



TERENGGANU INC

Integrated Report 2022



**Embracing Transition  
Towards a Sustainable  
Future for Terengganu**



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# Embracing Transition Towards a Sustainable Future for Terengganu

# Harnessing Investment for the Rakyat

  
TERENGGANU INC

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## TERENGGANU INCORPORATED

Terengganu Inc sets sail as a beacon of progress, harnessing the spirit of exploration and the winds of opportunity. Like a well-prepared vessel, we navigate the vast seas of economic growth and sustainable development in Terengganu. Our organization, built on a foundation of strategic initiatives, investments and responsible practices, charts a course towards unlocking the region’s full potential.

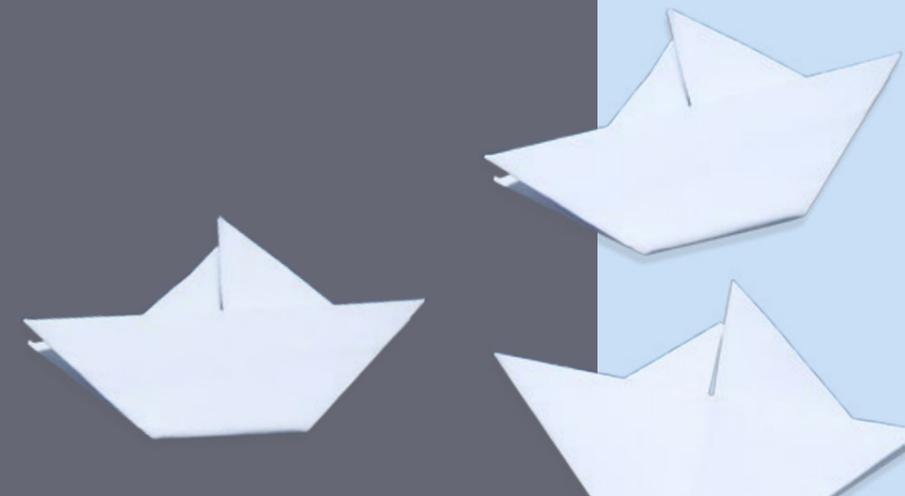
As we embark on this voyage, Terengganu Inc acts as a compass, directing all efforts towards fostering partnerships, promoting innovation and driving economic prosperity. Through our diverse portfolio spanning Plantation, Healthcare, Oil & Gas, Energy & Natural Resources, Infrastructure, Construction & Engineering and Tourism, we cultivate a thriving ecosystem where industries thrive, communities flourish and opportunities abound.

With a keen focus on transparency, accountability and long-term value creation, Terengganu Inc’s financial performance remains steadfast. Like the steady rhythm of waves, we manage our resources with foresight and sail towards sustainable growth. By embracing emerging trends, harnessing technological advancements and nurturing a culture of innovation, we adapt to the changing tides of the business landscape.

Guided by the unwavering support of our partners, investors and stakeholders, Terengganu Inc forges ahead, propelled by a shared vision for Terengganu’s socio-economic progress.

Together, we navigate the uncharted waters, exploring untapped potential and steering towards a brighter future. As we raise our sails and set forth on this transformative journey, we remain committed to creating a prosperous and inclusive Terengganu, driven by a spirit of exploration and the promise of new horizons.

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# From the Desk of The Chairman

With great pleasure we are presenting Terengganu Inc's first Integrated Report. This report encapsulates our remarkable journey in 2022, showcasing the achievements, challenges and progress that have defined our path.

Our transformative strategies have been the driving force behind our remarkable ascent. By embracing innovation, streamlining processes and nurturing a culture of continuous improvement, we have achieved significant milestones that have profoundly impacted our performance for 2022.

The effective management of our investment portfolio played a crucial role in shaping our success last year. Through meticulous diversification, astute analysis of market trends as well as the identification of lucrative opportunities, we have generated a revenue of RM1.6 billion and at the same time mitigated risks to establish a resilient financial foundation for the Group as a whole.

We have generated a revenue of RM1.6 billion and at the same time mitigated risks to establish a resilient financial foundation for the Group as a whole.



We are proud of the sustainability journey we have embarked upon through our Environmental, Social and Governance (ESG) initiatives. The theme "Embracing Transition Towards a Sustainable Future for Terengganu" is the foundation of our business strategies, creating a permanent stance to safeguard the environment, foster social progress and uphold ethical standards.

In line with our motto of "Harnessing Investment for the Rakyat", and through a concerted effort by the Group, RM11.4 million was raised in 2022 for Corporate Social Responsibility (CSR) initiatives, giving a positive impact to the rakyat and portraying our dedication to the state.

With a number of actions already in place to reduce our carbon footprint and our active participation in the global transition towards renewable energy, we are exploring other innovative ventures such as floating solar and rooftop solar. These initiatives will further expand our green energy endeavors, underscoring our commitment to the rakyat for a brighter, sustainable future.

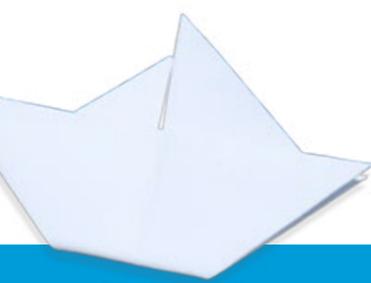
A dedicated Shariah Committee and framework were also established to ensure our adherence to the Islamic principles. Upholding these principles fosters trust and sustainable growth in all our business dealings.

Our achievements in 2022 are the result of our strategic vision, sound investment practices, robust governance and commitment to sustainability. For the next few years, we forecasted our revenue and Net Asset Value to be at RM2.0 billion. This will be possible with promising business expansion and diversification in the green technology sector as well as the food security sector. Also in the pipeline are operational efficiency execution in terms of investment cluster revamp, portfolio diversification, value acceleration, cost optimization and performance management. These initiatives will be our main focus over the next few years.

Terengganu Inc will remain dedicated to create long-term value for our shareholders and stakeholders. Backed by our insightful ideology, Terengganu Inc will approach the future with utmost confidence.

**YAB. Dato' Seri Dr. Ahmad Samsuri bin Mokhtar**  
Chief Minister Terengganu  
Chairman of Terengganu Inc





Terengganu Inc will seize opportunities and leverage strengths to contribute to a brighter future for Terengganu and the nation.



## Foreword from **The President & Executive Director**

Over the last few years, Terengganu Inc steered through a challenging landscape, showcasing resilience and strategic prowess despite the global pandemic. Our sustained performance and increased revenue demonstrate our adaptability and commitment to deliver value even in adversity. Since 2017, we have witnessed a steady increase in revenue. That is a true testament to our ability to navigate changing market dynamics and deliver sustained results. This growth reflects our dedication to driving progress and contributing to the state's development and the well-being of the rakyat.



With a steadfast focus on our mission, we leverage our resources and expertise to create a lasting positive impact. In empowering over 8,700 individuals through job opportunities, we enhance their lives and support their families.

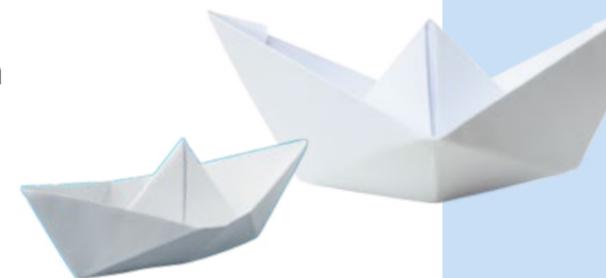
We aspire to play a prominent role in the green energy sector, expand key industries such as port and industrial park development and harness solar energy. These undertakings will drive sustainable growth and create a tangible difference in our community.

In 2022, our milestones included port expansion and industrial park development such as the recently launched Kertih Terengganu Industrial Park (KTIP). In addition the harnessing of solar energy were among the opportunities we captured. In supporting state tourism, we witnessed the successful launch of the inaugural Terengganu Inc Challenge Series (TICS): Tasik Kenyir Jet Ski Championship, drawing over 15,000 visitors and at the same time showcasing the beauty of Tasik Kenyir. By capitalizing on these prospects, we aim to drive sustainable growth while making a tangible difference in our community.

Our commitment to fostering sustainable growth is unwavering as we aspire to play a more significant role in the green energy sector and contribute to the expansion of key industries.

Looking ahead, we embrace this growth momentum and maintain our committed to create long-term value and foster sustainable development for the benefit of all stakeholders. As a team, Terengganu Inc will seize opportunities and leverage strengths to contribute to a brighter future for Terengganu and the nation.

