



Pioneering

Sustainable Solutions

for Future Generations of Terengganu

Integrated Report 2023



TERENGGANU INC

Pioneering

Sustainable Solutions

for Future Generations of Terengganu

Harnessing Investment for the Rakyat



INSIDE THIS REPORT

ABOUT THIS REPORT

TERENGGANU INC AT A GLANCE

- 03 About Terengganu Inc
- 05 Meet Our Leaders
- 08 The Investment Clusters
- 15 Our Local Presence
- 17 Awards & Accolades
- 19 Financial Performance Highlights 2023
- 20 2023 Events Recap

VALUES WE CREATE HERE

- 25 From the Desk of the Chairman
- 27 Foreword from the President
& Group Chief Executive Officer
- 29 Performance by Capital
- 31 Group Social Returns

SEGMENTAL OPERATIONS REVIEW

- 33 Plantation
- 34 Healthcare
- 35 Oil & Gas
- 36 Energy & Natural Resources
- 37 Infrastructure, Construction
& Engineering
- 38 Tourism
- 39 Non-core Businesses

FINANCIAL REVIEW

- 41 Group Financial Highlights of 2019-2023
- 42 Revenue by Business Clusters
- 43 Three-Year Group Financial Indicators

OUR COMMITMENT TO ESG

- 47 Our Strategies
- 51 Corporate Governance Overview
- 54 ESG Integration and Future Goals

THE ROAD AHEAD OF US

- 60 Way Forward Plan

Welcome to **Terengganu Incorporated Integrated Report 2023**



Scan QR code for softcopy of the Integrated Report 2023.



ABOUT THIS REPORT

Terengganu Incorporated Sdn Bhd presents its Integrated Report for the Financial Year ended on 31st December 2023 (FY2023). Integrated Report 2023 (IR2023) covers vital information and activities for the reporting period from 1st January 2023 to 31st December 2023. IR2023 continues to provide disclosures based on the principle-based framework to Integrated Reporting, comprising the Six Capitals of Terengganu Inc and Seven Content Elements.

6 Capitals

-  **Financial**
-  **Human**
-  **Social & Relationship**
-  **Manufactured**
-  **Intellectual**
-  **Natural**

7 Content Elements

- 1 Organisational overview and external environment
- 2 Governance
- 3 Risks and opportunities
- 4 Strategy and resource allocation
- 5 Performance
- 6 Outlook
- 7 Basis of preparation and presentation

SCOPE AND BOUNDARY

All information presented in IR2023 has been scoped to the holding entity of Terengganu Incorporated Sdn Bhd, and every crucial information from the Group's core business divisions comprising Plantation, Healthcare, Oil & Gas, Energy & Natural Resources, Infrastructure, Construction & Engineering, Tourism, and other non-core investment clusters.

SUSTAINABILITY REPORTING






Terengganu Inc strives to incorporate Environmental, Social and Governance (ESG) principles into our business strategies and decisions, considering them essential to deliver long-term stakeholder value. This reflects our constant commitment to sustainability align with UN SDG.

FORWARD-LOOKING STATEMENTS

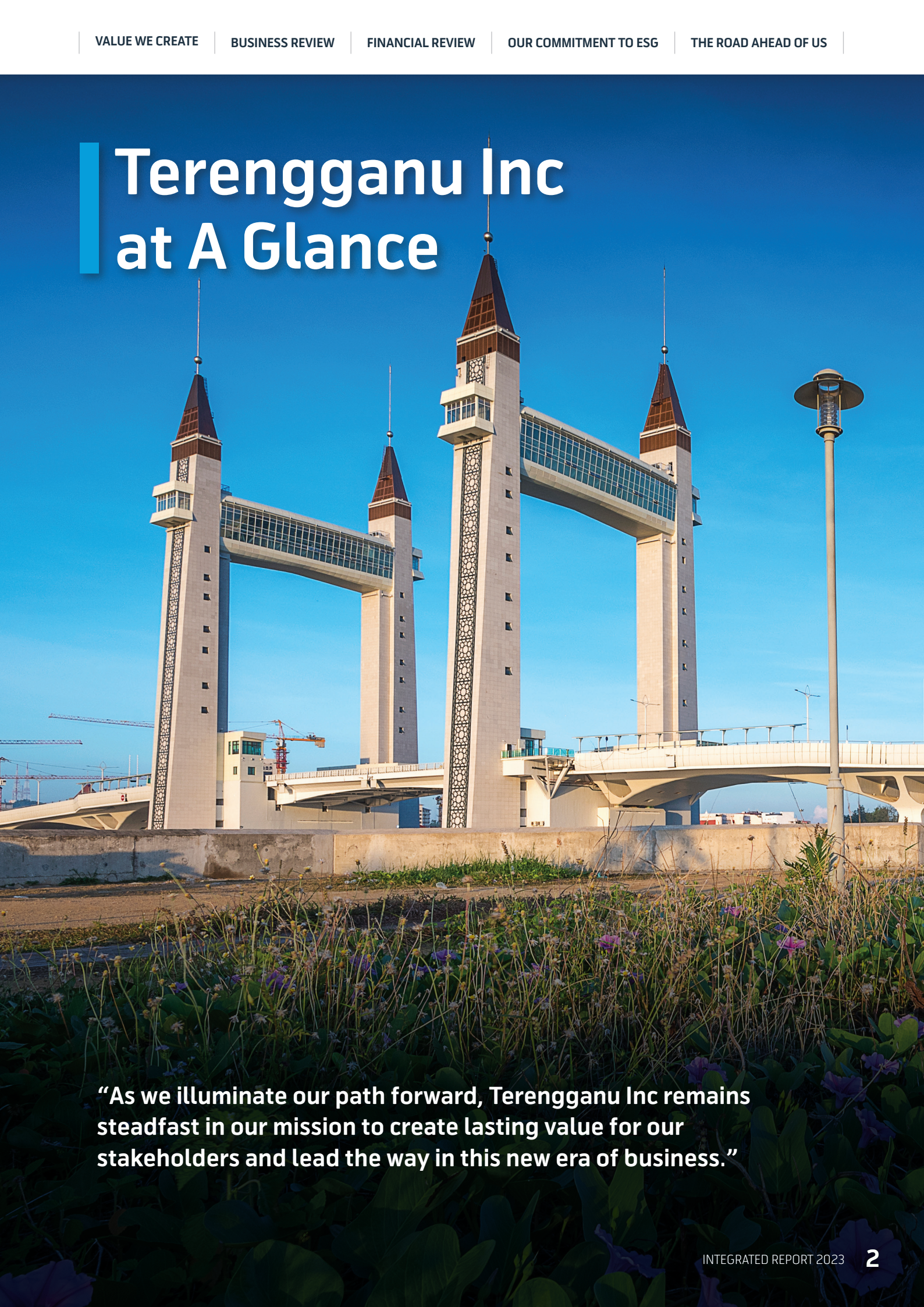
This report contains certain forward-looking statements with respect to Terengganu Inc's future prospects. While these statements represent our future expectations and expansion at the time of preparing IR2023, several emerging risks, uncertainties and other important factors could cause the actual results to differ materially from our expectations. Forward-looking statements should be read with a degree of caution as they are reliant on other factors beyond our control.



Navigation Icons

-  Plantation
-  Healthcare
-  Oil & Gas
-  Energy & Natural Resources
-  Infrastructure, Construction & Engineering
-  Tourism
-  Other Businesses

Terengganu Inc at A Glance



“As we illuminate our path forward, Terengganu Inc remains steadfast in our mission to create lasting value for our stakeholders and lead the way in this new era of business.”

ABOUT TERENGGANU INC



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.

Founded in 2006, our organisation, built on a foundation of strategic initiatives, investments and responsible practices, charts a course towards unlocking the region's full potential. These principles are embedded in our Integrated Report 2023, reflecting our unwavering commitment to pioneer renewable energy projects as part of our business practices.

Under the visionary leadership of our Chairman, YAB Dato' Seri Ir. Dr. Ahmad Samsuri bin Mokhtar, and the President & Group Chief Executive Officer, Burhanuddin Hilmi bin Mohamed@Harun are dedicated to the future of Terengganu, ensuring that our initiatives align with Environmental, Social and Governance (ESG) targets. Terengganu Inc continuously progresses towards these objectives through initiatives, such as the floating solar project in Kenyir Lake and the Memorandum of Understanding (MoU) signing

with other companies to explore green technology. These proactive measures exemplify Terengganu Inc's dedication to environmental sustainability and solidify itself as a driving force for positive change for the Rakyat.

Terengganu Inc has long been a cornerstone of the region's economic development, playing a vital role in business divisions including Plantation, Healthcare, Oil & Gas, Energy & Natural Resources, Infrastructure, Construction & Engineering and Tourism. Our legacy of adeptly navigating the business seas with agility and foresight has laid a solid foundation. However, the contemporary business environment demands more than adept navigation; it requires the illumination of new paths and the redefinition of success for sustainability to combat climate change.

Our transition symbolises our new wave of innovation and resilience. As we illuminate our path forward, Terengganu Inc remains steadfast in our mission to create lasting value for our stakeholders and lead the way in this new era of business.



VISION

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

CORE VALUES

- T** Teamwork
- I** Integrity & Innovation
- S** Stewardship
- B** Building Relationship

MISSION

To reinforce the company's role as the corporate advisor to the State.

To be a high-performance company and competitive in the State's strategic economic sectors.

To embark on new strategic investments while ensuring alignment with Environmental, Social, and Governance ("ESG") principles and compliance with Shariah requirements.

To steer and enhance collaboration with stakeholders and the business community in advancing the economy of the State.

MEET OUR LEADERS

BOARD OF DIRECTORS



YAB. Dato' Seri Ir. Dr. Ahmad Samsuri bin Mokhtar

Chairman | Non-Independent
Non-Executive Director
Menteri Besar 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



Tuan Haji Mohd Nazri bin Chik

Independent
Non-Executive Director

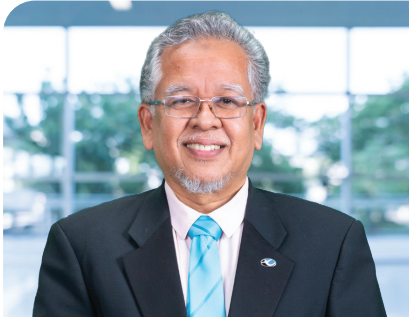


**Burhanuddin Hilmi
bin Mohamed @ Harun**

President & Group Chief
Executive Officer

MEET OUR LEADERS

SHARIAH COMMITTEE



Prof. Dr. Abdul Karim bin Ali

Chairman
Shariah Committee



Prof. Datin Dr. Rusni binti Hassan

Member
Shariah Committee



Ustaz Ahmad Tirmizi bin Taha

Member
Shariah Committee

MANAGEMENT TEAM



Burhanuddin Hilmi bin Mohamed @ Harun
President & Group
Chief Executive Officer



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



Saliza binti Abdul Rahman
Head,
Group Secretarial



Faizah binti Ahmad
Head,
Group Legal



Mohd Lokman bin Tengah @ Abdullah
Head,
Group Finance



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



Zaidhuha binti Omar
Vice-President,
President & Group
Chief Executive
Officer's Office



Maznah binti Ibrahim
Head,
Group Human
Capital



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



Mohd Ismail bin Jaafar
Head,
Group Information
Technology &
Administration



Suridah binti Supian
Head,
Group Strategic
Communication



Tengku Khatijah binti Tengku Abdul Kadir
Head,
Group Internal
Audit

Board Committee

01

Board Audit Committee (BAC)

1. YB. Dato' Haji Mohd Azmi bin Mohamad Daham - Chairman
2. YB. Dato' Nara Setia (Dato' Zulkifli bin Ali) - Member
3. YM. Raja Dato' Idris Raja Kamarudin - Member
4. YBhg. Ustaz Haji Mohd Nazri bin Chik - Member

02

Board Nomination & Remuneration Committee (BNRC)

1. YB. Dato' Nara Setia (Dato' Zulkifli bin Ali) - Chairman
2. YB. Dato' Haji Satiful Bahari bin Mamat - Member
3. YBhg. Ustaz Haji Mohd Nazri bin Chik - Member

03

Board Strategy & Investment Committee (BSIC)

1. YM. Raja Dato' Idris Raja Kamarudin - Chairman
2. YB. Dato' Nara Setia (Dato' Zulkifli bin Ali) - Member
3. YB. Dato' Haji Mohd Azmi bin Mohamad Daham - Member
4. YBhg. Ustaz Haji Mohd Nazri bin Chik - Member

04

Board Governance, Risk & Sustainability Committee (BGRSC)

1. YBhg. Ustaz Haji Mohd Nazri bin Chik - Chairman
2. YB. Dato' Haji Mohd Azmi bin Mohamad Daham - Member
3. YB. Dato' Haji Satiful Bahari bin Mamat - Member
4. YM. Raja Dato' Idris Raja Kamarudin - Member

05

Board Purchase & Tender Committee (BPTC)

1. YB. Dato' Haji Satiful Bahari bin Mamat - Chairman
2. YB. Dato' Haji Mohd Azmi bin Mohamad Daham - Member
3. YBhg. Ustaz Haji Mohd Nazri bin Chik - Member

INVESTMENT CLUSTERS



PLANTATION



59.67%

TDM Berhad



100%

TDM Plantation Sdn Bhd,
a subsidiary of TDM Berhad



42.64%

Ladang Rakyat Trengganu Sdn Bhd



49%

YIT Ketengah Perwira Sdn Bhd



24.55%

Ketengah Jaya Sdn Bhd



HEALTHCARE



99.28%

Kumpulan Medic Iman Sdn Bhd, a subsidiary of TDM Berhad



OIL & GAS



40.64%

Eastern Pacific Industrial Corporation (EPIC) Berhad



100%

TI Petroleum Sdn Bhd



TOURISM



100%

YTYI Sdn Bhd



100%

Primula Beach Hotel Sdn Bhd (Owned by PTB)



100%

Kenyir (Pulau Poh) (Owned by PTB)



ENERGY & NATURAL RESOURCES



60.79%

Golden Pharos Berhad



100%

Syarikat Air Terengganu Sdn Bhd



100%

TI Silica Sdn Bhd



OTHER INVESTMENTS



100%

Syarikat Percetakan Yayasan Islam Terengganu Sdn Bhd



99.9%

Husa Network Sdn Bhd



100%

Chicken Cottage Holdings Limited



30%

Jasa Merin Sdn Bhd



20%

Sharp North Malaysia



INFRASTRUCTURE, CONSTRUCTION & ENGINEERING



98%

GPQ Sdn Bhd



100%

TI Properties Sdn Bhd

● Direct Interest ● Indirect Interest ● Managed by Terengganu Inc

INVESTMENT CLUSTERS



PLANTATION

TDM PLANTATION SDN BHD

A subsidiary of TDM Berhad

TDM Berhad's plantation arm, TDM Plantation Sdn Bhd, is a leading producer of crude palm oil, with its primary operation based in Terengganu.

TDM Plantation operations encompass 13 meticulously managed oil palm estates, 2 palm oil mills, 2 biogas and bio-composting plants with a total of 41,092 Ha landbank as well as 28,531 Ha planted area.

Committed to pioneering sustainability strategy for the future of Terengganu, this organisation rigorously adheres to the principles of the Roundtable on Sustainable Palm Oil (RSPO) and the Malaysian Sustainable Palm Oil (MSPO) standards.

TDM PLANTATION

HIGHLIGHTS

Total Landbank
41,092 Ha

Total Planted Area
28,531 Ha

- 13** Oil Palm Estates
- 2** Palm Oil Mills
- 2** Biogas & Bio-composting Plants



LADANG RAKYAT TRENGGANU SDN BHD

The establishment of Ladang Rakyat Trengganu Sdn Bhd (LRTSB) strategically aims to bolster the growth of the oil palm plantation industry in Terengganu.

Operating across 6 main plantation areas in Kemaman, Dungun, Marang, and Setiu, LRTSB has emerged as the second largest MSPO-certified oil palm plantation company in the state.

With a total landbank and planted area of 14,903 Ha and 13,753 Ha, respectively, LRTSB diversifies its operations beyond oil palm plantations to include ventures in livestock farming.



