attracted participants from Malaysia and overseas. There were 1,395 participants, of whom 104 were from TDM. The TDM team was led by Ladang Rakyat Terengganu (LRT) in collaboration with the Terengganu Polygon Cycling Team (TSG).

### KELAB SUKAN & KEBAJIKAN

Kelab Sukan & Kebajikan is a social club for TDM employees, where the team spirit is fostered through various sporting, recreational and community activities. In FY2022, employee engagement activities included:

- Badminton, futsal, bowling competitions
- Distribution of "bubur asyura" to local community

### OUTSTANDING EMPLOYEE AWARD 2022

In September 2022, we organised the annual "Anugerah Perkhidmatan Cemerlang TDMP" to recognise employees who have been the backbone of our success. The ceremony, held at Akademi TDM in Sungai Tong, recognised 143 exceptional employees in front of a crowd of over 1,500 workers from TDMP estates and mills around Terengganu.

## ADDRESSING LABOUR SHORTAGES

On 20 August 2022, Indonesian embassy officials visited Pelantoh Estate, Kemaman. The visit was aimed at strengthening our working relationship with the embassy. The visitors also held a dialogue session with Indonesian workers attached to TDMP operations, learning more about their working experience in our estates. It is envisaged that such engagement will pave the way for more future collaborations that will be mutually beneficial for all parties and the local oil palm industry.

To address the issue of shortage of harvesters in our plantation business, we seek alternative sources of manpower such as locals, ex-prisoners and parolees via collaborations with related authorities and associations. We also engage recruitment agents to source local harvesters. As of December 2022, we had hired **228 local harvesters**. To cope with production demand due to forecast FFB, we also engaged an external subcontractor to provide harvesters/field workers. We also recruited indigenous people to assist us in monitoring elephant encroachments in our estates.

### WORK-LIFE BALANCE INITIATIVES

- Flexible working hours
- Onsite childcare centre with 24/7 breastfeeding room
- Promotion of health living amongst employees through wellness programmes and health initiatives
- Time off to attend to personal matters
- Special parking for pregnant employees
- Respect the rights of employees to practice their religion during their working hours

### EMPLOYEE ENGAGEMENT ACTIVITIES AT KMI HEALTHCARE

- KMI KT Open Day "Festival of First"
- KMI Taman Desa organised "International Nurses Day, Labour Day and Aidilfitri"
- Eid Celebration at KMI KT and KMI Tawau
- KMI Healthcare participated in the 28th APHM International Healthcare Conference & Exhibition
- Latihan Asas Hayat – KMI Taman Desa
- Gotong Royong Nyah Denggi – KMI KT
- Program Bengkel Hospital Mesra Ibadah – KMI Kuantan
- Latihan Kebakaran dan Keselamatan Bangunan - KMI KJMC
- Across Asia Assist Indonesia
- Held Kelas Antenatal 2.0 together with Sebamed and Friso Mom – KMI KT
- East Coast Neurospine Meeting 2022
- Mini Carnival – KMI Kuantan
- World Diabetes Day – KMI KT
- KMI Taman Desa joined Affin Bank Card Event

### MOVING FORWARD

We will continue engaging our employees through various initiatives, both work-related or through CSR activities. Through formal and informal engagement, we will create enriching employee experiences that can drive them towards organisational excellence as well as to further strengthen the bond among our Warga TDM.

## QUALITY AND INNOVATION (GRI 3-3, 416-1)

### WHY IT MATTERS

Companies need to constantly innovate and invest in technology 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 embrace innovation by using tools or technology in business operations that enable efficiency, productivity or promote cost savings. We also place our customers at the heart of everything we do, to deliver good quality products and services with great attitude.

### OUR APPROACH

Delivering high quality products and services and leveraging on innovative technologies are crucial drivers of our businesses, and they are vital components in TDM's Strategic Business Plan.

For our plantation business, we have adopted Good Agricultural Practice (GAP) to ensure continuous improvements in yield and productivity. In operations, we are committed to meeting the standards outlined by MPOB in the following aspects:

#### LAND PREPARATION

- Constructing hillside terraces with slopes ranging from 6 to 25 degree
- 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 or on the pruned frond heap for the matured palm
- Ensuring rounds of fertiliser application or frequency of fertiliser application 2 to 3 times per year

#### HARVESTING

- Obtaining the optimal yield based on the palm age
- Ensuring the harvesting cycle done in between 7 - 14 days
- Harvesting only the ripe FFB
- Ensuring the stalk is cut short less than 5cm
- Collecting all the loose fruits
- Sending the FFB and loose fruits together to the mills within 24 hours

#### 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

#### PEST AND DISEASE CONTROL

- Ensuring that no oil palm trees show the sign of pest attack
- Ensuring no oil palm demonstrates the sign of Ganoderma infection

#### SOIL CONSERVATION

- Maintaining of soft weeds cover
- Building silt pits

#### WEED CONTROL

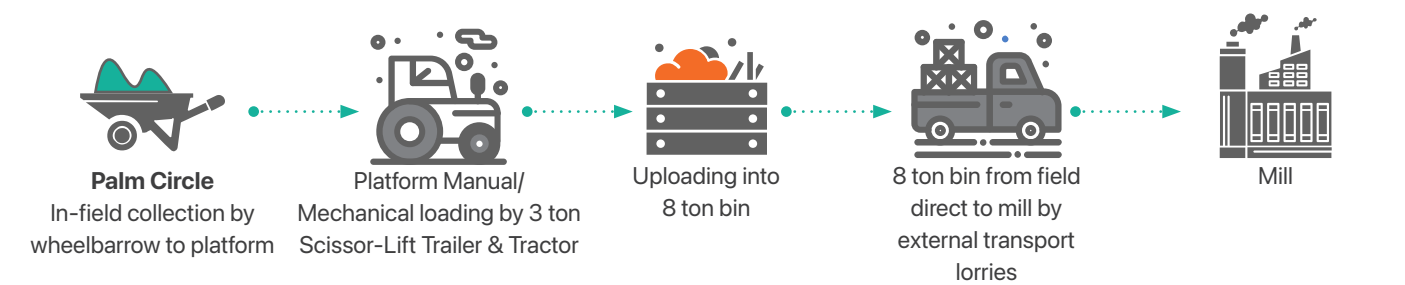
- Ensuring no epiphytic or parasitic plants on the oil palm stems
- Ensuring the surroundings of oil palm is free from weeds, and only soft weeds are maintained

As a member of RSPO, we are continuously working on reducing the usage of pesticides. Worker safety is our priority, hence we ensure all sprayers are trained extensively and are required to use full Personal Protective Equipment.

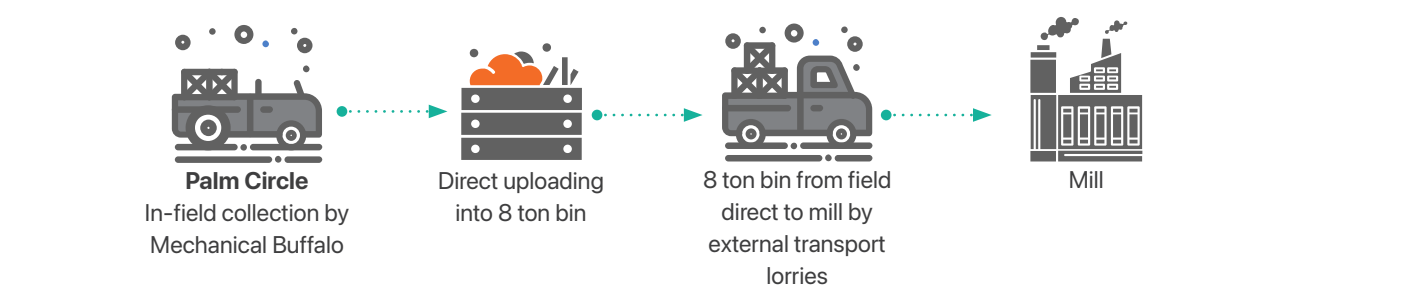
To reduce dependency on chemical and pesticides usage, we practise Integrated Pest Management (IPM), such as erecting a barn owl box every ten hectares and planting beneficial plants (i.e. *Turnera subulate* and *Antigonon leptopus*) along the main roads of our estates. These efforts are effective in controlling rats and leaf eating caterpillars, respectively. 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 movements before they enter the plantation perimeter. Through this initiative, it is expected that we can overcome encroachment issues while living harmoniously with this wildlife.

The outbreak of pandemic COVID-19 impacted the plantation industry and caused acute labour shortages, especially in FFB harvesting and related works. The shortage of harvesters resulted in some estates having extended harvesting intervals of more than 20-days compared with the standard 12 - 15 day harvesting interval, or 2.5 rounds of harvesting per month. Therefore, 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 conventional ratio of 1: 18 - 20 ha to 1: 25 - 28 ha.

HARVESTING & COLLECTION PROCESS  
CURRENT SYSTEM: CONVENTIONAL (DOUBLE HANDLING)



MAIC USING MECHANICAL BUFFALO (SINGLE HANDLING)



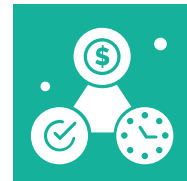
## BENEFITS OF MECHANISATION



**Improve  
productivity and  
performance**



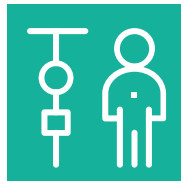
**Improve  
operational  
efficiencies**



**Cost effectiveness**



**Improve  
workers' earnings**



**Retain skilled  
workforce**



**Reduce the  
dependency  
of foreign workers**



**Encourage  
local workers to  
join plantation  
industry**

To support the mechanisation programme, we have established a structured preventive maintenance vehicle programme to be practised in our estates to ensure smooth daily operations and reduce overall operational costs.

## PREVENTIVE MAINTENANCE VEHICLE PROGRAMME

### OBJECTIVE

- Minimise the risk of breakdowns/ downtime
- Minimise spares and repairs
- Maintain vehicle in safety running
- Optimise vehicle utilisation
- Minimise vehicle running cost
- Increase vehicle lifespan

### ACTIVITIES

- Safety in working area
- Annual service record
- Daily vehicles PMV checklist
- Daily vehicle inspection
- Weekly greasing and cleaning schedule
- Cleaning activity
- Workshop equipment are well-kept and organised
- Fast-moving spare part record monitoring
- Tyre and tube pressure guideline
- Dedicated parking bay for each vehicle and trailer/ equipment
- Vehicle history records are properly maintained

Further, we provided specialised training to employees on the use of new machinery, including the correct usage of mechanical buffalos and mechanical cutters.

Beyond mechanisation, the Plantation Division is also poised to leverage on digital technologies such as the Internet of Things (IoT), data analytics to monitor the performance of all machineries and scheduling of preventive maintenance better.



On 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 analytics data, such as palm census, potential palm nutritional conditions and localised block information in order to facilitate more effective estate management and resource planning. Surveillance and monitoring using drones on the land boundaries and HCV areas were also able to assist in detecting any encroachments and deforestation activities by external parties. In addition, the drones were also useful for fire surveillance when fire hotspots are reported.

At KMI Healthcare, the COVID-19 health crisis pushed us to rapidly embrace technology and resort to telemedicine and medication delivery to reach out to patients and customers. We also utilised a wide array of technologies such as cloud, social media, mobile app, Internet of Things (IoT) and big data analytics as part of our efforts in innovation and technology to enhance our healthcare services and improve customer experiences.

We are also advancing our healthcare offerings through collaboration with experts in the field, such as Sunway Medical Centre and local universities. In FY2022, we introduced oncology services at KMI Kuala Terengganu and orthopedic service at KMI Kelana Jaya. Our continuous efforts to provide more comprehensive health services can bring more opportunities for us to expand since other service providers have expressed an interest in forming strategic alliances with us in the areas of rehabilitation, dialysis and in vitro fertilisation (IVF/IVC).

To gauge customer satisfaction levels, we conduct regular customer engagements through meetings and surveys. We have implemented a Quality Management System and hold regular internal quality checks and audits.

In an effort to deliver good healthcare services, KMI Healthcare is moving towards MSQH accreditation for all hospitals. In 2022, KMI Kuantan Medical Centre became our first MSQH-accredited hospital.

With regards to sustainability assurance and certification, we are proud to note that our sustainable palm oil production and 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 more recently by the International Sustainability and Carbon Certification (ISCC).

For healthcare operations, we recognise that our products and services can directly impact the quality of life of patients. Hence, we are always committed to adhere to the quality standards required. To date, all KMI hospitals were certified with ISO 9001:2015.

The Group strives to provide external assurance wherever possible to enhance its credibility, transparency so as to build trust with 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.



All our estates and mill 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 impact 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 years.

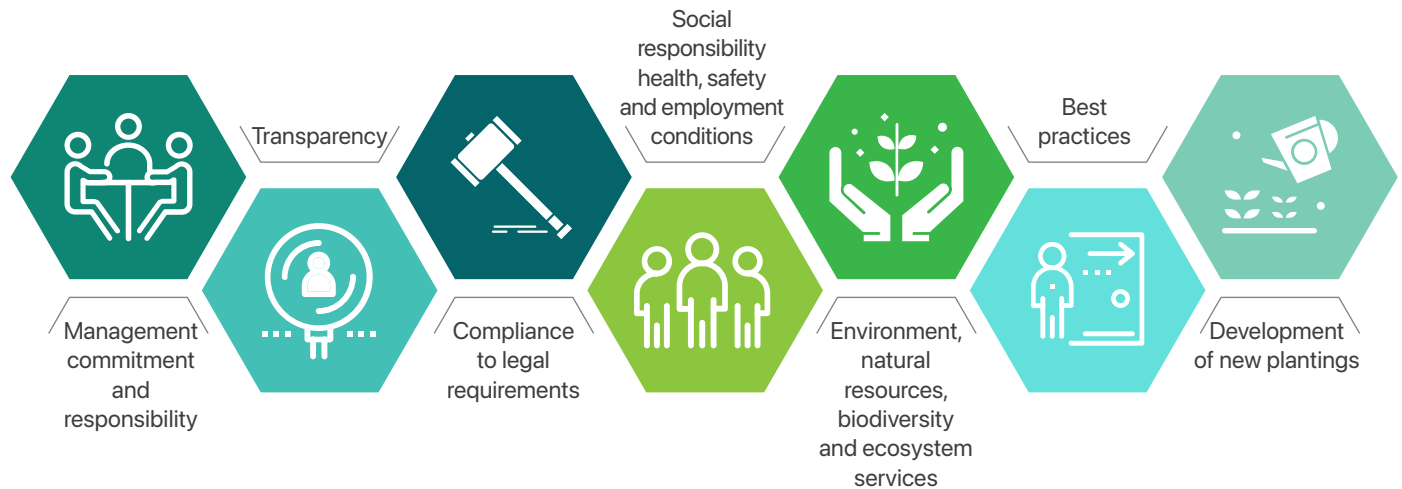
**Certifications: RSPO 587626 & RSPO 595564, Production and Management System**



Every Malaysian planters is required to be MSPO certified by the end of 2019. TDM was the first Malaysian GLC to be 100% MSPO certified. All our estates and mills in Malaysia were MSPO certified since 2017. The MSPO standard were developed by Malaysian Palm Oil Certification Council (MPOCC) with representative from various Palm Oil Special Interest Groups (PO SIG) The MSPO standard have seven principles, and include a management system framework based in the three pillars of sustainability (3Ps): economic viability, environmental protection and social equity.

**Certifications: MSPO 678754, 678572, 686825 & 686877, Malaysian Sustainable Palm Oil**

## MSPO STANDARDS: 7 PRINCIPLES



TDMP become the first plantation company in Terengganu to receive recognition from the International Sustainability and Carbon Certification approved by the European Commission (ISCC EU). The recognition is accorded to the company following an independent technical review conducted on the company'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) operation units. 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 source. This recognition indicates our commitment in minimising GHG emission as we successfully complied with the requirements needed at its South Zone operation units, namely Kemaman Palm Oil Mill, Air Putih Estate, Pelantoh Estate, Tebak Estate, Jernih Estate, Gajah Mati Estate and Majlis 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.

## OUR PROGRESS

### CHILI CULTIVATION PROJECT

Part of the company's strategic business plan is to make productive use of unplanted areas and explore additional revenue streams through the cultivation of cash crops. In 2022, we started a chili cultivation project, where TDMP jointly collaborated with external expertise from MARDI and PPK Kuala Langat to manage a chili cultivation venture on a 5-acre trial plot area in TDMP's Tayor Estate. A trial plot area was started, fitted with the company's Internet of Things (IoT) smart farming solutions. Digital sensors were embedded in every chili plant polybag to monitor temperature and humidity and water requirements. The information was monitored remotely, as part of precision farming to improve yields and reduce operational costs.

### ONGOING INITIATIVES IN PLANTATION

- Mechanisation 2.0 (expand to 1:13 ha)
- Improvements in efficacy of fertiliser application for uniform dosage to target palms/areas
- Maximisation of precision agriculture (GIS, GPS & UAV) for enhancement of estate efficiency
- Precision agriculture by Block Analytical Structure system
- Loose fruits cleaning to increase the quality
- Mills throughput increment strategies to 60mt/hr
- Higher yield or productivity to drive cost / mt lower
- Synergy in milling and transport of FFB and palm products
- Use of mechanisation and technology
- Reduce shade materials costs (cover crops planting materials dosages)
- Reduce planting materials cost per palm

In 2022, we intensified digitalisation and mechanisation to improve productivity, whereby 28 units of mechanical buffalos were allocated at the SZ and NZ operations, for collecting FFB over a coverage area of 4500.33 ha (2021: 22 mechanical buffalo units). In addition, we deployed 57 units of mechanical cutters for pruning and harvesting young palm areas (2021: 45 units).

### ONGOING INITIATIVES IN HEALTHCARE

- Booking appointments with mobile app
- Easy queue system from house to hospital and uberisation of healthcare
- Integration of HIS System with mobile app (running HIS on mobile device)
- Electronic Medical Records (EMR)
- Digital based work environment
  - A vendor has presented a proposal for the digitalisation of patient's data currently in physical format to cloud technology /web based/business intelligence tools
  - Consolidation of HIS data into a single database for data mining
  - Implementation of business intelligence tool (SpeedMiner) on big data platform to analyse historical data as to find patterns that would initiate corrective action safeguards the business from repeating the same errors and thus improves the efficiency of business
- Cybersecurity assessment
- Patient service portal
  - Patient portal – accessibility for patients to have a personal portal to view and download their medical report, get reminded or the medications, and accessibility to X-Ray report, lab reports
- Tele consultation virtual hospital
- Electronic appointment, booking and queue system Inpatient bedside panels

### NET PROMOTER SCORE (NPS)

NPS measures how satisfied our patients are with their experience. We use the NPS to gauge the likelihood patients will recommend KMI Healthcare services to their family and friends.

To meet the needs and expectations of our patients, both inpatients and outpatients were tracked for Client Satisfaction Score (CSAT) and NPS at all hospitals.

CLIENT SATISFACTION SCORE			NET PROMOTER SCORE		
2020	2021	2022	2020	2021	2022
91%	56%	58%	95%	91%	93%

*Note: For CSAT, our scoring for year 2021 and 2022 reduced due to new excellent scoring introduced in year 2021.*

As part of our effort to improve patient satisfaction, we also solicit feedback from patients. We currently use the following systems to collect patient feedback:

- Patient Experience Survey – Patients are given questionnaires regarding their clinical outcomes. The feedback generated will be used to aid in the continuous improvement process.
- Feedback Form – feedback received, including complaints, are analysed for improvement.

### MESRA IBADAH PROGRAMME

In FY2022, we arranged for the secondment of an Ustaz to KMI KJMC/TDMC as part of this initiative that involves:

- Regular activities and engagement of patients and staff at both hospitals (alternate day attachment at the hospitals) twice a week
- Daily visit to new admitted patients by Pegawai Agama at KMI KT
- Provide religious guidance and advise patients
- Help patients in performing ablution/tayammum

### MOVING FORWARD

To remain resilient in our business, TDM recognises that quality and innovation will continue to shape our industry in the coming decade. 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 customer experiences. The Group will continue to pursue its target to achieve 100% RSPO certification for all estates and mills. RSPO certification for the remaining one estate is in progress and targeted to be achieved by 2023.

In KMI Healthcare, we are working towards MSQH accreditation for all our hospitals.