**Burhanuddin Hilmi bin Mohamed @ Harun**  
President & Executive Director of Terengganu Inc





# OUR JOURNEY FOR GROWTH

## NAVIGATING THE CORPORATE LANDSCAPE

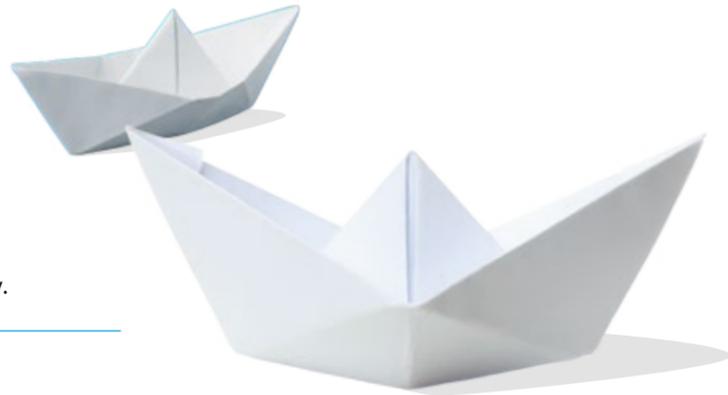
Terengganu Inc is a strategic investment holding company that manages and oversees all forms of state government business and investment conducted through various subsidiary companies. The merger of the state investment portfolio under the management of Terengganu Inc will generate optimal returns from the companies in which it invests.

Today, Terengganu Inc's transformative journey is well underway. This journey has strengthened and realigned our organizational processes, systems and capabilities to become a formidable company capable of meeting the challenges of a dynamic business and economic landscape that are constantly changing.

Aiming for a robust revenue growth in the coming years, Terengganu Inc remains resolute in maximizing cash flow within its core business portfolios. Simultaneously, the organization maintains a forward-looking perspective, actively exploring future growth possibilities to ensure long-term success.

This dual approach, balancing short-term optimization with long-term adaptability, is at the heart of Terengganu Inc's operations, aiming to create value for stakeholders and secure sustainable growth in the years ahead.

# MANDATE



## ADVISORS & CONSULTANTS

To carry on business as Advisors and Consultants to the government, business, commerce and industry.

## INVEST

To invest the funds of the Company through acquisition, sell and deal with any shares, stock, debentures, mortgages, bonds, notes, securities, unit trust and others.

## Tagline

“Harnessing Investment for the Rakyat”

## Vision

To be the prominent strategic investment arm that delivers sustainable value for Terengganu.

## Mission

To reinforce our role as the corporate and commercial Advisor to the state government of Terengganu.

To embark into new strategic investments in green technology and renewable energy.

To ensure all initiatives are aligned with the principles of Environmental, Social and Governance (ESG) and comply with Shariah requirements.

To enhance collaboration with stakeholders and the business community.

## CORE VALUES

### T Teamwork

We recognize the value of working together and the sharing of knowledge for continuous improvement.

### I Integrity & Innovation

We hold ourselves accountable for our actions as we believe in the principles of trustworthiness and honesty.  
We encourage creativity and innovation in everything we do.  
We anticipate change and capitalize on the opportunities that arise.

### S Stewardship

We are committed to careful stewardship of all human, manufactured, natural, intellectual, social, and financial capital.

### B Building Relationships

We build relationships by adding value to the stakeholders and customers we serve.



# OUR LEADERS

## Board of Directors



**YAB. Dato' Seri Dr. Ahmad Samsuri bin Mokhtar**  
Chairman | Non-Independent  
Non-Executive Director  
**Chief Minister of Terengganu**



**YBM. Tengku Seri Bijaya Raja (Dato' Seri Tengku Farok Hussin bin Tengku Abdul Jalil)**  
Non-Independent Non-Executive Director  
**State Secretary of Terengganu**



**YB. Dato' Nara Setia (Dato' Zulkifli bin Ali)**  
Non-Independent  
Non-Executive Director  
**State Financial Officer of Terengganu**



**YB. Dato' Haji Satiful Bahari bin Mamat**  
Non-Independent  
Non-Executive Director  
**State Executive Council of Terengganu**



**YM. Raja Dato' Idris Raja Kamarudin**  
Independent  
Non-Executive Director



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



**Ustaz Haji Mohd Nazri bin Chik**  
Independent  
Non-Executive Director



**Burhanuddin Hilmi bin Mohamed @ Harun**  
President & Executive Director

## Shariah Committee



**Prof. Dr. Abdul Karim bin Ali**  
Chairman  
**Deputy Dean of Higher Degree, Academy of Islamic Studies, Universiti Malaya (UM)**



**Prof. Datin Dr. Rusni binti Hassan**  
Member  
**Dean, IIUM Institute of Islamic Banking and Finance, International Islamic Universiti Malaysia (IIUM)**



**Ustaz Ahmad Tirmizi bin Taha**  
Member  
**Lecturer at Faculty of Islamic Contemporary Studies, Universiti Sultan Zainal Abidin (UnisZA)**

## Management Team



**Burhanuddin Hilmi bin Mohamed @ Harun**  
President & Executive Director



**Mohd Roslan bin Mamat**  
Senior Vice-President, President & Executive Director's Office



**Mohd Farouk bin Mohd Ariffin**  
Head, Group Corporate Strategy & Planning



**Mohd Lokman bin Tengah @ Abdullah**  
Head, Group Finance



**Shaikh Razman bin Abdul Aziz**  
Head, Group Corporate Finance & Investment



**Saliza binti Abdul Rahman**  
Head, Group Secretarial



**Suridah binti Supian**  
Head, Group Strategic Communication



**Faizah binti Ahmad**  
Head, Group Legal



**Maznah binti Ibrahim**  
Head, Group Human Capital



**Mohd Ismail bin Jaafar**  
Head, Group Information Technology & Administration

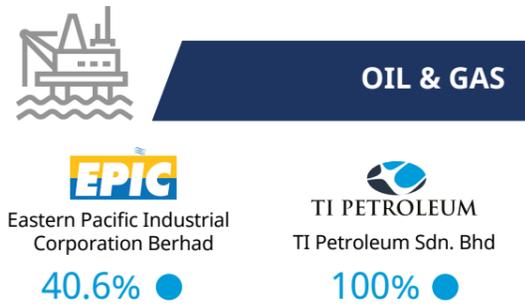


**Syed Ibrahim bin Sayd Othman**  
Head, Group Risk, Compliance & Integrity



**YM Tengku Khatijah binti Tengku Abdul Kadir**  
Head, Group Internal Audit

# Investment Clusters



Indicator :  
 ● Direct Interest  
 ● Indirect Interest  
 ● Managed by Terengganu Inc

## PLANTATION

### TDM PLANTATION SDN. BHD.

A SUBSIDIARY OF TDM Berhad

TDM Berhad's plantation arm, TDM Plantation Sdn. Bhd. (TDM Plantation) is a leading producer of crude palm oil with its primary operations centered and based in Terengganu. TDM Plantation operates 13 oil palm estates, 2 palm oil mills, 2 bio-composting plants and 2 biogas plants. In its effort towards being a fully sustainable oil palm venture, TDM Plantation adheres to the Roundtable on Sustainable Palm Oil (RSPO) principles and the Malaysian Sustainable Palm Oil (MSPO) standards.

#### KEY INFORMATION

##### LOCATIONS

**Setiu:** Jaya, Fikri, Tayor, Pelung, Bukit Bidong  
**Dungun:** Jerangau, Pinang Emas, Gajah Mati, MAIDAM  
**Kemaman:** Air Putih, Pelantoh, Tebak, Jernih

##### OPERATE AND MANAGE

- 13 oil palm estates
- 2 palm oil mills
- 2 bio-composting plants
- 2 biogas plants



##### PLANTATION LAND AREA

41,198 hectares



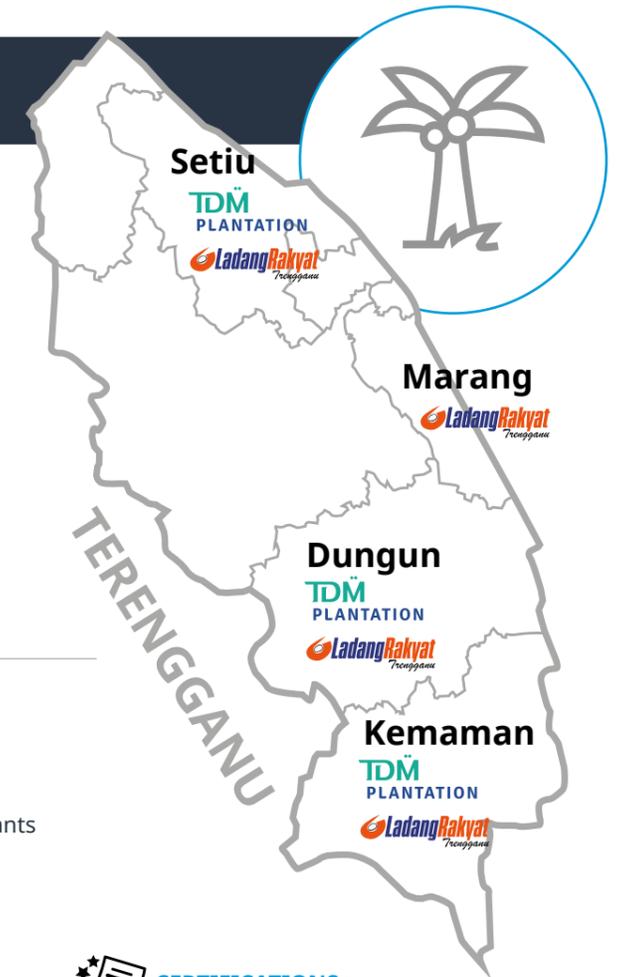
##### PRODUCT

- Crude palm oil
- Palm kernel



##### CERTIFICATIONS

- Roundtable on Sustainable Palm Oil (RSPO)
- Malaysia Sustainable Palm Oil (MSPO)