HIGHLIGHTS

Total Landbank
14,903 Ha

Total Planted Area
13,753 Ha

- 6** Oil Palm Estates
- 2** Palm Oil Mills
- 1** Biogas & Bio-humus Plants



INVESTMENT CLUSTERS



HEALTHCARE

KUMPULAN MEDIC IMAN SDN BHD

A subsidiary of TDM Berhad

Kumpulan Medic Iman Sdn Bhd, widely known as KMI Healthcare, is a wholly owned subsidiary of TDM Berhad. KMI Healthcare stands as a leading private healthcare group that has been providing secondary healthcare services since 1996.

Striving to become the 'Trusted Healthcare Provider of Choice', its unwavering commitment to high standards of medical practice ensures that KMI Healthcare continues to deliver exceptional care to the local community and beyond.



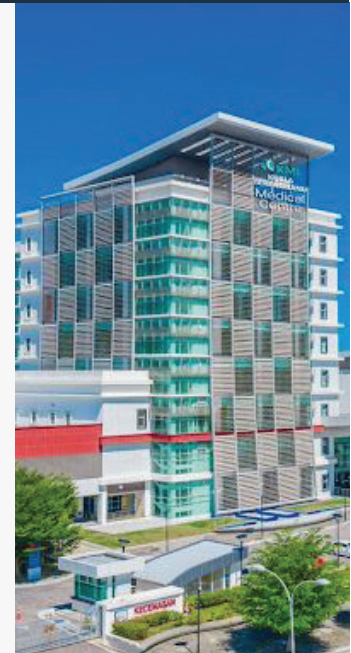
HIGHLIGHTS

419
Beds



5 Specialist Hospitals

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



OIL & GAS

EASTERN PACIFIC INDUSTRIAL CORPORATION (EPIC) BERHAD

EPIC is an integrated oil and gas solutions provider for both the upstream and downstream value chains. Its core business focuses on providing specialised base services for the offshore and gas industry, including port management, marine engineering and maintenance services.

EPIC is also involved in the renewable energy and green technology industry. In line with its 'Shaping the Growing Future' tagline, EPIC continuously strives to augment and expand its offerings while delivering excellence across its business portfolio to be the premium supply base and port in West Malaysia and Southeast Asia.



HIGHLIGHTS

18.5MW
Solar Farm
established



18M Water depth
Kemaman Port
(Deepest Seaport
in Malaysia)



- 5 Terminals
- 17 Berths in Kemaman Port



INVESTMENT CLUSTERS



ENERGY & NATURAL RESOURCES

GOLDEN PHAROS BERHAD (GPB)

Golden Pharos Berhad (GPB) is a public listed company on the Main Board of Bursa Malaysia which primarily engages in the 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 Forest Stewardship Council (FSC)'s certification, GPB ensures that its forest resources are used in a responsible and efficient manner, while protecting the biodiversity and ecosystem of the concession area.



HIGHLIGHTS

Total Timber Concession

123,962 Ha

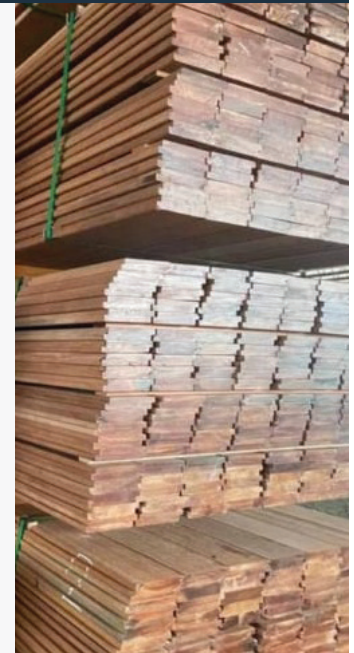
Largest in Peninsular Malaysia



2 Sawmills (2,260 tonnes/month production)

1 Glass Factory (62,500 m²/month production)

259,312 Trees of Forest Plantation



SYARIKAT AIR TERENGGANU SDN BHD (SATU)

Syarikat Air Terengganu (SATU) has been widely known as the only operator that distributes clean and safe treated water to consumers in Terengganu, including 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% of 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 resources for all. SATU is committed to providing equitable access to water resources while promoting responsible water management practices for a sustainable future.



HIGHLIGHTS

Water Pipeline
8,245 km

11 Units of Raw Water Extraction Sites

157 Units of Water Tank and Storage

14 Units of Water Treatment Plant



INVESTMENT CLUSTERS



INFRASTRUCTURE, CONSTRUCTION & ENGINEERING

GPQ SDN BHD

GPQ Sdn Bhd is recognised as a Bumiputera Contractor and is officially registered with CIDB. GPQ provides industrial solutions for clients encompassing various sectors such as infrastructure, housing, building, and other construction projects.

GPQ also supplies an extensive range of quarry products such as crusher run, 3/4 chippings, aggregate, quarry dust, armour rock, and premix. Their services demonstrate a constant commitment to quality and reliability in the industry.



GPQ SDN. BHD. (49917-W)
(Duaa Syarikat Terengganu Incorporated Sdn. Bhd)

HIGHLIGHTS

1,500 MT/day

Quarry Crusher Plant

150 MT/day

Premix Plant



TI PROPERTIES SDN BHD

Incorporated in 2007, TI Properties Sdn Bhd specialises in asset property and project development. TI Properties continuously takes pride in delivering exceptional property and facility management solutions that are meticulously tailored to meet the unique needs of corporate clients.

One of the most notable milestones achieved by TI Properties was the establishment of Kuala Terengganu Drawbridge. In present days, the marvellous feat of engineering has become the main attraction of local and non-local tourists, thus indirectly increase the tourism sector in Terengganu.



TI PROPERTIES SDN. BHD.

HIGHLIGHTS



- Establishment of Kuala Terengganu Drawbridge
- Kerteh Terengganu Industrial Park (KTIP) Project Development Partner
- Certified Energy Manager by CIDB



Mosafir Photography

INVESTMENT CLUSTERS



TOURISM

PERMAI HOTEL KUALA TERENGGANU

Permai Hotel Kuala Terengganu, a hallmark of East Coast hospitality, boasts a strategic location along the main road connecting Kuala Terengganu to Kuantan and Kota Bharu. This 3-star hotel features extensive parking facilities directly in front of the lobby and offers convenience for cyclists seeking a pit stop after a long journey.

Permai Hotel has also been recognised as the first hotel to establish the Kuala Terengganu PERKESO Rehabilitation Centre on the East Coast of Malaysia.



HIGHLIGHTS

Total Rooms
220



1st PERKESO Rehabilitation Centre

3-Star Hotel



PRIMULA BEACH HOTEL SDN BHD

A subsidiary of Permodalan Terengganu Berhad (PTB), managed by Terengganu Inc

The Primula Beach Hotel has been honoured with the Best 4-Star Eco Green Beach Front Hotel award for its active contribution to green practices. In their progression towards renewable energy practices, Primula Beach Hotel initiated the installation of a photovoltaic solar system on the hotel roof, an EV charging facility, and retort technology to reduce food wastage.

By integrating sustainability into hotel operations, it aligns with the global emphasis on environmentally sustainable practices. This effort will add value to the hotel's reputation and appeal to environmentally conscious tourists.



HIGHLIGHTS

Total Rooms
234

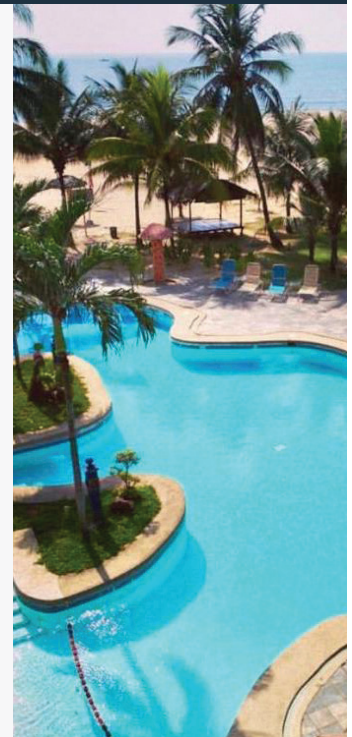


Solar Capacity
315.5 kWp



2 units
EV Charging Station

4-Star Eco Green Beach Front Hotel



INVESTMENT CLUSTERS



OTHER BUSINESSES

SYARIKAT PERCETAKAN YAYASAN ISLAM TERENGGANU SDN BHD (SPYIT)

Syarikat Percetakan Yayasan Islam Terengganu Sdn Bhd (SPYIT), initially established in 1985 as an Al-Quran printing company, has significantly expanded its footprint in the printing and advertising industry.

SPYIT now offers a comprehensive range of services, including the production of books, magazines, brochures, annual reports, and calendars, along with digital printing for marketing collaterals and customisation of corporate gifts.



HUSA NETWORK SDN BHD

Husa Network Sdn Bhd, the operator of Manis FM, the pioneering private radio station on the East Coast of Malaysia, continues to strengthen its regional presence, broadcasting across Terengganu, Kelantan, and Pahang. Husa Network's diversified portfolio includes Manis TV, a digital television production house; Sweet +, an innovative application showcasing live radio, podcasts, and articles; Husa Ads, offering digital marketing and advertising services; and Husa Tech, specialising in producing high-quality software for computers, mobile devices, and the web.



CHICKEN COTTAGE GROUP

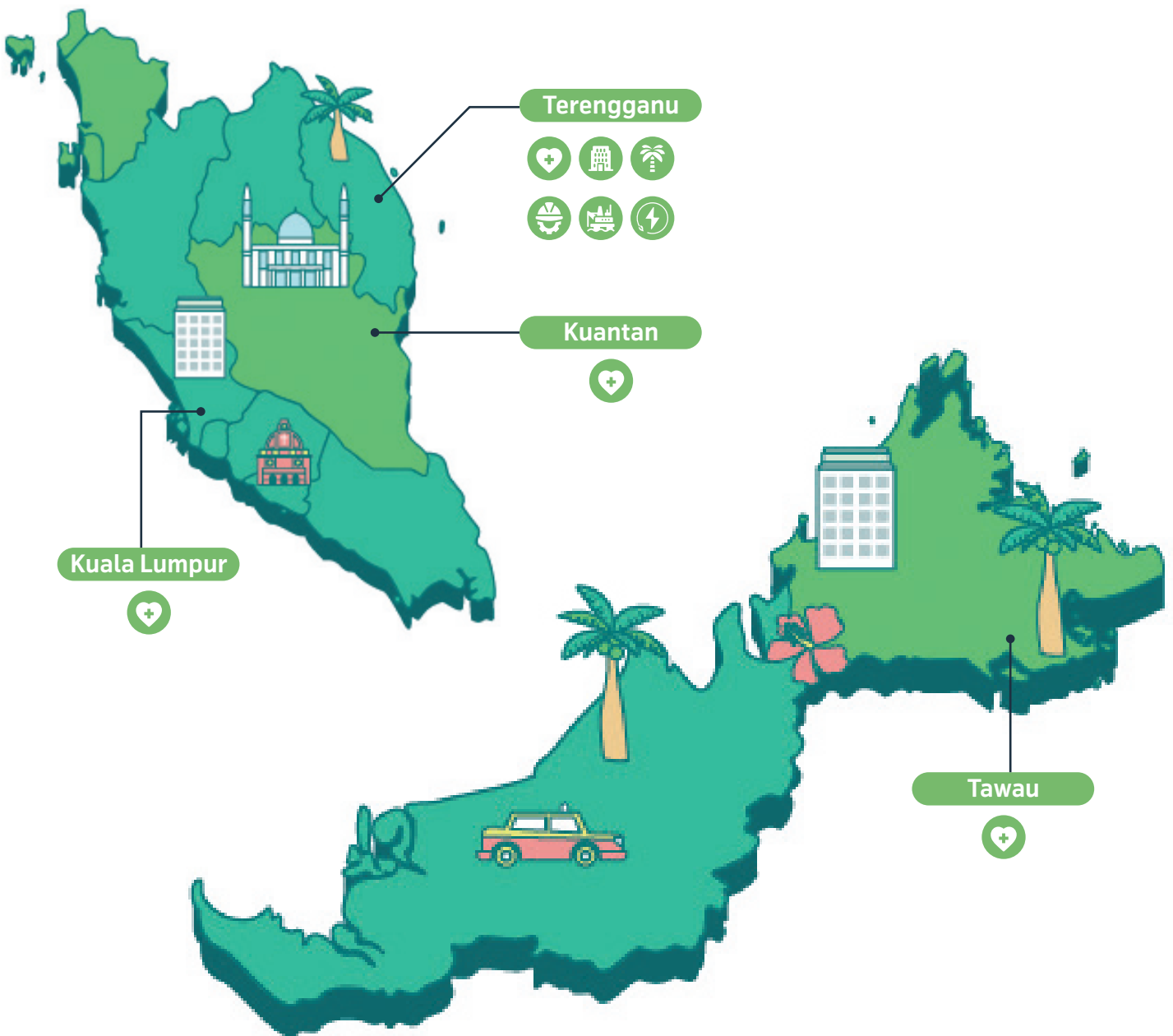
Chicken Cottage Group, widely recognised as Chicken Cottage, is a UK-based fast-food chain established in London in 1994. Acquired by Terengganu Inc in 2014, Chicken Cottage has earned recognition as the first Halal chicken restaurant in the UK and has expanded its global presence with over 60 outlets across the UK, Pakistan, East Africa (Kenya, Uganda, Tanzania, Rwanda), and Somalia.



OUR LOCAL PRESENCE

Terengganu Inc is a strategic investment holding company that manages and oversees all forms of state government business and investment spanning diverse business sectors with multiple subsidiary companies.

Looking ahead, we are committed to expanding our business ventures across all regions, with the goal of elevating our presence to match that of other leading companies in Malaysia. This ambition reflects our dedication to excellence and our strategic vision for long-term success.





AWARDS & ACCOLADES

TERENGGANU INCORPORATED SDN BHD

23rd MIHRM International & National HR Awards 2023

Grand Award 23rd MIHRM International & National HR Awards 2023
Gold Award for Employer of Choice (Private Sector)

PRIMULA BEACH HOTEL

Islamic Entrepreneurial Excellence Awards (IDEA) 2023

Consumer Choice Brand award

TDM BERHAD

Asia Corporate Excellence & Sustainability (ACES) 2023 Awards

Sustainability Rising Star

KMI HEALTHCARE

Healthcare Asia Awards

'Patient Care Initiative of the Year' for implementing the Hospital Mesra Ibadah (Management of Religious Friendly Hotel) programme

KMI HEALTHCARE

Healthcare Asia Awards

'Service Delivery Innovation Initiative of the Year' for the implementation of Hospital Mesra Ibadah (Management of Religious Friendly Hotel) programme

KMI HEALTHCARE

KMI Kuantan was recognised as a **Baby-friendly Hospital (BFH)** and a BFH accredited by the Ministry of Health Malaysia

KMI HEALTHCARE

KMI Kuantan obtained **First Place** for the Best Systematic Occupational Health Enhancement Level Programme Do It Yourself (SOHELP DIY) Workplace (Category 3) for the implementation of the year 2022

KMI HEALTHCARE

BrandLaureate Bestbrands Award 2023

KMI Taman Desa honoured with the 'Best Multi-Disciplinary Community Specialist Hospital'

AWARDS & ACCOLADES

EPIC BERHAD

Sustainability and CSR Malaysia Awards 2023

Company of the Year (Oil & Gas Integrated Services) CSR Leadership Award

EPIC BERHAD

Pangkalan Bekalan Kemaman Sdn Bhd was awarded the **2022 Star Excellence Award** by ExxonMobil Exploration and Production Malaysia Inc

EPIC BERHAD

Pangkalan Bekalan Kemaman was awarded the **Excellence HSE Achievement** by PETROFAC (Malaysia-PM304) Limited

EPIC BERHAD

41st MSOSH Occupational Safety and Health Awards (MSOSH Award)

Pangkalan Bekalan Kemaman Sdn Bhd was granted with Gold Class I Award

EPIC BERHAD

41st MSOSH Occupational Safety and Health Awards (MSOSH Award)

EPIC OG Sdn Bhd was granted with Gold Class II Award

EPIC BERHAD

41st MSOSH Occupational Safety and Health Awards (MSOSH Award)

Konsortium Pelabuhan Kemaman Sdn Bhd was granted with Silver Award

EPIC BERHAD

41st MSOSH Occupational Safety and Health Awards (MSOSH Award)