Other Healthcare initiatives planned for 2023 include:

- ISO 9001 certification renewals for all hospitals
- Baby Friendly Hospital Initiative for KMI Kuantan
- Integrated Management System for KMI Kuantan
- ISO 9001 certification and MS 9100 Shariah Compliant for KMI Healthcare corporate office

ENGAGING LOCAL COMMUNITIES (GRI 3-3, 413-1)

WHY IT MATTERS

Businesses giving back to the communities is one of the important steps towards building a more equitable and inclusive society. Meaningful corporate community investments can create wide ranging benefits while making a difference for vulnerable and disadvantaged communities.

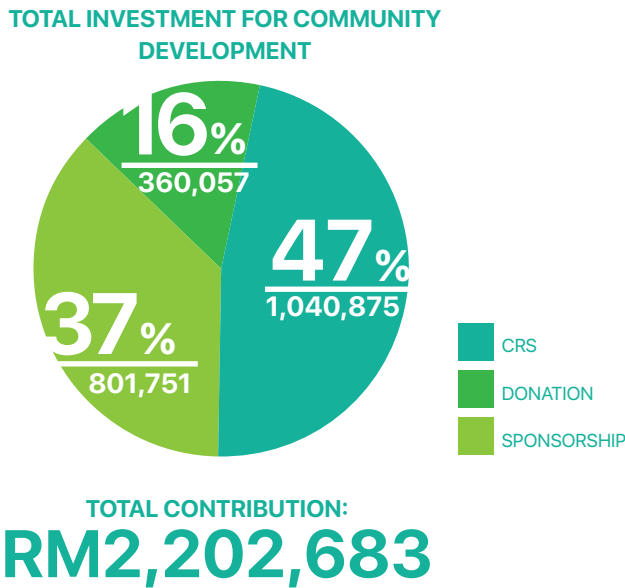
The Government may create a conducive environment in terms of taxation and ease of doing business to attract investors, while an organisation can provide support in building healthy and resilient communities by creating more job opportunities, entrepreneurial opportunities to local suppliers and support communities that are underprivileged and require assistance. At TDM, we believe that when people earn a wage or income, there is a direct benefit to the economy as 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, 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 where we operate, and in building shared values through our CSR activities and outreach programmes. We have assisted the needy in our community through financial help, in-kind contributions and donations. These include food supplies, medical supplies, humanitarian relief, and emergency responses, when we distribute directly to the affected communities or collaborate with NGOs or other organisations. Our ultimate goal has always been to assist the disadvantaged within our community. In FY2022, we channelled a part of our CSR budget to provide humanitarian aid to those hit hard by the COVID-19 pandemic as well as to flood victims.

OUR PROGRESS

In 2022, TDM contributed RM2,202,683 in the form of donations, sponsorship and CSR initiatives.





In line with UNSDG goals, 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. In FY2022, we assisted with the following activities:

### BICARA SYARIAH

Bicara Syariah aims to impart knowledge from an Islamic perspective to TDM employees and the public. In FY2022, we held four Bicara Syariah sessions that were broadcast on Facebook Live.



### TDM MOBILISES FLOOD ASSISTANCE

TDM Berhad mobilised assistance for flood victims in Besut, Setiu and Hulu Terengganu. Each household was given a cash donation, clean clothes, food, and other necessities for their daily use.

### HULURAN KASIH

"Huluran Kasih" saw staff volunteers visiting less fortunate families to provide financial assistance to ease their hardships.



### MENJULANG PERADABAN

Menjulang Peradaban aims to increase the public's knowledge of the history of Malay customs, culture and language. In 2022, TDM successfully broadcast three episodes, namely, "Keris Alam Melayu", "Keunikan Silat Kura-Kura" and "Pertemuan Seni Kapal Layar".

### FLOOD AID IN THE KLANG VALLEY

KMI Healthcare and Terengganu Incorporated Sdn. Bhd. provided financial aid valued at RM 110,000 to about 100 families affected by floods in the Klang Valley. The donation aimed to restore the homes and lives of those affected.



### TDM SUPPORTS TERENGGANU STUDENT TOWN HALL

TDM had the opportunity to participate in the Terengganu Student Town Hall 2022 program which has brought together hundreds of students from various educational institutions throughout Terengganu.

### FINANCIAL ASSISTANCE FOR FIRE VICTIMS

TDM Berhad extended financial assistance valued at RM10,000 to help restore the lives of families affected by a fire at Toman Islamic Study Centre.



### TDM'S FLOOD MISSION HELPS SINGLE MOTHERS IN HULU TERENGGANU

TDM Berhad, in collaboration with a local non-governmental organisation (NGO), went on a flood relief mission to Hulu Terengganu, where they channelled donations to victims, who were mainly single mothers.

### TDM BERHAD PARADES THE TOWN WITH ITS BRAND ORNATED TRISHAW

TDM Berhad was pleased to take part in the "Pertandingan Kenderaan Berhias", held in celebration of the 60th Birthday of His Royal Highness Sultan of Terengganu, Sultan Mizan Zainal Abidin, under the "Beca Berhias" category.



### DISTRIBUTION OF "BUBUR LAMBUK" TO THE PUBLIC

TDM together with the Terengganu Inc Group distributed 1,000 packets of "bubur lambuk" to the public during the holy month of Ramadhan. walk-in interviews were held to fill vacancies at the hospital.

### RAMADAN WITH ORPHANS

The Group collaborated with Kelab Kebajikan Saf Wanita Terengganu (SAFWA) to host a Ramadhan Iftar for 90 orphans from Pengkalan Berangan. TDM also handed out "duit raya" to the children during the occasion.



### KASIH RAMADAN

KMI Kuantan has organized Kasih Ramadan Program where "Bubur Lambuk", a significant dish during Ramadan, were distributed to the local community. Located at the grounds of KMI Kuantan, this special dish made by the hands of the hospital's own employees was distributed by Mr. Muhammad Ghazali Zainal Yusuf, the General Manager of KMI Kuantan, and was assisted by the front line team of the hospital who were present.

### FESTIVE ROAD CAMPAIGN

TDM participated in the Terengganu Road Safety Campaign in conjunction with the Aidilfitri season, together with EPIC Berhad and several government agencies. The campaign was aimed at creating road safety awareness and reducing road accidents and deaths during the festive season.



### RAYA WITH SINGLE MOTHERS

TDM Berhad and Kelab Ibu Tunggal DUN Pengkalan Berangan celebrated Raya with 150 single mothers from Beach Zone of Pengkalan Berangan. The single mums received monetary gifts during the event.

### RAYA OPEN HOUSE – JALINAN TAUTAN, LEBARAN DIRAI

TDM organised “Majlis Hari Raya Aidilfitri” for the public. The festive gathering saw about 2,000 guests, ranging from TDM employees to fellow GLC members, local villagers, students, local government and enforcement agencies, business partners. and invited guests who feasted on local cuisines, specially prepared by the TDM Plantation team.



### PINK TALK

TDM Berhad teamed up again with Terengganu Inc Group (TIG) for this year's October is Pink to educate the public about the importance of early screening and increase awareness of breast cancer. The event included health talks by several specialists.

### TERENGGANU GROUP INC BAGS THIRD PLACE AT STATE NATIONAL DAY PARADE

The Terengganu Inc Group contingent, which included TDM employees, won third place in the Private Category, Non-Uniform GLCs (Competitive) at the State national day celebration.



### POWER OCTOBER

KMI Kuala Terengganu, one of the community-centred specialist hospitals managed by Kumpulan Medic Iman Sdn Bhd, organised the “Power October” in celebration of World Physiotherapy Day and World Occupational Therapy Day. The event attracted more than 400 visitors.



### **"SIMPULKAN SOKONGAN, ERATKAN TAUTAN"**

TDM Berhad, in collaboration with Permai Hotel Kuala Terengganu, organised the "Simpulkan Sokongan, Eratkan Tautan" programme in conjunction with Breast Cancer Awareness Month.



### **JOB OPPORTUNITIES FOR SINGLE MOTHERS**

TDM Berhad and TDMP took part in "Karnival Terengganu Maju Berkat Sejahtera (TMBS)" at Pekan Merchang, Pengkalan Berangan. During the 3-day programme, our TDMP team shared career opportunities available in the company's estates across Terengganu. Meanwhile, TDM sponsored "Bakul Sumbangan TMBS", a food basket initiative to assist 300 single mothers from DUN Pengkalan Berangan.

### **MEGASTEPS 2022**

TDMP supported the "Karnival Mega STePS 2022", organised by SMK Sungai Tong, to educate students and the local community on the importance of higher education and career development.



### **"DAPUR RAKYAT"**

TDM Berhad, in collaboration with the Amal Foundation of Malaysia (Amal Malaysia) held "Dapur Rakyat" a food aid programme for flood victims in Terengganu, especially in Kampung Seberang Tayor, Air Putih, Kemaman.

### **THE BIGGEST LOSER CHALLENGE**

The Biggest Loser Challenge was the first ever programme successfully organised by Compliance, Integrity & Sustainability Dept (CISD). Participated by 37 staff across departments at TDM HQ, the programme was launched in July 2022 and ended December 2022. The 5-month weight loss challenge was designed to inculcate a healthier lifestyle whereby all contestants started adopting a healthy diet, control food intake and went for exercises to shed the most kilogrammes.



### **MOVING FORWARD**

Going forward, we will continue to invest in our communities 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 to encourage their active participation in our community outreach programmes.

## GOAL 4: PRACTISING GOOD GOVERNANCE

### Material Matters

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

### Related UN SDGs



## ETHICS AND INTEGRITY (GRI 2-26, 3-3, 205-2, 205-3)

### WHY IT MATTERS

In today's business environment, regulators, investors and customers expect businesses to conduct themselves to the highest ethical standards. Corruption can lead to uneven distribution of wealth, inefficient resource allocation, as well as incur additional costs to business and society. Most importantly, it undermines the trust of stakeholders. In line with the enforcement of Section 17(A) of the Malaysian Anti-Corruption Commission (MACC) Act 2009, TDM upholds transparency and integrity in its business dealings through a robust anti-bribery and corruption policy and enforcement plan.

### OUR APPROACH

TDM is committed to preventing all forms of bribery and corruption as stipulated in the Group's Anti-Bribery and Corruption Policy (ABC Policy). We ensure compliance with all applicable anti-bribery and corruption laws, and we treat seriously any allegation of misconduct in this regard. The Integrity Unit, formed at the TDM HQ in November 2019, is entrusted to strengthen integrity among employees by establishing clear policies and procedures on bribery and corruption.

The ABC Policy is supported by the Anti-Bribery and Corruption Framework, which provides direction for the Group on how to manage violations of the MACC Act. The Framework is founded on five (5) 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.



ANTI-BRIBERY AND CORRUPTION FRAMEWORK				
TOP LEVEL COMMITMENT	RISK ASSESSMENT	UNDERTAKE CONTROL MEASURE	SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	TRAINING AND COMMUNICATION
<ul style="list-style-type: none"> <li>• Board &amp; Management Oversight Function</li> <li>• Integrity &amp; Governance Function</li> </ul>	<ul style="list-style-type: none"> <li>• Corruption Risk Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy</li> <li>• Code of Business Ethics</li> <li>• No Gift Policy</li> <li>• Whistleblowing Policy</li> <li>• Philanthropy Policy</li> <li>• Due Diligence Procedure</li> <li>• Financial Control</li> <li>• Non-Financial Controls</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit Functions</li> <li>• Assurance from third parties</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity Programme</li> <li>• Integrity Training</li> <li>• Communication to Internal and External</li> </ul>

At TDM, we are continuously strengthening our internal controls to eliminate all possibilities of bribery and corruption in the workplace. The Group provides a mechanism for employees and other stakeholders to raise their concerns on any improper conduct without fear of reprisals when acting in good faith. The Whistleblowing Policy, through its procedures, provides a transparent and confidential process when dealing with concerns raised. Employees and other stakeholders may disclose or report of any breach through [whistleblowing@tdmberhad.com.my](mailto:whistleblowing@tdmberhad.com.my) or by writing or meeting in person with the Head of Compliance, Integrity and Sustainability.

The Group also has the “No-Gift” Policy whereby all directors and employees shall not solicit, demand or accept directly or indirectly, any gift from a third party, 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 dealing and decision making, and to demonstrate our commitment to the highest standard of ethics and integrity.

With regard to procurement, all vendors participating in our tendering process are required to sign the TDM Integrity Agreement, which includes the undertaking not to engage in any form of bribery and corruption and to comply with our CoBE.

## OUR PROGRESS

In 2022, TDM's continuous efforts to cultivate an ethical, accountable and integrity culture among our directors and employees:

- TDM reviewed and revised the CoBE, which was rolled out in the second quarter of 2022
- TDM has rolled out 14 sessions of ethics and integrity training for 261 employees since 2021
- TDM has a track record of zero confirmed cases of bribery and corruption

## MOVING FORWARD

We are developing the TDM Organisational Anti-Corruption Plan (OACP), which will outline a comprehensive programme to strengthen governance, integrity and anti-bribery and corruption controls for the Group. TDM's Integrity Unit will oversee its implementation, monitoring and evaluation of all initiatives, further demonstrating our commitment to combating bribery and corruption at our workplace.

## CYBERSECURITY AND DATA PRIVACY (GRI 3-3, 418-1)

### WHY IT MATTERS

The explosion of new technologies is being matched by cyber security crime that is equally sophisticated. During the COVID-19 pandemic, the pace of cyber-attacks intensified as businesses become more digitalised. Cyber security is now considered as a business risk rather than just a technology enabler.

At TDM, we handle large amounts of information and data that are critical to our business operations. Data losses or breaches can occur from cyber-attacks, even attempted ones. Therefore, it is vital to ensure our IT systems, networks, applications and personal data are adequately protected against cyber threats and malfunctions to ensure our operations can be carried out without disruption and to prevent the loss of sensitive and confidential data.

### OUR APPROACH

The Group has adopted a holistic and proactive approach to manage exposure to cyber threats. We deploy security measures to protect confidential information and regularly conduct assessments on the effectiveness of existing controls. We also closely monitor emerging cybersecurity threats.

We have in place several IT related policies to protect our operational activities. Among them are 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 implement these policies on the ground, we conduct continuous training and upskilling of our IT personnel and implement staff awareness programmes on cyber security issues.

At KMI Healthcare, customer privacy is a priority, and the Division strives to protect personal information through the issuance of Personal Data Protection Notice. This is a privacy notice posted on the KMI hospital website, outlining how the hospital collects, uses, maintains and discloses customer Personal Data in accordance with the Malaysian Personal Data Protection Act 2010.

Apart from the Group's data privacy measures, KMI has developed and implemented various security policies, procedures and technologies such as firewalls, antivirus, encryption and authentication systems. Additionally, it is compliant of the data privacy laws and regulations that are relevant to the healthcare business.

Among the actions taken as of FY2022 are:

- Establishing an acceptable IT policy
- Developing a risk assessment and management programme
- Implementing data encryption and access control measures
- Establishing secure remote access protocols
- Establishing patch management activities
- Establishing a vulnerability management programme
- Developing an incident response plan
- Implementing user education and awareness programs
- Establishing a data backup and recovery plan

### OUR PROGRESS

- Zero complaints on breaches of customer privacy in FY2022
- To subscribe and upgrade the ERP system to the Microsoft SaaS system on cloud with a secure and stable environment. Phase 1 is targeted to go live by May 2023

## MOVING FORWARD

The Group's future plans include subscribing and upgrading its ERP system to the Microsoft Cloud environment, which has a more secure and stable data centre.

At KMI Healthcare, a security posture assessment is underway, to assess the security environment to identify areas of risk and vulnerability. The assessment also involves evaluating current security measures, policies, and procedures in place to identify any gaps in security. The assessment also involves testing the effectiveness of existing security measures.

KMI will also collaborate with respective vendors for the resolution of cybersecurity challenges that are likely to occur.

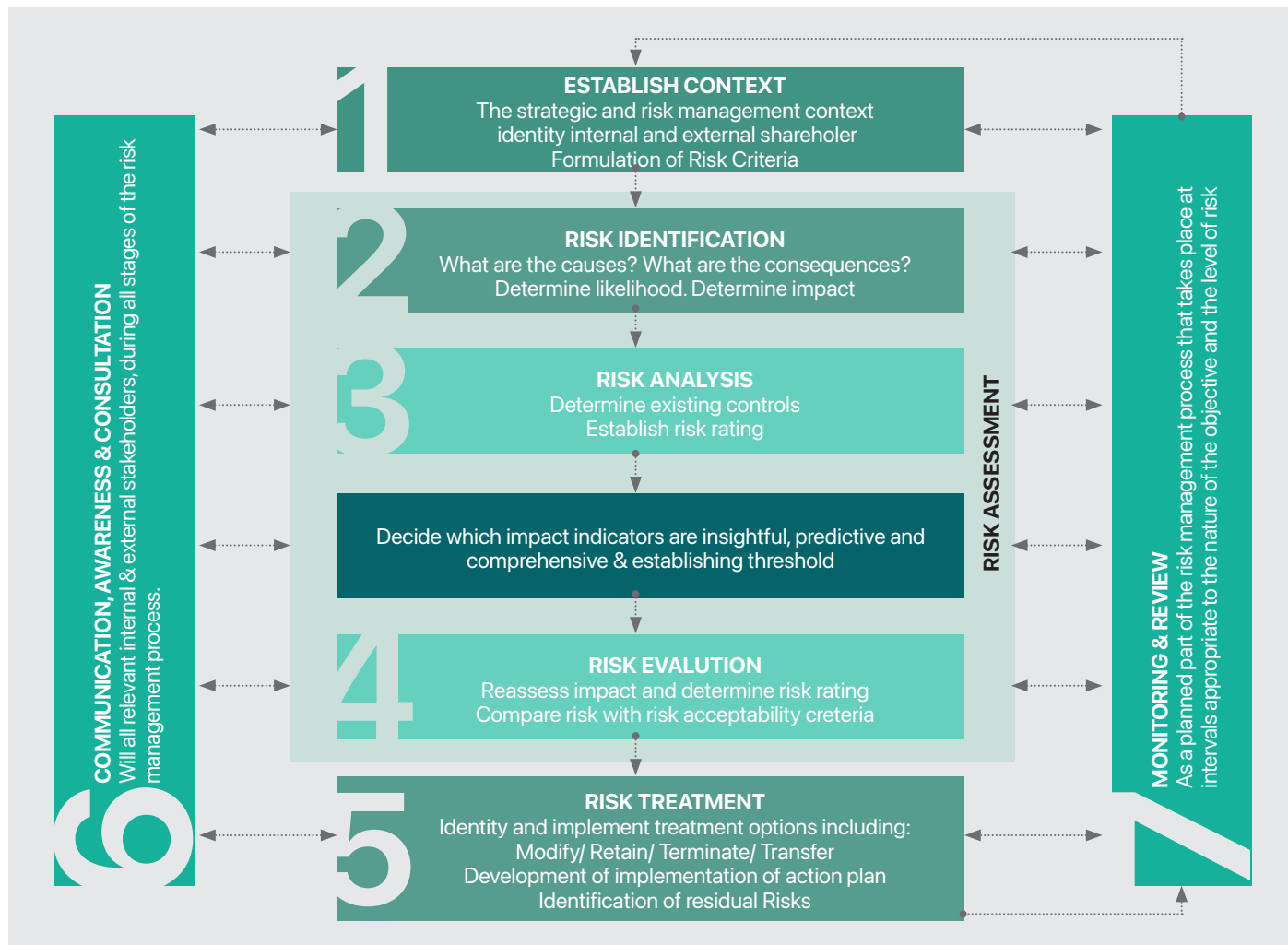
## RISK MANAGEMENT (GRI 3-3)

### WHY IT MATTERS

All businesses carry risks. When not managed properly, it can be costly and time-consuming to rectify. The ability to identify and effectively manage the risks will help companies to act more confidently on future business decisions. At TDM, we recognise that risk management is important not only to minimise threats, but also help appraise acceptable levels of risk needed to achieve our business objectives.

### OUR APPROACH

The Group established the Risk Management Manual, which is specifically designed to identify, evaluate and manage risks that would impede the Group's long-term and short-term objectives. The Manual defines the Group's risk management process in managing the risks and action plans on a continuous basis towards effective risk management and internal control practices. We roll out the risk management process across the Group and a risk profile is developed at each division i. e. plantation, healthcare and corporate office. Significant risks affecting the business are presented to the MIRCC on a quarterly basis for reviewing, before being presented to the BRCC for deliberation and subsequently to the Board for approval.