### LADANG RAKYAT TRENGGANU SDN. BHD.

The establishment of Ladang Rakyat Trengganu Sdn. Bhd. (LRTSB) was to complement the development of the oil palm plantation industry in Terengganu. With 6 plantation areas spread between Kemaman, Dungun, Marang, Setiu, and 2 palm oil mills, LRTSB is the second largest MSPO certified oil palm plantation company in Terengganu, supporting the government's sustainability agenda. The company also ventured into livestock farming, waste to wealth (bio-humus and biogas) and coconut plantation apart from its core business of oil palm plantation.

#### KEY INFORMATION

##### LOCATIONS

**Setiu:** Lembah Bidong, Bidong  
**Marang:** Alor Limbat, Alor Cadur  
**Dungun:** Hulu Paka  
**Kemaman:** Bukit Bandi, Paloh Jenang, Sungai Pinang, Jabor, Lubuk Lesung

##### OPERATE AND MANAGE

- 6 oil palm estates
- 2 palm oil mills
- 1 biogas plant
- 1 bio-humus plant



##### PLANTATION LAND AREA

13,978 hectares



##### PRODUCT

- Crude palm oil
- Palm kernel
- Cattle
- Ayam Saga @MARDI



##### CERTIFICATION

- Malaysia Sustainable Palm Oil (MSPO)

# HEALTHCARE



## KUMPULAN MEDIC IMAN SDN. BHD.

A SUBSIDIARY OF TDM Berhad

The Healthcare cluster is represented by Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), a subsidiary of TDM Berhad where its Malaysia-focused portfolio consists of 401 licensed beds across five hospitals in Malaysia. To uphold its vision of becoming the "Trusted Healthcare Provider of Choice", KMI Healthcare delivers exceptional, pioneering healthcare services by offering a wide coverage of medical disciplines such as general medicine, paediatrics, orthopaedics, general surgery, radiology, obstetrics and gynaecology, ear, nose and throat (ENT), dermatology, ophthalmology, urology, anaesthesiology and gastroenterology. KMI Healthcare offers services that are accessible, affordable and quality-driven. This is in line with United Nation's Sustainable Development Goals (SDGs) of ensuring health and well-being of all.

<b>KEY INFORMATION</b> <b>LIST OF HOSPITALS</b> <ul style="list-style-type: none"> <li>• KMI Kuantan Medical Centre</li> <li>• KMI Kuala Terengganu Medical Centre</li> <li>• KMI Taman Desa Medical Centre</li> <li>• KMI Kelana Jaya Medical Centre</li> <li>• KMI Tawau Medical Centre</li> </ul>	<b>HOSPITAL CAPACITY</b> <b>401 beds</b> <b>133 Total</b> Resident and Visiting Consultants	<b>CERTIFICATIONS</b> <ul style="list-style-type: none"> <li>• Malaysian Society for Quality in Health (MSQH) Accreditation (KMI Kuantan)</li> <li>• Certification for the Provision of Healthcare Services:ISO 9001: 2015 (All KMI Hospitals)</li> </ul>
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# OIL & GAS



## EASTERN PACIFIC INDUSTRIAL CORPORATION BERHAD

Eastern Pacific Industrial Corporation Berhad (EPIC) owns and operates Kemaman Port in Kemaman, Terengganu which primarily handles cargo shipments. EPIC also provides value-added services such as oil and gas supply base, marine engineering and services, as well as engineering and maintenance services. Apart from the provision of port-related services, EPIC is also involved in the renewable energy and green technology business. The company's overall business operations are in line with the United Nation's SDGs which seeks to build resilient infrastructure, enhance inclusive and sustainable industrialization and facilitate access to affordable and clean energy.

<b>KEY INFORMATION</b> <b>OIL &amp; GAS SUPPLY BASE</b> <ul style="list-style-type: none"> <li> 390m long Berth and 18m water depth</li> <li> 172 units glass Crane, Forklift and Prime Mover</li> <li> 45 units warehouse</li> <li> 2 units of Gantry Crane</li> <li> Bunkering services</li> </ul>	<b>PORT OPERATIONS AND MANAGEMENT</b> <ul style="list-style-type: none"> <li> 1,478m long of East Wharf, West Wharf and Liquid Chemical Berth</li> </ul>	<b>ENGINEERING AND MAINTENANCE</b> <ul style="list-style-type: none"> <li> 153 units cargo handling equipment</li> <li> 100m berth for rig layup and maintenance</li> </ul>
<b>RENEWABLE ENERGY &amp; GREEN TECHNOLOGY</b> <ul style="list-style-type: none"> <li> 8 units solar inverter</li> <li> 70,400 units solar panel</li> <li> 18.5 MW Solar farm (at 1st point)</li> </ul>		

# ENERGY & NATURAL RESOURCES



## SYARIKAT AIR TERENGGANU SDN. BHD.

Having commenced its operations since 1 July 1999, Syarikat Air Terengganu Sdn. Bhd. (SATU) has been widely known as the only operator that distributes clean and safe treated water to consumers in Terengganu right up to billing and collection. SATU is regarded as a commercial entity that operates on an individual license and is required to pay an annual fee of 1% from its water sales revenue to the regulatory body, Suruhanjaya Perkhidmatan Air Negara (SPAN). Sustainability is deeply embedded in SATU's business, as it strives to ensure the availability and sustainable management of water for all, in alignment with the the United Nation's SDGs. SATU is committed to providing equitable access to water resources while promoting responsible water management practices for a sustainable future.

<b>KEY INFORMATION</b> <b>ASSETS AND FACILITIES MANAGED</b> <ul style="list-style-type: none"> <li> 8,245 km of water pipeline</li> <li> 157 units of water tank and storage with a capacity of 574 MLD</li> <li> 11 sites of raw water extraction</li> <li> 14 water treatment plants with a capacity of 1,037 MLD</li> </ul>	<b>PRODUCT</b>  Treated water
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## GOLDEN PHAROS BERHAD

Golden Pharos Berhad (GPB) is a public listed company on the Main Board of Bursa Malaysia which primarily engages in forest concession management, logging and distribution, sawmilling and value-added processing of wood-based products, as well as manufacturing and sales of architectural panel glass. In line with the United Nation's SDGs, GPB ensures that its forest resources are used in a responsible and efficient manner, while protecting the biodiversity and ecosystem of the concession area.

<b>KEY INFORMATION</b>	<b>CONCESSION AREA</b> 123,962 hectares	<b>FOREST PLANTATION</b> 172,143 trees planted
	<b>MILL &amp; FACTORIES</b> <ul style="list-style-type: none"> <li><b>Sawmilling</b> <ul style="list-style-type: none"> <li>- Kawasan Perindustrian Jakar, Kemaman (Pesama Timber Corporation Sdn. Bhd.)</li> <li>- Bukit Besi, Kemaman (Pesaka Trengganu Berhad)</li> </ul> </li> <li><b>Veneer &amp; Plywood</b> <ul style="list-style-type: none"> <li>- Kawasan Perindustrian Al-Muktafi Billah Shah (Permint Plywood Sdn. Bhd.)</li> </ul> </li> <li><b>Glass Factory</b> <ul style="list-style-type: none"> <li>- Teluk Panglima Garang, Selangor</li> </ul> </li> </ul>	<b>PRODUCTS</b> <ul style="list-style-type: none"> <li>• Sawn Timber</li> <li>• Veneer and plywood</li> <li>• Glass</li> </ul>
		<b>CERTIFICATIONS</b> <ul style="list-style-type: none"> <li>• Forest Stewardship Council (FSC)</li> <li>• Programme for the Endorsement of Forest Certification (PEFC)</li> </ul>

# INFRASTRUCTURE, CONSTRUCTION & ENGINEERING



## GPQ SDN. BHD. TI PROPERTIES SDN. BHD.

As a Bumiputra contractor established in 1978 and registered with CIDB, GPQ Sdn. Bhd. (GPQ) provides industrial solutions for its clients through infrastructure, housing, building, and construction works. In addition, GPQ also provides a wide range of quarry products such as crusher run, ¾ chippings, aggregate, quarry dust, armor rock and premix.