Ts. Mukhtar Suhaili, EPIC Group Chief Operating Officer, was honoured with the **'Titanium Leadership Award'**

EPIC BERHAD

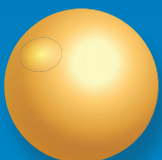
Persada Inovasi Terrenganu 2023 Award Ceremony

EPIC Solar Sdn Bhd was awarded with 'Anugerah Empat Bintang' for the EPIC Solar Car (ESCAR)

SYARIKAT AIR TERENGGANU SDN BHD (SATU)

Asian Water Awards 2023

Water Technology Excellence Award (Digital Technology)
Water Quality Improvement Project of the Year (Malaysia)



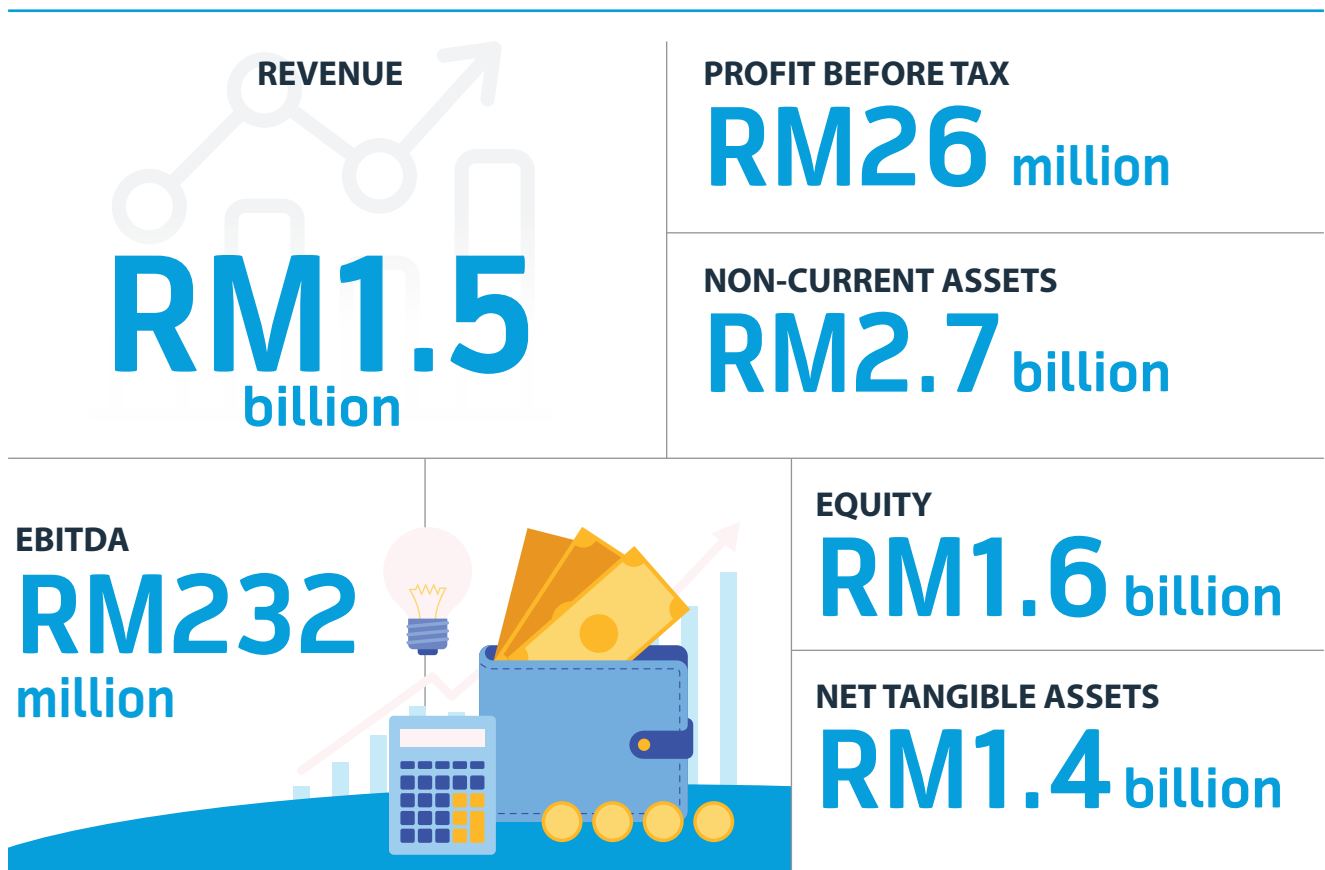
FINANCIAL PERFORMANCE HIGHLIGHTS

Terengganu Inc Group demonstrated resilience in FY2023. We managed to maintain a steady performance despite challenging market conditions. Our Plantation division experienced a 20% revenue decline due to lower CPO and PK prices, but this was partially mitigated by growth in the Healthcare and Energy & Natural Resources clusters, which expanded by 19% and 16%, respectively.

The Healthcare division delivered an exceptional performance in 2023. Their performance was driven by increased demand for its services post COVID-19 pandemic. Similarly, the Energy & Natural Resources sector benefited from higher tender proceeds and the successful implementation of the Tariff Setting Mechanism (TSM) for non-domestic customers.

With these positive developments reported in Terengganu Inc's financial performance, the Group reported a Profit Before Tax (PBT) of RM26 million, primarily driven by the Energy & Natural Resources sector. This represents a decrease compared to the previous year due to higher operating costs in the Oil & Gas and Energy & Natural Resources sector, resulting in a Loss After Tax (LAT) of RM5.8 million.

The Group's financial position remained solid, with total assets slightly increasing to RM3.76 billion. Net current assets grew by 23%, attributed to higher trade and other receivables, as well as increased cash and bank balances.



2023 EVENTS RECAP

JANUARY

12 Corporate Directors' Programme

Terengganu Inc and Golden Pharos Berhad hosted a Corporate Directors' Programme at Primula Beach hotel. The programme featured a workshop led by YBhg. Dr. Nurmazilah binti Dato' Mahzan from the Malaysian Institute of Accountants focusing on strategic roles for the Board of Directors of Terengganu Inc Group.



14 Terengganu Polygon Cycling Sponsorship and Team Launch Event

Terengganu Inc Group continue their unwavering support towards the Champions of Asia, Terengganu Cycling Team (TSG), as they prepare for the 2023 season. The partnership between Terengganu Inc and TSG since 2017 has set a benchmark for our support of the Malaysia UCI Continental cycling team.



25 Celebration of YT-TI Young Talent Scholarship Recipients

Terengganu Inc, along with our subsidiaries, celebrated 10 students who were a part of the YT-TI Young Talent Scholarship Programme 2022.

TDM Berhad, Golden Pharos Berhad (GPB), GPQ Sdn. Bhd., TI Properties Sdn. Bhd., Chicken Cottage Limited, and Permodalan Terengganu Berhad (PTB) all contributed a total of RM500,000.00 towards the scholarship.

FEBRUARY

2 Terengganu Maju Berkat Sejahtera Carnival 2023

Terengganu Inc Group participated in TMBS Carnival 2023. TMBS is a local event that serves as a platform for traders to brief visitors on business strategies.



11 EPIC Jom Bersih 2023

EPIC Berhad, a subsidiary of Terengganu Inc, collaborated with NGO 'Geng BACK AND BETTER Plastik Ija' and UMT Green Ranger for "EPIC Jom Bersih 2023" programme. The three-hour cleanup rally took place at Taman Awam Lagun Kuala Ibai and brought together 140 volunteers who collected a whopping 1.6 tonnes of trash.



23 Beautiful Terengganu Carnival 2023

Terengganu Inc Group received more than 100,000 visitors at our booth during the Beautiful Terengganu Carnival held at Padang Astaka Kemaman.

Various activities were hosted by our subsidiaries, which include TI Properties, EPIC Berhad, SATU and TDM Berhad. Additionally, Primula Beach Hotel and Permai offered refreshments while KMI Healthcare offered free health screenings.



MARCH

3 Co-hosted Professorial Talk with UniSZA

Terengganu Inc and University of Sultan Zainal Abidin (UniSZA) co-hosted a 'Professorial Talk' on 'Investment and Shariah Compliance Dilemma' attended by 200 participants, including Terengganu Inc Group. The session focused on Islamic finance principles and shariah-compliant investments, delivered by the Dean of the Institute of Islamic Banking and Finance at the International Islamic University Malaysia, YBrs. Prof. Datin Dr Rusni binti Hassan.

Through this programme, Terengganu Inc and our subsidiaries highlighted the importance of incorporating Islamic principles and Shariah-compliance in both businesses and investments.



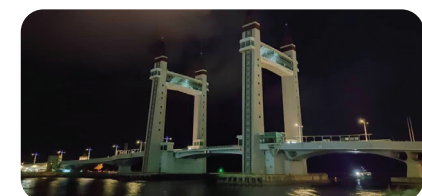
24 Bubur Lambuk Distribution for Ramadan 2023

Terengganu Inc Group distributed 3,000 portions of *Bubur Lambuk* to share the blessings of Ramadan and foster stronger connections with the locals. This initiative reflects our commitment to cultural heritage and community engagement as part of Terengganu Inc's CSR practice.



25 Invest On Our Planet

TI Properties extended their support in the annual Earth Hour campaign 'Invest On Our Planet' by switching off the lights on Kuala Terengganu Drawbridge from 8.30pm - 9.30pm. Earth Hour encourages people to turn off their lights for one hour to raise awareness of climate change and the impact of energy use.



2023 EVENTS RECAP

APRIL

18 Jejak Ramadan 2023

Terengganu Inc initiated its annual CSR initiative 'Jejak Ramadan' in which we distributed food aid and monetary donations to 20 *asnaf* families in Tepoh. With over 30 Terengganu Inc employees participating in the event, we managed to lessen the burden of the families situated deep within *Kampung Mak Jintan*.



MAY

17 Terengganu Inc Eid Adha Open House

Terengganu Inc welcomes more than 1,500 guests during the Terengganu Inc Open House 2023 at Wisma TI, Chendering.

Guests from various sectors of society, agencies and departments were served local cuisine, including more than 20 types of drinks and desserts that were prepared by local entrepreneurs.



24 Anti-Corruption CSR Programme at Pulau Redang

Terengganu Inc in partnership with the Malaysian Anti-Corruption Commission (MACC) took early preventive steps in shaping an anti-corruption generation at Sekolah Kebangsaan Pulau Redang.

The programme introduced "The Bookworm Programme" to educate 200 students towards an anti-corruption spirit.



MAY

28 TDM-YT Plantation Biogas Power Plant Inauguration Ceremony

TDM, through its subsidiary, TDM-YT Plantation, in partnership with Concord Group, inaugurated its Biogas Power Plant to become a pioneer in the biogas power industry in Terengganu.

His Majesty the Sultan of Terengganu Al-Wathiqu Billah Sultan Mizan Zainal Abidin ibni Almarhum Sultan Mahmud Al-Muktafi Billah Shah officiated the ceremony, witnessed by Minister of Terengganu, Dato' Seri Ir. Dr. Ahmad Samsuri bin Mokhtar, and Terengganu State Secretary, YBM Tengku Seri Bijaya Raja (Datuk Tengku Farok Hussin bin Tengku Jalil).



JUNE

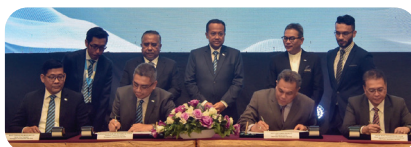
7 LRTSB Officiates Its Biogas Power Plant and Humus Factory

The Plantation division of Terengganu Inc Group, Ladang Rakyat Terengganu Sdn Bhd (LRTSB) successfully inaugurated their Biogas Power Plant and Humus Factory at Bukit Bandi palm oil factory, Kemaman, with the potential to produce 20,000 metric tonnes of fertiliser annually.



12 MoU Signing between Terengganu Inc and TNB Genco

In conjunction of ESG Affairs 2023, Terengganu Inc signed a Memorandum of Understanding (MoU) with TNB Power Generation Sdn Bhd (TNB Genco) to explore on the feasibility study to Develop Floating Solar Photovoltaic (FSPV) in Kenyir Power Stations, allowing research towards one of the most extensive floating solar panels in Southeast Asia.



JUNE

23 Inauguration Ceremony of Pulau Poh Bridge, Kenyir Lake

Terengganu Inc, in collaboration with the Terengganu State Tourism Department, held the Inauguration Ceremony of Pulau Poh Bridge, Kenyir Lake in conjunction with the Sixty-First Birthday Celebration of His Royal Highness, the Sultan of Terengganu (KDYMM).



JULY

4 Bukit Berapit Water Treatment Plant (LRA) Officiation Ceremony

SATU Water, a subsidiary of Terengganu Inc, inaugurated the construction of the newest water treatment plant, LRA Bukit Berapit, which has a capacity of 120 million litres per day (MLD). Operating since November 2022, the LRA addresses the saltwater intrusion issue in Sungai Terengganu.



28 East Coast OGSE Roadshow 2023

Terengganu Inc Group joined the 'East Coast Oil & Gas, Services and Equipment (OGSE) Roadshow 2023', promoting the State's thriving petroleum businesses to 200 local East Coast OGSE players.

In partnership with Malaysia Petroleum Resources Corporation (MPRC), Terengganu Inc Group was among 28 organisations joining the exhibition floor to promote various products and services offered by EPIC and TIP.



JULY

30 Malaysia Festival 2023 Exhibition

Terengganu Inc takes great pride in presenting business opportunities to the more than 100 investors and tourism players in the 'Transpire Terengganu State Investment Potential' at the Malaysia Festival 2023 at Singapore Expo.

YBhg Encik Burhanuddin Hilmi bin Mohamed @ Harun delivered a compelling presentation during the event, highlighting our role as the State investment arm and showcasing potential projects.



AUGUST

9 Launching Ceremony of Re-development of Strawberry Park, Kijal

Terengganu Inc unveiled our latest collaborative redevelopment of Strawberry Park as a Five-Star Resort with an allocation of RM150 Million, offering a luxury experience and boost to the state ecotourism scene.

The launching ceremony aimed to officiate our cooperation with Terengganu State Heritage Trust Fund Board (LTAWNT) and iKHASAS Land Sdn Bhd as the developer.



AUGUST

20 Soft Launch of PTT XCO Jamborace & Funrace Tasik Kenyir 2023

Terengganu Inc kicks off the Soft Launch of PTT XCO Jamborace & Funrace Tasik Kenyir 2023, promising excitement with 10 cycling categories at stake with a grand total of RM100,000 reward of cash prize and a lucky draw.

Held at Wisma Darul Iman, the pre-launch for the most anticipated cycling event of the year opens up 1,000 entry slots for the public cycling enthusiast to test their limits in the virgin forest area at Pulau Poh.



31 National Day Event Parade 2023

The Terengganu Inc Group Contingent displayed high patriotic spirit in their parade in conjunction with the 2023 National Day Celebration at the Terengganu State Level with the theme "Determination in Unity, Fulfilling Hope".

With a strength of 35 members consisting of Terengganu Inc staff and representatives of the group's subsidiaries, this contingent was led by Mr Zulkarnain bin Rozi from Primula Beach Hotel and was among several teams competing in the IPT, Private, GLC, Association and NGO category.



SEPTEMBER

2-13 BeDigital Bootcamp 2023

Terengganu Inc Group, along with PETRONAS, successfully concluded the BeDigital Bootcamp 2023, offering job placements to 41 participants from various local university students. Our subsidiaries involved were EPIC Berhad, SATU, GPB, TI Properties, Primula Beach Hotel, and Permai Hotel Kuala Terengganu, which participated together as hiring partners.

The two-week programme focused on digital upskilling and fostering talent development within the community, thus creating digitally empowered graduates.



28 1445H Maulidur Rasul SAW Parade Terengganu State Level

Terengganu Inc Group sent a contingent for Terengganu's Maulidur Rasul celebration at Terengganu state level, with the participation of a total of 69 contingents with more than 2,000 participants consisting of federal government departments and statutory bodies, state government departments and state statutory bodies. Our contingent also appeared as runners-up in the parade for the Non-Governmental Organisation (NGO) & Private Company category.



30 Boat Decoration Competition 2023

Terengganu Inc Group participated in the Boat Decoration Competition as part of the Silver Jubilee Celebration, marking 25 years of His Majesty the Sultan of Terengganu's reign.