The Group also performs a comprehensive risk identification process by taking account of the internal and external environment. It is as follows:

INTERNAL FACTOR



PEOPLE



STRUCTURE



STRATEGY



TEHCNOLOGY



PROCESS

EXTERNAL FACTOR



INDUSTRY



ADVANCE  
TECHNOLOGY



COMPETITION



LAWS AND  
REGULATIONS



BRAND /  
REPUTATION



POLITICAL  
LANDSCAPE



SOCIAL  
BEHAVIOUR



ECONOMICS



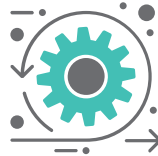
We assess our risks based on likelihood and impact, and map them against a 5 by 5 Risk Map. Our risks are classified in the following categories:



**STRATEGY**



**FINANCE**



**OPERATIONAL**



**COMPLIANCE &  
REGULATORY**



**HUMAN  
CAPITAL**

Suitable Key Risk Indicators (KRIs) are then identified 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, 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 remedy to be taken. 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. In the meantime, we keep looking for any emerging risks based on changes in internal and external environment as well as the level of controls.

In ensuring a holistic approach to risk management, we renewed our view towards emerging risks and opportunities when we incorporated Enterprise Risk Management (ERM) measures into our Strategic Business Plan in FY2022.

### OUR PROGRESS

- Established KRIs for 51 risks registered under the Group
- Quarterly deliberate ERM report to the Board

### MOVING FORWARD

We will continue embrace effective risk management through the implementation of KRIs for all risks registered under the Group, and we will continue to evaluate their effectiveness in shaping the Group's risk culture. The Group also plans to strengthen the Risk Control Self-Assessment (RCSA) to enable the Group's risks to be managed proactively, and for timely actions to be taken to address unacceptable levels of exposure as well as to ensure the controls are effective to mitigate the risks.

In 2023, we will be carrying out a Corruption Risk Assessment through Corruption Risk Management.

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# 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 2022.

### 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/(loss) for the financial year from continuing operations	16,993	(30,035)
Loss for the financial year from discontinued operations	(46,722)	-
Loss net of tax	<u>(29,729)</u>	<u>(30,035)</u>
Loss profit attributable to		
Owners of the parent	(25,452)	(30,035)
Non-controlling interests	(4,277)	-
	<u>(29,729)</u>	<u>(30,035)</u>

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 provision for compensation of environmental loss of the Group and expected credit losses on amounts due from subsidiaries of the Company as disclosed in Note 6 and Note 25 to the financial statements.

### Dividends

The amount of dividends paid by the Company since 31 December 2021 were as follows:

	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
A final dividend of 0.35 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 23 June 2022 and paid on 22 July 2022.	6,030



### Dividends (cont'd.)

The amount of dividends paid by the Company since 31 December 2021 were as follows: (cont'd.)

	RM'000
In respect of the financial year ended 31 December 2022:	
An interim dividend of 0.17 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 12 December 2022 and paid on 17 January 2023.	2,929
	<u>13,955</u>

### 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:

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 Samlun bin Salleh	
YBM Tengku Seri Bijaya Raja	
(Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)	(Appointed on 3 August 2022)
YM Raja Dato' Idris Raja Kamarudin #	(Resigned on 20 July 2022)

# 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:

#### TDM Plantation Sdn. Bhd.

YB Che Alias bin Hamid

Mohd Norddin bin Abd Jalil

YM Raja Dato' Idris Raja Kamarudin

#### Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.

Ahmad Faris bin Abdul Razak

#### TDM Capital Sdn. Bhd.

Hasmadi bin Desa

Dato' Roslee bin Chik



**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.):

TDM Trading Sdn. Bhd.

Naraza bin Muda

TD Gabongan Sdn. Bhd.

Zubaidah Ani binti Mohd Noor

Hasmadi bin Desa

Kemaman Capital Sdn. Bhd.

Hasmadi bin Desa

TDM-YT Plantation Sdn. Bhd.

Abdul Raof bin Mohamed

Mohd Badaruddin bin Ismail

Wahab bin Jusoh

Dato' Haji Mohd Azmi bin Mohamad Daham

Datuk YBM Tengku Seri Bijaya Raja

(Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)

(Resigned on 3 August 2022)

PT Rafi Kamajaya Abadi

Choo Kong Yu

(Appointed on 1 August 2022)

Tan Sri Tan Jyh Taong

(Appointed on 1 August 2022)

Badrol bin Abu Bakar

(Resigned on 1 August 2022)

Hasmadi bin Desa

(Resigned on 1 August 2022)

PT Sawit Rezki Abadi

Badrol bin Abu Bakar

Hasmadi bin Desa

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.

YM Raja Dato' Idris Raja Kamarudin

Haji Wan Abdul Hakim bin Wan Mokhtar

YB Dr. Azman bin Ibrahim

YB. Dato' Dr. Alias bin Razak

Dato' Haji Zainal Abidin bin Hussin

YB. Dr. Aliakbar bin Gulasan

(Appointed on 25 October 2022)

**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.):

**Kelana Jaya Medical Centre Sdn. Bhd.**

YB. Dato' Dr. Alias bin Razak  
 Dr. Mujahid Fauzi bin Sulong  
 Roslan Shahir bin Mohd Shahir  
 YB. Dr. Halimah binti Ali

**Kuala Terengganu Specialist Hospital Sdn. Bhd.**

Dato' Koh Tat Kim  
 Dato' Mazlan bin Ngah  
 Prof. Dr. Harny 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  
 YB. Dr. Najihatussalehah binti Ahmad  
 Haji Hadi bin Hassan

**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  
 YB. Salamiah Binti Mohd Nor

**KMI Tawau Medical Centre Sdn. Bhd.**

YB Dr. Aliakbar bin Gulasan  
 Dr. Mohd Afifi bin Shaiffuddin  
 Haji Mohd Anuar bin Haji Ali  
 Haji Wan Abdul Hakim bin Wan Mokhtar  
 Dr. Rayney Azmi bin Ali

(Appointed on 25 October 2022)

(Appointed on 25 October 2022)

(Appointed on 25 October 2022)

(Resigned on 25 October 2022)

(Resigned on 25 October 2022)

**KMI Chukai Medical Centre Sdn. Bhd.**

Haji Wan Abdul Hakim bin Wan Mokhtar  
 Dr. Rayney Azmi bin Ali

**KMI Ambulatory Care Sdn. Bhd.**

Dr. Rayney Azmi bin Ali

**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.):

KMI Tunjong Medical Centre Sdn. Bhd.

Prof. Dr. Samiah Yasmin binti Abdul Kadir

KMI Assets Sdn. Bhd.

Dr. Rayney Azmi bin Ali

TDM Agrobiz Sdn. Bhd.

Dato' Zulkepli Amin bin Mat Jusoh@Yusof

(Appointed on 27 November 2022)

Wan Aimi Yusri bin Wan Ismail

(Appointed on 27 November 2022)

Mohd Kamaruzaman bin A Wahab

(Appointed on 27 November 2022)

Haji Najman bin Kamaruddin

(First director and resigned on  
27 November 2022)

Hasmadi bin Desa

(Appointed on 25 September 2022 and  
resigned on 27 November 2022)

Nurul Islam bin Mohamed Yusoff

First director and resigned on  
25 September 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:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Fees	811	619
Other emoluments	722	483
Indemnity given to or insurance effected for directors	35	11
Estimated money value of benefits-in-kind	38	7
Total directors' remuneration including benefits-in-kind	<u>1,606</u>	<u>1,120</u>

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 RM17,000,000 and RM34,796 respectively. The total amount of sum insured and premium paid for directors of the Company are RM5,200,000 and RM10,904 respectively.



### Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1 January 2022	Acquired	Sold	31 December 2022
<b>The Company</b>				
Haji Azlan bin Md Alifiah	64,000	-	(64,000)	-

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;
  - (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 event**

The details of the significant event is disclosed in Note 41 to the financial statements.



### Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follow:

	Group RM'000	Company RM'000
Statutory audits		
- Ernst & Young PLT	880	482
- other than Ernst & Young PLT	95	-
Other services - Ernst & Young PLT	65	5
	<u>1,040</u>	<u>487</u>

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 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 April 2023.

YBM Tengku Seri Bijaya Raja  
(Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)

Haji Azlan bin Md Alifiah

**Statement by directors****Pursuant to Section 251(2) of the Companies Act 2016**

We, YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) 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 202 to 313 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 2022 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 20 April 2023.

YBM Tengku Seri Bijaya Raja  
(Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)

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 202 to 313 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 20 April 2023

Hasmadi bin Desa  
(CA 14613)

Before me,

196501000477 (6265-P)

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 2022 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 202 to 313.

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 2022, 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.



196501000477 (6265-P)

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 matters 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 – classification and measurement

*Refer to Notes 3.1(a) and 25 of the financial statements.*

On 29 July 2022, the Company and the minority shareholder of PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") and Ikkhasas Sawit Sdn. Bhd. ("Ikkhasas") entered into a Share Purchase Agreement ("SPA") for the disposal of 100% equity interest in PT RKA and PT SRA (the "Disposal Group") for an aggregate cash consideration of RM115 million.

The SPA shall be conditional upon the Company and/or the Indonesia subsidiaries fulfilling certain conditions precedent ("CP"). The CP includes amongst other the resolution of certain operational issues of the Indonesia subsidiaries and the settlement or determination of the lawsuits filed against PT RKA.

196501000477 (6265-P)

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 – classification and measurement (cont'd.)

In the current financial year, the directors assessed that the criteria were met in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operation and classify the assets and liabilities of the Disposal Group as held for sale.

The Disposal Group classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell ("FVLCS"). The directors measure the FVLCS of the Disposal Group based on an assessment of the recoverable amount with reference to the SPA.

We have identified the classification and measurement of the assets and liabilities of the Disposal Group classified as held for sale as an area of audit focus as significant management's judgement and estimates are involved in determining the appropriate classification and in measuring the FVLCS of the assets and liabilities of the 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, SPA and other relevant documents;
- Reviewed management assessment and inspected available documentary evidence on the status of the fulfillment of the CP in the SPA;
- Reviewed the key assumptions made by the Board of Directors in estimating the FVLCS of the Disposal Group and compared the key assumptions against historical records, quotations, SPA, underlying supporting documents and market data;
- Reviewed the accuracy of management's calculation of the impairment charge; and
- Reviewed the adequacy of the disclosures in the financial statements.



196501000477 (6265-P)

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

*Refer to Notes 3.2(c)(ii) and 25 to the financial statements.*

As at 31 December 2022, the net carrying amounts due from PT RKA and PT SRA to the Company amounted to RM50.8 million representing 8% of the Company's total assets.

The Company performed an impairment assessment on the amounts due from subsidiaries (especially for amounts 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 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.

The ECL assessment in the current financial year gave rise to a further allowance of RM46.2 million as at 31 December 2022 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 on amounts due from PT RKA and PT SRA, we have identified this as an area of audit focus.

196501000477 (6265-P)

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:

- Obtained an understanding of the approach applied and evaluated the key assumption used by the Company in the calculation of ECL allowance;
- Reviewed the key assumptions made by the Board of Directors in estimating the FVLCS of the Disposal Group and compared the key assumptions against historical records, quotations, SPA, underlying supporting documents and market data;
- Reviewed the accuracy of management's calculation of the ECL allowance; and
- 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.

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.

196501000477 (6265-P)

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.)*

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.

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.



196501000477 (6265-P)

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:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

196501000477 (6265-P)

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.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*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.



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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

Kuala Lumpur, Malaysia  
20 April 2023

Tseu Tet Khong @ Tsau Tet Khong  
03374/06/2024 J  
Chartered Accountant

**Statements of comprehensive income**  
**For the financial year ended 31 December 2022**

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations					
Revenue	4	614,372	511,582	72,126	141,151
Cost of sales		(392,557)	(316,154)	(17,398)	(17,845)
Gross profit		221,815	195,428	54,728	123,306
Other items of income					
Interest income		2,390	3,016	2,400	1,768
Other income		28,678	60,701	10,017	7,555
Other items of expense					
Distribution costs		(5,057)	(4,977)	(355)	(1,007)
Administrative and other operating expenses		(177,254)	(142,951)	(80,759)	(115,774)
Other expenses		(10,439)	(4,513)	(4,235)	(3,633)
Finance costs	5	(23,878)	(24,776)	(8,605)	(11,564)
Profit/(loss) before tax	6	36,255	81,928	(26,810)	551
Taxation	9	(19,262)	(28,246)	(3,225)	556
Profit/(loss) for the financial year from continuing operations		16,993	53,682	(30,035)	1,107
Discontinued operation					
Loss for the financial year from discontinued operation	25	(46,722)	(90,475)	-	-
(Loss)/profit for the financial year		(29,729)	(36,793)	(30,035)	1,107
Other comprehensive (loss)/income:					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		458	1,918	-	-

**Statements of comprehensive income (cont'd.)**  
**For the financial year ended 31 December 2022**

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Other comprehensive (loss)/income:</b> <b>(cont'd.)</b>					
<b>Other comprehensive (loss)/income</b> <b>that will not be reclassified to</b> <b>profit or loss in subsequent</b> <b>periods: (cont'd.)</b>					
Fair value movement of investments in securities		1	1	-	-
Fair value movement of other investments		(13,406)	2,956	-	-
Net gain/(loss) on remeasurement of defined benefit obligations		531	-	(584)	-
<b>Total other comprehensive</b> <b>(loss)/income that will not be</b> <b>reclassified to profit or loss</b> <b>in subsequent periods</b>		<u>(12,874)</u>	<u>2,957</u>	<u>(584)</u>	<u>-</u>
<b>Total other comprehensive</b> <b>(loss)/income for the financial year</b>		<u>(42,145)</u>	<u>(31,918)</u>	<u>(30,619)</u>	<u>1,107</u>
<b>(Loss)/profit attributable to:</b>					
Owners of the parent		(25,452)	(29,518)	(30,035)	1,107
Non-controlling interests		<u>(4,277)</u>	<u>(7,275)</u>	<u>-</u>	<u>-</u>
		<u>(29,729)</u>	<u>(36,793)</u>	<u>(30,035)</u>	<u>1,107</u>
<b>Total comprehensive (loss)/income</b> <b>attributable to:</b>					
Owners of the parent		(37,903)	(24,758)	(30,619)	1,107
Non-controlling interests		<u>(4,242)</u>	<u>(7,160)</u>	<u>-</u>	<u>-</u>
		<u>(42,145)</u>	<u>(31,918)</u>	<u>(30,619)</u>	<u>1,107</u>
<b>(Loss)/earning per share attributable</b> <b>to owners of the parent:</b>					
Basic (loss)/earning per share (sen):	10	(1.48)	(1.71)		
- continuing operations	10	1.09	3.21		
- discontinued operation	10	<u>(2.57)</u>	<u>(4.93)</u>		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

**Statements of financial position**  
**As at 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	818,689	802,005	17,520	12,460
Right-of-use assets	13	476,133	482,911	349	1,021
Intangible asset	14	2,890	3,748	2,890	3,748
Investment properties	15	-	-	167,538	169,866
Goodwill	16	6,520	991	-	-
Investments in subsidiaries	17	-	-	224,908	224,266
Other investments	18	27,657	41,063	-	-
Investments in securities	19	37	36	-	-
Other receivables	22	308	186	40,246	23,864
Deferred tax assets	30	958	996	-	-
		<u>1,333,192</u>	<u>1,331,936</u>	<u>453,451</u>	<u>435,225</u>
<b>Current assets</b>					
Biological assets	20	3,346	8,671	-	-
Inventories	21	35,877	24,057	230	202
Trade and other receivables	22	62,828	57,630	57,699	108,095
Contract costs asset	23	1,881	4,827	-	-
Prepayments		5,419	4,946	-	-
Tax recoverable		13,600	12,753	6,028	4,178
Cash and bank balances	24	107,184	194,443	37,151	48,316
Assets of disposal group classified as held for sale	25	<u>102,124</u>	<u>105,666</u>	<u>50,789</u>	<u>89,301</u>
		<u>332,259</u>	<u>412,993</u>	<u>151,897</u>	<u>250,092</u>
<b>Total assets</b>		<u>1,665,451</u>	<u>1,744,929</u>	<u>605,348</u>	<u>685,317</u>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Retirement benefit obligations	29	546	742	-	-
Lease liabilities	26	930	1,065	221	658
Loans and borrowings	27	78,823	49,660	26,693	20,827
Trade and other payables	28	200,798	222,266	121,490	136,017
Income tax payable		6,793	15,684	-	-
Liabilities of disposal group classified as held for sale	25	<u>48,365</u>	<u>10,412</u>	<u>-</u>	<u>-</u>
		<u>336,255</u>	<u>299,829</u>	<u>148,404</u>	<u>157,502</u>
<b>Net current (liabilities)/assets</b>		<u>(3,996)</u>	<u>113,164</u>	<u>3,493</u>	<u>92,590</u>



**Statements of financial position (cont'd.)**  
**As at 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>					
<b>Non-current liabilities</b>					
Retirement benefit obligations	29	5,178	5,470	1,111	528
Lease liabilities	26	66,782	61,599	142	365
Loans and borrowings	27	405,248	440,691	116,798	149,155
Other payables	28	5,681	41,934	-	-
Deferred tax liabilities	30	189,417	186,628	3,404	2,700
		<u>672,306</u>	<u>736,322</u>	<u>121,455</u>	<u>152,748</u>
<b>Total liabilities</b>		<u>1,008,561</u>	<u>1,036,151</u>	<u>269,859</u>	<u>310,250</u>
<b>Net assets</b>		<u>656,890</u>	<u>708,778</u>	<u>335,489</u>	<u>375,067</u>
<b>Equity attributable to owners of the parent</b>					
Share capital	31	359,445	359,445	359,445	359,445
Retained earnings/(accumulated losses)	32	330,624	365,062	(26,040)	12,954
Other reserves	33	23,161	36,035	2,084	2,668
Reserves of a disposal group held for sale	25	(27,979)	(28,402)	-	-
		<u>685,251</u>	<u>732,140</u>	<u>335,489</u>	<u>375,067</u>
Non-controlling interests		(28,361)	(23,362)	-	-
<b>Total equity</b>		<u>656,890</u>	<u>708,778</u>	<u>335,489</u>	<u>375,067</u>
<b>Total equity and liabilities</b>		<u>1,665,451</u>	<u>1,744,929</u>	<u>605,348</u>	<u>685,317</u>

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 2022

	Attributable to owners of the parent									
	Equity attributable to owners of the parent			Non-distributable			Non-distributable			
	Equity, total	Equity attributable to owners of the parent, total	Share capital	Retained earnings	Other reserves, total	Fair value adjustment reserve	Employee benefits plan reserve	Premium paid on acquisition of non-controlling interest	Reserves of a disposal group held for sale	Non-controlling interests
2022 Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2022	708,778	732,140	359,445	365,062	36,036	36,303	(237)	(31)	(28,402)	(23,352)
Loss for the financial year	(29,729)	(25,452)	-	(25,452)	-	-	-	-	-	(4,277)
<b>Other comprehensive loss:</b>										
Fair value movement of investments in securities	1	1	-	-	1	1	-	-	-	-
Fair value movement of other investments	(13,408)	(13,406)	-	-	(13,406)	(13,406)	-	-	-	-
Foreign currency translation	458	423	-	-	-	-	-	-	423	35
Net gain on remeasurement of defined benefit obligations	531	531	-	-	531	-	531	-	-	-
Total other comprehensive (loss)/income for the financial year	(12,418)	(12,451)	-	-	(12,874)	(13,405)	531	-	423	35
<b>Total comprehensive loss for the financial year</b>	<b>(42,145)</b>	<b>(37,903)</b>	<b>-</b>	<b>(25,452)</b>	<b>(12,874)</b>	<b>(13,405)</b>	<b>531</b>	<b>-</b>	<b>423</b>	<b>(4,242)</b>
<b>Transaction with owners</b>										
Dividend on ordinary shares (Note 11)	(8,950)	(8,950)	-	(8,950)	-	-	-	-	-	-
Acquisition of non-controlling interests (Note 17)	(642)	(27)	-	(27)	-	-	-	-	-	(615)
Liquidation of a subsidiary	(142)	-	-	-	-	-	-	-	-	(142)
Total transaction with owners	(9,734)	(8,966)	-	(8,966)	-	-	-	-	-	(757)
Closing balance at 31 December 2022	656,830	685,251	359,445	330,524	23,161	22,898	394	131	(27,979)	(28,391)

Statements of changes in equity (cont'd.)  
For the financial year ended 31 December 2022

