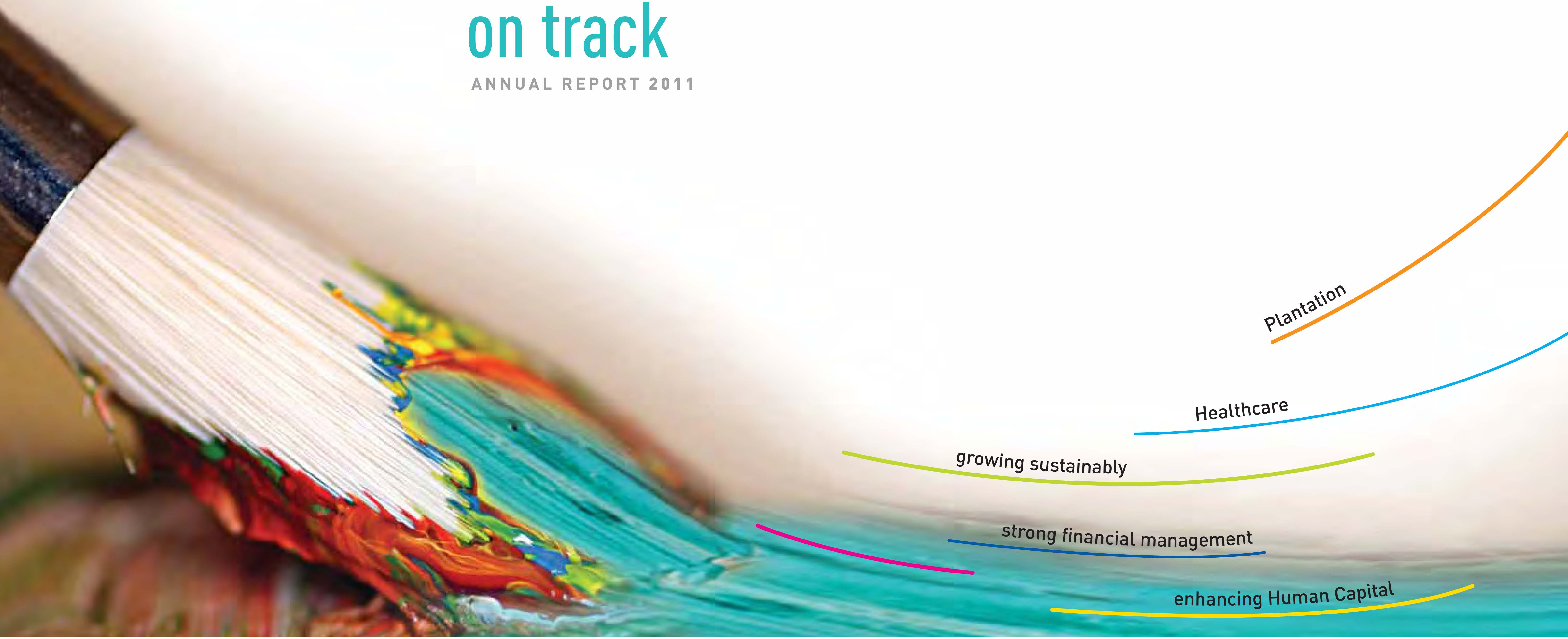
TDM BERHAD (6265-P)