A total of 16 boats competed, including TDM Berhad and SATU, showcasing various ornaments and boat decorations based on outstanding creativity that highlighted their uniqueness.

2023 EVENTS RECAP

OCTOBER

4-6 International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2023

Terengganu Inc Group participated in the International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2023, the largest Southeast Asia event for green technologies and eco solutions.

Together with Invest Terengganu, we showcased our green tech projects and achievements, such as Terengganu Silica Valley (TSV), Biogas Plants, and large-scale solar projects.



6 PTT XCO Jamborace & Funrace Tasik Kenyir 2023

Terengganu Inc through our Terengganu Inc Sports & Welfare Club (TiSAW) organised PTT XCO Jamborace & Funrace Tasik Kenyir 2023. The event successfully drew participants from across the country, not only increased the popularity of Pulau Poh in Tasik Kenyir but also positioned it as the top choice for off-road cycling.



19-22 Selangor Investment Business Summit (SIBS) 2023

Terengganu Inc Group participated in an annual business event hosted by the State Government of Selangor and organised by Invest Selangor Berhad. The SIBS serves as one of Malaysia's largest local and international trade gateways, connecting exhibitors, buyers, and delegates with business communities across the globe.



NOVEMBER

5 Anugerah Khas Perdana Terengganu Inc

Terengganu Inc proudly bestowed its prestigious award upon Mohammad Alif Shafiee'bin Rosli, a graduate of the Faculty of Language and Communication, during the 15th UniSZA Convocation Ceremony at the University of Sultan Zainal Abidin. This award signifies Terengganu Inc's MoU signing with UniSZA.



16 MoU Signing with NAICO Malaysia

Terengganu Inc signed a Memorandum of Understanding (MoU) with the National Aerospace Industry Corporation Malaysia (NAICO), a strong commitment to be a part of advancing the state aerospace development and fostering innovation in conjunction with the Malaysia Aerospace Summit 2023 (MyAero Summit 2023) at the Kuala Lumpur Convention Centre.



DECEMBER

17 3rd Edition: International Golden Monsoon Ride 2023

EPIC Berhad, a member of Terengganu Inc Group, hosted the third edition of the International Golden Monsoon Ride event, drawing over 1,500 cycling enthusiasts from all over the world, including 30 international participants. The event featured 12 'MTB Challenge' categories, offering a thrilling and action-packed route enhanced by monsoon weather on the East Coast.

The event received full support from Terengganu Incorporated Sdn Bhd, Ladang Rakyat Terengganu Sdn Bhd, Golden Pharos Berhad, TDM Berhad, Syarikat Air Terengganu Sdn Bhd, Husa Network Sdn Bhd (Manis FM), and GPQ Sdn Bhd, alongside several other members the Terengganu Inc Group.

In his address after IGMR 2023, Terengganu Inc President and Group Chief Executive Officer YBhg Encik Burhanuddin Hilmi bin Mohamed @ Harun announced the subsidiary of the Terengganu Inc Group, namely TDM Berhad, will spearhead the organisation of the same event next year.



Values We Create Here

“We have consistently grown stronger, guided by our core values of Teamwork, Integrity, Innovation, Stewardship, and Building Relationships.”

FROM THE DESK OF THE CHAIRMAN



Dear valued stakeholders,

On behalf of the Board of Directors, I am honoured to present Terengganu Inc's Integrated Report for 2023. This year has been a significant journey of growth, innovation, and resilience. Our achievements underscore the synergy between profitability and sustainability, reinforcing our theme, **"Pioneering Sustainable Solutions for Future Generations of Terengganu."**

YAB. Dato' Seri Ir. Dr. Ahmad Samsuri bin Mokhtar

Chairman of Terengganu Inc

FROM THE DESK OF THE CHAIRMAN



On behalf of the Board of Directors, I am honoured to present Terengganu Inc's Integrated Report for 2023. This year has been a significant journey of growth, innovation, and resilience. Our achievements underscore the synergy between profitability and sustainability, reinforcing our theme, "*Pioneering Sustainable Solutions for Future Generation of Terengganu.*"

Terengganu Inc has consistently grown stronger, guided by our core values of Teamwork, Integrity, Innovation, Stewardship, and Building Relationships. Our dedication to the people we serve is underpinned by five foundational pillars: People, Sustainability, Business, Community, and Leadership, all aligned with Shariah principles.

We firmly believe, as reflected in our motto, "*Harnessing Investment for the Rakyat,*" that no corporation can thrive in isolation from its community. As we advance with our services and innovations, we are grateful for the opportunities to learn, share, grow, and positively impact our business, fostering a progressive, inclusive, and sustainable future for Terengganu.

In 2023, we generated a revenue of RM1.5 billion and, at the same time, reached significant milestones across various sectors, demonstrating our commitment to driving economic growth and enhancing the quality of life for the people of Terengganu.

Our unwavering commitment to a higher level of disclosures and transparency has earned us commendable ESG ratings. We saw huge business potential in expanding and utilising renewable energy across our beloved state of Terengganu. The theme for this year shows our longstanding commitment to making *Terengganu Maju, Berkat and Sejahtera* with a robust ESG framework.

Even as Terengganu Inc transforms to face future challenges, our core values of Teamwork, Integrity, Innovation, Stewardship, and Building Relationships, alongside our unwavering commitment to sustainability, will remain steadfast. The aspirational nature of our Group continues to attract the talented next generation, who seek to join corporations that transcend a focus on the bottom line and embrace a sense of purpose.

I hope our achievements at Terengganu Inc Group will inspire other organisations and corporations in the region to adopt and advance the sustainability agenda for a brighter future for Terengganu.

I would like to extend my sincere appreciation to my fellow Board members, the Shariah Committee, and the Management Team for their invaluable contributions and stewardship in upholding the highest standards of Corporate Social Responsibility (CSR) and strategic direction that are essential to the Group.

Together, we will make Terengganu better, brighter, and greener.

FOREWORD FROM THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER



As we navigate through an era of unprecedented challenges and opportunities, it gives me great pleasure to present Terengganu Inc's Integrated Report for 2023. This report reflects our unwavering commitment to sustainable growth, innovation, and value creation for all our stakeholders.

The past year has been a period of significant progress for Terengganu Inc. We have successfully advanced our strategic priorities while demonstrating resilience in the face of a dynamic global landscape. Our ability to adapt and thrive has been underpinned by a clear vision, robust governance, and a steadfast focus on operational excellence.

Sustainability remains at the core of our business strategy. As a responsible corporate citizen, we are deeply committed to minimising our environmental impact, promoting social equity, and ensuring economic viability. This year, we made notable strides in reducing our carbon footprint, enhancing energy efficiency, and fostering a culture of inclusivity and diversity within our organisation. Our inaugural carbon credit programme project, launched with Ladang Rakyat Terengganu Sdn Bhd and Golden Pharos Berhad, is a testament to our dedication to creating long-term environmental value.

FOREWORD FROM THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

Innovation is the lifeblood of our company. In line with our strategic goals, we have accelerated our digital transformation initiatives to enhance operational efficiency and deliver superior customer experiences. Our partnership with EY for e-invoicing is a significant milestone in this journey, reflecting our commitment to leveraging technology for sustainable growth.

Despite the challenges posed by the global economic environment, we have delivered strong financial performance. Our focus on strategic cost management, coupled with prudent capital allocation, has enabled us to generate healthy returns for our shareholders. We continue to prioritise financial discipline while investing in growth opportunities that align with our long-term vision.

As we look to the future, we remain confident in our ability to navigate the complexities of the business environment and capitalise on emerging opportunities. Our focus will be on driving sustainable growth, enhancing stakeholder value, and making a positive impact on the communities we serve.

We are grateful for the continued trust and support of our shareholders, talents, stakeholders, and partners. Together, we will continue to build a resilient, innovative, and sustainable future for Terengganu Inc.

I would like to extend my heartfelt appreciation to our Board of Directors for their invaluable guidance, our leadership team for their unwavering commitment, and all our talents for their dedication and hard work. Your collective efforts have been instrumental in our achievements this year.

In closing, I would like to reaffirm our commitment to transparency, integrity, and sustainable growth. We look forward to another year of progress and success as we continue our journey towards a brighter future.

Burhanuddin Hilmi Bin Mohamed @ Harun

President & Group Chief Executive Officer



“

**As we look to the future,
we remain confident in
our ability to navigate
the complexities of the
business environment
and capitalise on
emerging opportunities.**



PERFORMANCE BY CAPITAL

In the pursuit of sustainable growth and long-term value creation, Terengganu Inc leverages Six Key Capitals. These capitals form the foundation of our strategic approach and underpin our commitment to responsible business practice.

FINANCIAL CAPITAL	HUMAN CAPITAL	SOCIAL & RELATIONSHIP CAPITAL
OUTCOMES		
<ul style="list-style-type: none"> Revenue: RM1.5 billion Profit Before Tax: RM26 million EBITDA: RM232 million 	<ul style="list-style-type: none"> 9,285 total Terengganu Inc employees 5,450 of Terengganu Inc employees are local residents RM3.7 million invested in training and development 	<p>Over RM11 million invested in Corporate Social Responsibility (CSR) projects, covering the education sector, community well-being and development, and environment, aimed at uplifting the livelihoods and living standards of local communities where we operate.</p>
ACTIONS WE IMPLEMENT		
<ul style="list-style-type: none"> Diversified our investment portfolio across various sectors, including energy, natural resources, infrastructure, and tourism. Adopted rigorous financial planning and risk management strategies to safeguard the Group's financial health. Improved financial reporting practices to ensure transparency and accountability. 	<ul style="list-style-type: none"> Increased partnerships with local educational institutions and vocational training centres to create specialised training programmes tailored to industry needs. Organised continuous professional development (CPD) initiatives and innovation workshops, encouraging employees to pursue further education and certifications. Enforced diversity and inclusion policies that ensure equal opportunities for all employees, including women. Introduced comprehensive wellness programmes, including mental health support, flexible working arrangements, and recreational activities. 	<ul style="list-style-type: none"> Increased the frequency and variety of community engagement activities, including collaborative projects with local community leaders. Developed and supported educational programmes, scholarships, and mentorship opportunities for local students, with a focus on STEM. Continued to practice environmental conservation projects in collaboration with State Government.



PERFORMANCE BY CAPITAL

INTELLECTUAL CAPITAL	NATURAL CAPITAL	MANUFACTURED CAPITAL
OUTCOMES		
<p>PLANTATION</p> <ul style="list-style-type: none"> • 76 units of mechanical buffalos (Badang) were allocated for collecting FFB. (TDM:39, LRT:37) • Deployed 36 units of land surf (rubbertrack mini crawlers) for in-field collection that accommodates hilly and peat areas. (TDM:31, LRT:5) • Improvements to mill throughput as well as cost efficiency by creating greater synergy between the transportation of FFB and milling activities 	<ul style="list-style-type: none"> • Total Group Production (TDM and LRT): 404,948 mt • Average FFB yield (TDM and LRT): 12.01% • Green Energy Generation & Consumption: 71.2 Mil kWh • CO2 Reduction (tCO2): 45,592 	<p>PLANTATION</p> <ul style="list-style-type: none"> • Total Group FFB production (TDM and LRT): 404,948 mt • Total Group CPO production: 119,545 mt • Total Group PK Production: 27,796 mt • Total Group FFB yield (mt/ha): 12.01% • Average Mills capacity utilisation rate: 51%
<p>HEALTHCARE</p> <ul style="list-style-type: none"> • Expansion of healthcare access via Ambulatory Care Centre • KMI KT introduced occupational therapy • Launched iWard, an intelligent ward management solution to improve healthcare efficiency and enhance patient engagement 		<p>HEALTHCARE</p> <ul style="list-style-type: none"> • Number of Inpatients: 26,681 • Number of Outpatients: 182,221 • Occupancy Rate: 68% • MSQH Accreditation: KMI Kuantan <p>ENERGY & NATURAL RESOURCES</p> <ul style="list-style-type: none"> • Non-Revenue Water: 39.59% • Logs Production: 16,624 ht • Sawn Timber Production: 8,464 tonnes • Woodchips Production: 4,526 mt • Veneer Production: 1,106 m³ • Glass Production: 370,932 m²
ACTIONS WE IMPLEMENT		
<ul style="list-style-type: none"> • Accelerated deployment and execution of research and development, as well as technology delivery projects. • Increased efforts in lower carbon emitting technology and innovation towards realising Net Zero Carbon Emissions by 2050 pathway. • Pursued opportunities to commercialise our strategies in the business market. 	<ul style="list-style-type: none"> • Invested in and developed a state-of-the-art solar farm equipped with advanced photovoltaic technology. • Collaborated with local communities and environmental organisations to ensure sustainable use of forest resources. • Utilised advanced materials and construction techniques to enhance pipeline durability and reduce leakage. • Ensured compliance with national and international water quality standards through rigorous testing and monitoring. 	<ul style="list-style-type: none"> • Enhanced the efficiency of our operations by optimising the use of mechanical buffalos and land surf units. • Implemented strategic measures to boost productivity and resource utilisation. • Expanded our healthcare services • Advanced our production capabilities in the building materials sector, particularly in glass manufacturing.

GROUP SOCIAL RETURNS

The Group has outstandingly stridden in enhancing social returns through numerous initiatives for the community where we serve. With the Group's full capacity, we make sure to expand our actions to support employees and youths.

This year alone, the Group has created a remarkable impact on the locals by providing a total of 9,285 employment opportunities. Of these, 5,540 positions have been specifically allocated for local residents of Terengganu. The allocation becomes a part of our devotion to upright the local community, thus sustaining state development. The total staff cost amounted to RM454 million. Our initiatives reflect the investment in Human Capital and dedication to maintaining a motivated and well-compensated workforce. We believe this investment is vital to maintaining the workforce, which will directly create a healthy work environment for everyone here.

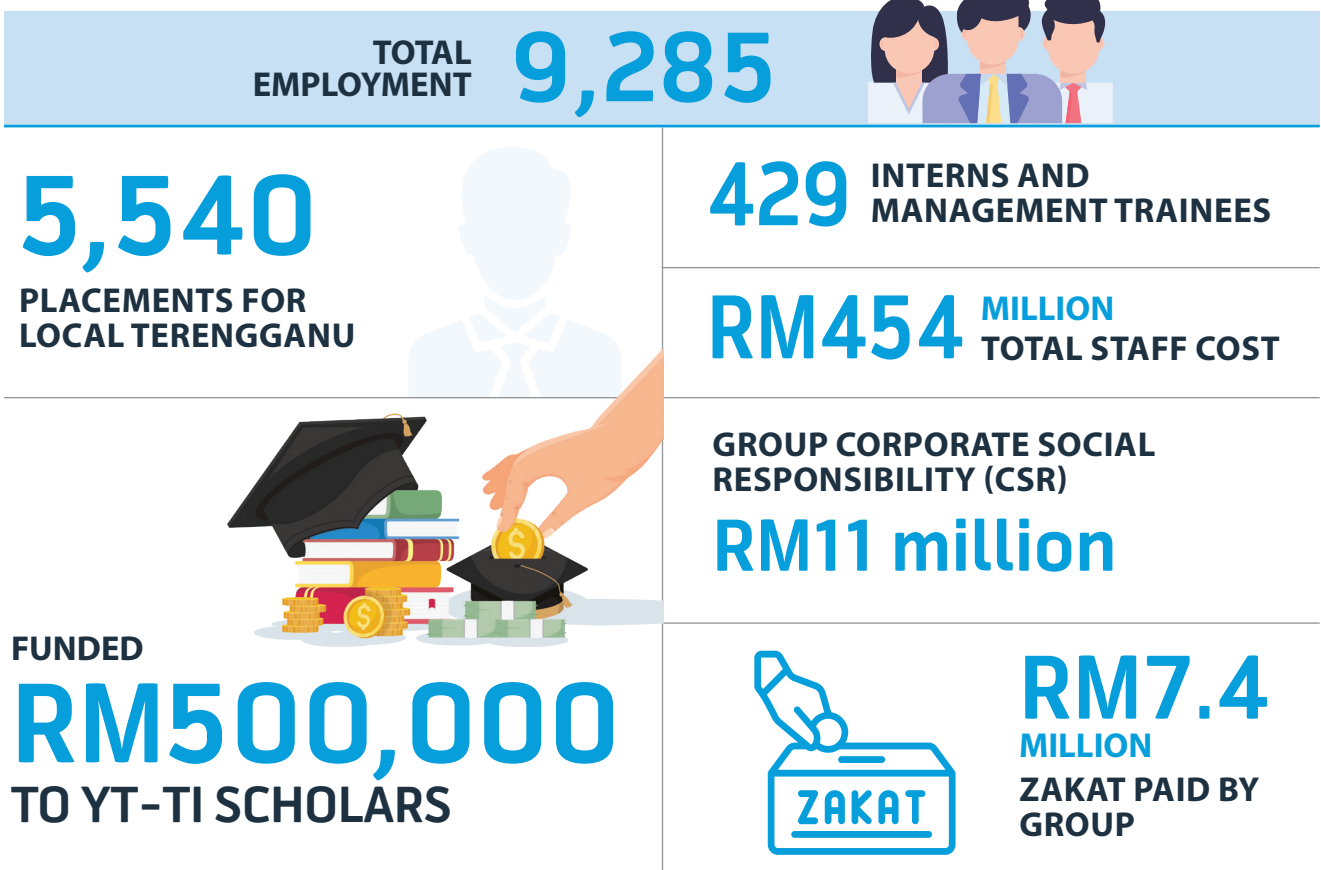
The Group also acknowledges that appropriate strategies are crucial to training new talents. The YT-TI Young Talent Scholarship Programme was first introduced in 2022, with an annual allocation of RM500,000 to support graduate

students. This initiative is part of our broader effort to support the State in nurturing potential talent among youths.