	Attributable to owners of the parent									
	Equity attributable to owners of the parent			Non-distributable			Non-distributable			
	Equity, total RM'000	Equity, 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
2021 Group										
Opening balance at 1 January 2021	755,852	770,853	359,445	409,335	33,078	33,345	(237)	(31)	(30,205)	(14,921)
Less for the financial year	(36,753)	(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	2,056	2,056	-	-	2,056	2,056	-	-	1,803	115
Foreign currency translation	1,918	1,803	-	-	-	-	-	-	-	-
Total other comprehensive income for the financial year	4,875	4,760	-	-	2,057	2,957	-	-	1,803	115
Total comprehensive loss for the financial year	(31,918)	(24,758)	-	(29,518)	2,957	2,957	-	-	1,803	(7,150)
Transactions with owners										
Dividend paid to non-controlling interest	(1,211)	-	-	-	-	-	-	-	-	(1,211)
Dividend on ordinary shares (Note 11)	(13,855)	(13,855)	-	(13,855)	-	-	-	-	-	-
Total transactions with owners	(15,156)	(13,855)	-	(13,855)	-	-	-	-	-	(1,211)
Closing balance at 31 December 2021	708,778	732,140	359,445	365,062	36,035	36,303	(237)	(31)	(28,402)	(23,352)

**Statements of changes in equity (cont'd.)**  
**For the financial year ended 31 December 2022**

2022 Company	Non-distributable		Non-distributable		Non-distributable	
	Equity, total RM'000	Share capital RM'000	(Accumulated retained earnings/ losses) RM'000	Other reserves, total RM'000	Capital reserve RM'000	Employee benefits plan reserve RM'000
Operating balance at 1 January 2022	375,067	359,445	12,954	2,666	2,736	(68)
Loss for the financial year	(30,035)	-	(30,035)	-	-	-
Other comprehensive loss: Net loss on remeasurement of defined benefit obligations, representing total other comprehensive loss for the financial year	(584)	-	-	(584)	-	(584)
<b>Total comprehensive loss for the financial year</b>	<b>(30,619)</b>	<b>-</b>	<b>(30,035)</b>	<b>(584)</b>	<b>-</b>	<b>(584)</b>
Transaction with owners						
Dividends on ordinary shares (Note 11)	(8,959)	-	(8,959)	-	-	-
<b>Total transaction with owners</b>	<b>(8,959)</b>	<b>-</b>	<b>(8,959)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at 31 December 2022</b>	<b>335,489</b>	<b>359,445</b>	<b>(26,040)</b>	<b>2,084</b>	<b>2,736</b>	<b>(652)</b>

2021 Company	Non-distributable		Non-distributable		Non-distributable	
	Equity, total RM'000	Share capital RM'000	(Accumulated retained earnings/ losses) RM'000	Other reserves, total RM'000	Capital reserve RM'000	Employee benefits plan reserve RM'000
Operating balance at 1 January 2021	387,915	359,445	25,802	2,666	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)	-	-	-
<b>Total transactions with owners</b>	<b>(13,955)</b>	<b>-</b>	<b>(13,955)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at 31 December 2021</b>	<b>375,067</b>	<b>359,445</b>	<b>12,954</b>	<b>2,666</b>	<b>2,736</b>	<b>(68)</b>

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 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Operating activities</b>					
Profit/(loss) before tax from continuing operations		36,255	81,928	(26,810)	551
Loss before tax from discontinued operation		(46,722)	(90,475)	-	-
		(10,467)	(8,547)	(26,810)	551
<u>Adjustments for:</u>					
Interest expense	5	23,878	24,776	8,606	11,664
Depreciation of property, plant and equipment	6	60,161	66,832	765	564
Amortisation of intangible asset	6	858	857	858	857
Amortisation of contract costs assets	6	2,946	2,863	-	-
Amortisation of investment property	6	-	-	3,525	3,515
Amortisation of right-of-use assets	6	12,361	10,355	1,116	1,008
(Reversal of impairment)/impairment of right-of-use assets					
- Discontinued	25	(3,591)	16,199	-	-
(Reversal of impairment)/impairment of property, plant and equipment					
- Discontinued	25	(14,440)	64,519	-	-
Property, plant and equipment written off					
- Continuing	6	933	920	-	72
- Discontinued	25	25	131	-	-
Right-of-use assets written off	6	170	-	-	-
Gain on Government acquisition of right-of-use assets	6	(9,076)	-	-	-
Inventories written off					
- Continuing	6	122	245	-	-
Expected credit losses of trade receivables	6	223	96	-	-
Expected credit losses of other receivables					
- Continuing	6	-	-	46,158	81,244
- Discontinued	25	20,530	3,413	-	-
(Gain)/loss on disposal of property, plant and equipment	6	(72)	5	-	-
Dividend income	6,4	(3,341)	(3,014)	(24,400)	(97,000)
Reversal of expected credit losses of trade receivables	6	-	(168)	-	-
Reversal of expected credit losses of other receivables	6	-	(91)	-	-



**Statements of cash flows (cont'd.)**  
**For the financial year ended 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Operating activities (cont'd.)</b>					
Profit from Al Mudharabah	5	(2,390)	(3,016)	(743)	(810)
Land premium on sublessee land	6	(312)	(1,119)	-	-
Interest income					
- Continuing	6	-	-	(1,657)	(958)
- Discontinued	25	(4)	(14)	-	-
Reversal of accumulated profits payable to sublessee	6	(5,666)	(40,431)	-	-
Provision for retirement benefit obligations					
- Continuing	7	704	447	106	38
- Discontinued	25	17	393	-	-
Fair value changes of biological assets					
- Continuing	6	5,519	(4,517)	-	-
- Discontinued	25	441	(189)	-	-
Provision for compensation of environmental loss					
- Discontinued	25	38,842	-	-	-
Total adjustments		<u>128,838</u>	<u>139,492</u>	<u>34,334</u>	<u>194</u>
Operating cash flows before changes in working capital		<u>118,371</u>	<u>130,945</u>	<u>7,524</u>	<u>745</u>
<b>Changes in working capital</b>					
Inventories		(11,653)	(2,547)	(28)	156
Receivables		(9,574)	(9,927)	25,726	(45,830)
Payables		25,625	14,439	(12,460)	(6,152)
Contract liability		-	(634)	-	-
Prepayment		(2,431)	111	-	-
Total changes in working capital		<u>1,967</u>	<u>1,442</u>	<u>13,238</u>	<u>(51,826)</u>
Cash flows from/(used in) operations		120,338	132,387	20,762	(51,081)
Interest paid		(23,667)	(25,461)	(8,665)	(11,767)
Profit from Al Mudharabah received		2,390	3,016	743	810
Interest received					
- Continuing		-	-	1,657	958
- Discontinued		4	-	-	-
Taxes paid		(26,590)	(15,043)	(4,371)	(4,118)
Taxes refund		417	-	-	-
Retirement benefits paid	29	(661)	(166)	(107)	-
Net cash flows from/(used in) operating activities		<u>72,231</u>	<u>94,733</u>	<u>10,019</u>	<u>(65,198)</u>



**Statements of cash flows (cont'd.)****For the financial year ended 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Investing activities</b>					
Purchase of property, plant and equipment	12,25	(68,011)	(43,562)	(5,713)	(6,895)
Addition to investment properties	15	-	-	(1,197)	(1,174)
Proceeds from Government acquisition of right-of-use assets		10,032	-	-	-
Acquisition of non-controlling interest	17	(642)	-	-	-
Acquisition of business	17	(8,105)	-	-	-
Addition of biological asset		(194)	-	-	-
Acquisition of right-of use assets	25	-	(158)	-	-
Dividend received		1,547	3,014	24,400	97,000
Proceeds from disposal of property, plant and equipment		72	9	-	-
Withdrawal of deposits with licensed banks		10,403	9,764	10,240	9,765
Increase in deposits with licensed banks pledged for bank guarantee facility and Finance Service Reserve Account		(736)	(659)	(742)	(573)
Net cash flows (used in)/from investing activities		(55,634)	(31,592)	26,988	98,123
<b>Financing activities</b>					
Drawdown of term loan		55,790	41,915	-	9,206
Repayments of term loans		(61,725)	(50,864)	(26,412)	(31,079)
Repayments of hire purchase facilities		(4,041)	(3,189)	(79)	(104)
Repayment of finance lease		(6,763)	(6,460)	(1,157)	(1,057)
Dividend paid to shareholders		(11,026)	(9,547)	(11,026)	(8,959)
Net proceeds from advances received		(66,708)	(64,855)	-	-
Net cash flows used in financing activities		(94,473)	(93,000)	(38,674)	(31,993)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(77,876)	(29,859)	(1,667)	932
<b>Cash and cash equivalents at 1 January</b>		147,635	177,505	1,932	1,000
Effect of foreign exchange rate changes	11	(11)	(11)	-	-
<b>Cash and cash equivalents at 31 December</b>	24	69,770	147,635	265	1,932

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 2022****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 Wisma TDM, 443D, Jalan Kamaruddin, 20400 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 20 April 2023.

**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 2022, the Group and the Company adopted the following amended MFRSs mandatory for annual periods beginning on or after 1 January 2022.

## 2. Summary of significant accounting policies (cont'd.)

### 2.2 Changes in accounting policies (cont'd.)

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
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

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.

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
MFRS 17 Insurance Contracts	1 January 2023
MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17)	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 16 Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101 Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
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. Summary of significant accounting policies (cont'd.)

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## 2. Summary of significant accounting policies (cont'd.)

### 2.4 Basis of consolidation (cont'd.)

#### *Business combinations*

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.11.

### 2.5 Subsidiaries

A subsidiary is an entity over which the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.



## **2. Summary of significant accounting policies (cont'd.)**

### **2.6 Transactions with non-controlling interests**

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

### **2.7 Foreign currency**

#### **(a) Functional and presentation currency**

The individual financial statements of each entity in the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

#### **(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

## 2. Summary of significant accounting policies (cont'd.)

### 2.7 Foreign currency (cont'd.)

#### (c) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

### 2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction are also not depreciated as such assets are not available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates.

Buildings	2% - 10%
Plant, machinery, equipment, vehicles and renovation	5% - 20%
Road	10% - 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.



## 2. Summary of significant accounting policies (cont'd.)

### 2.8 Property, plant and equipment (cont'd.)

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 22 years
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### 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 for FFB and 2 weeks for pineapple fruits after the reporting date. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

### 2.10 Investment properties

Investment properties are properties which are held either to earn rental income, capital appreciation, or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated amortisation and accumulated impairment losses.

Leasehold land is 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%
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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. Summary of significant accounting policies (cont'd.)

### 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.

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. Summary of significant accounting policies (cont'd.)

### 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.

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. Summary of significant accounting policies (cont'd.)

### 2.13 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.14 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")

## 2. Summary of significant accounting policies (cont'd.)

### 2.14 Financial assets (cont'd.)

#### Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("FVOCI"), it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The business model of the Group and of the Company for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, the financial assets of the Group and the Company are classified as:

- (a) Financial assets at amortised cost (debt instruments)
- (b) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

#### (a) Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.



## 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.



## 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.



## **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.



## 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.



## 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



## 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) 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.

### Contract costs asset

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

## 2. Summary of significant accounting policies (cont'd.)

### 2.23 Revenue (cont'd.)

#### Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

#### (i) Interest income and profit from Al Mudharabah

Interest income and profit from Al Mudharabah are recognised using the effective interest rate method.

#### (ii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

#### (iii) 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.

#### (iv) 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.



## 2. Summary of significant accounting policies (cont'd.)

### 2.24 Income taxes (cont'd.)

#### (b) Deferred tax (cont'd.)

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.

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. Summary of significant accounting policies (cont'd.)

### 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.

### 2.26 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.



## 2. Summary of significant accounting policies (cont'd.)

### 2.29 Current and non-current classification (cont'd.)

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.

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.

## 2. Summary of significant accounting policies (cont'd.)

### 2.31 Non-current assets held for sale and discontinued operations (cont'd.)

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.

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.



### 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"). On 29 July 2022, the Company and the minority shareholder of the Indonesia Subsidiaries had entered into Share Purchase Agreements ("SPA") with Ikhasas Sawit Sdn. Bhd. ("Ikhasas") for the disposal of 100% of the equity interest in the Indonesia Subsidiaries. Accordingly, the assets and liabilities of PT RKA and PT SRA are classified as held for sale and their results as discontinued operations. 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. The directors assessed that the criteria were met in accordance with MFRS 5. The measurement of fair value less costs to sell for the disposal group is based on directors' assessment with reference made to the SPA.

Further details are disclosed in Note 25.

### 3. Significant accounting judgements and estimates (contd.)

#### 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 2022. The directors have therefore engaged registered independent valuers to undertake valuation of the relevant assets using fair value less costs to sell.

The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, tenure and design of the respective assets and the investment method which entails determination of the net income applying suitable growth rates and capitalising of the net income by a suitable rate of return.

Certain assets were valued based on the cost method which is based on current estimates of construction or acquisition costs less depreciation, obsolescence and existing physical conditions of the respective assets.

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 Notes 12 and 13 respectively.

##### (b) Defined benefit plans

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting dates. The carrying amounts of the Group's and of the Company's defined benefit plan at the reporting date and related assumptions are disclosed in Note 29.



### 3. Significant accounting judgements and estimates

#### 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.

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.

###### (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.

### 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.)

##### (ii) Amount due from PT RKA and PT SRA (cont'd.)

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.

The carrying amounts of trade receivables of the Group and of the Company at the reporting date are disclosed in Note 22 and note 25.

##### (d) 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.

##### (e) 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.



### 3. Significant accounting judgements and estimates (cont'd.)

#### 3.2 Key sources of estimation uncertainty (cont'd.)

##### (f) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(i) Revenue from contracts with customers:				
Sale of goods	397,682	330,007	36,204	36,485
Rendering of services	216,359	180,788	-	-
Management fees from subsidiaries	-	-	11,522	7,666
Management fee from Terengganu Oil Palm Development - Sublessees Scheme	187	427	-	-
Management fee from a managed hospital	144	360	-	-
Total revenue from contracts with customers	614,372	511,582	47,726	44,151

#### 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(ii) Other revenue:				
Dividend income from subsidiaries	-	-	24,400	97,000
	<u>614,372</u>	<u>511,582</u>	<u>72,126</u>	<u>141,151</u>

##### 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At a point in time	614,041	510,795	36,204	36,485
Over time	<u>331</u>	<u>787</u>	<u>11,522</u>	<u>7,666</u>
	<u>614,372</u>	<u>511,582</u>	<u>47,726</u>	<u>44,151</u>

**5. Finance costs**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest expense on:				
- term loans	23,125	24,848	8,168	8,358
- advance from subsidiaries	-	-	488	3,397
- hire purchase under finance leases	542	613	9	12
- lease liabilities	4,897	2,998	53	34
	<u>28,564</u>	<u>28,459</u>	<u>8,718</u>	<u>11,801</u>
Less : Amount capitalised in property, plant and equipment (Note 12 (a))	(4,886)	(3,683)	(112)	(137)
	<u>23,878</u>	<u>24,776</u>	<u>8,606</u>	<u>11,664</u>

**6. Profit/(loss) before tax**

The following items have been included in arriving at profit/(loss) before tax:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Auditors' remuneration:				
- statutory audits - Ernst & Young PLT	880	651	482	320
- Other services - Ernst & Young PLT	65	5	5	5
Employee benefits expense (Note 7)	156,326	115,259	11,721	7,965
Executive directors' remuneration (Note 8)	100	100	100	100
Non-executive directors' remuneration (Note 8)	1,340	1,324	1,002	895
Depreciation of property, plant and equipment (Note 12)	60,161	66,832	765	564
Amortisation of intangible asset (Note 14)	858	857	858	857
Amortisation of contract costs assets (Note 23)	2,946	2,863	-	-
Amortisation of investment properties (Note 15)	-	-	3,525	3,515

## 6. Profit/(loss) before tax (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of right-of-use assets (Note 13)	12,361	10,355	1,116	1,008
Rental of low value equipments	123	159	19	10
Rental of short term lease	1,222	1,472	4,045	238
Rental of lands - variable lease payments	1,453	2,042	1,453	2,042
(Gain)/loss on disposal of property, plant and equipment	(72)	5	-	-
Inventories written off	122	245	-	-
Property, plant and equipment written off	933	920	-	72
Gain on Government acquisition of right-of-use assets	(9,076)	-	-	-
Expected credit losses of trade receivables (Note 22(a))	223	96	-	-
Expected credit losses of other receivables (Note 22(b))	-	-	-	7
Expected credit losses of other receivables (Note 25)	-	-	46,158	81,237
Reversal of expected credit losses of trade receivables (Note 22(a))	-	(168)	-	-
Reversal of expected credit losses of other receivables (Note 22(b))	-	(91)	-	-
Interest income	-	-	(1,657)	(958)
Profit from AI Mudharabah	(2,390)	(3,016)	(743)	(810)
Rental income	(1,541)	(1,591)	(6,516)	(6,516)
Dividend income	(3,341)	(3,014)	-	-



## 6. Profit/(loss) before tax (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Right-of-use assets written off (Note 13)	170	-	-	-
Fair value changes of biological assets:				
- Continuing (Note 20)	5,519	(4,517)	-	-
Income from parking	(166)	(102)	-	-
Income from retail kiosk	(1,011)	(686)	-	-
Wage subsidy from Federal Government	-	(451)	-	-
Land premium on sublessee land	(312)	(1,119)	-	-
Sales of sludge oil	(4,677)	(7,427)	-	-
Profit distribution from Terengganu Oil Palm Development				
- Sublessees Scheme	(19,579)	(21,447)	(4,143)	(6,124)
Rental expense on sublease arrangement	-	-	1,935	10,976
Reversal of accumulated profits payable to sublessee (Note 28 (c))	(5,666)	(40,431)	-	-

## 7. Employee benefits expense

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and allowances	111,817	89,920	6,945	6,126
Contributions to defined contribution plan	17,419	11,585	1,725	1,065
Bonus	20,218	9,114	3,031	655
Overtime	363	1,331	75	67
Social security contributions	1,992	1,678	68	63
Provision for retirement benefit obligations (Note 29)	704	447	106	38
Short term accumulating compensated absences	(75)	138	(8)	81
Other benefits	10,078	5,386	-	-
	162,516	119,599	11,942	8,095
Less: Amount capitalised in property, plant and equipment (Note 12 (c))	(6,190)	(4,340)	(221)	(130)
	156,326	115,259	11,721	7,965

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM100,000 (2021: RM100,000) and RM100,000 (2021: RM100,000) respectively as further disclosed in Note 8.

## 8. Directors' remuneration

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Executive directors' remuneration (Note 7)				
- Fees	78	78	78	78
- Other emoluments	22	22	22	22
Fees and other emoluments	100	100	100	100
Non-executive directors' remuneration (Note 6)				
- Fees	733	539	541	363
- Other emoluments	700	905	461	532
Fees and other emoluments	1,433	1,444	1,002	895
Total directors' remuneration	1,533	1,544	1,102	995
Indemnity given to or insurance effected for directors	35	15	11	10
Estimated money value of benefits-in-kind	38	28	7	-
Total directors' remuneration including indemnity and benefits-in-kind	1,606	1,587	1,120	1,005

## 9. Taxation

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current income tax - continuing operations:				
- Malaysian income tax	15,875	32,918	980	-
- Under/(over) provision in previous financial years	560	(1,379)	1,541	-
	16,435	31,539	2,521	-
Deferred income tax - continuing operations (Note 30):				
- Relating to origination and reversal of temporary differences	(681)	(2,797)	1,002	(567)
- Under/(over) provision in previous financial years	3,508	(496)	(298)	11
	2,827	(3,293)	704	(556)
Income tax attributable to:				
- continuing operations	19,262	28,246	3,225	(556)
- discontinued operation (Note 25)	-	-	-	-
Total income tax expense/(benefit) recognised in profit or loss	19,262	28,246	3,225	(556)

### 9. Taxation (cont'd.)

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 2022 and 2021 is as follows:

	2022 RM'000	2021 RM'000
<b>Group</b>		
Profit before tax from continuing operations	36,255	81,928
Loss before tax from discontinued operation (Note 25)	(46,722)	(90,475)
Loss before tax	(10,467)	(8,547)
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(2,512)	(2,051)
Effect of different tax rates in foreign jurisdiction	934	1,810
Adjustments:		
Income not subject to tax	(3,372)	(2,447)
Expenses not deductible for tax purposes	18,048	28,048
Utilisation of previously unrecognised unused tax losses and unabsorbed capital allowances	(1,484)	(843)
Deferred tax assets not recognised on unused tax losses, unabsorbed capital allowances and other temporary differences	3,580	5,604
Under/(over) provision of income tax in previous financial years	560	(1,379)
Under/(over) provision of deferred tax in previous financial years	3,508	(496)
Income tax expense for the financial year	19,262	28,246
<b>Company</b>		
(Loss)/profit before tax	(26,810)	551
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(6,434)	132
Adjustments:		
Income not subject to tax	(5,856)	(23,280)
Expenses not deductible for tax purposes	14,272	22,581
Under provision of income tax in previous financial years	1,541	-
Under provision of deferred tax in previous financial years	(298)	11
Income tax expense/(benefit) for the financial year	3,225	(556)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.