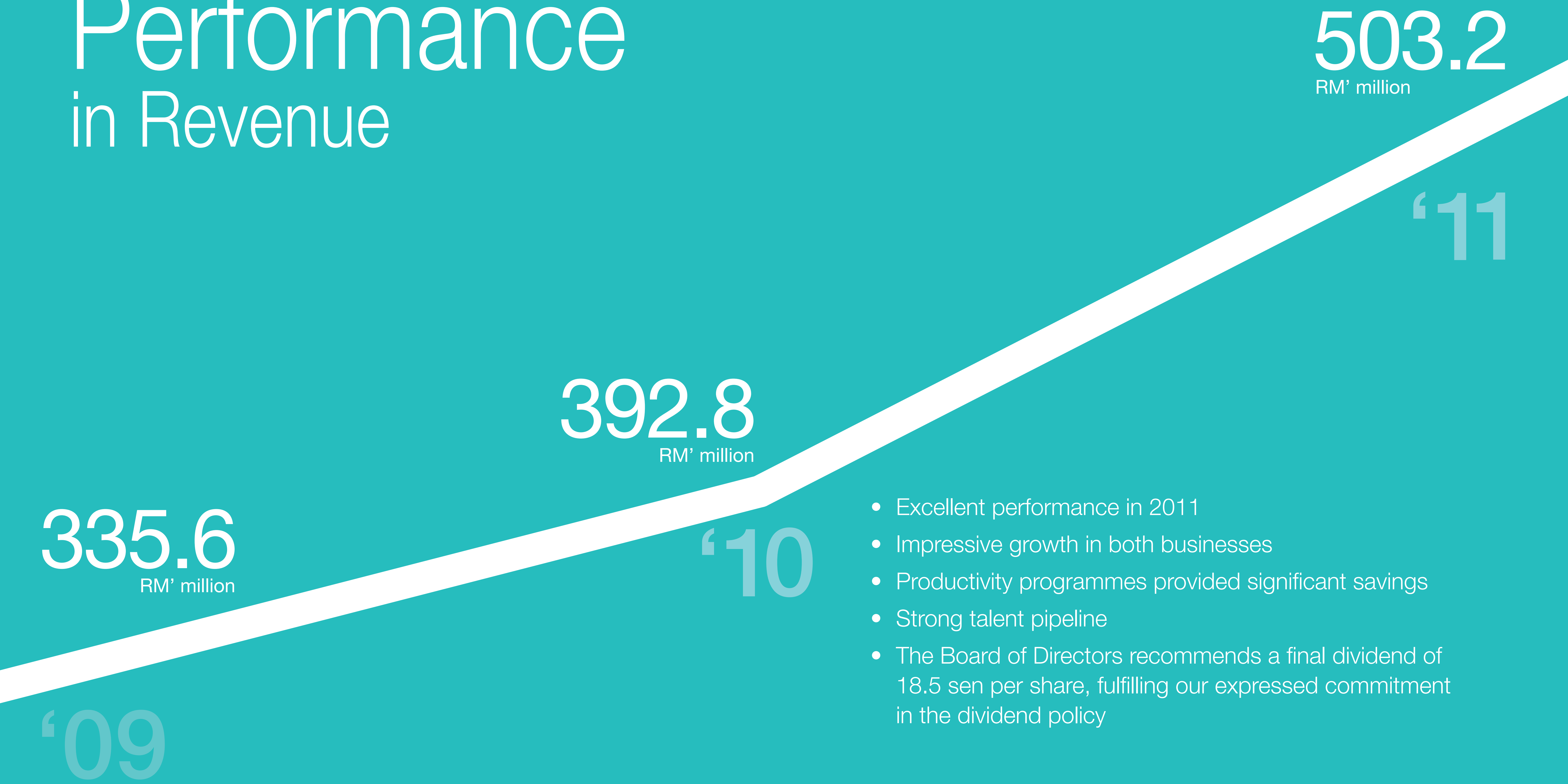
Like an artistic stroke to create a lasting impression, TDM is on track in creating a sustainable landscape through the strategic plans in its Plantation and Healthcare businesses.

progressing on track

ANNUAL REPORT 2011



Strong Performance in Revenue



- Excellent performance in 2011
- Impressive growth in both businesses
- Productivity programmes provided significant savings
- Strong talent pipeline
- The Board of Directors recommends a final dividend of 18.5 sen per share, fulfilling our expressed commitment in the dividend policy

Inside

Dear shareholders,

TDM Berhad achieved its best ever performance during financial year 2011 with record-breaking revenue and profit. Our success is unprecedented in the history of the Company and surpasses all expectations.

Chairman's Statement

A remarkable performance and a new benchmark for continuous growth

Our focussed business strategy, excellence in operational efficiency and the outstanding contributions from our Management Team and staff have driven us to greater success in 2011.

We also wish to acknowledge you, our shareholders. Your unwavering support throughout the years since 2004 has been a source of inspiration for us on the Board. Your vote of confidence has been a key factor in the Group's eight-year track record of continuous success, which has now culminated with a record-breaking year.