On top of that, our focus on nurturing future young talent is evident in the recruitment of 429 interns and management trainees. We aim to equip students with valuable industry experience and professional development opportunities.

As part of the Group's Corporate Social Responsibility (CSR) efforts, the Group has also allocated RM11 million to CSR approaches across Terengganu Inc and its subsidiaries. This allocation underscores our commitment to give back to the local community and aligns with our corporate motto, "Harnessing Investment for the Rakyat."

Terengganu Inc is relentlessly committed to ensuring that our business practices align with Shariah compliance. In FY2023, the Group fulfilled its obligation to the community by contributing RM7.4 million in Zakat. We view Zakat not just as a duty but as a core element of our efforts to support those in need.



Segmental Operations Review



“Across diverse sectors, our operational excellence drives long-term growth and innovation for a more sustainable and resilient future for Terengganu.”



PLANTATION

BUSINESS LANDSCAPE

The plantation sector in Malaysia is primarily driven by palm oil and rubber production. In 2023, this sector faced diverse opportunities shaped by global trends and local conditions, including economic, environmental and technological advancement.

However, the sector continues to face substantial challenges, particularly from climate change and environmental concerns. Malaysia's tropical climate, while generally favourable, is increasingly unpredictable this year due to extreme weather events such as floods and droughts that affect crop yields.



HIGHLIGHTS & ACHIEVEMENTS

For the year, the total Fresh Fruit Bunch (FFB) production from our TDM Plantation Sdn hd and Ladang Rakyat Trengganu Sdn Bhd was 404,948 metric tons ("MT"), showing an increase from 2022's production, which was 389,017 MT.

The total Crude Palm Oil (CPO) production increased to 119,915 MT (FY2022: 116,102 MT). Similarly, PK production experienced a slight increase, reaching 27,796 MT from 27,419 MT in 2022.

Our current total planted area stands at 55,995 hectares ("ha") (FY2022: 56,101 ha) with 76% of the area dedicated to oil palm cultivation, of which 79% is classified as mature.

CPO prices have been trending lower compared to the previous financial year while remaining to be volatile. CPO and PK prices dipped as low as RM3,869 per metric tonne and RM2,116 per metric tonne, respectively, in 2023 (FY2022: RM4,973 and RM3,189 respectively). The weak price trajectory was attributed to several contributing factors, including the slowdown of palm oil exports to China as well as the influence of Indonesia's palm oil export policies.

FUTURE ORIENTATION

FY2024 is anticipated to bring positive developments to the Malaysian palm oil industry as the labour shortage issue is resolved, thus optimising Fresh Fruit Bunch (FFB) production across the country. The implementation of the B35 biodiesel mandate in Indonesia is expected to curtail Indonesian palm oil supply for the export market, contributing to the overall CPO price as supply for the global edible oil market is reduced.

Unfavourable weather conditions in Malaysia persisting from late 2023 through Q1 2024 are projected to further constrain supply, potentially reducing Malaysian palm oil stocks to below 2 million MT, consequently providing support to prices. Furthermore, with a strong demand from India and China, the Plantation sector is anticipated to reduce palm oil stocks, thus strengthening palm oil prices. It is projected that from July 2024 onward, palm oil prices may come under pressure as production enters a high cycle, reaching peak levels from September to October 2024.



HEALTHCARE

BUSINESS LANDSCAPE

The operating environment of Malaysia's healthcare sector in 2023 was shaped by multiple factors. Demographic shifts, technological advancements, and policy reforms all contributed to the Healthcare industry's operating environment, which may affect the revenue. The Ministry of Health (MOH) reported that healthcare spending has steadily increased, with the 2023 budget allocating RM36 billion to healthcare, reflecting the government's commitment to improving healthcare infrastructure and services.

As the global economy continued its post-pandemic recovery, 2023 kicked off with a positive outlook for Malaysia's healthcare sector. Hospitals were expected to record a strong performance with a significant rebound in the number of local and foreign patient visits, with private healthcare was anticipated to maintain its growth.



HIGHLIGHTS & ACHIEVEMENTS

In 2023, KMI maintained the same number of hospitals as in 2022, with a total of 5 facilities. However, bed capacity increased to 419 beds from 401 in 2022. The number of licensed beds also grew, reaching 337 in 2023 compared to 336 in 2022.

The average length of stay remained relatively stable at 2.84 days in 2023, compared to 2.82 days in 2022.

The hospital experienced a significant rise in the number of inpatients, reaching 26,681 admission in 2023, up from 23,675 in 2022. Conversely, the number of outpatients decreased slightly to 182,221 in 2023 from 189,139 in 2022.

Revenue metrics also showed improvement. The average revenue per inpatient admission increased to RM9,649 in 2023 from RM8,832 in 2022. Similarly, the average revenue per outpatient admission rose to RM366 in 2023, up from RM323 in 2022.

FUTURE ORIENTATION

KMI Healthcare is positioned to advance digitalisation by implementing Electronic Medical Records (EMR) and business analytical software in FY2024. This technological advancement is expected to cater to the growing demand for healthcare services following current global trends. The integration of technologies, such as Artificial Intelligence (AI), in healthcare is deemed to have a positive impact on medical disciplines and public health management.

Aligned with our commitment to ESG principles and sustainability, KMI Healthcare's new tagline, "Leading Healthy Life", reflects our focus on promoting holistic well-being in 2024. These efforts underscore our dedication to leveraging innovative solutions and sustainable practices to enhance societal welfare in the healthcare sector.



OIL & GAS

BUSINESS LANDSCAPE

The year 2023 has borne witness to the Oil & Gas (O&G) sector navigating through a landscape marked by significant fluctuations in global oil prices. The volatility driven by economic uncertainties has directly influenced the performance of the Oil & Gas division.

The sector is increasingly aligning with sustainability goals. Government initiatives, including the National Energy Policy 2021-2040, have been designed to harmonise economic development with environmental stewardship. These policies incentivise the adoption of sustainable practices and investment in renewable energy projects, reflecting a commitment to global sustainability objectives.



HIGHLIGHTS & ACHIEVEMENTS

EPIC Berhad has established strategic partnerships with five industry partners, namely BOID Global Sdn Bhd (BOID Global), GSPARX Sdn Bhd (GSPARX) – a subsidiary of Tenaga Nasional Berhad (TNB), Eastern Steel Material Handling Sdn Bhd (ESMH), JXR Manufacturing Sdn Bhd (JXR), and Malaysian National News Agency (BERNAMA). The memorandums signed lay the groundwork for structured collaborative efforts between the participating organisations.

Several subsidiaries of EPIC Berhad have achieved significant milestones this year. For instance, Pangkalan Bekalan Kemaman Sdn Bhd (PBKSB) has signed a contract with Petronas Carigali Sdn Bhd (PCSB) and eight other Petroleum Arrangement Contractors (PACs) to provide supply base facilities and rental services at PBKSB.

Another subsidiary, EPIC Solar Sdn Bhd, has developed a solar-powered 'buggy' vehicle through a strategic collaboration with TATI University College (UC TATI).

Additionally, Konsortium Pelabuhan Kemaman Sdn Bhd (KPK) has installed two gantry cranes at Kemaman Port. Two Level-Luffing Cranes (LLC) are also scheduled for installation in the coming year.

FUTURE ORIENTATION

The Oil & Gas division anticipates a strong performance in 2024, particularly growth in revenue and profit. The Group's major capital expenditures, including investments in green ship recycling facilities, cargo handling equipment, and supply base infrastructure, are set to support sustained growth and operational efficiency.

In the port management segment, new cranes are expected to increase cargo handling capacity and support the expansion of the Eastern Steel plant. These upgrades will improve port efficiency and attract new clients, contributing to a robust outlook for the Group.

Aligned with the vision of transforming Kemaman Port into a green port, EPIC Solar Sdn Bhd (ESSB) has installed solar powered streetlights and floodlights at the East Wharf terminal. This initiative extends to providing solar lighting solutions to EPIC's clients at Kemaman Supply Base (KSB), including Petronas Carigali Sdn Bhd. Looking ahead, EPIC is committed to advancing Kemaman Port's sustainability efforts, aiming to establish it as a fully green port in the future.



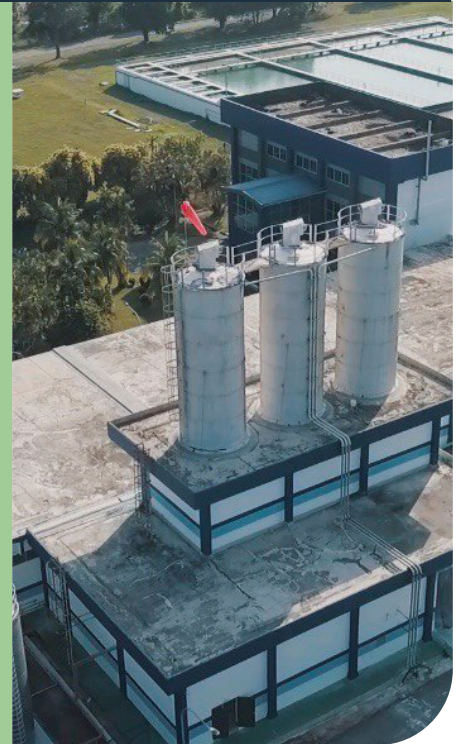
ENERGY & NATURAL RESOURCES

BUSINESS LANDSCAPE


The Energy & Natural Resources division marked pivotal progress with the implementation of the National Energy Policy 2021-2040, setting a clear path towards sustainability. The policy highlights the adoption of renewable energy and carbon reduction strategies. Notable developments included increased investments in solar and wind projects, supported by government and private sector incentives. Strategic international partnerships further facilitated technology transfer and expertise sharing.

One of the foremost circumstances is balancing the growing energy demand with sustainability objectives. The transition from fossil fuels to renewable energy sources requires substantial capital investment and technological advancements.

Furthermore, there is a growing interest in energy storage solutions, which is critical for addressing the intermittency issues associated with renewable energy sources and ensuring a stable energy supply.



HIGHLIGHTS & ACHIEVEMENTS

- 
 SATU successfully resolved the water supply disruption across three districts since the Bukit Berapit Water Treatment Plant (WTP) started operating with a full capacity of 120 million litres per day (MLD).
- 
 The installation of a 900 mm pipe from the WTP Kepong 2 to the MIEL Tank and Gondang Tank in the Marang District by SATU has reached 97.73% completion. This upgrade has significantly increased the treated water supply to the Marang District from 65 MLD to 95 MLD.
- 
 Golden Pharos Berhad established a strategic partnership with Supreme Group, Selangor's largest timber company, for the overseas distribution of its downstream timber products.
- 
 GP Forest Plantation Sdn Bhd (GPFP) has entered into an agreement with BFC Research and Development Sdn Bhd (BFC) to develop a forest plantation project in Terengganu.
- 
 The Group achieved a revenue milestones of RM89.23 million, marking a 10-year high with a 27.1% growth from RM70.20 million in FY2022. The revenue growth was largely driven by increased sales of logging compartments to third parties, amounting to RM48.24 million, compared with RM31.92 million (FY2022).

FUTURE ORIENTATION

SATU has encountered financial sustainability challenges due to low water tariff rates. To tackle this issue, we will implement a new Tariff Structure Model (TSM) for domestic rates beginning January 2024, following the approved TSM 2019. This adjustment will substantially enhance the company's revenue, with a projected 11% increase in water revenue for 2024.

Building on its successful solar rooftop project in 2023, SATU plans to expand the solar panels across more of its facilities, aiming to further reduce electricity costs through renewable energy adoption.

According to the National Agricommodity Policy 2021–2030, the export value of downstream timber products, including furniture, is projected to reach RM19 billion by 2025, constituting 68% of Malaysia's total timber product exports.

The government has increased the commercialisation of "Made in Malaysia" brands internationally to bolster the national timber market. These efforts are expected to enhance Malaysia's position in the global timber industry, driving significant growth in export value and market share for downstream timber products.

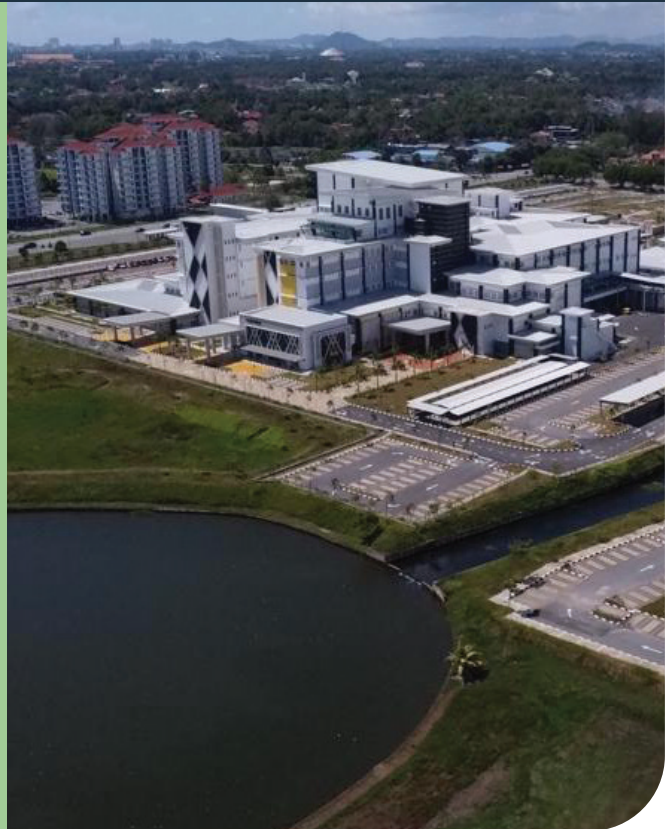


INFRASTRUCTURE, CONSTRUCTION & ENGINEERING

BUSINESS LANDSCAPE

Despite facing significant challenges, our Infrastructure, Construction, and Engineering sector has reinforced its position as Terengganu's premier vertically integrated construction company. By prioritising efficient project execution and delivery, we have remained agile, expanding our core operations while seizing bold new opportunities to outpace the competition.

In recent years, Terengganu Inc Group has developed several prominent assets and projects, including the iconic Kuala Terengganu Drawbridge. This landmark has attracted a substantial number of visitors from across the region and the country, enhancing Terengganu's appeal as a tourist destination. Our strategic investments in property development, through our subsidiaries GPQ Sdn Bhd and TI Properties Sdn Bhd, have continued to grow asset values in 2023, underpinning sustained growth in this sector.



HIGHLIGHTS & ACHIEVEMENTS

- 

TI Properties successfully received a total of 90,612 visitors to Drawbridge Terengganu in 2023, marking a significant achievement in attracting and engaging tourists to this iconic landmark.
- 

In addition, TI Properties, together with Retro Court Sdn Bhd (a subsidiary of MGB Berhad), have worked on towards procuring approvals and necessary consent prior to commencing construction works at Kertih Terengganu Industrial Park ("KTIP") next year.
- 

GPQ has successfully awarded approximately RM103 million in contracts to vendors within Terengganu to strengthen their support of local businesses and contribute to the local economy.
- 

GPQ managed to acquire a new plot of land for quarry operations in Bukit Diman, Hulu Terengganu. This strategic expansion enhanced their ability to meet growing market demands and strengthens our operational capacity.