## 10. (Loss)/earning per share

Basic (loss)/earning per share amounts are calculated by dividing (loss)/profit 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)/profit and share data used in the computation of basic (loss)/earning per share for the financial years ended 31 December:

	Group	
	2022 RM'000	2021 RM'000
Loss for the financial year attributable to owners of the parent used in the computation of basic loss per share	(25,452)	(29,518)
Add: Loss for the financial year from discontinued operation, attributable to owners of the parent	44,194	84,865
Profit for the financial year from continuing operations attributable to owners of the parent used in the computation of basic loss per share	18,742	55,347
	2022 number of ordinary shares '000	2021 number of ordinary shares '000
Weighted average number of ordinary shares in issue for basic profit per share computation	1,722,881	1,722,881
Loss per share attributable to owners of the parent:		
Basic (loss)/earning per share (sen)	(1.48)	(1.71)
- continuing operations	1.09	3.21
- discontinued operation	(2.57)	(4.93)

### (a) Continuing operations

The basic earning per share from continuing operation is 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 is 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.



## 11. Dividends

	Company			
	Dividends		Dividends	
	in respect of year		recognised in year	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>2020 dividend</b>				
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
<b>2021 dividend</b>				
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
A final dividend of 0.35 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 23 June 2022 and paid on 22 July 2022.	-	6,030	6,030	-
<b>2022 dividend</b>				
An interim dividend of 0.17 sen dividend per share, tax exempt under the single-tier system on 1,722,881,001 ordinary shares approved on 12 December 2022 and paid on 17 January 2023.	2,929	-	2,929	-
	<u>2,929</u>	<u>11,026</u>	<u>8,959</u>	<u>13,955</u>

## 12. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Assets under construction RM'000	Total RM'000
<b>Cost</b>						
<b>At 1 January 2021</b>	9,900	396,976	493,681	405,369	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)	-
<b>At 31 December 2021</b>	9,900	397,442	526,253	412,959	2,702	1,349,256
<b>At 1 January 2022</b>	9,900	397,442	526,253	412,959	2,702	1,349,256
Additions	-	2,082	42,795	18,917	11,664	75,458
Acquisition of a business (Note 17)	-	-	-	2,320	-	2,320
Disposals	-	-	-	(132)	-	(132)
Write offs	-	(1,229)	(1,480)	(1,636)	-	(4,345)
Reclassification	-	887	-	6,622	(7,509)	-
<b>At 31 December 2022</b>	9,900	399,182	567,568	439,050	6,857	1,422,557
<b>Accumulated depreciation and impairment loss</b>						
<b>At 1 January 2021</b>	-	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)
<b>At 31 December 2021</b>	-	87,559	187,973	271,104	615	547,251
<b>At 1 January 2022</b>	-	87,559	187,973	271,104	615	547,251
Depreciation charge for the financial year (Note 6)	-	9,433	28,430	22,298	-	60,161
Disposals	-	-	-	(132)	-	(132)
Write offs	-	(1,229)	(623)	(1,560)	-	(3,412)
<b>At 31 December 2022</b>	-	95,763	215,780	291,710	615	603,868
<b>Net carrying amount</b>						
<b>At 31 December 2021</b>	9,900	309,883	338,280	141,855	2,087	802,005
<b>At 31 December 2022</b>	9,900	303,419	351,788	147,340	6,242	818,689

**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
<b>Company</b>						
<b>Cost</b>						
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
At 1 January 2022	4,990	9,779	6,054	5,060	523	26,406
Additions	-	110	2,392	3,173	150	5,825
At 31 December 2022	4,990	9,889	8,446	8,233	673	32,231
<b>Accumulated depreciation and impairment loss</b>						
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
At 1 January 2022	8	9,267	56	4,092	523	13,946
Depreciation charge for the financial year (Note 6)	100	225	113	327	-	765
At 31 December 2022	108	9,492	169	4,419	523	14,711
<b>Net carrying amount</b>						
At 31 December 2021	4,982	512	5,998	968	-	12,460
At 31 December 2022	4,882	397	8,277	3,814	150	17,520

## 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Hire purchase	3,696	3,515	-	-
Interest capitalised (Note 5)	4,686	3,683	112	137
Cash	69,396	43,133	5,713	6,895
	<u>77,778</u>	<u>50,331</u>	<u>5,825</u>	<u>7,032</u>

The net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Machinery, equipment and vehicles	<u>18,068</u>	<u>17,164</u>	<u>-</u>	<u>92</u>

- (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	
	2022	2021
	RM'000	RM'000
Buildings	256,949	269,591
Equipment	<u>26,661</u>	<u>28,296</u>
	<u>283,610</u>	<u>297,887</u>

- (c) During the financial year, the employee benefits capitalised as cost of property, plant and equipment for the Group and the Company amounted to RM6,190,000 (2021: RM4,340,000) and RM221,000 (2021: RM130,000) respectively (Note 7).



### 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 30 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
<b>Cost:</b>				
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
At 1 January 2022	60,841	467,645	6,176	534,662
Additions	-	6,265	444	6,709
Write off (Note 6)	-	(170)	-	(170)
Government acquisition	-	(1,064)	-	(1,064)
At 31 December 2022	60,841	472,676	6,620	540,137
<b>Accumulated amortisation:</b>				
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
At 1 January 2022	2,027	45,363	4,361	51,751
Amortisation for the financial year (Note 6)	526	10,038	1,797	12,361
Government acquisition	-	(108)	-	(108)
At 31 December 2022	2,553	55,293	6,158	64,004

**13. Right-of-use assets (cont'd.)**

	Group			Total RM'000
	Leasehold land under finance leases RM'000	Leasehold land and building RM'000	Other assets* RM'000	
<b>Net carrying amount</b>				
At 31 December 2021	58,814	422,282	1,815	482,911
At 31 December 2022	58,288	417,383	462	476,133

\* Other assets consist of building, office space, office equipment and medical equipment.

	Company Other assets*	
	2022 RM'000	2021 RM'000
<b>Cost:</b>		
At 1 January	3,768	2,260
Additions	444	1,508
At 31 December	4,212	3,768
<b>Accumulated amortisation:</b>		
At 1 January	2,747	1,739
Amortisation for the financial year (Note 6)	1,116	1,008
At 31 December	3,863	2,747
<b>Net carrying amount</b>		
At 31 December	349	1,021

\* Other assets consist of building and office equipment.

The Group's leasehold land with a carrying amount of RM122,692,000 (2021: RM119,344,000) are pledged to secure the Group's loans and borrowings (Note 27).

The following are the amount recognised in profit and loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of right-of-use assets	12,361	10,355	1,116	1,008

**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	
	2022	2021
	RM'000	RM'000
Within one year	6,516	6,516
After one year but not more than five years	543	7,059
	<u>7,059</u>	<u>13,575</u>

**14. Intangible asset**

	Group and Company	
	2022	2021
	RM'000	RM'000
<b>Cost</b>		
At 1 January/31 December	<u>23,638</u>	<u>23,638</u>
<b>Accumulated amortisation</b>		
At 1 January	19,890	19,033
Amortisation (Note 5)	858	857
At 31 December	<u>20,748</u>	<u>19,890</u>
<b>Net carrying amount</b>		
At 31 December	<u>2,890</u>	<u>3,748</u>

## 15. Investment properties

	Company	
	2022	2021
	RM'000	RM'000
<b>Cost</b>		
At 1 January	184,452	183,278
Additions	1,197	1,174
At 31 December	<u>185,649</u>	<u>184,452</u>
<b>Accumulated amortisation</b>		
At 1 January	14,586	11,071
Amortisation (Note 6)	3,525	3,515
At 31 December	<u>18,111</u>	<u>14,586</u>
<b>Net carrying amount</b>		
At 31 December	<u>167,538</u>	<u>169,866</u>

The directors have estimated the fair value of investment properties of the Company as at the reporting date to be RM183,200,000 (2021: RM183,500,000). 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	
	2022	2021
	RM'000	RM'000
At 1 January	991	991
Addition (Note 17)	5,529	-
At 31 December	<u>6,520</u>	<u>991</u>

### Impairment testing of goodwill

The net carrying amounts of goodwill arising from business combinations have been allocated to the respective cash-generating units ("CGUs") for impairment testing which are two (2021: one) of the hospitals within the healthcare sector.

The net carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Kelana Jaya Medical Centre Sdn. Bhd. ("KJMC")	991	991
KMI Tawau Medical Centre Sdn. Bhd. ("KTMC")	5,529	-
	<u>6,520</u>	<u>991</u>



**16. Goodwill (cont'd.)****KJMC:**

The recoverable amount of the CGU for KJMC has been determined based on fair value less costs to sell of the hospital's assets.

**KTMC:**

The recoverable amount of the CGU for KTMC has been determined based on its value in use. The value in use is determined by discounting the post-tax cash flows based on financial forecast and financial projections approved by the management based on the following key assumptions:

**(i) Post-tax discount rate**

The discount rates used are post-tax of 11% and reflect specific risks relating to the relevant segments.

**(ii) Revenue growth rate**

Revenue growth rate is determined based on management's estimate of the number of beds, occupancy rate, average length of stay and inflation rate based on the industry trends and past performances of the segment.

The management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount, which would cause the CGU's carrying amount to materially exceed its recoverable amount.

Based on the annual impairment testing undertaken by the Group, no impairment loss is required for the carrying amount of the goodwill as at 31 December 2022.

**17. Investments in subsidiaries**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares at cost:		
- in Malaysia	237,378	236,736
- outside Malaysia	-	2,795
	<u>237,378</u>	<u>239,531</u>
Less: Accumulated impairment losses	<u>(12,470)</u>	<u>(15,265)</u>
	<u>224,908</u>	<u>224,266</u>

## 17. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2022 %	2021 %
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 agricultural and crude palm oil and other related products.	100	100
TDM Capital Sdn. Bhd. ("TDMC")	Malaysia	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
PT RKA <sup>18</sup>	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	93.75	93.75

**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	
			2022 %	2021 %
PT SRA <sup>iA</sup>	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	95	95
PT Rafi Sawit Lestari (liquidated on 30 June 2022)	Indonesia	Dormant.	—	95
Kumpulan Mediiman Sdn. Bhd. <sup>iii</sup>	Malaysia	Investment holding and provision of consultancy and management services to specialist medical centres.	95.01	90.49
Indah Sari Travel & Tours Sdn. Bhd. (struck off on 7 June 2022)	Malaysia	Business of tourist and travel agents.		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
TDM Agrobiz Sdn. Bhd.	Malaysia	Manage and market all agro commodity business.	100	100

## 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	
			2022 %	2021 %
Held by Kumpulan Medic Iman Sdn. Bhd.				
Kuantan Medical Centre Sdn. Bhd. ("KMC")	Malaysia	Specialist medical centre.	92.33	92.33
KJMC	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
KTMC	Malaysia	Specialist medical centre.	100	100
KMI Ambulatory Care Centre Sdn. Bhd.	Malaysia	Ambulatory care centre.	100	100
KMI Tunjong Medical Centre Sdn. Bhd.	Malaysia	Private hospital.	100	100
KMI Chukai Medical Centre Sdn. Bhd.	Malaysia	Medical centre.	100	100
KMI Assets Sdn. Bhd.	Malaysia	Facility management and maintenance, assets management and real estates.	100	100



**17. Investments in subsidiaries (cont'd.)**

Details of the subsidiaries are as follows: (cont'd.)

- i Audited by firms of auditors other than Ernst & Young PLT
- ii Classified as held for sale. Further details are disclosed in Note 25.
- iii Acquisition of non-controlling interests

On 24 January 2022, the Company acquired an additional 4.99% equity interest of Kumpulan Mediiman Sdn. Bhd. for a cash consideration of RM642,000, increasing its ownership interest to 95.01%. The carrying value of the additional interest acquired was RM615,000 at the date of acquisition, resulting in an increase in non-controlling interests of RM27,000.

## 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

	2022		2021	
	KMC RM'000	TDMYT RM'000	KMC RM'000	TDMYT RM'000
Non-current assets	105,157	68,238	110,692	71,458
Current assets	38,023	199	34,553	3,296
Total assets	143,180	68,437	145,245	74,754
Current liabilities	32,623	11,287	33,356	2,700
Non-current liabilities	43,417	70,050	50,948	76,078
Total liabilities	76,040	81,337	84,304	78,778
Net assets/(liabilities)	67,140	(12,900)	60,941	(4,024)
Equity attributable to owners of the parent	61,990	(9,030)	56,267	(2,817)
Non-controlling interests	5,150	(3,870)	4,674	(1,207)
	67,140	(12,900)	60,941	(4,024)

### (ii) Summarised statements of comprehensive income

	2022		2021	
	KMC RM'000	TDMYT RM'000	KMC RM'000	TDMYT RM'000
Revenue	145,311	11,162	117,940	12,925
Profit/(loss) for the financial year	6,199	(8,876)	3,051	(7,210)
Profit/(loss) attributable to owners of the parent	5,723	(6,213)	2,817	(5,047)
Profit/(loss) attributable to non-controlling interests	476	(2,663)	234	(2,163)
Total comprehensive income/(loss)	6,199	(8,876)	3,051	(7,210)
Total comprehensive income/(loss) attributable to owners of the parent	5,723	(6,213)	2,817	(5,047)
Total comprehensive income/(loss) attributable to the non-controlling interests	476	(2,663)	234	(2,163)
	6,199	(8,876)	3,051	(7,210)

**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**

	2022		2021	
	KMC RM'000	TDMYT RM'000	KMC RM'000	TDMYT RM'000
Net cash flows from/(used in)				
operating activities	15,997	1,868	11,595	(1,221)
Net cash flows used in investing activities	(2,922)	-	(3,803)	(118)
Net cash flows used in financing activities	(14,002)	(2,176)	(13,996)	-
Net decrease in cash and cash equivalents	(927)	(308)	(6,204)	(1,339)
Cash and cash equivalents at 1 January	11,284	410	17,488	1,749
Cash and cash equivalents at 31 December	10,357	102	11,284	410

**Business combination**

On 30 September 2021, KTMC has entered into:

- (a) Business Transfer Agreement ("BTA") with Tawau Specialist Hospital Sdn. Bhd. ("TSHSB") for the acquisition of the business of operating Tawau Specialist Hospital ("TSH") 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.
- (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;



## 17. Investments in subsidiaries (cont'd.)

### Business combination (cont'd.)

(c) The salient terms of the BTA are as follows: (cont'd.)

- (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.

All conditions precedent as provided under the BTA have been fulfilled on the Transfer Date of 26 May 2022.

The fair value of the identifiable assets of TSHSB as at the date of acquisition were:

	Fair value RM'000
Assets:	
Property and equipments (Note 12)	2,320
Inventories	256
Net identifiable assets at fair value	<u>2,576</u>
Purchase consideration settled in cash, representing net cash outflow on acquisition of business	<u>8,105</u>
Goodwill arising on business combination	<u>5,529</u>

The fair value have been determined by the directors taking into consideration the valuation performed by an independent professional valuer.

#### Effects of the acquisition to the consolidated statement of comprehensive income

KTMC recorded revenue of RM3,536,000 and loss of RM1,495,000 since the date of acquisition.



**18. Other investments**

	Group	
	2022	2021
	RM'000	RM'000
<i>Fair value through other comprehensive income</i>		
<b>Unquoted shares - within Malaysia</b>	<b>27,657</b>	<b>41,063</b>

The amount represents investments in unquoted shares, of a plantation company which is measured at fair value through other comprehensive income.

In determining the fair value of the unquoted shares, the valuer has adopted the market approach using guideline public company method with Enterprise Value ("EV") over Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") multiple as the primary valuation methodology by making reference to the market multiples of the listed companies comparable to the subject company to derive the adopted earnings multiples. Description of key inputs to valuations of other investments:

	Range	
	2022	2021
<b>Significants unobservable inputs</b>		
	1.75 times	2.50 times
	to	to
<b>EV/EBITDA</b>	<b>2.00 times</b>	<b>3.00 times</b>

Significant changes to the unobservable inputs would result in significant changes in fair value.

**19. Investments in securities**

	Group	
	2022	2021
	RM'000	RM'000
<i>Fair value through other comprehensive income</i>		
<b>Equity instruments (quoted in Malaysia)</b>	<b>37</b>	<b>36</b>

## 20. Biological assets

	Group 2022 RM'000	2021 RM'000
At 1 January	8,671	4,154
Addition	194	-
Fair value changes (Note 6)	(5,519)	4,517
At 31 December	<u>3,346</u>	<u>8,671</u>

The biological assets of the Group comprise oil palm fresh fruit bunches ("FFB") and pineapple fruits 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 and pineapple fruits.

### 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.

### Pineapple fruits

To arrive at the fair value of pineapple fruit, the management considered net cash flow to be generated from pineapple fruits prior to more than 2 weeks to harvest to be negligible, therefore quantity of unripe pineapple fruits on bearer plants of up to 2 weeks prior to harvest was used for valuation purpose. 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 2022	2021
<u>Oil palms</u>		
Average crude palm oil ("CPO") selling price (RM/Metric tonne ("MT"))	3,975	5,262
FFB production (MT)	11,714	14,922
Average FFB cost (RM/MT)	<u>278</u>	<u>215</u>
<u>Other</u>		
Pineapple fruits (RM/kg)	<u>3</u>	<u>-</u>

**21. Inventories**

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>At cost:</b>				
Produced inventories	7,194	4,843	230	202
Pharmaceutical products	4,192	3,289	-	-
Fertilisers	16,861	7,287	-	-
Seedlings	3,945	3,948	-	-
Others	3,685	4,690	-	-
	<u>35,877</u>	<u>24,057</u>	<u>230</u>	<u>202</u>

During the financial year, the amounts of inventories recognised as an expense in cost of sales of the Group and of the Company were RM234,464,000 (2021: RM183,390,000) and RM13,143,000 (2021: RM11,949,000) respectively.

**22. Trade and other receivables**

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	51,655	48,519	-	-
Less: Allowance for impairment	(3,207)	(2,984)	-	-
Trade receivables, net	<u>48,448</u>	<u>45,535</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
Due from subsidiaries	-	-	52,786	106,330
Sundry receivables	26,620	24,335	12,000	10,329
	<u>26,620</u>	<u>24,335</u>	<u>64,786</u>	<u>116,659</u>
Less: Allowance for impairment				
Due from subsidiaries	-	-	-	(1,477)
Sundry receivables	(12,240)	(12,240)	(7,087)	(7,087)
	<u>(12,240)</u>	<u>(12,240)</u>	<u>(7,087)</u>	<u>(8,564)</u>
Other receivables, net	<u>14,380</u>	<u>12,095</u>	<u>57,699</u>	<u>108,095</u>
Total trade and other receivables (current)	<u>62,828</u>	<u>57,630</u>	<u>57,699</u>	<u>108,095</u>

**22. Trade and other receivables (cont'd.)**

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>				
<b>Other receivables</b>				
Due from subsidiary	-	-	40,246	23,864
Sundry receivables	308	186	-	-
	<u>308</u>	<u>186</u>	<u>40,246</u>	<u>23,864</u>
 Total trade and other receivables (current and non-current)	 63,136	 57,816	 97,945	 131,959
Add: Cash and bank balances (Note 24)	107,184	194,443	37,151	48,316
Total financial assets carried at amortised cost	<u>170,320</u>	<u>252,259</u>	<u>135,096</u>	<u>180,275</u>

**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2021: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movement in allowance accounts:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	2,984	5,775
Provision for expected credit losses (Note 5)	223	96
Reversal of expected credit losses (Note 6)	-	(168)
Written off	-	(2,719)
At 31 December	<u>3,207</u>	<u>2,984</u>

These receivables are not secured by any collateral or credit enhancements.



**22. Trade and other receivables (cont'd.)****(b) Other receivables**

Amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing except for an amount of RM40,245,609 (2021: RM23,864,366) which attracted interest at 4.00% (2021: 4.00%) 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.

Movement in allowance accounts:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	12,240	12,574	8,564	8,557
Provision for expected credit losses (Note 6)	-	-	-	7
Reversal of expected credit losses (Note 6)	-	(91)	-	-
Written off	-	(243)	(1,477)	-
At 31 December	<u>12,240</u>	<u>12,240</u>	<u>7,087</u>	<u>8,564</u>

**23. Contract costs asset**

Contract costs asset pertains to incremental costs of obtaining a contract with a customer.