TI Properties Sdn. Bhd. (TI Properties) was incorporated in 2007 with its primary business in property, facility management and project development. Certified G7 by CIDB and certified with Healthcare Facility Manager credentials, TI Properties has demonstrated its experience and professionalism in both property and facility management.

### KEY INFORMATION

#### PRODUCTS & SERVICES

 <p><b>Quarry plant</b></p> <ul style="list-style-type: none"> <li>Sungai Serai, Marang (capacity: 1,500 MT/day)</li> <li>Tebing Tembah, Paka (Capacity: 1,500 MT/day)</li> </ul>	 <p><b>Construction</b></p> <ul style="list-style-type: none"> <li>Jambatan Marang</li> </ul>	 <p><b>Industrial Area</b></p> <ul style="list-style-type: none"> <li>Kertih Terengganu Industrial Area (KTIP)</li> </ul>
 <p><b>Premix plant</b></p> <ul style="list-style-type: none"> <li>Sungai Serai, Marang (Capacity: 150 MT/hour)</li> </ul>	 <p><b>Housing &amp; Property</b></p> <ul style="list-style-type: none"> <li>Perumahan Pangsa Mampu Milik Banggul Pauh, Kuala Nerus</li> <li>Taman Koperat Impian, Alor Lintah, Besut</li> </ul>	 <p><b>Facility Management</b></p> <ul style="list-style-type: none"> <li>Kuala Terengganu Drawbridge</li> </ul>

# TOURISM



## PRIMULA BEACH HOTEL PERMAI HOTEL KUALA TERENGGANU

Our tourism assets are dedicated to promote Terengganu as a preferred destination by offering diverse attractions such as pristine beaches, cultural heritage, historical sites and immersive experiences that captivate travellers from around the world, while driving economic growth and fostering sustainable tourism practices.

### KEY INFORMATION

#### PRODUCTS & SERVICES

 <p><b>Hotel Rooms:</b></p> <ul style="list-style-type: none"> <li>Primula – 234 rooms (4 star)</li> <li>Permai – 220 rooms (3 star)</li> <li>Pulau Poh – 150 rooms (3 star) Future</li> </ul>	 <p>Meetings, Seminars &amp; Conference Facilities</p>
	 <p>Food &amp; Beverage</p>
	 <p>Swimming Pool</p>
	 <p>EV Charging Station</p>

# OTHER INVESTMENTS



## SYARIKAT PERCETAKAN YAYASAN ISLAM TERENGGANU SDN. BHD.

Syarikat Percetakan Yayasan Islam Terengganu Sdn. Bhd. (SPYIT) was incorporated on 11 September 1985 as an Al-Quran printing company. Since then, SPYIT has grown its experience in printing business offering a wide range of printing services. With over 40 years of experience in printing business and an investment worth more than RM9.0 million, SPYIT now offer a wide range of printing services such as Al-Quran, books, calendars and other marketing collateral.

### KEY INFORMATION

**LOCATION** | Kawasan Perindustrian Gong Badak, Kuala Nerus.

#### SERVICES

 <p><b>Produce and Print:</b></p> <ul style="list-style-type: none"> <li>Al-Quran</li> <li>Books</li> <li>Magazines</li> <li>Brochures</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Diaries</li> <li>Calendars</li> </ul>	 <p><b>Digital Print:</b></p> <ul style="list-style-type: none"> <li>Marketing collateral</li> </ul>	 <p><b>Customized corporate gifts and merchandise</b></p>
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## CHICKEN COTTAGE GROUP

Chicken Cottage Group (Chicken Cottage) is a UK-based fast food chain incorporated in London in 1994 as the first halal chicken shop in the UK. The company is the master franchisor and owner of the "Chicken Cottage" brand and was acquired by Terengganu Inc in 2014.

### KEY INFORMATION

#### LOCATIONS



56 stores in the United Kingdom.

- The company also holds the Master Franchise in Pakistan, East Africa (Kenya, Uganda, Tanzania and Rwanda) and Somalia.

#### PRODUCT



Halal grilled and fried chicken products including burgers and wraps.

## HUSA NETWORK SDN. BHD.

Manis FM, a radio station operated by Husa Network Sdn. Bhd. (Husa Network) is the first private radio station in the East Coast of Malaysia. For long-term viability, Manis FM broadcasts at 102.0 FM in Terengganu, 90.6 FM in Kelantan, 95.1 FM in Pahang Timur, and 103.8 FM in Pahang Tengah.

### KEY INFORMATION

**LOCATION** | Pusat Komersial Chabang Tiga, Kuala Terengganu

#### SERVICES



- Other than radio and broadcasting, Husa Network is also involved in:
- Manis TV** : Production house with digital television channel as an expansion into OTT (Over The Top) delivery system.
  - Sweet +** : An application dedicated for listeners, showcasing live radio, podcasts, videos, articles and more.
  - Husa Ads** : Provides digital marketing and advertising services to help business owners and digital innovators to grow and thrive.
  - Husa Tech** : Provides technology solutions by producing high-quality software for computers, mobile and the web.

# AWARDS & ACCOLADES



# Group Financial Highlights 2022

**REVENUE RM 1.6 billion**

**EBITDA RM 238 million**

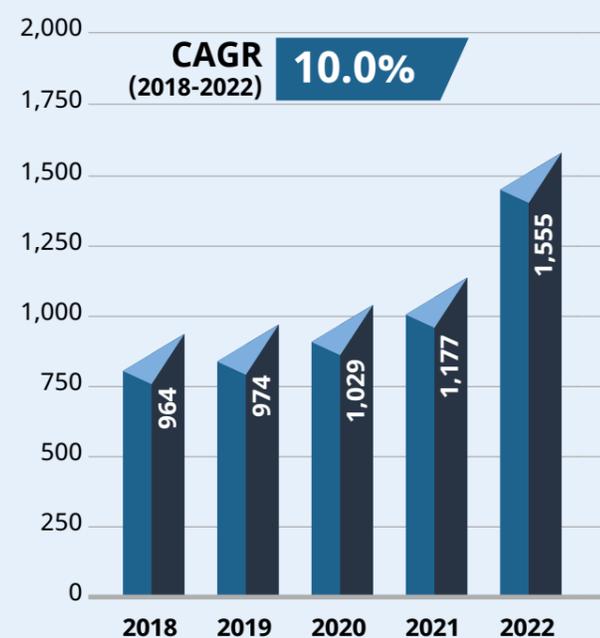
**PROFIT BEFORE TAX RM 76 million**

**NET TANGIBLE ASSETS RM 1.5 billion**

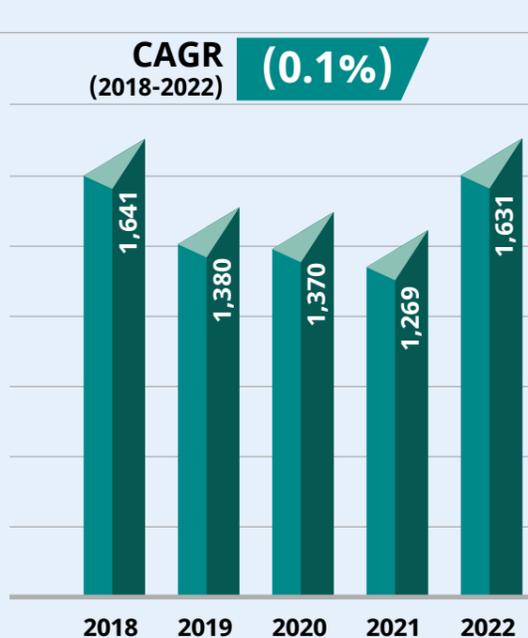
**EQUITY RM 1.6 billion**

**NON-CURRENT ASSETS RM 2.8 billion**

## REVENUE



## NET ASSET VALUE



# Group Financial Highlights 2018-2022

	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited
<b>INCOME STATEMENT (RM'000)</b>					
	Restated				
1. Revenue	963,960	973,781	1,029,063	1,177,164	1,554,995
2. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	49,810	72,131	176,319	213,311	284,855
3. (Loss)/Profit Before Tax	(43,226)	(56,993)	16,749	77,691	75,598
4. (Loss)/Profit After Tax (Continuing Operations)	(43,555)	(60,583)	(31,059)	8,584	21,230
<b>STATEMENT OF FINANCIAL POSITION (RM'000)</b>					
	Restated	Restated			
1. Total Assets	2,978,215	2,867,270	3,045,405	2,919,750	3,744,279
2. Total Liabilities	1,336,747	1,487,117	1,675,282	1,650,883	2,112,898
3. Total Equity	1,632,491	1,253,843	1,257,460	1,168,760	1,631,381
4. Net Current Assets	43,710	282,443	338,033	270,637	159,832
5. Net Asset	1,641,468	1,380,153	1,370,123	1,268,867	1,631,381
6. Net Tangible Assets*	1,632,491	1,253,843	1,257,460	1,168,760	1,455,280
<small>*Net Assets less Intangible Assets</small>					
<b>FINANCIAL INDICATORS (%)</b>					
	Restated				
1. EBITDA Margin	5%	6%	16%	10%	15%
2. (Loss)/Profit Before Tax Margin	-4%	-6%	2%	7%	5%
3. (Loss)/Profit After Tax Margin (Continuing Operations)	-5%	-6%	-3%	1%	1%