On behalf of the Board of Directors, I hereby present to you TDM Berhad's 2011 Annual Report which gives you an account of your Company's performance during the financial year.

Financial Highlights

Following are the Group's financial highlights during the year under review:

- Group revenue grew by 28% from RM392.8 million to RM503.2 million
- Pre-tax profit rose by 65% from RM130.2 million to RM214.9 million
- Earnings per share increased by 60% to 66.3 sen
- Healthy net cash generated from operating activities reached RM173.6 million
- Net assets per share stood at RM4.93
- TDM's cash and bank balance stands at a record high of RM224.5 million

60%
Earnings per share

59%
Dividends per share

Dividend

Based on TDM's strong performance during the financial year, the Board has agreed to a final dividend amounting to 18.5 sen per share, bringing the total dividend payout for the financial year ended 31 December 2011 to 21.5 sen.

This is our highest ever payout to shareholders and is in line with our Dividend Policy, which is to pay out at least 30% of our consolidated annual net profit after tax and minority interest to shareholders.

The Board is in agreement that this dividend payout commensurates with the Group's robust performance in 2011 and provides fair reward to shareholders for their commitment and support to TDM.

Progressing on Track

Our record-breaking performance and eight-year growth track record reflects strongly on the tangible progress we have made and will continue to do so moving forward.

We are focussed and excellent in our chosen field of operations; that is the oil palm plantation and milling segment of the palm oil industry and the no-frills, secondary care, community hospital segment.

This is proven by the many productivity records we have set in both our business operations such as record production for Fresh Fruit Bunch (FFB), Crude Palm Oil (CPO) and Palm Kernel (PK). Our healthcare division also treated the highest number of patients in its history, which resulted in record revenue for its operations.

There were also many other notable milestones in 2011. Details of which are given in the CEO's Statement.

Outlook for 2012

Indeed, TDM is well poised to achieve new heights of success. Our future is bright. The palm oil and healthcare industry offers ample growth opportunities. We are well poised to tap these opportunities based on our current healthy financial position and solid business operations.

We will not rest on the successes of a record-breaking year but continue to improve our capability and capacity going forward. Our aim is that our unprecedented performance will be the first of many to come as we pursue better and sustainable returns for the Group.

We will continue to make progress as we move forward reflecting on our record breaking performance and continuous growth track record.

We are also committed to generating this growth and value in a manner that benefits all stakeholders including the environment and the communities whose lives we have an impact on. This is in line with our 3P philosophy of People, Planet and Profit, where our activities as a business entity must be in harmony with all three elements to provide returns that are truly sustainable.

As always, we will continue to look after your interest as shareholders and strive to provide the best possible returns for you.

Appreciation

On behalf of the Board, I would like to express our sincere appreciation to you, our shareholders, for your continued confidence and support and our employees for their unwavering commitment and professionalism during the year under review. I also take this opportunity to congratulate Encik Badrul Hisham Mahari, the TDM Berhad CEO for his excellent stewardship and the Management team who have helmed the Group to another year of strong results and growth.

Datuk Haji Roslan Bin Awang Chik
Chairman

Financial Year (FY) 2011 was truly an exceptional year where TDM achieved record production, record revenue and record profit. This unprecedented performance was driven by our internal strengths and is the result of the transformation programme we had begun in 2004. It is the fruit of pursuing the correct business strategy and realising operational excellence.

I am pleased to give you – our shareholders – a detailed account of TDM's record-breaking performance in 2011.

CEO's Review

Innovation has enabled us to achieve incremental and transformational progress while realising our 3P Philosophy of People, Planet and Profit.

Financial Review

For the year ended 31 December, 2011, group revenue was registered at RM503.2 million. This is an increase of 28% from 2010's RM392.8 million. Profit before tax (PBT) stood at RM214.9 million, having grown by a significant 65% from the previous financial year's RM130.2 million.