The movements in the contract costs asset balance during the financial years were as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	4,827	7,690
Less: Amortisation during the financial year (Note 6)	(2,946)	(2,863)
As at 31 December	<u>1,881</u>	<u>4,827</u>

## 24. Cash and bank balances

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash at banks and in hand	68,704	139,762	265	1,932
Deposits with licensed banks	38,480	54,681	36,886	46,384
Cash and bank balances	107,184	194,443	37,151	48,316

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 90 days (2021: 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 2022 of the Group and of the Company were 2.65% (2021: 1.82%) and 2.70% (2021: 1.73%) per annum respectively.

Deposits with licensed banks of the Group and of the Company amounting to RM37,580,000 (2021: RM36,844,000) and RM36,886,000 (2021: RM36,144,000) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
- Continuing operations	107,184	194,443	37,151	48,316
- Discontinued operation (Note 25)	166	439	-	-
Less: Deposits pledged for bank guarantee facility and Finance Service Reserve Account (Note 27)	(37,580)	(36,844)	(36,886)	(36,144)
Less: Deposits with maturity period more than 3 months	-	(10,403)	-	(10,240)
Cash and cash equivalents	69,770	147,635	265	1,932

## 25. Discontinued operation and disposal group classified as held for sale

In previous years, the Board of the Company has approved the disposal of the Indonesian subsidiaries, PT RKA and PT SRA as a strategic direction of the Company. Prior to the issuance of previous year financial statement, the Company had on 21 March 2022 accepted an offer from Ikhasas CPO Sdn. Bhd. in respect of the proposed disposal by the Company of the entire equity interest in Indonesia subsidiaries for an aggregate cash consideration of RM115,000,000.

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

On 29 July 2022, the Company and the minority shareholder of the Indonesia subsidiaries had entered into Share Purchase Agreement ("SPA") with Ikkhasas Sawit Sdn. Bhd. ("Ikkhasas"), a party nominated by Ikkhasas CPO Sdn. Bhd. for the disposal of 100% of the equity interest in:

- (i) PT RKA for a total cash consideration of RM110,000,000; and
- (ii) PT SRA for a total cash consideration of RM5,000,000.

The SPA shall be conditional on the Company and/or Indonesia subsidiaries in fulfilling certain agreed specific conditions ("Specific Conditions"). The Specific Conditions include certain conditions that TDM and the Indonesia subsidiaries have to resolve and to provide evidence that certain specific operational issues involving the Indonesia subsidiaries, administrative procedures in transferring the name to Ikkhasas, intercompany transactions between the Indonesia subsidiaries, its directors and TDM and the settlement of certain lawsuits filed by third parties against PT RKA, are resolved within the specific period stated in the SPA.

The directors assessed that the criteria were met in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operation and classified the assets and liabilities of the Indonesian subsidiaries as held for sale, that:

- (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) entered into SPA with Ikkhasas on 29 July 2022;
  - (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); and
  - (v) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.



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

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

		Group	
	Note	2022 RM'000	2021 RM'000
<b>Assets:</b>			
Property, plant and equipment	a	80,012	67,594
Right-of-use assets	a	19,962	17,046
Trade receivables		-	136
Amount due from Plasma	b	-	19,951
Prepayment		1,972	14
Biological assets		3	444
Inventories		9	42
Cash and bank balances		166	439
		<u>102,124</u>	<u>105,666</u>
<b>Liabilities:</b>			
Other payables		(8,913)	(9,217)
Provision	c	(38,842)	-
Retirement benefit obligations	d	(562)	(1,161)
Income tax payable		(48)	(34)
		<u>(48,365)</u>	<u>(10,412)</u>
<b>Net assets directly associated with disposal group</b>		<u>53,759</u>	<u>95,254</u>

	Group	
	2022 RM'000	2021 RM'000
<b>Reserves</b>		
<u>Foreign currency translation reserve:</u>		
At 1 January	28,402	30,205
Foreign currency translation during the financial year	(423)	(1,803)
At 31 December	<u>27,979</u>	<u>28,402</u>

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.



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

The assets classified as held for sale in the Company's statement of financial position are as below:

	Note	Company 2022 RM'000	2021 RM'000
<b>Assets:</b>			
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	e	778,204	770,558
Less: Allowance for impairment	e	(727,415)	(681,257)
		<u>50,789</u>	<u>89,301</u>

The results of PT RKA and PT SRA for the financial year are presented below:

		Group 2022 RM'000	2021 RM'000
Revenue		3,203	4,215
Cost of sales		(6,062)	(7,495)
<b>Gross loss</b>		<u>(2,859)</u>	<u>(3,280)</u>
Interest income		4	14
Other income		7	-
Administrative expenses		(1,828)	(3,278)
Other expenses *		(42,046)	(83,931)
<b>Loss before tax</b>	f	<u>(46,722)</u>	<u>(90,475)</u>
Income tax expense (Note 9)		-	-
<b>Loss for the financial year from discontinued operations</b>		<u>(46,722)</u>	<u>(90,475)</u>

\* Included in other expenses are (reversal of)/impairment, allowance for expected credit losses and as a provision for compensation of environmental loss as disclosed in the Note 25(c).

The net cash flows of PT RKA and PT SRA are as follows:

	Group 2022 RM'000	2021 RM'000
Operating	(3,064)	(4,062)
Investing	(2,201)	(1,328)
Financing	4,992	4,882
Effect of foreign exchange rate changes	11	(11)
<b>Net cash outflow</b>	<u>(262)</u>	<u>(519)</u>

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

### (a) Property, plant and equipment and right-of-use assets

The Group recorded (reversal of impairment)/impairment loss during the financial year based on the fair value less cost to sell of the disposal group as follows:

	Group	
	2022	2021
	RM'000	RM'000
Property, plant and equipments	(14,440)	64,519
Right-of-use assets	(3,591)	16,199

The directors measure the fair value less cost to sell of the disposal group based on an assessment of the recoverable amount with reference to the SPA.

During the financial year, the Indonesian subsidiaries acquired property, plant and equipment at an aggregate cost of RM935,000 (2021: RM429,000) by means of cash. In the previous financial year, the Indonesian subsidiaries acquired right-of-use assets at an aggregate cost RM158,000 by means of cash.

### (b) Amount due from Plasma

	Group	
	2022	2021
	RM'000	RM'000
Amount due from Plasma	90,142	92,419
Less: Allowance for impairment	(90,142)	(72,468)
Amount due from Plasma, net	-	19,951

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.

**25. Discontinued operation and disposal group classified as held for sale (cont'd.)****(b) Amount due from Plasma (cont'd.)**

Movement in allowance accounts:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	72,468	67,572
Provision for expected credit losses (Note 6)	20,530	3,413
Exchange differences	(2,856)	1,483
At 31 December	<u>90,142</u>	<u>72,468</u>

**(c) Provision**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Provision for compensation of environmental loss		
At 1 January	-	-
Arose during the financial year	38,842	-
At 31 December	<u>38,842</u>	<u>-</u>

Further details are as disclosed in Note 40.

**(d) Retirement benefit obligations**

The principal assumptions used in determining the retirement benefit obligations are shown below:

	<b>2022</b>	<b>2021</b>
Discount rate	7%	7%
Future salary increase	10%	10%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 13 February 2023 (2021: 3 January 2022). Further details are disclosed in Note 29.

**(e) 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 RM46,158,000 (2021: RM81,237,000) during the financial year.

Movement in allowance accounts:

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	681,257	600,020
Provision for expected credit losses (Note 6)	46,158	81,237
At 31 December	<u>727,415</u>	<u>681,257</u>

**25. Discontinued operation and disposal group classified as held for sale (cont'd.)****(f) Loss before tax**

The following items have been included in arriving at loss before tax:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Auditors' remuneration:		
- statutory audits - other than Ernst & Young PLT	95	72
Employee benefits expense (Note 25(g))	654	966
Non-executive directors' remuneration	93	120
Property, plant and equipment written off	25	131
Impairment of right-of-use assets	(3,591)	16,199
(Reversal of impairment)/impairment of property, plant and equipment	(14,440)	64,519
Expected credit losses of other receivables	20,530	3,413
Interest income	(4)	(14)
Fair value changes of biological assets	441	(189)
Provision for compensation of environmental loss	38,842	-

**(g) Employee benefits expense**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages and allowances	172	152
Contributions to defined contribution plan	420	403
Bonus	28	5
Social security contributions	17	12
Provision for retirement benefit obligations (Note 29)	17	393
Other benefits	-	1



**26. Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Finance lease RM'000	Group Other assets* RM'000	Total RM'000
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
At 1 January 2022	60,720	1,944	62,664
Additions	-	6,709	6,709
Accretion of interest	4,863	239	5,102
Payments	(4,903)	(1,860)	(6,763)
At 31 December 2022	60,680	7,032	67,712
Current	44	886	930
Non-current	60,636	6,146	66,782
	60,680	7,032	67,712

	Company Other assets* 2022      2021 RM'000      RM'000	
At 1 January	1,023	538
Additions	444	1,508
Accretion of interest	53	34
Payments	(1,157)	(1,057)
At 31 December	363	1,023
Current	221	658
Non-current	142	365
	363	1,023

\* Other assets consist of building and office equipment.

The Group and the Company have total cash outflows for lease of RM9,561,000 (2021: RM10,133,000) and of RM6,748,000 (2021: RM3,347,000) respectively.

## 26. Lease liabilities (cont'd.)

The remaining maturities of the lease liabilities as at year end are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Less than one year	930	1,065	221	658
More than 1 year less than 2 years	663	1,098	142	134
More than 2 years and less than 5 years	606	20	-	231
5 years and more	65,513	60,481	-	-
	<b>67,712</b>	<b>62,664</b>	<b>363</b>	<b>1,023</b>

## 27. Loans and borrowings

		Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Current</b>	<b>Maturity</b>				
<b>Secured</b>					
Obligations under hire purchase	2023	4,396	3,708	26	79
Bank loans:					
- Business Financing-i at Base Financing Rate -1.0% per annum	2023	870	643	-	-
- Business Financing-i at Base Financing Rate -2.0% per annum	2023	12	465	-	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2023	32,827	24,869	26,667	20,748
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2023	25,434	14,867	-	-
- Term Financing-i at Cost of Fund +1.0% per annum	2023	3,877	3,809	-	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2023	1,407	1,299	-	-
		<b>68,823</b>	<b>49,660</b>	<b>26,693</b>	<b>20,827</b>
<b>Unsecured</b>					
- Revolving Credit Facility-i at Cost of Fund +1.25% per annum	2023	10,000	-	-	-
		<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>78,823</b>	<b>49,660</b>	<b>26,693</b>	<b>20,827</b>

## 27. Loans and borrowings (cont'd.)

		Group		Company	
		2022	2021	2022	2021
<u>Non-current</u>	Maturity	RM'000	RM'000	RM'000	RM'000
Secured					
Obligations under hire purchase	2024 - 2026	7,742	8,775	-	26
Bank loans:					
- Business Financing-i at Base Financing Rate -1.0% per annum	2024 - 2028	5,064	5,100	-	-
- Business Financing-i at Base Financing Rate -2.0% per annum	2023	-	25	-	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	2024 - 2030	143,270	173,005	106,546	130,082
- Term Financing-i at Cost of Fund +1.0% per annum	2024 - 2026	11,889	13,625	-	-
- Commodity Murabahah Term Financing-i at Cost of Fund +1.25% per annum	2024 - 2030	188,139	200,695	-	-
- Muamalat Term Financing-i at 3 months Cost of Fund +1.5% per annum	2024	1,832	3,269	-	-
- Cash Line-i at Base Financing Rate +0.0% per annum	2025	10,252	19,047	10,252	19,047
		368,188	423,541	116,798	149,155
Unsecured					
Bank loans:					
- Revolving Credit Facility-i at Cost of Fund +1.25% per annum	2024	37,060	17,150	-	-
		37,060	17,150	-	-
		405,248	440,691	116,798	149,155
Total loans and borrowing		484,071	490,351	143,491	169,982



## 27. Loans and borrowings (cont'd.)

The remaining maturities of the loans and borrowings as at year end are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	78,823	49,660	26,693	20,827
More than 1 year and less than 2 years	101,821	98,192	28,083	45,542
More than 2 years and less than 5 years	211,516	214,106	65,180	81,065
5 years and more	91,911	128,393	23,535	22,548
	<u>484,071</u>	<u>490,351</u>	<u>143,491</u>	<u>169,982</u>

### 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 RM258,167 (2021: RM258,077) 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.



**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 title 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 title 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 25<sup>th</sup> 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.

**27. Loans and borrowings (cont'd.)****Changes in liabilities arising from financing activities:**

Group	At 1 January 2022 RM'000	Cash flows RM'000	Other Changes RM'000	At 31 December 2022 RM'000
Obligations under hire purchase and finance leases	12,483	(4,041)	3,696	12,138
Revolving Credit Facility-i at Cost of Fund +1.25% per annum	17,150	29,910	-	47,060
Bank loans:				
- Business Financing-i at Base Financing Rate -1.0% per annum	5,743	191	-	5,934
- Business Financing-i at Base Financing Rate -2.0% per annum	490	(478)	-	12
- Commodity Murabahah Term Financing-i at Cost of Fund+1.0% per annum	197,874	(21,777)	-	176,097
- Term Financing-i at Cost of Fund +1.0% per annum	17,434	(1,668)	-	15,766
- Commodity Murabahah Term Financing at Cost of Fund +1.25% per annum	215,562	(1,989)	-	213,573
- Muamalat Term Financing-I at 1.5% per annum above 3 months Cost of Fund	4,568	(1,329)	-	3,239
- Cash Line-i at Base Financing Rate +0.0% per annum	19,047	(8,795)	-	10,252
Advances (Note 28)	102,821	(66,708)	-	36,113
	<u>593,172</u>	<u>(76,684)</u>	<u>3,696</u>	<u>520,184</u>



## 27. Loans and borrowings (cont'd.)

## Changes in liabilities arising from financing activities (cont'd.):

	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
	<b>666,650</b>	<b>(76,993)</b>	<b>3,515</b>	<b>593,172</b>

Company	At 1 January 2021 RM'000	Cash flows RM'000	At 1 December 2021 RM'000	Cash flows RM'000	At 31 December 2022 RM'000
Obligations under hire purchase and finance leases	209	(104)	105	(79)	26
Revolving Credit Facility-I at Cost of Fund +1.0% per annum	12,500	(12,500)	-	-	-
Bank loans:					
- Commodity Murabahah Term Financing-i at Cost of Fund +1.0% per annum	169,409	(18,579)	150,830	(17,617)	133,213
- Cash Line-i at Base Financing Rate +0.0% per annum	9,841	9,206	19,047	(8,795)	10,252
	<b>191,959</b>	<b>(21,977)</b>	<b>169,982</b>	<b>(26,491)</b>	<b>143,491</b>



## 28. Trade and other payables

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Current</b>					
<b>Trade payables</b>					
Third parties	a	63,849	48,291	53	52
Due to Sublessees	c	36,325	42,687	-	-
		<u>100,174</u>	<u>90,958</u>	<u>53</u>	<u>52</u>
<b>Other payables</b>					
Due to subsidiaries	b	-	-	103,462	121,944
Sundry payables		32,651	31,234	11,877	8,968
Deposits		10	-	1,813	1,813
Accruals		31,538	31,139	4,285	3,240
Advances	d	36,113	66,708	-	-
Other advances	c	312	2,227	-	-
		<u>100,624</u>	<u>131,308</u>	<u>121,437</u>	<u>135,965</u>
<b>Total current trade payables and other payables</b>		<u>200,798</u>	<u>222,266</u>	<u>121,490</u>	<u>136,017</u>
<b>Non-current</b>					
<b>Other payables</b>					
Advances	d	-	36,113	-	-
Other advances	c	5,681	5,821	-	-
		<u>5,681</u>	<u>41,934</u>	<u>-</u>	<u>-</u>
<b>Total trade and other payables (current and non-current)</b>		<u>206,479</u>	<u>264,200</u>	<u>121,490</u>	<u>136,017</u>
Add: Lease liabilities (Note 26)		67,712	62,664	363	1,023
Add: Loans and borrowings (Note 27)		484,071	490,351	143,491	169,982
Less: Other advances		(5,993)	(8,048)	-	-
<b>Total financial liabilities carried at amortised cost</b>		<u>752,269</u>	<u>809,167</u>	<u>265,344</u>	<u>307,022</u>

## (a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2021: 30 to 90 days).

## (b) Amounts due to subsidiaries

Amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing and are repayable on demand, except for an amount of RM33,290,000 in the previous financial year which attracted interest at range of 2.20% to 4.75% per annum.

**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 year 2013 ("Expiry"). The subsidiary continues to cultivate the related plantation. Profit distribution from cultivation of the Sublessees Scheme has been accrued while pending finalisation of the renewal of the Sublessess arrangement ("Post-Expiry Profit"). In prior financial year, the subsidiary has issued Notice of Exercise Of Option For Fresh Sub-Leases ("Notice") to the Sublessees and also advertised the said Notice in the newspapers. The Sublessees are given until 30 November 2021 ("Notice Period") to exercise the renewal option in accordance with the Notice. Subsequent to the Notice Period, there are Sublessees requesting the subsidiary to extend the Notice Period to exercise the renewal option. In current financial year, the subsidiary has accepted the Sublessees' appeal to exercise the renewal option subsequent to the Notice Period with the condition that the appeal is made before 30 November 2022 ("Extended Notice Period").

Pursuant to the renewal of the Sublessees agreement above, the Sublessees are required to pay the subsidiary RM6,900 per acre for the renew of lease term for 30 years ("Premium Income") and RM3,819 per acre 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.

The Post-Expiry Profits of the Sublessees who have not renewed their Sublessees Scheme upon the expiry of the Extended Notice Period (2021: Notice Period) of RM5,666,153 (2021: RM40,430,633) are deemed forfeited and have been reversed to profit or loss (Note 6).

**(d) Advances**

Advances represent cash received from Ikhasas CPO Sdn. Bhd.. The Group had on 8 July 2019 entered into a Medium-Term Supply Agreement ("MTSA") with Ikhasas for the supply of crude palm oil and/or RSPO certified crude palm oil ("Products") for a Supply Period of Forty Three (43) months from the first day of the calendar month following the month when payment of the first tranche of the upfront payment of RM189,000,000 is made in accordance with the MTSA. On 17 April 2020, the Group had entered into supplemental agreement to vary certain terms including the volume of the products to be supplied and the payment obligations under the MTSA in order to commence the implementation of the MTSA. On 5 May 2020, Ikhasas CPO Sdn. Bhd. had made payment on the first tranche of the upfront payment. The advances will be offset against the sales of CPO and/or RSPO certified sustainable palm oil on a monthly basis over a period of 43 months. The advances will be offset against goods delivered in following years, as follows:

	Group	
	2022	2021
	RM'000	RM'000
Less than one year	36,113	66,708
More than 1 year less than 2 years	-	36,113
	<u>36,113</u>	<u>102,821</u>

The advances bore an average effective interest rate at the reporting date of 4.52% (2021: 4.87%) per annum.



**29. Retirement benefit obligations**

The Company and certain subsidiaries operate an unfunded, defined benefit Retirement Benefit Scheme for their employees. All employees who were employed by the Company and certain subsidiaries prior to January 1999 are eligible for the scheme. Benefits are payable based on the last drawn salary of the employee and the number of years of service with the Company and certain subsidiaries.

The following tables summarise the components of retirement benefit obligation/expense recognised in the statements of financial position and statements of comprehensive income.

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded defined benefit obligations	5,724	6,212	1,111	528

The amounts recognised in the statements of comprehensive income are determined as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current service cost	459	525	18	19
Past service cost	80	10	71	-
Interest cost on defined benefit obligations	182	305	17	19
Net benefit expense, included under employee benefits expense (Note 7)	721	840	106	38
Analysed as:				
- Continuing	704	447	106	38
- Discontinued	17	393	-	-
	721	840	106	38

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	6,212	5,931	528	490
Net (gain)/loss on remeasurement of defined benefit obligations recognised in other comprehensive (loss)/income	(531)	-	584	-
Amount recognised in profit or loss Continuing operation (Note 7)	704	447	106	38
	6,385	6,378	1,218	528
Contribution paid	(661)	(166)	(107)	-
At 31 December	5,724	6,212	1,111	528

**29. Retirement benefit obligations (cont'd.)**

Changes in present value of defined benefit obligations are as follows: (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Analysed as:</b>				
Current:				
Not later than 1 year	546	742	-	-
Non current:				
Later than 1 year	5,178	5,470	1,111	528
	<u>5,724</u>	<u>6,212</u>	<u>1,111</u>	<u>528</u>

The principal assumptions used in determining the retirement benefit obligations are shown below:

	Group and Company	
	2022	2021
Discount rate	5.20%	3.70%
Future salary increase	6.00%	6.00%

The Retirement Benefit Scheme obligations were determined by professional actuaries on 13 December 2022.