# Group Social Returns 2022



## Employment

**8,658**

Total Employment

**5,437**

Placements for Local Terengganu

**RM 333 mil**

Total Staff Cost

## Graduates Trained

**584**

Graduates benefited from the Industrial Training and Management Trainee Programme

**RM 300,000**

Total paid

## Group Corporate Social Responsibility (CSR)

**RM 11.4 mil**

## Zakat Paid by Group

**RM 4.5 mil**

## Dividend Paid by Terengganu Inc

**RM 75.9 mil**

Dividend Payout from FY2007 - FY2022

# ESG INITIATIVES

<b>E</b> 	<b>6.0MW Biogas plant</b>	<b>7.5kW AC</b> EV charging station at Primula Beach Resort	<b>FSC and PEFC</b> Certification in Forestry
	<b>18.5MW Solar farm</b>	<b>50MWh</b> International Renewable Energy Certificate by I-REC Standard	
	<b>0.8MW Solar rooftop</b>	<b>173,220 Trees</b> Tree planting as at December 2022 in support of '100 Million Tree Planting Campaign for 2021-2025'	<b>RSPO and MSPO</b> Certification in Plantation
<b>S</b> 	Implementation of <b>flexible working arrangement</b>	Collaboration Agreement with UniSZA on <b>Strategic Investment</b>	
	<b>78% Low Risk</b> TI Staff accredited with 'Low Risk' on Annual Health Screening 2023 (13% 'Low Risk' in 2021)	<b>28% Female</b> Employees' gender inclusivity across the Group	
	<b>11.4 Million</b> CSR value FY2022	<b>17 Female Directors</b> Employees' gender inclusivity across the Group	
	Implementation of <b>Talent Management</b>	Establishment of Safety & Health Committee ( <b>OSHA 1994</b> )	
<b>G</b> 	Adoption of <b>MCCG 2021</b> governance best practice	<b>Compliance to Bursa Sustainability Reporting Guide for PLC</b>	
	Establishment of <b>Board Charter</b>	Participation in <b>FTSE4Good Bursa Malaysia</b> and <b>Bursa Public Listed Company Transformation</b>	
	Establishment of <b>ERM Framework, Risk Appetite Statement and Risk Matrix</b>		Establishment of <b>Shariah Governance Framework</b> and Shariah Committee
	Establishment of <b>Integrity Framework</b>		

# Performance Review

## WE CREATE VALUE FOR THE RAKYAT

Terengganu Inc operates in various sectors that constitute its core business, aiming to foster economic growth and create opportunities for the people of Terengganu. With a diversified portfolio, Terengganu Inc focuses on strategic investments in sectors such as Plantation, Healthcare, Oil & Gas, Energy & Natural Resources, Infrastructure, Construction & Engineering and Tourism. By actively engaging in these sectors, Terengganu Inc seeks to unlock their full potential, generating employment opportunities, attracting investments and driving the overall prosperity of the region.

In Plantation, our sustainable practices yield quality crops, enriching the economy.

Our Healthcare business initiatives enhance people's well-being through advanced medical facilities and services.

In Oil & Gas we provide base services tailored to the oil and gas offshore industry which includes port management, marine engineering and services, engineering, as well as maintenance services.

In Energy and Natural Resources, Terengganu Inc provides a variety of products and services and at the same time, we embrace the national and international environmental ecosystem and sustainability initiatives to ensure a greener state for future generations.

The Infrastructure, Construction & Engineering segment provides solutions for the whole industry's value chain from materials to equipment, contractors to engineers and technology to new processes.

Our tourism endeavors promote cultural richness and create long-term business sustainability by operating eco-friendly hotels.

These core business activities are designed to uplift the livelihoods of the people of Terengganu. By promoting economic growth, attracting investments and supporting key sectors, we aim to create a sustainable and prosperous future for the people, ensuring a vibrant and inclusive society where opportunities for development and success are abundant

# OPERATIONAL REVIEW

## Plantation



Revenue  
RM651 mil

Total land area  
**55,176 hectares**

Fresh Fruit Bunch (FFB) Production  
**Up to 380,000 MT/annum**

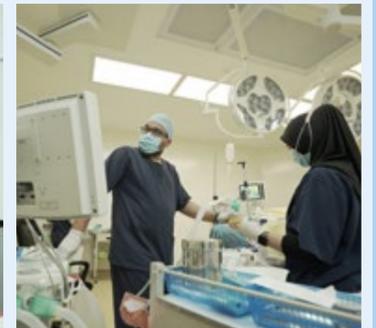
### ACHIEVEMENTS / IMPROVEMENT

1. Acquisition of new plantation estate in Setiu with approximately 2,307 hectares in size.
2. Operations of new estates of 3,708 hectares in Kemaman.
3. Commissioning of 2 Biogas Plants at Sg Tong Palm Oil Mill and Kemaman Palm Oil Mill in March and June 2022.
4. Maintain International Sustainability and Carbon Certification (ISCC) EU Certificate for 2nd year in a row.

### WAY FORWARD

1. Improvement through mechanization and installation of Empty Fruit Bunch (EFB) Boiler.
2. Diversification in cash crop and coconut plantation in supporting food security agenda.

## Healthcare



Revenue  
RM279 mil

No. of Hospitals  
**5 hospitals with 401 beds**

Total Residents and Consultants  
**133**

### ACHIEVEMENTS / IMPROVEMENT

1. Acquire Tawau Specialist Hospital and expansion of current capacity to 76 beds.
2. Launched the first private Cath Lab in Terengganu.
3. Received The Brand Laureate Corporate Excellence (in Healthcare-Private Hospitals).
4. KMI Kuantan the first hospital in the Group recognised with full accreditation by the MSQH.

### WAY FORWARD

1. Strengthening its presence in the East Coast region and expanding the brand to other states (i.e. Selangor, Johor, Penang).
2. The development of Centre of Excellence (CoE) prioritizing oncology, orthopaedic and cardiac centre.
3. Strengthening manpower skills especially in nursing, medical and surgical discipline.

# OPERATIONAL REVIEW

## Oil & Gas



Revenue  
RM343 mil

**Port Kemaman**  
Sea port in the East Coast of Peninsular Malaysia

**6,323**  
Vessel Call

**686,000 MT**  
Cargo Handling for Supply Base

**4,542,000 MT**  
Cargo Handling for Port

**18.5 MW**  
Solar Farm

### ACHIEVEMENTS / IMPROVEMENT

1. Completion of Kuala Terengganu Support Base Jetty.
2. Completion of Integrated Logistics Management System (ILMS) Module.
3. Provide Bunkering Services for rig.
4. Completed 3.5 Mil Manhours without Lost Time Injury (LTI).

### WAY FORWARD

1. Installation of Wharf Crane:
  - A. 2 units of Gantry Crane
  - B. 2 units of Level Luffing Crane
2. New contract with Petroleum Arrangement Contractors and new tariff with non-Petroleum Arrangement Contractors.
3. Expansion of Port Kemaman and development of ECRL Spurline.
4. Collaboration with GSPARX for rooftop solar.
5. Development of Onshore Decommissioning Area for Green Ship Recycling Facility.

## Energy & Natural Resources



Revenue  
RM215 mil

Sawmill  
**2 Sawmills with total production capacity 2,260 MT/month**

Veneer & Plywood  
**Veneer & Plywood Mill with capacity of 115.7m3/month**

Glass  
**Glass factory with capacity of 62,500m2/month**

Water Treatment Plant (WTP)  
**14 WTP with capacity of 1,037 Million Liters per Day (MLD)**

### ACHIEVEMENTS / IMPROVEMENT

1. Development of Forest Plantation in Hutan Simpan Jerangau with a total area of 2,869ha.
2. Operation of new WTP at Bukit Sah, Kemaman (capacity = 255 MLD).
3. Development of new WTP at Bukit Berapit, Kuala Nerus (capacity = 120 MLD).
4. Expansion of water supply to rural areas through reopening of WTP Kemudu (Setiu) and WTP Bukit Bunga 1 (Besut).