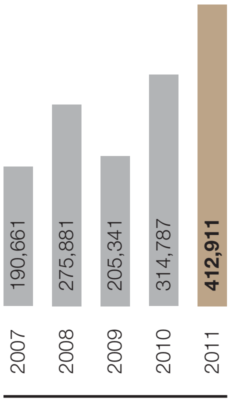
Earnings per share (EPS) improved by 60%, while per-share book value increased by 53%. Since the rationalisation of TDM's core businesses and rehabilitation of operations in 2004, EPS has grown from 6.9 sen to a record 66.3 sen, while per-share book value has improved from RM2.00 to a historic high of RM4.93.

I am also pleased to share with you another significant milestone in 2011. At the Company level; we are now registering retained earnings of RM9.3 million from accumulated losses before this. As at 31 December 2003, the accumulated losses of TDM Berhad stood at RM64.1 million.

Nett cash generated from operating activities stood at RM173.6 million, again a record high for the Group. This is an increase of RM32.1 million or 23% from the previous financial year. The stronger earnings and cash position has enabled TDM to increase its returns to shareholders and invest in its future growth.

Our robust financial performance is derived from our two core businesses, our plantation and healthcare operations. In maintaining our focus on these two segments, we disposed the last of our divestment targets with the sale of TD Poultry Sdn Bhd for RM4 million on 20 October 2011.

The disposal was executed so that the Group could better focus on its core plantation and healthcare businesses specifically, the oil palm plantation and milling segment of the palm oil industry; and the no-frills, secondary care, community hospital segment. These are the areas we are most suited to excel as proven by our results in 2011 as well as our track record of growth and profitability over the past six years.



Revenue
- Plantation Division
(RM'000)

Business Review: Plantation Division

In 2011, global palm oil revenue reached RM80 billion from the previous year's RM59.8 billion – an increase of 34%. World palm and palm kernel oil production reached 50,180 and 5,627 million tonnes respectively, comprising 57% and 39% of the world's 17 Oils & Fats exports.

In tandem with the global developments, Malaysian palm oil exports also saw an upside, spurred by higher prices and strong international demand in particular from Asia and Africa. At an average crude palm oil (CPO) price of RM3,100 per tonne, Malaysia produced 18,911,52 tonnes of CPO in 2011 – 11.1% more than the previous year, maintaining its position as one of the world's largest palm oil exporters.

A Bountiful Harvest for TDM

Our plantation division registered its best ever revenue and profit performance in 2011. Turnover and pre-tax profit for the financial year was RM412.9 million and RM204.0 million respectively. This is a growth of 31% for revenue and 71% for profit when compared to the previous year.

TDM Plantation also registered its highest ever production of Fresh Fruit Bunches (FFB) with more than 625,765 metric tonnes (mt) and FFB yield recorded at 19.44 mt/ha. This is a considerable improvement over 2010's FFB production and yield which was registered at 550,625mt and 17.00 mt/ha respectively. The figures above reflect an improvement of 14% in production and yield since we initiated our plantation rehabilitation programme.

The mill operation oil extraction rate (OER) decreased marginally to 19.58, compared to 2010's OER of 20.00 mainly due to the El Nino climate effect.

Continuous Improvement through Good Management

Improving efficiency and productivity of our supply chain has led to better results for TDM Plantation.

Since 2004, we have initiated a rehabilitation programme based on good agricultural practices (GAP). This programme was intensified during the year under review.

Under our palm rehabilitation programme, every stage of the planting and production process was given the utmost consideration and importance. From ensuring adequate nutrition to adopting agronomic practices, every step was executed with due care so that optimum results may be obtained.

Improving performance through better yields and expansion

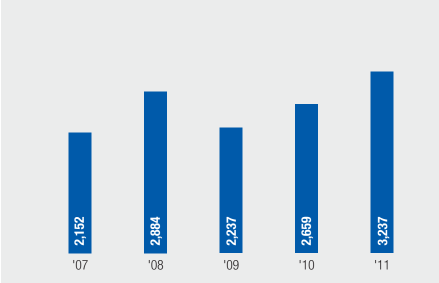
Improving efficiency and productivity of our supply chain has led to better results

Aside from our rehabilitation programme, the Group also invested in its operations through other means. To date, the Group has spent RM166 million to improve existing infrastructure with roads, bridges and drainages being refurbished and new ones built. The division also beefed up its fleet of vehicles, adopted more mechanised collection methods and ensured the evacuation process was executed with the highest efficiency so that every bunch and loose fruit is delivered to the mills for processing.