**Sensitivity analysis**

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 are as shown below:

	Group		Company	
	Defined benefit obligations		Defined benefit obligations	
	Increase	Decrease	Increase	Decrease
	RM'000	RM'000	RM'000	RM'000
Discount rate (1% movement)	364	(341)	67	(73)
Future salary increase (1% movement)	316	(293)	66	(62)

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**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	185,632	188,925	2,700	3,256
Recognised in profit or loss (Note 9)	2,827	(3,293)	704	(556)
At 31 December	<u>188,459</u>	<u>185,632</u>	<u>3,404</u>	<u>2,700</u>

Presented after appropriate offsetting as follows:

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	958	996	-	-
Deferred tax liabilities	(189,417)	(186,628)	(3,404)	(2,700)
	<u>(188,459)</u>	<u>(185,632)</u>	<u>(3,404)</u>	<u>(2,700)</u>

**Group****Deferred tax liabilities:**

	<b>Property plant and equipment RM'000</b>	<b>Other assets* RM'000</b>	<b>Right-of-use assets RM'000</b>	<b>Total RM'000</b>
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	<u>123,052</u>	<u>6,020</u>	<u>96,094</u>	<u>225,166</u>
At 1 January 2022	123,052	6,020	96,094	225,166
Recognised in profit or loss	3,661	(1,256)	(1,740)	665
At 31 December 2022	<u>126,713</u>	<u>4,764</u>	<u>94,354</u>	<u>225,831</u>

\* Other assets consist of biological assets, intangible asset and investment properties.

## 30. Deferred tax (cont'd.)

## Group (cont'd.)

## Deferred tax assets:

	Provisions RM'000	Lease liabilities RM'000	Unused tax losses, unabsorbed capital allowances and re- investment allowances RM'000	Total RM'000
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)
At 1 January 2022	(2,592)	(14,814)	(22,128)	(39,534)
Recognised in profit or loss	(1,064)	135	3,091	2,162
At 31 December 2022	(3,656)	(14,679)	(19,037)	(37,372)

## Company

## Deferred tax liabilities:

	Property plant and equipment RM'000	Intangible asset and in- vestment properties RM'000	Right-of-use assets RM'000	Total RM'000
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
At 1 January 2022	1,465	4,415	207	6,087
Recognised in profit or loss	537	(239)	38	336
At 31 December 2022	2,002	4,176	245	6,423

## 30. Deferred tax (cont'd.)

## Company (cont'd.)

## Deferred tax assets:

	Provisions RM'000	Lease liabilities RM'000	Unused tax losses, unabsorbed capital allowances and re- investment allowances RM'000	Total RM'000
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)
At 1 January 2022	(447)	(246)	(2,694)	(3,387)
Recognised in profit or loss	(49)	158	259	368
At 31 December 2022	(496)	(88)	(2,435)	(3,019)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022 RM'000	2021 RM'000
Unused tax losses	93,769	82,847
Unabsorbed capital allowances	46,758	47,694
Other temporary differences	12,586	13,837
	<u>153,113</u>	<u>144,378</u>

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.

**30. Deferred tax (cont'd.)****Deferred tax assets: (cont'd.)**

Pursuant to the relevant tax regulations, the unrecognised tax losses at the end of reporting period will expired as follows:

	2022 RM'000	2021 RM'000
Expires in FY2029	65,497	69,165
Expires in FY2030	6,206	6,206
Expires in FY2031	3,909	3,909
Expires in FY2032	3,738	3,567
Expires in FY2033	14,419	-
	<u>93,769</u>	<u>82,847</u>

**31. Share capital**

	Group and Company Number of ordinary shares '000	Share capital RM'000
At 1 January 2021/31 December 2021/ 1 January 2022/31 December 2022	<u>1,722,881</u>	<u>359,445</u>

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**

In previous year, the Company may distribute dividends out of its entire retained earnings under single-tier system.



**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 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
At 1 January 2022	36,303	(237)	(31)	36,035
Other comprehensive loss:				
Fair value movement of investments in securities	1	-	-	1
Fair value movement of other investments (Note 18)	(13,406)	-	-	(13,406)
Net gain on remeasurement of defined benefit obligations	-	531	-	531
Total comprehensive loss for the financial year	(13,405)	531	-	(12,874)
At 31 December 2022	22,898	294	(31)	23,161

Company	Capital reserve RM'000	Employee benefits plan reserve RM'000	Total RM'000
At 1 January 2021/31 December 2021/1 January 2022	2,736	(68)	2,668
Other comprehensive loss:			
Net loss on remeasurement of defined benefit obligations representing total other comprehensive loss	-	(584)	(584)
At 31 December 2022	2,736	(652)	2,084

### 33. Other reserves (cont'd.)

The nature and purpose of each category of the reserves are as follows:

#### (a) 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.

#### (b) 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.

#### (c) 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.

#### (d) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Management fees charged to subsidiaries	-	-	(11,522)	(7,666)
Interest income from a subsidiary	-	-	(1,657)	(958)
Interest expense charged by subsidiaries	-	-	488	3,397
Dividend income from subsidiaries	-	-	(24,400)	(97,000)
Rental income from a subsidiary	-	-	(6,516)	(6,516)
Purchase of goods from a related party*	12,876	-	-	-

\* Refer to member companies within the Terengganu Incorporated Sdn. Bhd. group.

**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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Short term benefits	3,439	3,514	1,152	661
Post-employment benefits:				
- Defined contribution plan	424	320	173	99
- Defined benefit plan	8	8	2	2
	<u>3,871</u>	<u>3,842</u>	<u>1,327</u>	<u>762</u>

Included in the total compensation of key management personnel are:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Executive and non-executive directors' remuneration excluding benefits-in-kind and indemnity (Note 8)	<u>1,533</u>	<u>1,544</u>	<u>1,102</u>	<u>995</u>

**35. Commitments****Capital commitments**

Capital commitments as at the reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Approved and contracted for:				
Lease of properties (Note 41(a))	-	5,040	-	-
Property, plant and equipment	<u>3,774</u>	<u>11,951</u>	<u>598</u>	<u>638</u>



### 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.



**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
<b>31 December 2022</b>					
<b>Financial assets</b>					
Other investments	18	-	-	27,657	27,657
Investments in securities	19	37	-	-	37
<b>31 December 2021</b>					
<b>Financial assets</b>					
Other investments	18	-	-	41,063	41,063
Investments in securities	19	36	-	-	36

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.

**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
<b>Non-financial assets</b>					
<b>Group:</b>					
<b>Biological assets</b>					
<b>31 December 2022</b>	20	-	-	3,346	3,346
<b>31 December 2021</b>	20	-	-	8,671	8,671
<b>Company:</b>					
<b>Investment properties</b>					
<b>31 December 2022</b>	15	-	-	183,200	183,200
<b>31 December 2021</b>	15	-	-	183,500	183,500

The fair value of investment property as at 31 December 2022 was RM183,200,000 ( 2021: RM183,500,000) . The fair value was arrived at using reference to the sales and listings of similar properties in the vicinity as a guide to value after relevant valuation adjustments made for differences in location, size, tenure, restriction/ownership, category of land use and etc by Messrs. Raine & Horne, independent professional valuer. The fair value is categorised as Level 3 in the fair value hierarchy. The most significant input in the approach adopted by the valuer is nature of the property and the state of the market.

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 Executive Director, 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.

### 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			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Plantation	12,262	25%	22,101	49%
Healthcare	36,186	75%	23,434	51%
	<u>48,448</u>	<u>100%</u>	<u>45,535</u>	<u>100%</u>

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 RM25,501,000 (2021: RM23,700,000) due from seven customers (2021: eight customers), representing approximately 53% (2021: 52%) of the net trade receivables of the Group.



### 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 2022	Days past due				Total RM'000
	Current RM'000	<30 days RM'000	30-240 days RM'000	>241 days RM'000	
Expected credit loss rate	0.0%	21.2%	30.1%	100.0%	6.2%
Estimated total gross carrying amount at default	45,999	1,605	1,695	2,356	51,655
Expected credit loss	-	340	511	2,356	3,207
31 December 2021	Days past due				Total RM'000
	Current RM'000	<30 days RM'000	30-240 days RM'000	>241 days RM'000	
Expected credit loss 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



### 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 16% (2021: 10%) and 19% (2021: 12%) 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.)

Group	2022			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	201,662	5,681	–	207,343
Lease liabilities	6,067	21,598	640,516	668,181
Loans and borrowings	99,599	357,079	96,913	553,591
Total undiscounted financial liabilities	307,328	384,358	737,429	1,429,115

Group	2021			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	226,203	42,798	–	269,001
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	296,083	439,252	763,778	1,499,113

Company	2022			
	On demand or within one year RM'000	Two to five years RM'000	Five years and more RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	121,490	–	–	121,490
Lease liabilities	235	145	–	380
Loans and borrowings	32,987	121,302	6,495	160,784
Total undiscounted financial liabilities	154,712	121,447	6,495	282,654

## 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
<b>Company</b>				
<b>Financial liabilities:</b>				
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
<b>Total undiscounted financial liabilities</b>	<b>159,813</b>	<b>148,880</b>	<b>22,340</b>	<b>331,033</b>

## (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 100 basis points (2021: 75 basis points) lower/higher with all other variables held constant, the Group's profit before tax would have been RM4,841,000 (2021: RM3,678,000) lower/higher, and the Company's profit before tax would have been RM1,435,000 (2021: RM1,275,000) 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 2022, 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Effect to profit before tax if CPO price:				
- increased by RM100/MT (2021: RM100/MT)	5,903	6,156	302	682
- decreased by RM100/MT (2021: RM100/MT)	(5,903)	(6,156)	(302)	(682)
Effect to profit before tax if palm kernel price:				
- increased by RM100/MT (2021: RM100/MT)	1,425	1,479	71	161
- decreased by RM100/MT (2021: RM100/MT)	(1,425)	(1,479)	(71)	(161)



### 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 2022 and 31 December 2021.

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.

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans and borrowings	27	484,071	490,351	143,491	169,982
Trade and other payables	28	206,479	264,200	121,490	136,017
Lease liability	26	67,712	62,664	363	1,023
Less: Cash and bank balances	24	(107,184)	(194,443)	(37,151)	(48,316)
Net debt		<u>651,078</u>	<u>622,772</u>	<u>228,193</u>	<u>258,706</u>
Equity attributable to the owners of the parent, representing total capital		<u>685,251</u>	<u>732,140</u>	<u>335,489</u>	<u>375,067</u>
Capital and net debt		<u>1,336,329</u>	<u>1,354,912</u>	<u>563,682</u>	<u>633,773</u>
Gearing ratio		<u>49%</u>	<u>46%</u>	<u>40%</u>	<u>41%</u>

### 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, sale of pineapple fruit 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, sale and trading of oil palms, pineapple fruits and other related products and the provision of healthcare services. Other operations include provision of management services.
- (ii) Indonesia - the operations in this area are principally cultivation and 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.



# Business segments (cont'd.)

	Plantation (Malaysia)		Plantation (Indonesia)		Healthcare		Investment holding and others		As reported in consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets:</b>										
Additions to non-current assets	58,384	41,987	-	-	19,635	7,763	7,468	3,133	84,487	52,888
Segment assets	810,069	891,232	102,124	105,656	252,554	253,648	500,575	494,383	1,655,451	1,744,929
<b>Segment liabilities</b>	<b>666,135</b>	<b>704,309</b>	<b>48,365</b>	<b>10,412</b>	<b>125,544</b>	<b>136,013</b>	<b>166,416</b>	<b>185,417</b>	<b>1,008,561</b>	<b>1,036,151</b>

# Geographical segments

	Total revenue		Segment assets		Capital expenditure	
	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Malaysia</b>	614,372	511,582	1,583,327	1,839,263	84,487	52,883
<b>(Indonesia)</b>	3,203	4,215	102,124	105,686	936	587
	<b>617,575</b>	<b>515,797</b>	<b>1,685,451</b>	<b>1,744,929</b>	<b>85,422</b>	<b>53,470</b>



**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:

	Note	2022 RM'000	2021 RM'000
(Gain)/loss on disposal of property, plant and equipment	6	(72)	5
Gain on Government acquisition of right-of-use assets	6	(9,076)	-
Inventories written off	6	122	245
Property, plant and equipment written off	6,25	958	1,051
(Reversal of impairment)/impairment of right-of-use assets	25	(3,591)	16,199
(Reversal of impairment)/impairment of property, plant and equipment	25	(14,440)	64,519
Expected credit losses of trade receivables	6	223	96
Expected credit losses of other receivables	25	20,530	3,413
Reversal of expected credit losses of trade receivables	6	-	(168)
Reversal of expected credit losses of other receivables	6	-	(91)
Right-of-use assets written off	6	170	-
Fair value changes of biological assets	6,25	5,960	(4,706)
Land premium on sublessee land	6	(312)	(1,119)
Accumulated post expiry profits distributions of Sublessees Scheme	6	(5,666)	(40,431)
Provision for compensation of environmental loss	25	38,842	-
Provision for retirement benefit obligations	7,25	721	840
		<u>34,369</u>	<u>39,853</u>

**C** Additions to non-current assets consist of:

	Note	2022 RM'000	2021 RM'000
Property, plant and equipment	12	77,778	50,331
Right-of use assets	13	6,709	2,552
		<u>84,487</u>	<u>52,883</u>

#### 40. Material litigation

##### (a) Ministry of Environment and Forestry of Indonesia - Plaintiff vs PT RKA

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

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

During the first hearing of the case at District Court of Sintang 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.

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

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

- a. For PT RKA to stop all its activities on the affected land area until the full and final disposal of the case; and
  - b. For PT RKA to pay compensation of Rp50,000 for every affected oil palm tree.
- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
  - ii. PT RKA is to pay a compensation of Rp270,807,710,959 (approximately RM81,242,313) for the environmental loss to the National Account of Indonesia as per the claim by the Plaintiff.
  - iii. PT RKA is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of Rp646,216,640,000 (approximately RM193,864,992) as per the claim by the Plaintiff.



#### 40. Material litigation (cont'd.)

##### (a) Ministry of Environment and Forestry of Indonesia - Plaintiff vs PT RKA (cont'd.)

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

- i. PT RKA is responsible on the loss due to the fire incident based on the 'strict liability' principle.
- ii. PT RKA is to pay a compensation of Rp188,977,440,000.00 (approximately RM53,504,371) for the environmental loss to the National Account of Indonesia as per the claim.
- iii. PT RKA is to rehabilitate the environment on the affected area due to the fire incident of 2,560 ha and to reactivate the affected ecology system with the cost of Rp731,036,640,000.00 (Approximately RM206,975,266).

On 18 November 2022, PT RKA has filed an appeal against the above decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta. The outcome of the appeal is, as at the date of this report, still pending.

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

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

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

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

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

On 18 November 2022, PT RKA has filed an appeal against the above the decision of the High Court of Pontianak to the Supreme Court of Indonesia in Jakarta. The outcome of the appeal is, as at the date of this report, still pending.

The directors are of the opinion, based on legal advice and management assessment, there is probable outflow of resources embodying the economic benefits of RM38,842,000 to settle the above claims. The carrying amount of provision of the Group at the reporting date is disclosed in Note 25.

#### 40. Material litigation (cont'd.)

##### (c) Tunas Capital Sdn. Bhd. vs Kuantan Medical Centre Sdn. Bhd. ("KMC")

The Plaintiff claims against KMC for a 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 a sum of RM187,420 being cost of repair and/or rectify the defect of the said premise.

The Court has fixed for a further Case Management on 11 May 2023.

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 event

##### Termination of the 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 the 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.

On 20 January 2023, the HOA was terminated, as MPSB is unable to acquire the land for the purpose of the Proposed Project.

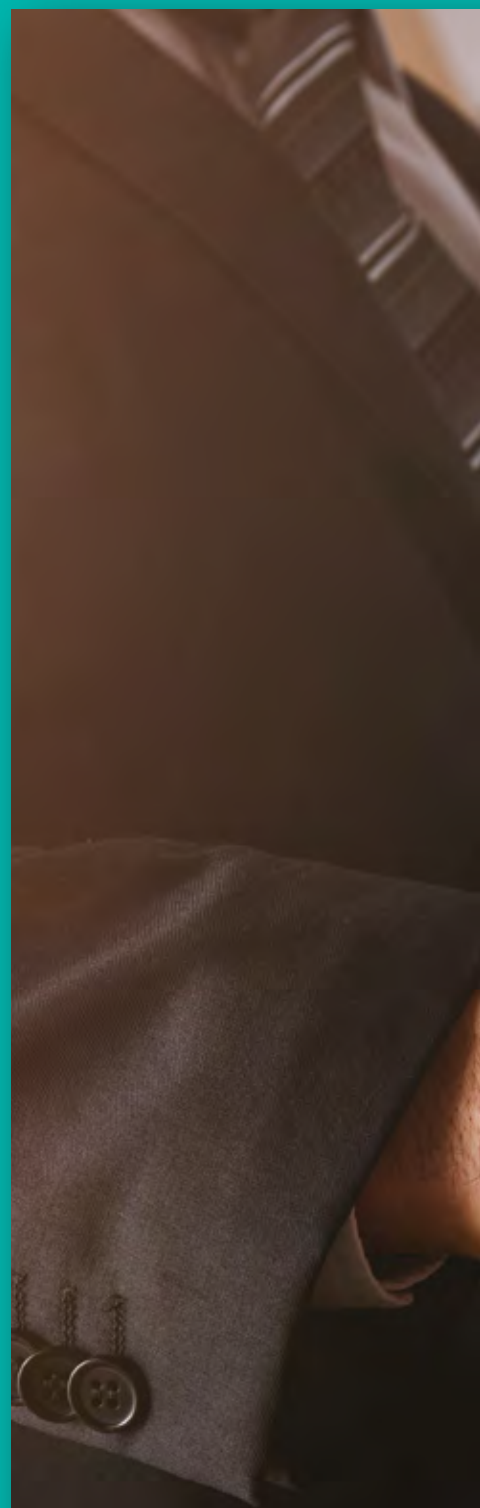


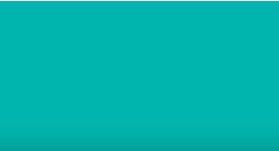
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• Proxy Form

# ACCOUNTABILITY





# STATISTICS OF SHAREHOLDINGS

As at 27 March 2023

## ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	305	2.675	8,566	0.000
100 - 1,000	522	4.579	256,324	0.014
1,001 - 10,000	3,402	29.847	20,765,903	1.205
10,001 - 100,000	6,104	53.553	202,902,481	11.776
100,001 - 86,144,049 (*)	1,063	9.326	470,870,174	27.330
86,144,050 AND ABOVE (**)	2	0.017	1,028,077,553	59.672
<b>TOTAL</b>	<b>11,398</b>	<b>100.000</b>	<b>1,722,881,001</b>	<b>100.000</b>

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	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Koon Chai (E-Ktn/Jbh)	25,975,900	1.507
4	Lembaga Tabung Amanah Warisan Negeri Terengganu	23,482,107	1.362
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee (Tee0063c)	7,524,400	0.436
6	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee (M09)	7,303,100	0.423
7	Khoo Chai Pek	7,000,000	0.406
8	Low Keng Joo	6,400,000	0.371
9	Tee Lip Sin	5,408,200	0.313
10	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee (E-Klg)	5,029,700	0.291

# STATISTICS OF SHAREHOLDINGS

As at 27 March 2023

## LIST OF TOP 30 HOLDERS (Continued)

No	Name	Holdings	%
11	Goh Chuan Yong	4,970,000	0.288
12	Tan Aik Choon	4,961,600	0.287
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TOH HOOI HAK (PB)	4,800,000	0.278
14	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd ( A/C Clients )	4,607,977	0.267
15	Ang Joo Seng	4,550,000	0.264
16	Tan Kian Ser	4,080,000	0.236
17	Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd	3,140,016	0.182
18	Public Invest Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kenwingston Sdn Bhd (M)	3,000,000	0.174
19	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Cheu Leong	2,970,000	0.172
20	Megategas Sdn Bhd	2,938,610	0.170
21	Lee Bee Geok	2,800,000	0.162
22	Maybank Nominees (Tempatan) Sdn Bhd Mohd Iskandar Lau Bin Abdullah	2,691,000	0.156
23	Ooi Chin Hock	2,585,000	0.150
24	Huang, Yu-Ling	2,573,060	0.149
25	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	2,389,715	0.138
26	Wong Yu @ Wong Wing Yu	2,286,900	0.132
27	Liaw Chee Ying	2,200,000	0.127
28	Lim Cheng Hai	2,200,000	0.127
29	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Boon Huat	2,082,810	0.120
30	Ng Chee Joong	2,000,000	0.116