### WAY FORWARD

1. Reactivation of downstream production (i.e. plywood, moulding & finger joint production).
2. Development of new WTP and to improve water asset facility through upgrading and regular maintenance.

# OPERATIONAL REVIEW

## Infrastructure, Construction & Engineering



Revenue  
RM50 mil

**35 mil tonnes**  
Quarry deposits

**Kuala Terengganu Drawbridge**  
Iconic Landmark

Number of key projects secured  
**24 projects**

### ACHIEVEMENTS / IMPROVEMENT

1. Completion of key projects (Hospital Pengajar UniSZA Terengganu, Projek Tebatan Banjir, Perumahan Mampu Milik Kg. Tajin).
2. Managing and operating the Kuala Terengganu Drawbridge - first in South East Asia.
3. Launch of Kertih Terengganu Industrial Park (KTIP) with an area of 1,000 acres.

### WAY FORWARD

1. Operation of new quarry processing site at Bukit Diman, Hulu Terengganu.
2. Diversification of construction and development projects.
3. Expansion of other facility management and services to other key buildings.

## Tourism



Revenue  
RM27 mil

No. of Rooms  
**604 rooms** of  
**4 star hotel** and  
**3 star hotel**  
(Hotel in Pulau Poh  
of **150 rooms** is in  
progress)

Room Occupancy  
Rate (ROR)  
**59.6%**

### ACHIEVEMENTS / IMPROVEMENT

1. The first east coast Malaysia PERKESO Rehabilitation Centre.
2. New look of Cahaya Restaurant.
3. Awarded the Best 4 Star Eco Green Beach Front Hotel.
4. Third location for Electric Vehicle Charging Station in the east coast of Malaysia.

### WAY FORWARD

1. Utilization of rooftop solar for energy saving.
2. Refurbishment of hotel building and facilities.

# Event Highlights

# 2022



## OFFICIATION OF JAMBATAN ANGKAT KUALA TERENGGANU



His Royal Highness, Sultan of Terengganu, Al-Wathiqu Billah Sultan Mizan Zainal Abidin Ibni Almarhum Sultan Mahmud Al-Muktafi Billah Shah officiated a glorious launch of the iconic Jambatan Angkat Kuala Terengganu. Terengganu Inc and its subsidiary, TI Properties Sdn Bhd, were proud to be a part of this historic unveiling of its new name, beginning with the signing by His Royal Highness that sparked the spectacular laser mapping and fireworks show on the 638-meter-long drawbridge.



## LAUNCH OF KERTIH TERENGGANU INDUSTRIAL PARK



Terengganu Inc and its group subsidiary, TI Properties Sdn. Bhd. successfully launched the Kertih Terengganu Industrial Park (KTIP) on 6th March 2022. The city of light will be the catalyst to spur the expansion of infrastructure and downstream industry support services in the state. The 1,007 acre land is expected to bring RM680 million worth of investments as well as career opportunities in various skills and fields.



## SATU OFFICIATES BIGGEST WTP IN TERENGGANU



Syarikat Air Terengganu (SATU) Sdn. Bhd. reached another milestone by inaugurating the newly upgraded Bukit Sah Water Treatment Plant (WTP) in Air Putih, Kemaman. The WTP has an output capacity of 255 million litres per day, providing reliable and clean water supply to more than 325,000 domestic and non-domestic users. Bukit Sah WTP is currently the largest WTP in the state of Terengganu.



## GROUP CORPORATE DIRECTORS' PROGRAMME



Held on 17th January 2022 at Duyong Marina & Resort with the theme "Enhancing Governance and Leadership: Post Pandemic Environment". The conference was aimed to better equip the state corporate leaders with relevant insight heading into the endemic stage of COVID-19. The event was attended by 200 directors and management staff of Terengganu Inc, featuring four sessions; each with its unique focus and speakers.

## TERENGGANU POLYGON CYCLING TEAM SPONSORSHIP



Formerly known as Terengganu Cycling Team, the Malaysian UCI Continental Cycling Team is set to face tougher competition throughout 2023. The sponsorship of RM2 million for 2023 is made possible with the commitment and contributions from TDM Berhad and Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare). Terengganu Inc has been one of the main supporters of TSG for the past seven years.



## SPONSORSHIP FOR TERENGGANU FOOTBALL CLUB



Terengganu Inc sealed a sponsorship contract deal worth RM1.6 million with Terengganu Football Club (TFC), further fueling the spirit of the team in facing the Asian Football Confederation (AFC) Cup 2023. The sponsorship involved contributions from the Group; Eastern Pacific Industrial Corporation Berhad (EPIC), Syarikat Air Terengganu Sdn Bhd (SATU) and Ladang Rakyat Terengganu Sdn Bhd (LRTSB).



## YT-TI YOUNG TALENT SCHOLARSHIP PROGRAMME



Terengganu Inc and Yayasan Terengganu signed a Memorandum of Agreement (MoA), solidifying a golden opportunity for deserving students from B40 families to have better access to higher education from top universities in Malaysia. The contribution of RM500,000 under the YT-TI Young Talent Scholarship Programme is made possible with the commitment from the Group; TDM Berhad, Golden Pharos Berhad (GPB), GPQ Sdn Bhd, TI Properties Sdn Bhd, Chicken Cottage Holdings Ltd and Permodalan Terengganu Berhad (PTB).



## SAHUT SPONSORSHIP BY SATU FOR GENEVA GLOBAL ROBOTICS CHALLENGE



Syarikat Air Terengganu (SATU) Sdn Bhd is proud to sponsor a financial contribution of RM87,956 to Sekolah Menengah Sains Hulu Terengganu (SAHUT) in their path to represent Malaysia on the world stage in the FIRST Global Robotics Challenge in Geneva, Switzerland. The Global Robotics Challenge, Carbon Capture, involves creating innovative robotics by using Science, Technology, Engineering and Mathematics (STEM) skills.

## TICS: TASIK KENYIR JET SKI CHAMPIONSHIP 2022



As part of Terengganu Inc's Challenge Series (TICS), the jet ski championship was successfully brought back after 13 years. Held for the first time by Terengganu Inc, the championship was launched by the Menteri Besar of Terengganu, YAB Dato' Seri Dr. Ahmad Samsuri bin Mokhtar together with the President & Executive Director of Terengganu Inc, YBhg. Encik Burhanuddin Hilmi bin Mohamed @ Harun.



## INTERNATIONAL GOLDEN MONSOON RIDE 2022



Terengganu Inc Challenge Series presents 'The International Golden Monsoon Ride 2022' cycling championship organised by Ladang Rakyat Terengganu Sdn Bhd (LRTSB). The event had successfully attracted over 1,395 local and international participants at the Terengganu International Endurance Park (TIEP), Setiu.



## PRIMULA PINK RIDE 2022



Primula Beach Hotel, a member of the Terengganu Inc Group, successfully organized its biggest cycling event, 'Primula Pink Ride', with 850 participants joining its 47km fun race. A wave of pink cyclists roamed over Kuala Terengganu and its iconic landmarks including the famous Kuala Terengganu Drawbridge and Bandar Baru Kuala Nerus.



## KMI SPORTS FORUM: CYCLE IN SYNC WITH TSG



The healthcare arm of TDM Berhad, Kumpulan Medic Iman Sdn Bhd (KMI Healthcare) organized the KMI Sports Forum: Cycle In Sync with TSG on 15 July 2022. In collaboration with Terengganu Polygon Cycling Team (TSG), the event attracted 130 cyclists of all ages as they cycled 20km from KMIKT through Pantai Batu Burok and the iconic Drawbridge. An exclusive sports forum was also held with the topic of "Common Injuries Among Cyclists".



## TDM KARNIVAL PENGHAYATAN ISLAM SERIES



Aimed at promoting the modern Islamic lifestyle, the carnival held a number of activities from religious talks, to sports and children activities. Hosted in various districts of Terengganu, the programme received encouraging responses from locals of all walks of life. During the carnival tour, TDM Berhad, a subsidiary of Terengganu Inc had distributed RM480,000 to 2,400 asnaf across 6 districts of the state.





# ESG Sustainability Framework

## INSPIRING A BALANCED PROGRESS

Terengganu Inc has established a robust sustainability framework that serves as a guiding principle for our operations and commitment to sustainability which encompasses Environmental Sustenance, Social Empowerment and Corporate Governance. This three-pronged strategy underscores our firm dedication to create lasting positive impact while ensuring responsible and ethical management.

We recognize the critical importance of environmental stewardship. Terengganu Inc has embarked on a sustainability journey aimed at reducing its ecological footprint while optimizing resource efficiency. From incorporating renewable energy sources to implementing efficient waste management, Terengganu Inc strives to protect the state's natural resources.