These measures were necessary considering the many constraints we faced such as third class soil which is highly marginal for oil palm, undulating terrain and the monsoon weather conditions. We did not let these challenges deter our operations, but continued to find ways to improve on our performance.

Planted Area and Age Profile

As at 31 December 2011, the total Group's planted oil palm land stood at 39,033 hectares. Eighty-three percent or 32,459 hectares is in Terengganu, Malaysia with the remaining planted 6,575 hectares situated in Kabupaten Melawi, West Kalimantan, Indonesia. This includes the 3,574 hectares which were planted in Indonesia in 2011.



Crude palm oil average selling prices (RM/mt)

At present, the total mature planted area of our plantations stand at 32,194 hectares which accounts for 83% of our total planted area from both Malaysia and Indonesia. Following are further details of the Group's oil palm age profile as well as landbank:

Group's oil palm age profile:

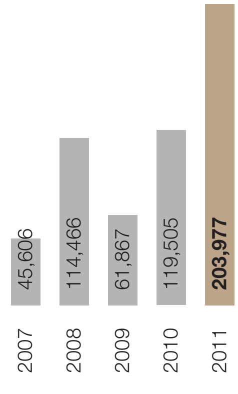
	Hectares	%
Malaysia		
0 - 3 years	265	0.81
4-10 years	3,467	10.68
11-15 years	12,457	38.38
16-20 years	11,259	34.69
21-25 years	4,539	13.98
> 26 years	473	1.45
TOTAL	**32,459**	**100.00**
Indonesia		
0-3 years	6,575	100.00
TOTAL	**6,575**	**100.00**

Group's land bank in Indonesia:

Kabupaten Melawi	Hectares
HGU*	18,008
Balance IUP** excluded HGU	18,767
Total	**36,775**

*HGU – Hak Guna Usaha

**IUP – Ijin Usaha Perkebunan



Pre-tax Profit - Plantation Division

(RM'000)



Sustainable Practices

Launch of first bio-composting plant

In March 2011, the Plantation Division launched its first bio-composting plant in Sungai Tong, Terengganu. The plant converts empty fruit bunches (EFB) and palm oil mill effluent (POME) into bio-organic fertiliser for use in our estates. At present, the mill can produce up to 19,200mt of fertiliser. This is a significant advantage considering the high prices of chemical fertiliser.

The plant enables TDM to reduce our dependency on chemical fertiliser. This will help us save on fertiliser costs and manage waste in a more sustainable manner. The plant is fully compliant with the Roundtable for Sustainable Palm Oil (RSPO) requirements which brings us a step closer to qualifying for the said certification.

We plan to build an additional bio-organic mill in Kemaman, Terengganu in 2012. With this new plant, we are expecting to produce up to 24,000mt of fertiliser. This would be sufficient for our internal consumption, further reducing our fertiliser and production costs.

To date, we have completed upgrading works on the two boilers for our conventional 30-year old mill at a cost of RM17 million. The mill continues to be productive, but granted its advanced age profile, requires periodic maintenance. In 2012, we aim to replace the sterilisers at a total cost of RM6 million.

Code of Good Agricultural Practices for Palm Oil Estates Certificate and Code of Good Milling Practice Certificate

In December 2011, our 12 estates and oil mills received the Code of Good Agricultural Practices for Palm Oil Estates (CoGAP) certificate and the Code of Good Milling Practice Certificate respectively from the Malaysian Palm Oil Board (MPOB). The certification states that all aspects of TDM Plantation's operations which include our nurseries, estates and mills are sustainable and environmentally friendly in line with best practices espoused by MPOB.

The award also certifies TDM as a plantation company that complies with the food safety and quality requirements of importers with full traceability in our supply chain.

Commitment to RSPO

We are progressing well towards achieving RSPO certification. With our CoGAP certificate, close to 60% of the RSPO requirements have been effectively met. In particular, our southern division estates are making good progress.

We have already completed the Social Impact Assessment (SIA), Bio-diversity Assessment (BioD) and have identified areas for improvement. We are addressing these requirements accordingly.

We look forward to the actual audit by a certified external auditor in June 2012 for our southern division and we are confident of achieving the RSPO certification.