**STATISTICS OF SHAREHOLDINGS**

As at 27 March 2023

**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	YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil)	0	0.000
2	Haji Najman bin Kamaruddin	0	0.000
3	Haji Mazli Zakuan bin Mohd Noor	0	0.000
4	Haji Burhanuddin Hilmi bin Mohamed @ Harun	0	0.000
5	Haji Azlan bin Md Alifiah	0	0.000
6	Mohd Kamaruzaman bin A Wahab	0	0.000
7	Haji Samiun bin Salleh	0	0.000

# GROUP PLANTATION HECTARAGE STATEMENT

OIL PALM		Total Hectarage Managed By Groups (Hectares)	
		2022	2021
Mature Hectarage		21,670	35,319
Immature Hectarage		6,809	8,771
<b>Total Planted</b>		<b>28,479</b>	<b>44,090</b>
Sublease	Mature	7,159	7,808
	Immature	1,584	2,223
TDM Capital Sdn. Bhd.	Mature	475	419
	Immature	833	1,073
Kumpulan Ladang-Ladang Trengganu Sdn Bhd	Mature	11,122	12,283
	Immature	4,223	5,204
Ladang Tabung Warisan	Mature	1,185	1,336
	Immature	0	0
Ladang Majlis Agama Islam Terengganu	Mature	188	500
	Immature	169	210
TDM-YT Plantation Sdn Bhd	Mature	1,541	2,246
	Immature	0	61
PT Rafi Kamajaya Abadi	Mature	0	10,727
	Immature	0	0
<b>TOTAL PLANTED</b>	<b>Mature</b>	<b>21,670</b>	<b>35,319</b>
	<b>Immature</b>	<b>6,809</b>	<b>8,771</b>
<b>GRAND TOTAL</b>		<b>28,479</b>	<b>44,090</b>

## FIVE-YEAR GROUP PLANTATION STATISTICS

PLANTED AREA			UNIT	2022	2021	2020	2019	2018
Oil Palm Area								
<u>Malaysia Operation</u>								
Immature	(0 - 3 Year)	hectare		6,809	8,771	7,986	4,954	5,606
Young	(4 - 10 Year)	hectare		6,058	6,156	6,741	4,796	3,568
Prime-Young	(11 - 15 Year)	hectare		1,450	1,941	1,504	3,339	3,339
Prime-Old	(16 - 20 Year)	hectare		2,910	3,106	3,999	3,701	4,219
Old	(21 - 25 Year)	hectare		6,660	10,347	10,276	10,086	9,852
Very Old	(25 Year Above)	hectare		4,592	3,042	3,014	4,419	4,762
Total Planted Area				28,479	33,363	33,520	31,295	31,346
<u>Indonesia Operation</u>								
Immature	(0 - 3 Year)	hectare		-	-	1,143	1,143	3,752
Young	(4 - 10 Year)	hectare		-	9,453	9,584	9,584	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
Total Planted Area				28,479	44,090	44,247	42,022	43,991
Oil Palm Area								
<u>Malaysia Operation</u>								
FFB Production		mt		277,739	315,167	393,581	398,475	373,213
Yield per mature hectare		mt/ha		12.82	12.82	15.94	15.13	14.50

PLANTED AREA	UNIT	2022	2021	2020	2019	2018
<u>Indonesia Operation</u>						
FFB Production	mt	-	8,207	5,782	3,389	2,082
Yield per mature hectare	mt/ha	-	0.77	0.66	0.35	0.23
Mills FFB Processed	mt					
- own	mt	273,488	307,046	386,192	394,497	364,255
- outside MT	mt	4,311	7,779	5,640	3,852	6,444
FFB Purchase by Mills	mt	32,553	7,391	31,831	27,577	2,385
<b>Total</b>		<b>310,352</b>	<b>322,216</b>	<b>423,663</b>	<b>425,926</b>	<b>373,084</b>
FFB Sold	mt	-Nil-	-Nil-	1,541	141.72	2,779
<b>Average selling prices:</b>						
- Crude Palm Oil	RM/mt ex-mill	4,965	4,447	2,822	2,129	2,313
- Palm Kernel	RM/mt ex-mill	3,303	3,007	1,697	1,318	1,955
- Fresh Fruit Bunch	RM/mt	-Nil-	-Nil-	492	347	383
Production						
- Crude Palm Oil	mt	59,634	61,651	82,814	83,843	72,550
- Palm Kernel	mt	14,003	14,907	18,101	19,617	17,308
Extraction Rate						
- Crude Palm Oil	%	19.21	19.14	19.49	19.68	19.32
- Palm Kernel	%	4.52	4.64	4.26	4.61	4.61
<b>Palm Product Per Mature Hectare</b>	mt/ha	3.40	3.10	3.79	3.68	3.47



## FIVE-YEAR GROUP HEALTHCARE STATISTICS

HEALTHCARE	2022	2021	2020	2019	2018
No. of Beds	401	394	394	407	407
Occupancy Rate	47%	35%	41%	67%	59%
Consultants - Resident	69	61	57	56	54
Doctor - Patient Ratio	3,093	3,364	2,975	3,486	3,557
No. of Inpatients	23,675	17,135	18,063	25,431	23,507
No. of Outpatients	189,739	186,645	150,043	169,820	168,576
Average Length of Stay	2.82	2.85	2.91	2.96	2.96

# LIST OF PROPERTIES

LIST OF ASSETS	ESTATES	DIVISION	TENURE		AREA (HA)	DESCRIPTION	NET BOOK VALUE (RM)
			FIRST EXPIRY DATE	SECOND EXPIRY DATE			
<b>MUKIM TEBAK</b>	<b>KEMAMAN</b>					<b>OIL PALM PLANTATION</b>	<b>90,587,751</b>
HS (D) 1779 Lot PT 1666	Jernih Estate		Leasehold 2052		3,681.1		
GRN 18274 Lot 2514	Jernih Estate		Leasehold 2078 Sublease 2018		218.2		
HS (D) 2872 Lot PT 402 B	Jernih Estate		Leasehold 2078 Sublease 2018		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	Leasehold 2078		24.96		
GRN 12512 Lot 2443	Pelantoh Estate	South	Leasehold 2078		73.49		
GRN 12618 Lot 822	Pelantoh Estate	South	Leasehold 2078		68.71		
GRN 12497 Lot 833	Pelantoh Estate	South	Leasehold 2078		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 PT29	Tebak/Jernih Estate		Leasehold 2014 Sublease 2013	Leasehold 2060	3,439.83		
GRN 12499 Lot 823 (replacing HS(D)2018)	Pelantoh Estate	South			0.23		
HS (D) 13 Lot 30	Tebak Estate		Leasehold 2014	Leasehold 2060	195.87		
HS (D) 001 L/NF 198/65	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	129.5		
HS (D) 002 L/NF 198/65	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	414.4		
HS (D) 003 L/NF 198/65	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	984.2		
HS (D) 004 L/NF 198/65	Air Putih Estate		Leasehold 2012 Sublease 2011	Leasehold 2058	1,916.59		
<b>MUKIM BELARA</b>	<b>SUNGAI TONG</b>					<b>OIL PALM PLANTATION</b>	<b>41,077,748</b>
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		1,661.4191		
GRN 6247 Lot 6743	Jaya Estate	Jaya	Leasehold 2072		84.9092		

LIST OF PROPERTIES

LIST OF ASSETS	ESTATES	DIVISION	TENURE		AREA (HA)	DESCRIPTION	NET BOOK VALUE (RM)
			FIRST EXPIRY DATE	SECOND EXPIRY DATE			
MUKIM BELARA	SUNGAI TONG					OIL PALM PLANTATION	49,858,115
HS (D) 401 Lot PT 804K  (replacing HS(D)1017 Lot PT 804 K)	Fikri Estate	Sentosa	Leasehold 2072		103.6		
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 2071		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 (Ioji) 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		

LIST OF ASSETS	ESTATES	DIVISION	TENURE		AREA (HA)	DESCRIPTION	NET BOOK VALUE (RM)
			FIRST EXPIRY DATE	SECOND EXPIRY DATE			
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		
<b>MUKIM HULU NERUS</b>	<b>SUNGAI TONG</b>					<b>OIL PALM PLANTATION</b>	<b>37,125,127</b>
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		569.3		
GRN 8684 Lot 3040	Tayor Estate		Leasehold 2072		12.65		
GRN 8685 Lot 3041	Tayor Estate		Leasehold 2072		1,133.65		
<b>MUKIM HULU NERUS</b>	<b>SUNGAI TONG</b>						<b>59,936,292</b>
PN 12150 Lot 51902 (Replacing HS (D) 1235 PT 7218)	Pelung Estate		Leasehold 2102		3,002		
PN 8124 Lot 16072 (Replacing HS (D) 1235 PT 7218)	Pelung Estate		Leasehold 2065		10.2	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 ASSETS	ESTATES	DIVISION	TENURE		AREA (HA)	DESCRIPTION	NET BOOK VALUE (RM)
			FIRST EXPIRY DATE	SECOND EXPIRY DATE			
MUKIM HULU NERUS	SUNGAI TONG					OIL PALM PLANTATION	10,040,927
PN 9796 - Lot 9365	Bukit Bidong Estate		Leasehold 2064		652.8		
PN 7311 - Lot 2092	Bukit Bidong Estate		Leasehold 2064		1,838.0		
PN 7312 - Lot 9366	Bukit Bidong Estate		Leasehold 2064		103.7		
MUKIM BESUL	BUKIT BESI					OIL PALM PLANTATION	100,968,436
GN 14644 Lot 3999 (replacing HS (D) 72 PT140)	Gajah Mati/ Pinang Emas Estate		Leasehold 2075		5,139.0		
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		
MUKIM JERANGAU	BUKIT BESI					OIL PALM PLANTATION	4,496,292
PN 10735 Lot 4050 (replacing HS (D) 397 PT 3643)	Jerangau Estate	Chakuh 9	Leasehold 2051		406.9		
MUKIM PENGHULU DIMAN	BUKIT BESI					OIL PALM PLANTATION	6,206,362
PN 12803 Lot 37 (replacing PN669 Lot 37)	Jerangau Estate	Jerangau	Leasehold 2049		456.89		
PN 12809 Lot 61326 (replacing PN 669 Lot 204)	Jerangau Estate	Jerangau	Leasehold 2049		36.59		
MUKIM PENGHULU DIMAN	BUKIT BESI					OIL PALM PLANTATION	9,008,412
PN 825 Lot 1157	Jerangau Estate	Landas	Leasehold 2058		580.52		

LIST OF ASSETS	ESTATES	DIVISION	TENURE		AREA (HA)	DESCRIPTION	NET BOOK VALUE (RM)
			FIRST EXPIRY DATE	SECOND EXPIRY DATE			
MUKIM BATU BURUK							
GM 569-575 Lot 3046-3052 Wisma TDM 443D, Jalan Kamaruddin, 20400 Kuala Terengganu Terengganu			Leasehold 2090		1,390.00 sq.m	Office	4,881,883
PN 10209 Lot 60035 Lot 3963 Jalan Sultan Mahmud Kg Batu Buruk Kuala Terengganu			Leasehold 2111		23,450.00 sq.m	Hospital	167,538,444
STATE OF PAHANG							77,583,002
Mukim Kuala Kuantan PN 7723 Lot 54559 District of Kuantan			Leasehold 2096		43,240.00 sq.m	Hospital	
WILAYAH PERSEKUTUAN							24,254,032
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	
STATE OF SELANGOR							6,516,141
Mukim Damansara Lot No. 3,4,5,6 HS (D) 259689 PT No. 14532 District			Leasehold 2092		2888.40 sq.m	Hospital	
STATE OF KALIMANTAN							63,665,672
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia			Leasehold Land		18,007.98	Oil Palm Plantation	

# GROUP DIRECTORY

## HEADQUARTERS

### TDM Berhad

Registration No.: 196501000477 (6265-P)

Wisma TDM

443D, Jalan Kamaruddin,

20400 Kuala Terengganu

Terengganu

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)

Wisma TDM

443D, Jalan Kamaruddin,

20400 Kuala Terengganu

Terengganu

Tel : (609) 620 4800 / (609) 622 8000

Fax : (609) 620 4805

### 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)

### 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

## 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 : ldgfikri.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

**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. (KMI Healthcare)**

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

**KMI Tawau Medical Centre Sdn. Bhd.**

Registration No.: 200901041269 (884419-D)

TB 4551 Jalan Abaca

91000 Tawau, Sabah, Malaysia

Tel : (6089) 771 873



# NOTICE OF 58<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Eighth (58th) Annual General Meeting (AGM) of the Company will be held at **Elysium Skybridge, Level 3, Menara B, KTCC Drawbridge, Jalan Sultan Zainal Abidin, Kampung Tanjung Pantai, 20000 Kuala Terengganu, Terengganu** on **Thursday, 8 June 2023 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 2022 together with the Reports of the Directors and the Auditors thereon.  | <b>Please refer to Explanatory Note 1</b> |
| 2.  | To re-elect the following Directors who retire in accordance with Clause 119 of the Constitution of the Company and being eligible, offer themselves for re-election:-  |   |
| 2.1 | Haji Mazli Zakuan bin Mohd Noor   | <b>Ordinary Resolution 1</b>              |
| 2.2 | Haji Najman bin Kamaruddin  | <b>Ordinary Resolution 2</b>              |
| 3.  | To re-elect YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) who retires in accordance with Clause 118 of the Constitution of the Company and being eligible, offers himself for re-election. | <b>Ordinary Resolution 3</b>              |
| 4.  | To approve the payment of Directors' Fees up to an amount of RM765,917 for the period from 1 July 2023 until 30 June 2024.  | <b>Ordinary Resolution 4</b>              |
| 5.  | To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,099,890 for the period from 1 July 2023 until 30 June 2024.   | <b>Ordinary Resolution 5</b>              |
| 6.  | To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 6</b>              |

NOTICE OF 58<sup>TH</sup> ANNUAL GENERAL MEETING

## SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

**7. Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016 (the Act)**

"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."

**Ordinary Resolution 7**

**8. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT, subject always to the Act, the Constitution of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements (Bursa Malaysia Securities Berhad), 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 27 April 2023 (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.

## NOTICE OF 58<sup>TH</sup> 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".

### Ordinary Resolution 8

#### 9. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT, subject always to the Act, the Constitution of the Company and the Bursa Malaysia Securities Berhad, 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 27 April 2023 (Recurrent RPTs) provided that such transactions are:-

- (v) recurrent transactions of a revenue or trading nature;
- (vi) necessary for the day-to-day operations;
- (vii) 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
- (viii) 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.

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".

### Ordinary Resolution 9

- 10. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of Company.

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: 27 April 2023

## NOTICE OF 58<sup>TH</sup> 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 Paragraph 8.29(A)(1) of the Bursa Malaysia Securities Berhad, all resolutions set out on the Notice of 58th 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 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, Wilayah Persekutuan **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 58th 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 1 June 2023. **Only a depositor whose name appears on the Record of Depositors as at 1 June 2023 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 58<sup>TH</sup> ANNUAL GENERAL MEETING

### **Item 2 of the Agenda – Ordinary Resolutions 1 and 2**

Clause 119 of the Constitution of the 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 Mazli Zakuan bin Mohd Noor and Haji Najman bin Kamaruddin are standing for re-election as Directors and being eligible, have offered themselves for re-election. The profiles of Haji Mazli Zakuan bin Mohd Noor and Haji Najman bin Kamaruddin are set out in the Profiles of the Board of Directors on pages 68 and 67 of the Company's Annual Report 2022 respectively.

The Board, through Nomination and Remuneration Committee (NRC) has accessed Haji Mazli Zakuan bin Mohd Noor and Haji Najman bin Kamaruddin and recommended both of them for re-election at the forthcoming 58th AGM.

### **Item 3 of the Agenda – Ordinary Resolution 3**

Clause 118 of the Constitution of the 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.

YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) is standing for re-election as Director and being eligible, has offered himself for re-election. His profile is set out in the Profiles of the Board of Directors on page 66 of the Company's Annual Report 2022.

The Board, through NRC has accessed YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) and recommended the re-election of YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) at the forthcoming AGM.

### **Item 4 and 5 of the Agenda – Ordinary Resolutions 4 and 5**

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 58th AGM on the Directors' Fees and Benefits in two (2) separate resolutions.

The payment of the Directors' Fees for the period from 1 July 2023 until 30 June 2024 will only be made if the proposed Ordinary Resolution 4 has been approved at the 58th AGM of the Company.

In determining the estimated total amount of Directors' Benefits, 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 RM1,099,890 is for Directors' Benefits for the period from 1 July 2023 until 30 June 2024. The payment of the Directors' Benefits will be made on monthly basis and/or as and when incurred if the proposed Ordinary Resolution 5 has been passed at the 58th 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.

## NOTICE OF 58<sup>TH</sup> ANNUAL GENERAL MEETING

### **Item 6 of the Agenda – Ordinary Resolution 6**

The Board at its meeting held on 17 April 2023 endorsed for the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 December 2023 be presented to the shareholders for approval. Based on the annual assessment conducted by the Audit Committee of the Company on suitability, independence, objectivity and performance of external auditors, Ernst & Young PLT has met the criteria prescribed by Paragraph 15.21 of the Bursa Malaysia Securities Berhad.

### **Item 7 of the Agenda – Ordinary Resolution 7**

#### **Authority to Issue Shares pursuant to Sections 75 and 76 of the Act**

The Company had in its 57th AGM held on 23 June 2022, obtained its Shareholders' approval for the renewal of the general mandate for the issuance of shares pursuant to Sections 75 and 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 23 June 2022 and will lapse at the conclusion of the 58th AGM.

The proposed Ordinary Resolution 7 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 8 and 9 of the Agenda – Ordinary Resolutions 8 and 9**

#### **Proposed Renewal of Shareholders' Mandates**

The proposed Ordinary Resolutions 8 and 9, if passed, will provide mandates 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.

These mandates 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 27 April 2023 on the Proposed Renewal of Shareholders' Mandates for further information.

## **STATEMENT ACCOMPANYING NOTICE OF 58<sup>TH</sup> 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 Eighth (58<sup>th</sup>) Annual General Meeting of the Company.

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-Eighth (58th) Annual General Meeting (AGM) of the Company to be held at **Elysium Skybridge, Level 3, Menara B, KTCC Drawbridge, Jalan Sultan Zainal Abidin, Kampung Tanjung Pantai, 20000 Kuala Terengganu, Terengganu** on **Thursday, 8 June 2023** at **11.00 a.m.**, or at any adjournment thereof, on the following resolutions referred to in the Notice of 58th AGM.

My/our proxy is to vote as indicated below:

Resolution No	Resolutions	For	Against
Ordinary Resolution 1	To re-elect Haji Mazli Zakuan bin Mohd Noor who retires in accordance with Clause 119 of the Constitution of the Company and being eligible, offers himself for re-election.		
Ordinary Resolution 2	To re-elect Haji Najman bin Kamaruddin who retires in accordance with Clause 119 of the Constitution of the Company and being eligible, offers himself for re-election.		
Ordinary Resolution 3	To re-elect YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Abdul Jalil) who retires in accordance with Clause 118 of the Constitution of the Company and being eligible, offers himself for re-election.		
Ordinary Resolution 4	To approve the payment of Directors' Fees up to an amount of RM765,917 for the period from 1 July 2023 until 30 June 2024.		
Ordinary Resolution 5	To approve the payment of Directors' Benefits to the Non-Executive Directors up to an amount of RM1,099,890 for the period from 1 July 2023 until 30 June 2024.		
Ordinary Resolution 6	To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016.		
Ordinary Resolution 8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
Ordinary Resolution 9	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
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 Paragraph 8.29(A)(1) of the Bursa Malaysia Securities Berhad, all resolutions set out on the Notice of 58th 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.

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Affix  
Stamp

**TDM BERHAD**

**(C/O 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, Wilayah Persekutuan

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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 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, Wilayah Persekutuan **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 58th 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 1 June 2023. **Only a depositor whose name appears on the Record of Depositors as at 1 June 2023 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, 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

Registration No. 196501000477 (6265-P)

Wisma TDM  
443D, Jalan Kamaruddin,  
20400 Kuala Terengganu  
Terengganu

[www.tdmberhad.com.my](http://www.tdmberhad.com.my)