FUTURE ORIENTATION

TI Properties is looking forward to offering a unique and memorable experience at the Coffee Bar, Café at Pile Cap, and Promenade Café of the Kuala Terengganu Drawbridge as we aim to cater to a diverse range of visitors and holidaymakers. As the industry evolves, it is crucial to build new skills across the entire value chain and position ourselves as strategic partners.

Looking ahead, the demand for quarry rock products is anticipated to remain strong, reflecting the ongoing growth in the construction and infrastructure sectors. Our diverse range of offerings, including armour rocks, crusher runs, and aggregates, positions us well to capitalise on this trend.

Given the current political landscape, where development project allocations are now directed to federal agencies rather than the State, it is essential for the GPQ to adapt its strategy for securing federal projects. GPQ's approach involves forging strategic collaborations with companies or entities that maintain strong relationships with the Federal Government.



TOURISM

BUSINESS LANDSCAPE

Terengganu Inc's Tourism division experienced a resurgence in both domestic and international hotel demand in FY2023, driven by the recovery from the COVID-19 pandemic. Among our various divisions, the Tourism sector faced significant business challenges, resulting 14.1% in revenue decline compared to FY2022. Competition from neighbouring countries and emerging travel destinations has pressured Malaysia to differentiate itself and maintain its competitive edge in the global tourism market.

Nonetheless, Terengganu Inc remains steadfast in navigating the evolving landscape. Key trends shaping the sector include an increased reliance on technology by guests and a corresponding rise in technological adoption within the hospitality industry. Hence, there is a heightened focus on ESG considerations among stakeholders, prompting greater prioritisation of environmentally friendly practices and stricter regulatory compliance



HIGHLIGHTS & ACHIEVEMENTS

Permai Hotel Kuala Terengganu was actively renovating 42 standard rooms, marking a significant enhancement to our hotel's offerings. The first phase, involving the refurbishment of 10 rooms, was set for completion by 18 September 2023. The second phase has commenced on 26 September 2023. This renovation, which includes upgrading the asset condition and installing new carpets, enhanced the guest experience at the Permai Hotel.

Their engagement with the Agoda Growth Program (AGP) has been highly successful, resulting in a remarkable 60% increase in revenue. This partnership has significantly amplified our marketing efforts and visibility on Agoda's platform, enhancing our reach and revenue potential.

FUTURE ORIENTATION

In the upcoming years, Permai Hotel will anticipate a full recovery in the tourism sector, with market stability expected by year-end. Our strategic initiatives include completing the refurbishment of 42 standard rooms, which will significantly boost the Average Room Rate (ARR) from RM140 to RM180, including breakfast. This upgrade is projected to substantially increase room revenue, despite the refurbishment being partial. This improvement will enhance guest satisfaction and minimise any potential complaints.

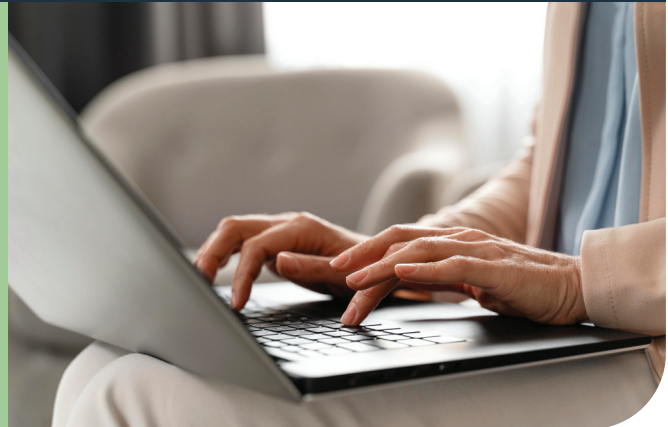
Permai Hotel has also expanded its Perkeso rooms from 10 to 22, a strategic move expected to directly elevate room revenue and increase space rental income. Permai Hotel will continue to focus on the domestic market, specifically targeting conference and leisure segments.










NON-CORE BUSINESSES

BUSINESS LANDSCAPE

Our non-core business clusters, including a printing company, Syarikat Percetakan Yayasan Islam Terengganu Sdn Bhd, radio station operator, Husa Network Sdn Bhd, and a fast-food chain, Chicken Cottage Group, stayed resilient and steadfast in contributing a notable RM24.4 million to Terengganu Inc's overall financial performance despite market volatility and high inflation in 2023.



HIGHLIGHTS & ACHIEVEMENTS

-  SPYIT has launched a new website featuring a user-friendly interface designed to improve functionality and enhance user experience.
-  Alongside this, SPYIT implemented an advanced online costing system to streamline their operations and offer more accurate and efficient pricing to the clients.
-  SPYIT has also announced its collaboration with KTC Arena for the development of a new football court. The Letter of Offer Agreement, signed on 27 June 2023, represented a strategic move to utilise SPYIT's idle land effectively.
-  ManisFM radio has been successfully integrated into MYTV Broadcasting Sdn Bhd's Over-The-Top (OTT) apps platform which is called *Mana-Mana*.
-  ManisFM had an agreement with MYTV Broadcasting Sdn Bhd to broadcast Manis FM radio on the Digital Terrestrial Television (DTT) platform, running from 1 June 2023 to 31 August 2023.
-  Chicken Cottage has successfully expended its franchise network, increasing the UK stores to a total of 56 franchises.
-  By the end of 2023, Chicken Cottage has achieved a significant milestone with the successful renewal of master franchise agreements.

FUTURE ORIENTATION

In the Financial Year 2024-2026, Syarikat Percetakan Yayasan Islam Terengganu Sdn Bhd (SPYIT) will continue to focus on its three core printing areas: Commercial Offset Printing, Large Format (inkjet), and Digital Print. The company is exploring new opportunities to expand its product offerings.

To further enhance the existing services, SPYIT has also acquired a laminate machine, which will improve the finish quality of our products and help us maintain and grow our customer base.

Manis FM will continue to provide broader public value and informative material while maintaining a sense of local community in line with the state's aim of "*Terengganu Maju Berkat Sejahtera*." Husa Network is committed to deliver meaningful radio programmes for the East Coast Region covering all of the State Executive Council portfolios (10 Strategic Thrusts) outlined in the PITAS 2030 and continuing public education campaigns by KKD and MOF.

In 2024, Chicken Cottage Group will continue to offer the master franchise, currently operated by Chicken Cottage Limited, to a third party should an opportunity arise. This aligns with the Group's long-term goal to treat the UK as any other international market operated by a master franchise.

Financial Review

“The Group demonstrated resilience in FY2023, delivering steady performance amidst challenging market conditions.”

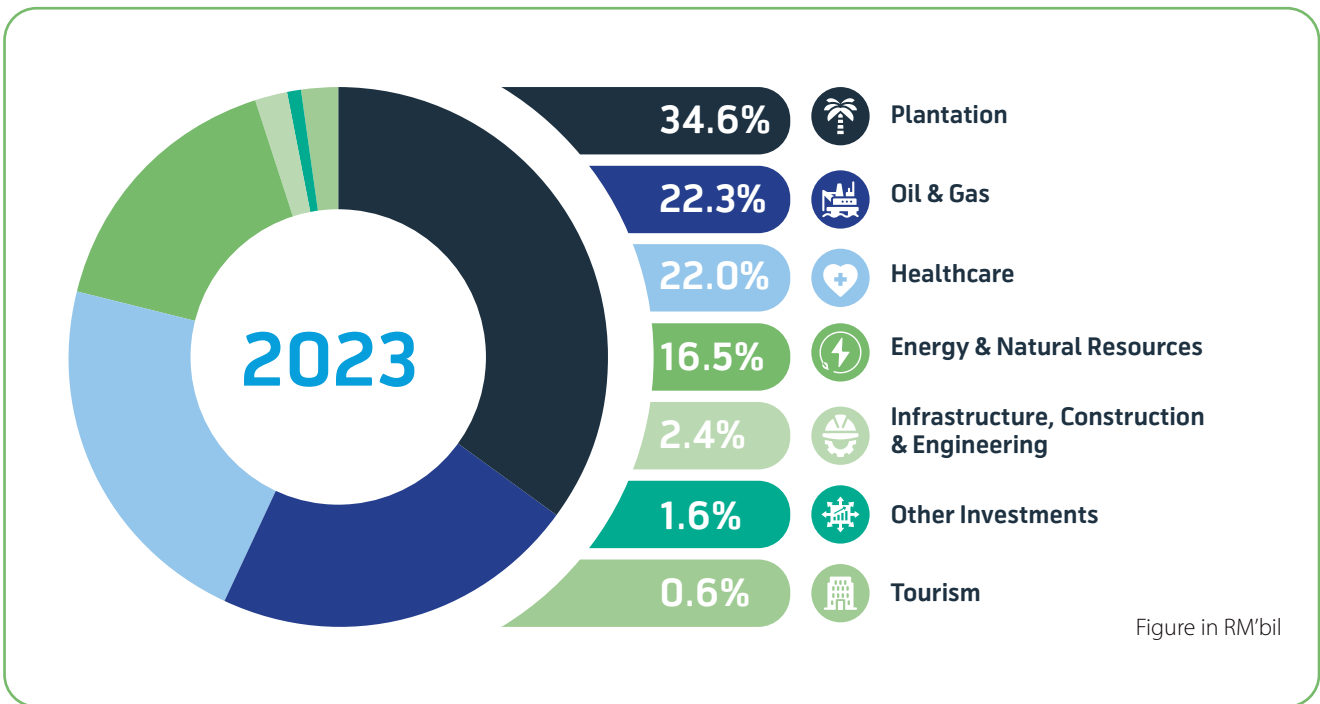
Group Financial Highlights of 2019-2023

	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Audited
INCOME STATEMENT (RM'000)	Restated				
1. Revenue	975,959	1,029,063	1,177,164	1,554,995	1,514,376
2. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	63,603	163,621	122,822	238,129	231,808
3. (Loss)/Profit Before Tax [(LBT)/PBT]	(54,726)	16,749	77,691	75,598	26,022
STATEMENT OF FINANCIAL POSITION (RM '000)					
1. Total Assets	2,867,270	3,045,405	2,919,750	3,744,279	3,755,877
2. Total Liabilities	1,487,117	1,675,282	1,650,883	2,112,898	2,150,925
3. Total Equity	1,380,153	1,370,123	1,268,867	1,631,381	1,604,952
4. Net Current Assets	282,443	338,033	270,637	159,832	197,066
5. Net Assets	1,380,153	1,370,123	1,268,867	1,631,381	1,604,952
6. Net Tangible Assets*	1,253,843	1,257,460	1,168,760	1,455,280	1,443,847
*Net Assets less Intangible Assets					
FINANCIAL INDICATORS (%)					
1. EBITDA Margin	7%	16%	10%	15%	15%
2. (LBT)/PBT Margin	-6%	2%	7%	5%	2%
3. (LAT)/PAT - Continuing Operations Margin	-6%	-3%	1%	1%	-0.4%

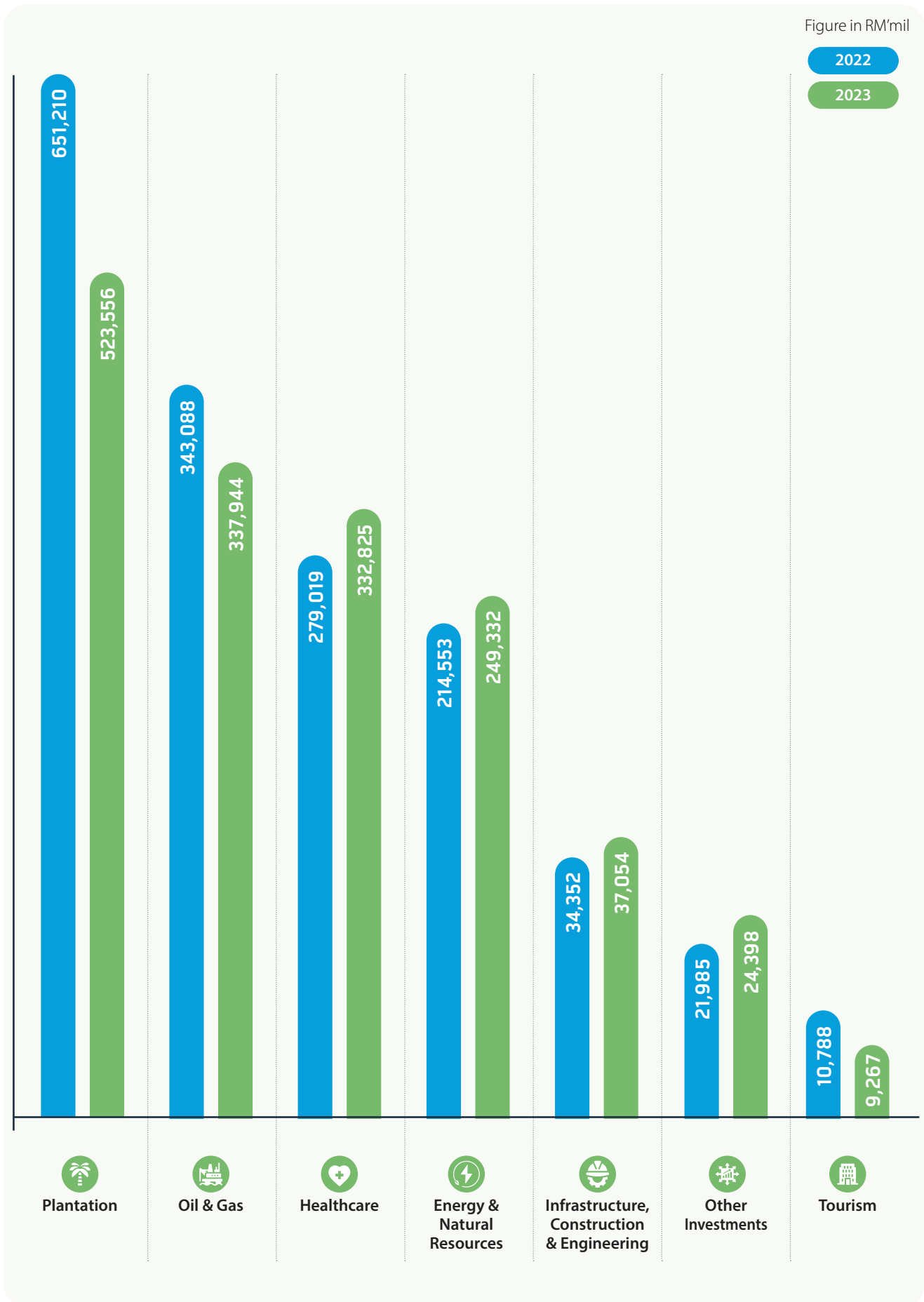
Revenue by Business Clusters

The Group's demonstrated resilience in FY2023, delivering steady performance amidst challenging market conditions. The 4 major clusters boost significant impact to 95% of Group's revenue of RM1.51 billion, which are mainly contributed from Plantation (34.6%), Healthcare (22.0%), Oil & Gas (22.3%) and Energy & Natural Resources (16.5%) cluster.