Outlook for the Plantation Industry and TDM Plantation

The year 2012 promises to be an exciting year for the oil palm industry. Global demand for CPO and edible oils is expected to increase with Brazil, Russia, India and China fuelling this growth.

Coupled with the growing population, the weakening US dollar and rising Brent crude oil prices, 2012 augurs well for the industry going forward. Prices are likely to remain firm on rising geo-political tension in the Middle East and as uncertain weather conditions boost soybean oil prices. The government has also acknowledged that the oil palm industry is one of the most heavily taxed in the country and is unlikely to impose further taxation in 2012.

The introduction of B5 biodiesel blend at petrol stations in West Malaysia will help to spur palm oil demand and prices. The B5 blend consists of 95% regular petroleum based diesel and five percent biodiesel.

MPOB has estimated palm oil output to rise by another 2% to 19.33 million tonnes as more trees mature and bear more fruit bunches. Malaysia's fresh fruit bunches yield and oil extraction rates (OER) should increase, given the more matured areas coming in from the replanting done in 2009.

While the external environment presents an optimistic scenario, TDM Plantation must now tap the opportunities available.

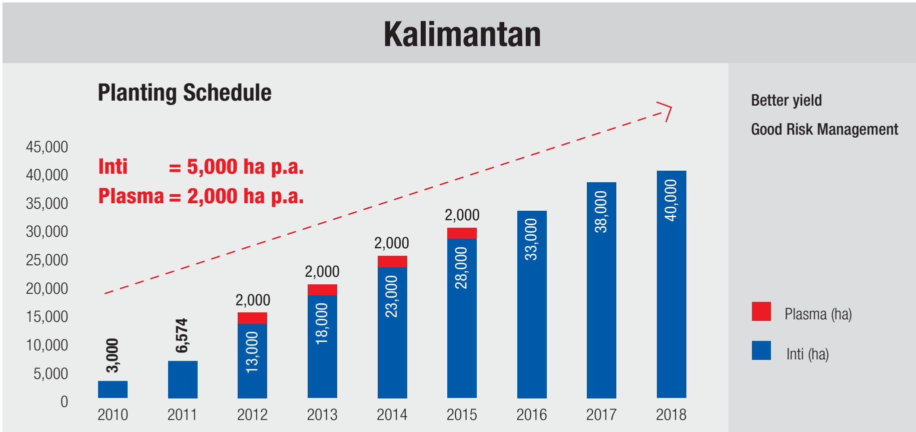
We plan to further improve the productivity, yield and efficiency of our operations, while reducing production cost. We will continue to enhance estate management practices, upgrade our facilities and adopt best practices in plantation management.

We aim to expand our current 32,000 hectares to 100,000 hectares over the next few years. Achieving such land size will give us the critical mass to grow into a major player in the plantation industry.

While we focus internally, TDM Plantation will look to acquire matured plantations provided they offer the right mix of present value and future potential. We will also strive to further increase our yield while reducing production cost to fall below RM1,100/mt CPO. This will be a challenge, but considering that we have reduced our cost significantly over the past eight years, we believe it is possible, if not by this year, within the next two to three years.

TDM Plantation will further enhance its harvesting and evacuation processes with the use of new ideas and methods. Specifically, we wish to improve in the areas of loose fruit collection, field upkeep and management and FFB harvesting. We will also focus on integrated pest management techniques – combining existing measures with new practices. This would consist of using natural predators, beneficial plants, bio pesticides and other methods.

We are aware of the rising fertiliser prices and will take steps to address this challenge. Aside from increasing our internal production via our bio-organic plants, we will also look at strategies in procurement of fertiliser stocks in anticipation of price increases.



Prospects for the Future – Malaysian & Indonesian Plantation Operations

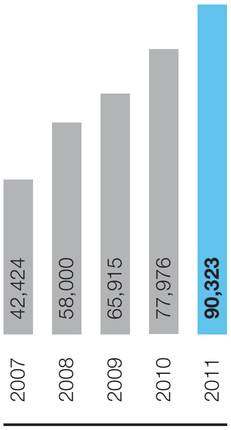
In 2012, we plan to replant 1,623 hectares of aged and lower yielding oil palms. The replanting will be done in accordance to industry best practices. The replanting will ensure sustainable yield and production of palm oil for TDM Plantation.