Terengganu Inc understands that true sustainability goes hand-in-hand with social empowerment. We actively engage local communities to create positive social impact. Our initiatives span a wide spectrum, from providing quality healthcare services to supporting education and skills development programs.

Our organization places a strong emphasis on corporate governance practices that align with sustainability principles. Terengganu Inc's sustainable governance structure is designed to ensure that the company works in accordance with international best practices and collaborates with regulatory bodies to promote responsible business conduct.

Terengganu Inc is committed to achieve a harmonious balance between environmental preservation, social responsibility and economic resilience. We firmly believe that by integrating sustainability principles into our business practices, we can contribute to the long-term well-being and prosperity of Terengganu, while safeguarding the interest of the future generations.



# OUR COMMITMENT TO SUSTAINABILITY

Terengganu Inc regards sustainability as a way to maintain our profitability and competitiveness, both at present and in the future, while safeguarding our stakeholders, including our employees, clients, communities and the environment. The company is motivated to achieve its economic ambitions in an environmentally and socially responsible manner. Terengganu Inc is committed to ensure the business practices align with the Environment, Social and Governance (ESG) standards.

We devised a sustainability framework that serves as a roadmap for Terengganu Inc's long-term sustainability efforts. The framework is developed in line with the UN's Sustainable Development Goals (SDGs) and ESG initiatives to better position Terengganu Inc in delivering our sustainability aspirations and commitments.

Terengganu Inc will strengthen the Shariah compliance culture in every element of its corporate practices.

## Business Sustainability

Continued long term value creation through responsible and sustainable investment by integrating ESG principles into investment processes and decision making to generate competitive financial returns

**Environmental Sustenance**  
Resource Efficiency

Reducing environmental footprints to bring transition towards a greener future



**Social Empowerment**  
Positive Social Impact

Promoting high productivity and inclusivity to empower people and communities



**Corporate Governance**  
Sustainability Governance

Practicing good governance and ethical business standards in delivering excellence



## Shariah Compliance

Conform to Shariah rules and principles in realizing our sustainable aspirations and commitments

## ENVIRONMENTAL SUSTENANCE

Reducing environmental footprint to bring transition towards a greener future



## ENERGY EFFICIENCY



### 18.5 MW Solar farm in Teluk Kalong

The large scale solar photovoltaic farm is managed by EPIC Solar Sdn. Bhd. with a capacity of 18.5 MW. The 28-hectare solar farm is located at Teluk Kalong Industrial Park, Kemaman.

### 0.8 MW Installation of rooftop solar

The Terengganu Inc Group green energy initiative commenced through collaborative engagement with GSPARX Sdn. Bhd., Ocean Vantage Engineering Sdn. Bhd. and Terengganu Skills Development Centre (TESDEC) by installing solar panels on industrial buildings.

This environmental approach was spearheaded by Primula Beach Hotel (capacity: 0.32 MW) and followed by Permint Plywood Sdn. Bhd. (capacity: 0.13 MW) and PESAKA Timber Sdn. Bhd. (capacity: 0.32 MW).



### 6.0 MW 3 Biogas Plants Installed

Terengganu Inc Group adopted green technology with the installation of 3 biogas plants at TDM Kemaman, TDM Sungai Tong and Ladang Rakyat Terengganu Bukit Bandi Palm Oil Mill.

The biogas power plant will provide long-term environmental care while also helping to develop the existing treatment system of oil palm mills to avoid polluting the environment.

The 3 plants with an investment of RM56 million have the potential to produce a total of 25,000,000 kWh of renewable energy each year.

### 50 MWh I-REC Certificate Renewable Energy Certificate

Terengganu Inc via Asia CarbonX Change Plt has successfully redeemed 50MWh of I-REC certified by The International REC Standard representing 50MWh of electricity generated from renewable sources. Whereby, the redemption falls under Scope 2 emissions and its associated reporting.



# ENVIRONMENTAL SUSTENANCE

Reducing environmental footprint to bring transition towards a greener future



## GREEN TECHNOLOGY



### 7.5 kW AC EV charging station at Primula Beach Hotel

Terengganu Inc is proud to take on a leading role in providing green technology through the Electric Vehicle (EV) charging station available at Primula Beach Hotel in Kuala Terengganu.

With a capacity of 7.5 kW, Primula Beach Hotel is the third location in Terengganu that provides the facility for EV users to recharge their vehicle, after Tanjung Vista Hotel in Kuala Terengganu and Awana Kijal in Kemaman.



## RESOURCE CONTROL & MANAGEMENT

### 173,220 Trees Planted in Support of the '100 Million Tree Planting Campaign 2021-2025'

Terengganu Inc Group are committed to being an environmentally conscious and socially responsible company by participating in the Greening Malaysia Programme 100 million Tree-Planting Campaign 2021-2025.

As of December 2022, subsidiaries of Golden Pharos Berhad which is Golden Pharos Forest Plantation (GFPF) and Kumpulan Pengurusan Kayu Kayan Terengganu Sdn Bhd (KPKKT) recorded as the biggest contributors within the Terengganu Inc Group with 172,143 trees planted. Meanwhile, TDM Berhad with 788 trees planted through its RELeaf programme in collaboration with Nestle Malaysia.



### MSPO and RSPO Certification in Plantation

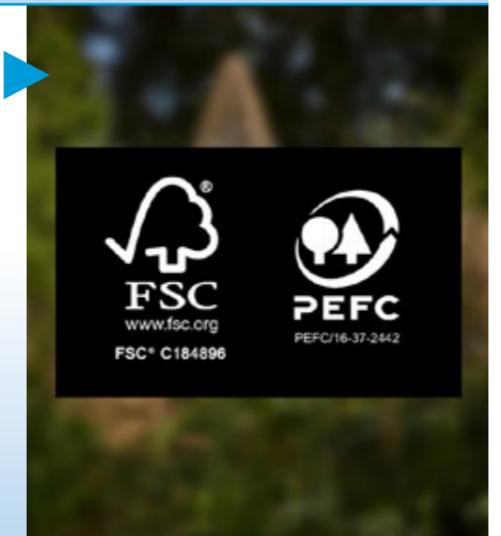
Adoption of sustainability practices for Palm Oil through Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO) standards at TDM Plantation Sdn. Bhd. and Ladang Rakyat Terengganu Sdn. Bhd.

The standards help to minimize the negative impacts of oil palm cultivation on the environment and communities in palm oil-producing regions.

### FSC and PEFC Certification in Forestry

Subsidiary of Golden Pharos Berhad, Kumpulan Pengurusan Kayu Kayan Terengganu Sdn. Bhd. (KPKKT) has been awarded with the international standard of the Forest Stewardship Council (FSC®) certification for its well-managed tropical forest of 103,688 hectares in the Dungun Timber Complex (DTC) since 2008. Meanwhile, Pesama Timber Corporation Sdn Bhd (PESAMA) was also awarded the FSC® certification for its Cherul Forest Concession (CFC) with an area of 20,243 hectares.

All the forests managed under Golden Pharos Berhad have complied with the national forest certification; Programme for the Endorsement of Forest Certification (PEFC).



### 14 Water Treatment Plants

Syarikat Air Terengganu Sdn. Bhd. (SATU) is committed to provide the people of Terengganu with safe and affordable water supply.

In ensuring the availability and sustainable management of water, SATU operates 14 water treatment plants with a total production capacity of 1,037 MLD.

### 3 Plants Bio-Compost Plant & Bio-Humus Plant

Waste to wealth initiatives convert palm oil mill's waste such as Palm Oil Mill Effluent (POME), Empty Fruit Bunch (EFB) into bio-organic fertilizer that acts as a soil conditioner. This operational productivity programme aims to reduce costs at estates and generate profit while improving yield.

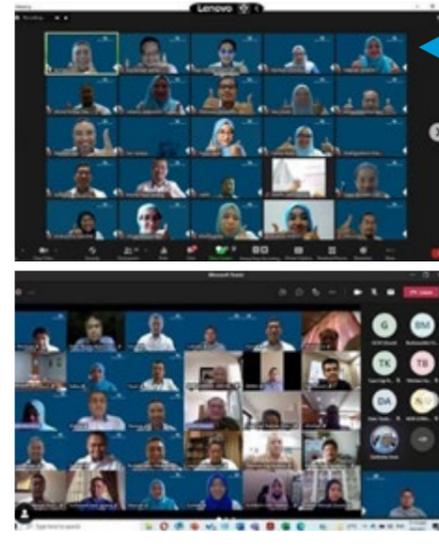
TDM Berhad owns two bio-composting plants in Kemaman and Sungai Tong with a combined production capacity of 61,000 MT. Meanwhile Ladang Rakyat Terengganu Bio-Humus Factory potentially produces 20,000MT of fertilizer annually, yielding RM4 million in profit.