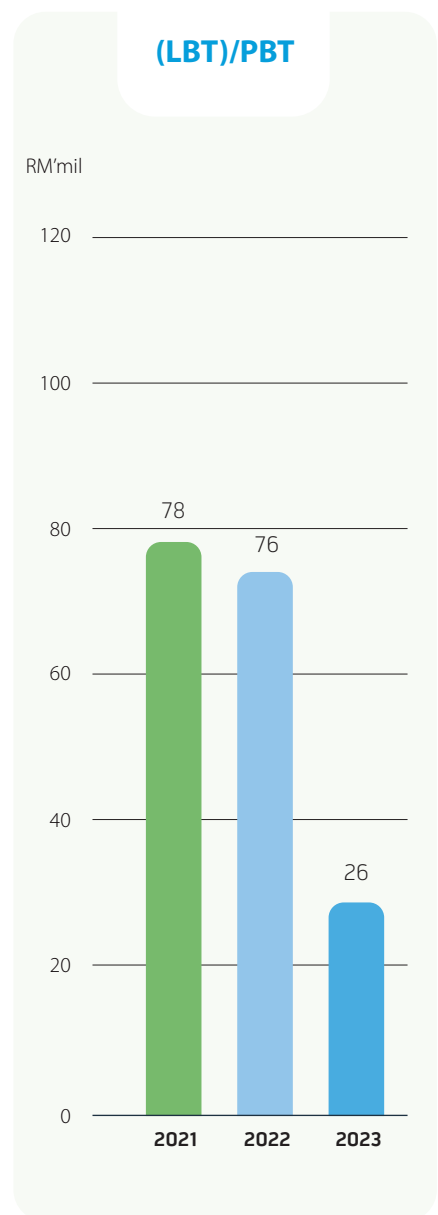
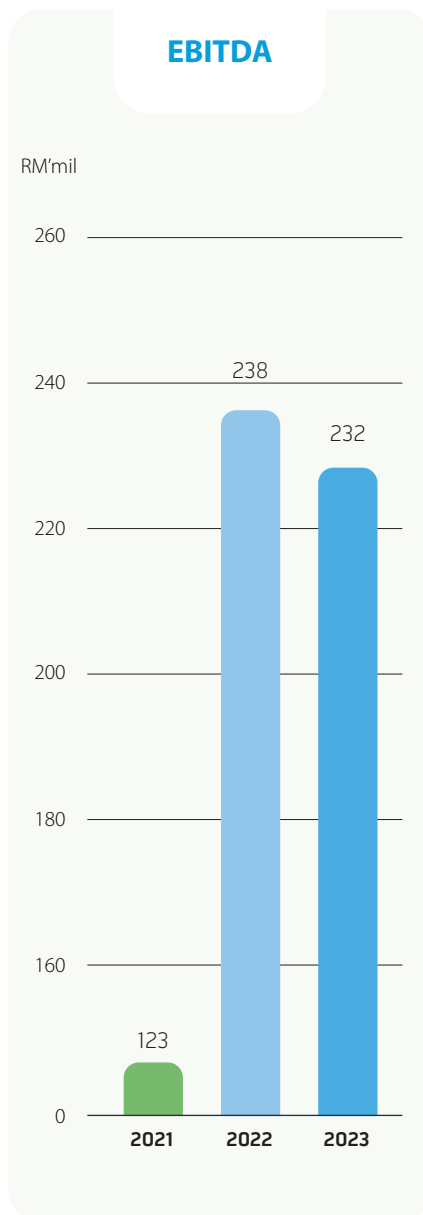
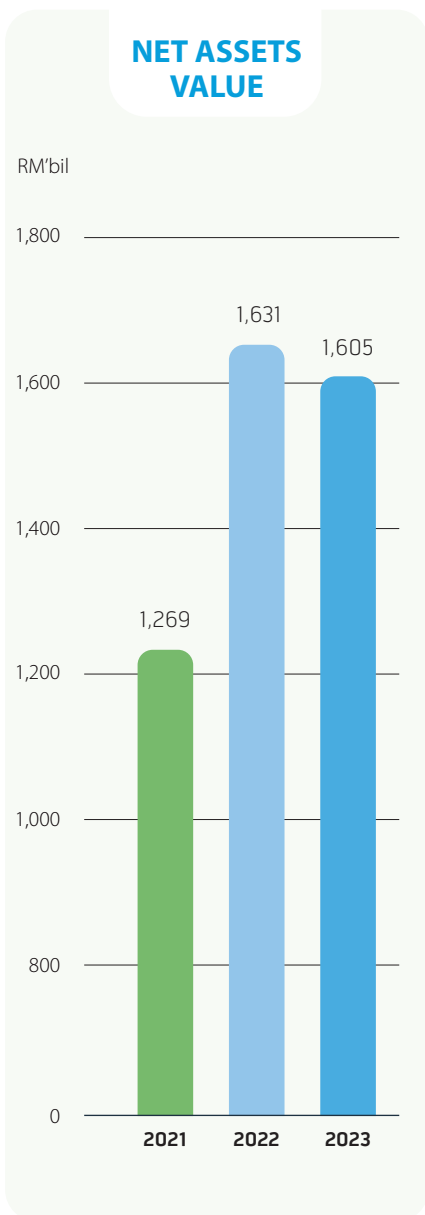
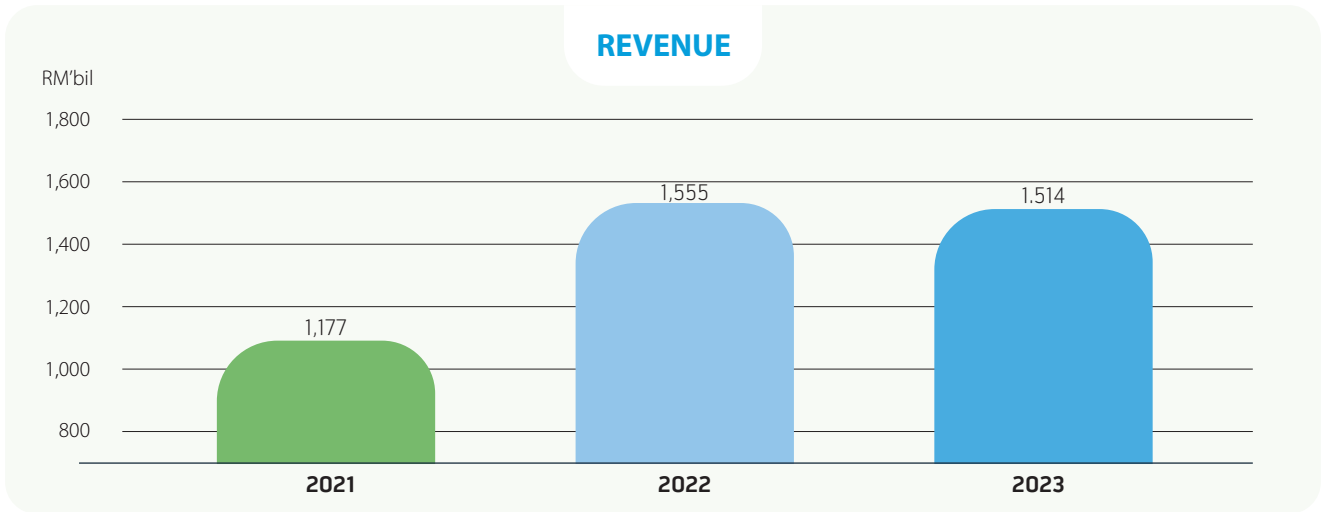
Revenue by Business Cluster 2023



Revenue by Business Cluster 2022–2023



Three-Year Group Financial Indicators



Our Commitment to ESG

“As the custodian of the State Government of Terengganu, we intend to seize opportunities and provide the state with the strategies it needs today while considering climate goals.”



We continue to accelerate our climate actions to realise our sustainability target towards a 35% renewable energy capacity mix by 2025. Throughout 2023, we continued reducing environmental footprints to pioneer our transition towards a greener future.

Environmental footprints and collective multilateral agreements around decarbonisation are driving forces behind the energy transition and technology advancements that are destined to move the world economy towards a greener future. This is in alignment with global efforts to reduce emissions, as managing the climate has become an integral part of the energy transition.

Our focus on investing in new technologies and value chains, not only to mitigate emissions but also to pave the way for new project opportunities. Terengganu Inc is committed to ensure that business practices align with the Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) principles.

While the SDGs provide a globally recognised framework for addressing societal and environmental challenges, the ESG principles will guide Terengganu Inc in integrating sustainability and ethical considerations into the operations to shape the corporate landscape and drive sustainable business practices. By embracing the SDGs and aligning with ESG principles, we can foster long-term growth and enhance our resilience in the current dynamic environment.


Supporting the nation's commitment to achieving Net Zero Carbon Emissions by 2050, we continue to address emissions from our operations and work towards cleaner energy targets. We continue to make significant investments to reduce our own environmental impact and work across our value chain and with partners to drive a broader energy system change.

OUR STRATEGIES


Accelerating Green Technologies through Strategic Collaboration

In 2023, Terengganu Inc focused on strategic collaborations to invest in new technologies to develop in Terengganu. We believe our commitment to environmental sustainability is deeply embedded in our green technology strategy, which seeks to unlock the potential value of our assets through strategic business exploration and expansion. These partnerships, both regional and global, are centred on innovative solutions while minimising our environmental footprint.

Central to our green technology efforts is the exploration of development of floating solar photo voltaic (FSPV) in the vicinity of Tasik Kenyir, Terengganu through the collaboration with TNB Power Generation Sdn Bhd (TNB Genco). Where the main feature is FSPV hybrid (hydro and solar), which will be managed and operated using Energy Management System (EMS) together with weather forecasted system to increase power system stability that will result into longer generation of RE.

COLLABORATORS	VALUE WE CREATED	WHAT WE ACHIEVED
 <p>TNB GENCO A subsidiary of Tenaga Nasional</p>	Advancing solar technology and maximising its potential in Terengganu	Conducted a feasibility study for the development of a 400 MW floating solar project (Phase 1), with a potential capacity of up to 2 GW, in Kenyir Lake

Terengganu Inc continues to lead green technology advocacy as the designated custodian of the Terengganu State Government and has spearheaded collaboration efforts on renewable energy in the region. Their details are:

	WHAT WE ACHIEVED Integrated renewable energy solutions into our business practices	VALUE WE CREATED Installed 0.08 MW of solar rooftop systems across the Group and a 6.0 MW biogas plant at the Palm Oil Mills of TDM and LRT
	Installation of EV chargers (7kW and 22kW) at Primula Beach Hotel	EVs are more efficient and environmentally friendly, aligning with our commitment to sustainability.

OUR STRATEGIES

Resources Control and Management

Our environmental sustenance pillar is dedicated to conserving biodiversity and implementing effective control and management practices to mitigate environmental impacts and reduce our ecological footprint. Our approaches emphasise integrating sustainable practices into all aspects of our operations to ensure responsible resource management.

Integration into the Overall Initiatives

Recognising the exposure of climate-related risks to our business operations and strategies, the causes and impact of climate change have been taken into consideration and reflected in the development of our resources control and management.

We integrated our efforts on climate change strategy through the *Penghijauan Malaysia* campaign, in which we have successfully planted 385,455 trees as of June 2023 designed to restore natural habitats, enhance biodiversity, and contribute to carbon sequestration.

In line with that, our carbon credit project aims to issue 1.7 million credits, further supporting our commitment to reducing greenhouse gas emissions and promoting a low-carbon economy.

We have actively engaged in wildlife conservation and welfare within our forestry areas, demonstrating our commitment to protecting local wildlife and preserving natural ecosystems. Our collaboration with organisations such as WWF and PERHILITAN focuses on identifying and monitoring threatened and endangered species in the Dungun Timber Complex (DTC) and Cherul Forest Concession (CFC).

The reflection of our dedication to sustainable oil palm plantation practices in 2023 is through our adherence to RSPO and MSPO certifications. We ensure our operations are conducted in an environmentally responsible manner. Furthermore, our compliance with FSC and PEFC standards highlights our commitment to responsible forestry practices, promoting sustainable forest management and conservation.

Continuous Efforts to Drive Energy Efficiency

With a target of 35% Renewable Energy usage by 2025, as well as other short-term and mid-term goals in place, Terengganu Inc is continuously seeking opportunities to enhance energy efficiency. In 2023, we generated clean energy for both operational and public consumption, thereby meeting electricity demand while promoting environmental health.

In addition to accelerating energy efficiency, we also implemented the Energy Management System (EnMS) across our water treatment plants, booster pumps, and domestic buildings. This system enables us to monitor and manage energy consumption effectively, leading to significant improvements in energy efficiency and reductions in operational costs.

Across the Group, we have installed 0.8 MW of solar rooftop systems to reduce our reliance on non-renewable power sources. Terengganu Inc has also ventured into EV charging by installing an AC charging station at Primula Beach Hotel. EVs are considered to be more efficient and environmentally friendly, aligning with our commitment to sustainability.



OUR STRATEGIES

We Forge Social Empowerment

Promoting high productivity and inclusivity to empower people and communities

Terengganu Inc collaborates with our employees, subsidiaries and communities, making a concerted effort to embed sustainability and promote responsible growth in our practices, which are aligned with UN SGDs.

WORKFORCE MANAGEMENT

WHY IS IT IMPORTANT?

Our workforce management strategy focuses on encouraging engagement and treatment of employee’s remuneration, benefits, well-being and motivated workforce.

This segment of our ESG report highlights our efforts in talent management, employee engagement events, and succession planning for 2023.

OUR APPROACH

We continue to offer competitive compensation packages, comprehensive benefits, and career development opportunities to retain our best talent. Our employees’ turnover rate was still manageable last year, a testament to our efforts in creating a positive and fulfilling work environment.

Ensuring a strong pipeline of future leaders is vital for the long-term success of our organisation. Our succession planning process is designed to identify and develop high-potential employees for key leadership roles. In 2023, we conducted a thorough review of our leadership needs and created personalised development plans for potential successors.

EMPLOYEES HEALTH AND SAFETY

WHY IS IT IMPORTANT?

Workplace health and safety are integral to our social responsibility and ESG strategy. Here at Terengganu Inc, we make sure to build a safer, healthier, and more resilient organisation.

We remain committed to fostering a culture of safety and well-being, where every employee feels valued, protected, and empowered to contribute to our collective success.

OUR APPROACH

We recognise that health and safety encompass not only physical well-being but also mental health.

In 2023, we promoted a comprehensive mental health programme aimed at raising awareness and offering support to employees facing mental health challenges.

The programme includes various initiatives such as training sessions, talks, and the ongoing promotion of work-life balance through flexible work arrangements.



OUR STRATEGIES

WORKFORCE DIVERSITY

 WHY IS IT IMPORTANT?

Terengganu Inc views a diverse and inclusive workforce drives innovation, enhances performances, and strengthens our ability to connect with best standard practices.

 OUR APPROACH

Our diversity and inclusion strategy is designed to foster an environment where all employees, regardless of race, gender and educational background, feel valued and empowered to contribute their ideas and skills.

Our strategy is guided by measurable objectives, with regular progress reviews to ensure accountability and continuous improvement.

Attracting diverse talent is a vital part of our workforce diversity initiatives. In 2023, we strengthened our talent management by partnering with diverse talent pipelines from universities. Moreover, we continued our collaboration with universities as strategic investment and business education partners.

Currently, women represent 28% of our group workforce, with 17 holding managerial positions. These achievements reflect our commitment in creating a workforce that mirrors the diversity of the communities we serve.

COMMUNITY ENRICHMENT

 WHY IS IT IMPORTANT?

Corporate Social Responsibility (CSR) is a cornerstone of our Group's strategy, fostering growth and embedding our presence within the community. This year, Terengganu Inc allocated RM11 million towards CSR initiatives, reflecting our commitment and the positive progress we have achieved.

Our CSR efforts span multiple sectors, underscoring our belief in a strategic and diversified approach. This broad focus enables us to engage with a wider audience across Terengganu, thus ensuring our initiatives create meaningful impact throughout the region.

 OUR APPROACH

In recognition of academic excellence, The Group invested RM45,000 in the 'UAV In-School Programme' at SMK Bukit Sawa, supporting the TI-BSaS Aeronautics initiative to educate the students about aviation technology. In partnership with Yayasan Terengganu, we celebrated students through the 'YT-TI Young Talent Scholarship Programme', which received RM500,000 in contributions to honour top students for their achievements. We also invested RM110,000 to reinforce STEM programmes for secondary students throughout Terengganu.

We believe that our achievements today are due to the endless support of the community. In line with this, Terengganu Inc's annual 'Jejak Ramadan' programme provided RM15,000 in cash and essential items, including rice, flour, cooking oil, and ready-to-eat food, to 20 families in Tepoh. Over 30 employees actively participated in the distribution as part of the Group's CSR programme.

Terengganu Inc and its group subsidiaries have collectively contributed RM50,000 to a greening initiative, planting 3,000 trees along Batu Burok Beach to Pandak Beach. This effort underscores our commitment to environmental sustainability as part of CSR initiatives.

Thus, Terengganu Inc's plantation subsidiary, LRTSB, made significant strides by inaugurating their Biogas Power Plant and Humus Factory at Bukit Bandi Palm Oil Mill, Kemaman, in 2023. This milestone marks a crucial advancement in our 'waste to wealth' initiative, transforming by-products into valuable resources.