# SOCIAL EMPOWERMENT

Promoting high productivity and inclusivity to empower people and communities

## WORKFORCE MANAGEMENT



### Implementation of Flexible Working Arrangement (FWA)

Implemented FWA together with the Standard Operating Procedures (SOP) which includes the following initiatives:

- Flexible Working Hours (FWH)** – Company gives options to employee to manage the flexibility in term of start time and end time of working hours.
- Work from Home (WFH)** – Company provides flexibility time to manage working time efficiently & personal accountabilities.
- Work from Anywhere (WFA)** – Company empowers their employees to work productively from anywhere, while remaining aligned and connected with company culture and goals.
- Shared Workstation (SW)** – workstation shared by two or more employees on rotation basis i.e. rotation to work in office and WFH/WFA.

### Development of Talent Management Programme

Implementation of the programme at the Company and Group level that includes the following employees' groups:

- Competency profiling for all employees
- 2nd Tier Management Position
- Talent Pool (Executive level)



## WORKFORCE HEALTH & SAFETY



### Safety & Health Committee (SHC) (OSHA 1994)

The Safety and Health Committee (SHC) was established on 10 October 2017 to fulfill the requirement of Section 30(1) OSHA Act 1994.



### Employee Health Day Employees Annual Health Screening

TI Health Day, an annual programme organized in celebration of World Health Day to spread health messages and promote healthy lifestyle through activities i.e. light exercises, talks of health awareness and health screening sessions.

Based on analysis of the annually employee's health screening, 78% of Terengganu Inc staff accredited 'Low Risk' in 2023 as compared with 55% in 2022 and 13% in 2021.

### Employee Welfare

- Establishment of Terengganu Inc Sports and Welfare Club (TISAW)**
  - Established in August 2022 which aims on enhancing interest of the participants in the field of sports and plans to organize various activities in the future.
- Fruits for Breakfast**
  - Fruits served at the pantry on every Tuesday morning.
- Health Day**
  - Declared every Thursday to all Terengganu Inc employees with indoor games starts at 4.00 pm.



## GROUP CSR



### Corporate Social Responsibility (CSR)

The Group's CSR value is RM11.4 mil in 2022.

1. Community	RM4.6 mil	(40%)
2. Sports	RM3.5 mil	(31%)
3. Education	RM2.0 mil	(18%)
4. Religious	RM0.6 mil	(5%)
5. Environment	RM0.1 mil	(1%)
6. Others	RM0.5 mil	(5%)



## WORKFORCE DIVERSITY

### Board Representation

In supporting the government's mandate of 30% women representation on the Board, there are 17 women directors across the Group in 2022.



### Gender Diversity

The workforce participation rate for women is 28% across the Group in 2022.

# CORPORATE GOVERNANCE

Practicing good governance and ethical business standards in delivering excellence



## BOARD LEADERSHIP & EFFECTIVENESS



### Board Charter

Sets out the strategic intent and tone for the Group and is periodically reviewed to ensure that it remains robust and continuously updated in accordance with applicable laws.



## EFFECTIVE RISK MANAGEMENT & INTERNAL CONTROL

### Strategic Business Plan and Business Sustainability

The Group's objectives and five years Strategic Business Plan and Business Sustainability are structured to be in line with the specific outcomes and performances indicator.



### ISO 31000 and ERM COSO Framework

The Group's Risk Management Policy (based on ISO 31000) and Internal Control Framework (based on COSO Framework) will be constantly reviewed to ensure the system's adequacy to address the challenges, Terengganu Inc has successfully established the following as part of our strong commitment to risk management and internal control:

1. Limits of Authority (LOA)
2. Policies Governing Group and Company
3. Standard Operating Procedures (SOP)/Standards/Guidelines
4. Group Investment and Divestment Policy

### Shariah Governance Framework

The establishment of Shariah Committee and Shariah Policy will help to guide the Group's activities to be in line with Shariah Compliance based on three primary characteristics i.e the prohibition of riba, the prohibition of gharar, and the abolition of non-permissible activities.



## COMMITMENT TO INTEGRITY & ETHICAL VALUES



### Integrity Framework

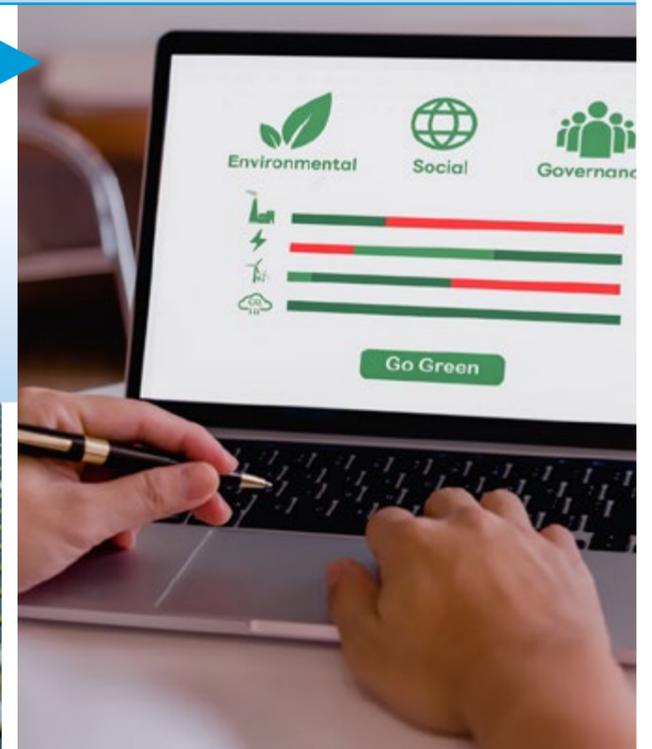
Always strive to act with integrity in all its business dealings i.e., prohibits any gifts, meals, or entertainment that could compromise sound judgment or the ability to make objective and fair business decisions. Terengganu Inc has successfully established the following as part of our strong commitment to integrity and ethical values:

1. Code of Business Conduct (COBE)
2. Group Anti Bribery & Corruption Policy
3. No Gift Policy



### Bursa Sustainability Reporting Guide for PLC

The Sustainability Reporting Guide by Bursa Malaysia seeks to provide guidance on how to embed sustainability in our organisation and help us identify, evaluate and manage our material Economic, Environmental and Social (EES) risks and opportunities. Our compliance shows our commitment to sustainability agenda.



### FTSE4Good Bursa Malaysia and Bursa Public Listed Company Transformation

TDM Berhad and Golden Pharos Berhad participate in the FTSE4Good Bursa Malaysia Index. The index is designed to highlight companies that demonstrate a leading approach to addressing Environmental, Social and Governance (ESG) risks. The FTSE Russell ESG Ratings form the engine for the FTSE4Good indices.



# The Way Forward

## FORGING FOR AN INNOVATIVE FUTURE

Terengganu Inc's future plans embody strategic initiatives designed to optimize operations and drive sustainable growth. The plan encompasses several key elements designed to drive the company towards enhanced value creation and streamlined operations.

This initiative prioritizes the concept of value acceleration, with a focus on maximizing the potential of existing assets and businesses. By concentrating on asset monetization and exit planning, the goal is to optimize returns and streamline the Group's asset portfolio for greater efficiency.

Moreover, Terengganu Inc is initiating a comprehensive restructuring process, introducing new investment clusters such as Port and Logistics and New Energy. This strategic move aims to diversify the investment profile, exploring new opportunities and expanding revenue streams.

To ensure a balanced income portfolio, the Group plans to invest in money markets and endowment funds, striving for a diversified and stable return on investments.

Cost optimization is a key focus, specifically targeting human capital management. Introducing a tracking dashboard will enable more efficient analysis of competencies and cost containment, aiming to streamline expenses and improve operational efficiency.

Performance management is an imperative element of our Way Forward Plan, ensuring close monitoring and evaluation to optimize resource allocation and unlock the full potential of the Group. By assessing operational efficiency, Terengganu Inc aims to enhance productivity and identify avenues for improvement, driving overall performance.

# WAY FORWARD PLAN

## Key Strategies



### Operational Efficiency

#### Investment Clusters Revamp

To undertake restructuring initiative and the introduction of new clusters i.e., Port and Logistics and New Energy

#### Value Acceleration

To focus on harvesting maximum value from the existing assets and businesses through asset monetization and exit planning.

#### Portfolio Diversification

To place investment in money market and endowment fund to diversify the income portfolio.

#### Cost Optimization

To focus on cost management and to introduce tracking dashboard on human capital management for better analysis on competencies and cost containment.

#### Performance Management

To closely monitor the performance and efficiency to optimize the resource and unlock full value to the Group.

### Business Expansion and Diversification

#### Green Technology

To explore business opportunity in green technology covering renewable energy, waste management and EV station to support the national agenda towards decarbonization.

#### Food Security

To participate in food security businesses to support the state's food security agenda.





## TERENGGANU INC

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