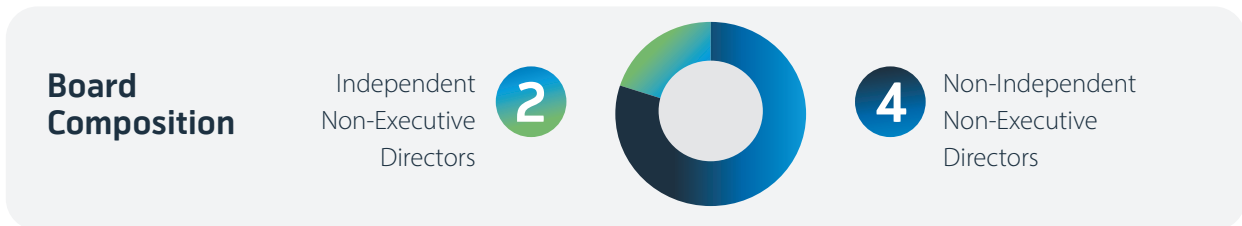
CORPORATE GOVERNANCE OVERVIEW



Board Leadership & Effectiveness

Effective Board

Our Board comprises a team of highly skilled professionals, each bringing diverse perspectives, expertise, and corporate experience to the boardroom.



The Board provides effective stewardship and is responsible for the Group's strategic direction and control of the Company. The Board exercises this control by way of a governance framework, effective delegation, risk management and a system of assurances regarding financial reporting and internal controls.

The Board is accountable to its shareholders and to a wider range of stakeholders such as employees, suppliers, the community, and the authorities.

At Terengganu Inc, each Director has the duty to act in good faith and in the best interest of the Company with reasonable care, skills, and diligence.

The differing roles of the Chairman and the President and Group CEO are acknowledged. The Chairman of the Board is not a member of any of the Board Committees.

Together with the Shariah Committee and Management team, the Board upholds good corporate governance culture within the Group by ensuring ethical leadership, and prudent and professional behaviour in the conduct of its business and all aspects of its operations.

Through these efforts, we strive to maintain a governance structure that is resilient, accountable, and aligned with our mission and values.

“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek.”
– Barack Obama

Effective Risk Management and Internal Control

Our approach is designed to mitigate risks or events that could have a significant adverse impact on the achievement of the Group’s objectives and strategies. We implement robust risk management practices with the aim of providing assurance against material financial misstatements, inaccuracies in management information and records, and potential financial losses or fraud.

Ensuring relevancy, Terengganu Inc continually reviews its risk management and internal control framework to address the evolving challenges and changes in the business environment. At the Group level, we have implemented Key Risk Indicators (KRI) to measure and monitor potential risk exposures, alongside regular risk challenge sessions to evaluate and enhance our risk management strategies. The

The KRI allows our Board and Management team to adapt and respond swiftly to any emerging threats.

We have also adopted Integrity Policies, an Internal Control Framework, and Enterprise Risk Management practices as a dedication to maintaining a culture of integrity and accountability.

Apart from that, the establishment of The Terengganu Inc Group Code of Business Ethics (COBE) applies to all employees and directors, guiding ethical conduct and decision-making. It emphasises integrity, honesty, and compliance with laws and regulations. In case of conflict, the COBE prevails over internal policies but defers to legal requirements.

Commitment to Integrity and Ethical Values

Our stringent policies are designed to prohibit any gifts, meals, or entertainment that could compromise our ability to make sound, objective, and fair business decisions. We ensure that all employees understand the importance of maintaining high ethical standards and that our business practices consistently reflect our core values.

Aligning with our commitment to integrity practice, Terengganu Inc is actively strengthening its Organisational Anti-Corruption Plan (OACP) at the Group level. This plan

enhances our capabilities to prevent, detect, and address any forms of corruption.

Alongside the adoption of integrity policies, we have established a Shariah Governance Framework and a dedicated Shariah Committee to reinforce Shariah implementation across the Group. This framework guided our operations to align with ethical principles and adhere to Shariah laws and guidelines, which integrate religious values into our governance structure.

Board Committee

To uphold robust governance and ensure sustainable growth, Terengganu Inc. has established specialised board committees responsible for overseeing critical areas, including strategic investments, audit and governance, leadership and remuneration, risk and sustainability, and procurement.

01

Board Strategy & Investment Committee (BSIC)

The BSIC drives the organisation's strategic direction and oversees key investments to foster sustainable growth. It reviews and monitors strategic plans, evaluates investment opportunities, and ensures effective allocation of resources. By aligning strategies with long-term goals and assessing associated risks and returns, the BSIC ensures the organisation remains competitive and delivers lasting value.

02

Board Audit Committee (BAC)

The BAC plays a pivotal role in safeguarding the organisation's financial integrity and governance standards. It oversees the accuracy and reliability of financial statements, ensuring compliance with accounting standards and regulatory requirements. The BAC also monitors the effectiveness of internal controls and risk management frameworks, protecting the organisation's assets and operations.

03

Board Nomination & Remuneration Committee (BNRC)

The BNRC ensures effective leadership and fair remuneration practices within the organisation. It oversees the selection and appointment of Board members and senior executives, reviews succession plans, and evaluates Board performance. The committee also formulates competitive, performance-linked remuneration policies aligned with industry standards and organisational goals, ensuring governance effectiveness and leadership continuity.

04

Board Governance, Risk & Sustainability Committee (BGRSC)

The BGRSC plays a key role in promoting the organisation's long-term sustainability and ethical practices. It provides strategic oversight of governance frameworks, ensuring alignment with global best practices and regulatory requirements. The committee identifies and mitigates key risks while driving sustainability efforts by incorporating environmental, social, and governance (ESG) considerations into decision-making processes.

05

Board Purchase & Tender Committee (BPTC)

The BPTC oversees the Group's Procurement Policies and Procedures, ensuring transparency, fairness, and compliance. It reviews and approves significant purchasing decisions and tender awards, ensuring contracts are awarded based on merit, value for money, and alignment with organisational objectives. The committee also monitors procurement practices to mitigate risks related to conflicts of interest or unethical behaviour.

ESG INTEGRATION AND FUTURE GOALS

Framework

Resource Efficiency, Social Empowerment and Corporate Governance are the three broad sustainability priority areas in our framework.

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.

Resource Efficiency

Environmental Sustenance

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.



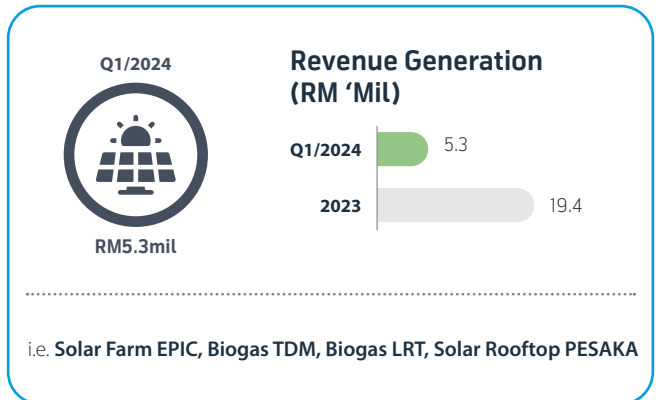
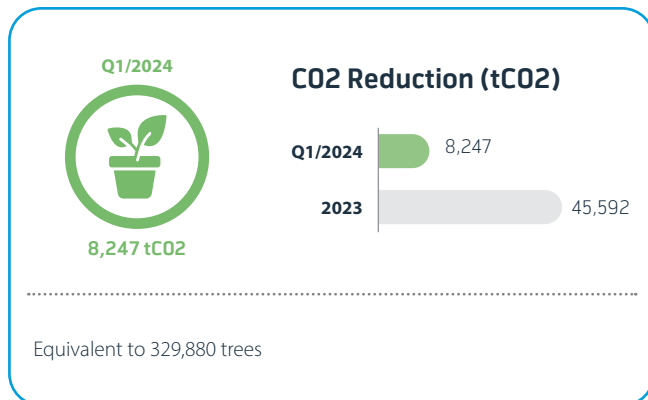
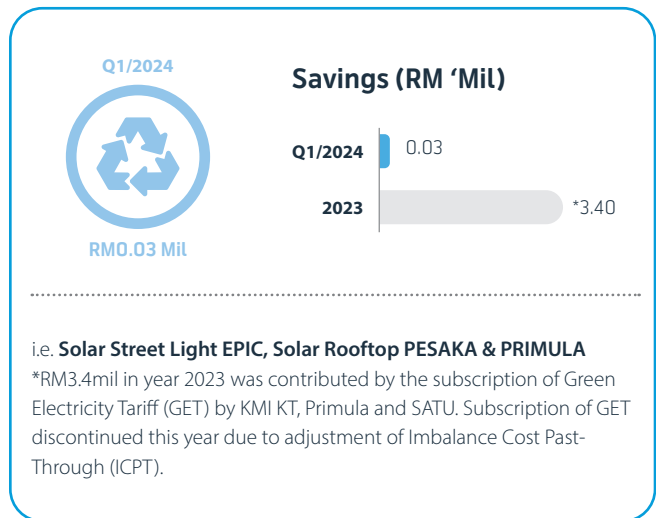
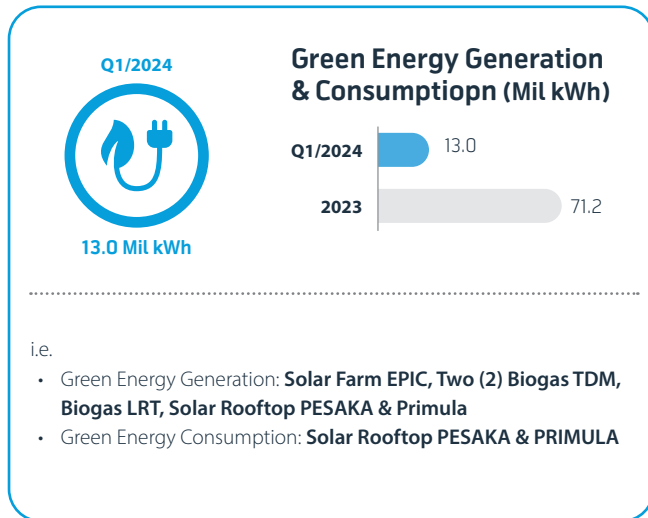
Shariah Compliance

Conform to Shariah rules and principles in realising our sustainable aspirations and commitments.

Sustainability Initiatives

E	 6.0MW Biogas Plant Installed	 0.8MW Installation for solar rooftop	 173,220 Trees Towards 400,000-tree planting's Group target by 2023 in support of National Campaign '100 million Tree Planting for 2021–2025'		
	 50MWh I-REC International Renewable Energy Certificate by I-REC Standard	 7.5kW AC EV charging Station at Primula Beach Resort	 1,000 Trees Tree Planting initiative under River of Life program		
	 18.5MW Solar farm installed	 MSPO and RSPO Certification in Plantation	 FSC and PEFC Certification in Forestry		
	S	 Implementation of flexible working arrangement	 Collaboration Agreement with UniSZA on Strategic Investment	 Establishment of Safety & Health Committee (OSHA 1994)	 Implementation of Talent Management
		 MoU with UiTM on Business Education Partnership	 28% Female Employees' gender inclusivity across the Group	 78% Low Risk TI Staff accredited with 'Low Risk' on Annual Health Screening 2023 (13% 'Low Risk' in 2011)	
		 11.4mil CSR value FY2022	 293 Units Construction of Low-Cost Housing in Terengganu		
G		 Adoption of MCCG 2021 governance best practice	 Establishment of ERM Framework, Risk Appetite Statement and Risk Matrix	 Participation in FTSE4good Bursa Malaysia and Bursa Public Listed Company Transformation	
		 Rated as STABLE Company by National Audit Department	 Establishment of integrity framework	 Compliance to Bursa Sustainability Reporting Guide for PLC	
	 Establishment of Board Charter	 Establishment of Shariah Governance Framework and Shariah Committee			

Green Energy Tracking



The Road Ahead of Us

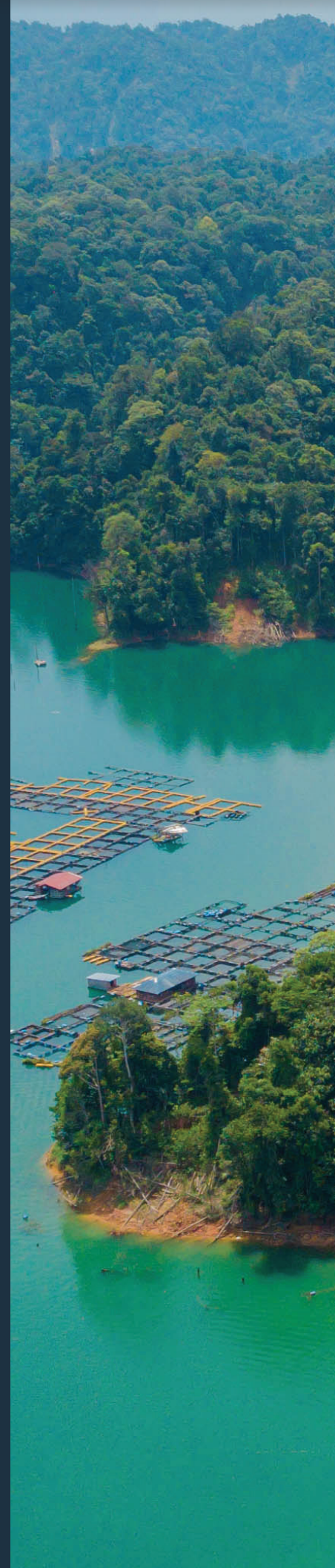
Heading Towards the Next Sustainable Adventure

In a journey towards sustainable practices, Terengganu Inc hikes the corporate adventure to embody strategic initiatives, optimising operations and sustainable growth through renewable energy.

2023 marked a pivotal year for Terengganu Inc, highlighting the potential of our strategic business plans to drive significant progress in the coming years. Our unwavering commitment to continuous improvement positions us to enter each fiscal year with confidence.

Terengganu Inc Group has bolstered its ranks with seasoned professionals, enhancing our capabilities and expertise. This performance-driven corporate culture supports growth, productivity, and profitability, positioning us far ahead compared to a decade ago.

Here, our core mission remains to contribute to the development of the state of Terengganu and empower its Rakyat with a sustainable future. As we transition into 2024, our focus is on advancing six key strategies and initiatives, ensuring their relevance and success in an increasingly dynamic environment.









Way Forward Plan

Following the realignment, restructuring our investment portfolio will streamline operations and identify opportunities to maximise capital gains and returns. Simplifying our investment framework will enhance its agility and responsiveness to market dynamics, enabling us to better leverage our assets and elevate overall financial performance.

Diversifying our income streams is essential to significantly boost our company's earnings and reserves. This strategy is designed to secure returns from both new and existing sources, reducing reliance on any single revenue stream. By exploring innovative opportunities, we aim to strengthen our financial foundation and drive sustainable growth.

We believe that enhancing performance management is critical to improving operational effectiveness and achieving optimal income levels. We will implement robust performance metrics and continuous improvement practices to ensure alignment with our strategic goals.

Parallel to these initiatives, cost optimisation remains a key focus. With enforced stringent cost-containment measures and eliminating unnecessary expenses, we aim to maximise realisable income and returns. This disciplined approach will fortify our financial health and support sustainable growth.

Finally, expanding our presence into emerging industries such as green technology and agribusiness will allow us to capitalise on new growth opportunities. Investing in these forward-looking sectors aligns with global sustainability trends and will secure a competitive edge, driving long-term value creation.

Way Forward Plan

- ① Revamp Investment Portfolio
- ② Restructure Investment Cluster
- ③ Diversify Income Streams
- ④ Enhance Performance Management
- ⑤ Optimise Costs
- ⑥ Expand Presence Emerging Industries



TERENGGANU INC

Pioneering

Sustainable Solutions

for Future Generations of Terengganu



Integrated Report 2023



TERENGGANU INC

Terengganu Incorporated Sdn Bhd
200601005493 (725242-P)

Wisma TI, Chendering,
21080 Kuala Terengganu,
Terengganu, Malaysia

Tel: 09-617 7771

Fax: 09-617 7772

Email: info@terengganu-inc.com