In Indonesia, we aim to plant 7,000 hectares annually, comprising of 5,000 hectares and 2,000 hectares of INTI and Plasma respectively. Planting activities is expected to commence in the second half of 2012. We also plan to acquire additional 30,000 hectares in the coming years.

INTI refers to the development of our own plantation whilst PLASMA is the cultivation of plantation land for the local community. In Indonesia, it is mandatory to cultivate PLASMA in tandem with INTI as per the agreed ratio of 80:20 with the local stakeholders. This effectively means that for every eight hectares of INTI developed by TDM, we will also develop two hectares of PLASMA. The cost of developing the latter will be borne by the community cooperative with TDM managing the plantation on the cooperative's behalf.

Again, this is line with our corporate social policy (CSR) policy that aspires to deliver tangible benefits to local communities where we maintain a business presence. Our holdings in Indonesia are an integral part of our expansion plans. Kalimantan with its better quality soil, terrain and microclimate offers exciting prospects for the future. We are looking to tap this potential in 2012 and beyond.

The year 2012 will also see the commencement of planning and design for our first mill in Indonesia. It will be state-of-the-art, featuring advanced technology and the latest equipment available in the industry today. The plant will naturally be environmentally friendly and will produce 90 tonnes of FFB per day. The new plant is expected to cost RM70 million and is a positive investment in boosting the Group's FFB production capacity.



Revenue
- Healthcare Division
(RM'000)

Business Review: Healthcare Division

The healthcare division also posted a year of record growth in revenue. Revenue stood at RM90.3 million, an improvement of 16% from the previous year. This was achieved on the back of increased number of patients treated at our hospitals.

Since 2007, the healthcare division on average has been recording a commendable 19% increase in the number of patients. Correspondingly, revenue has increased by an average of RM12 million consecutively.

Our brand of no-frills, quality secondary hospital-medical care has enabled us to develop a unique niche for TDM in a competitive industry. There is certainly growing awareness and appeal among customers of TDM's hospitals. More people are realising the value we provide which is affordable, quality healthcare within easy accessibility of the community.

Our hospitals are equipped with the latest equipment and medical technology, manned by highly skilled medical personnel. We also provide excellent customer service and comfort. Progressively, the communities we serve are realising this and are choosing our hospitals in Kuala Terengganu, Kuantan, Kelana Jaya and Taman Desa, Kuala Lumpur as their preferred healthcare provider.

Highlights in 2011

During the year under review, we acquired TDMC Hospital Sdn Bhd (TDMC) for a consideration of RM16.5 million. The acquisition will increase our exposure in the Klang Valley which is known for its affluent market and strong demand for quality healthcare services. TDMC will complement our existing services in Kelana Jaya Medical Centre (KJMC) in the Klang Valley. We look forward to it contributing positively to the Group's earnings in the future.

The construction work on our 150-bed Kuantan Medical Centre (KMC) in Indera Mahkota, Pahang is progressing well on track with completion expected in 2013. Upon completion, the new facility will have a 12-bed intensive care unit (ICU) and five operating theatres. It will enable us to better serve the needs of the local community to further tap the growing Kuantan market.

2012 and Beyond

For the year 2012 and the near future, we will continue to operate within the 100-150 bed hospital size as it has proven to be a successful model for us. Our goal is to focus on this niche market and provide the best possible customer service and satisfaction – to provide improved access to healthcare for the community that is affordable and convenient. We will improve our competency in our chosen market positioning.

We continuously improve our capabilities and capacity

Our unique no frills healthcare services is fast becoming a strong brand

We will also look to expand our footprint into new markets by acquiring existing assets in new locations. We will also constantly enhance our existing facilities. Plans are in progress to renovate TDMC's physical structure and to purchase new equipment for the hospital. This will enable us to better serve our patients and improve our overall service delivery.

Our ultimate goal is to be the No.1 healthcare provider in the East Coast region, providing excellent quality yet affordable, healthcare services in the communities we operate in.

The new 130-bed Kuala Terengganu Specialist (KTS) Hospital will help us realise this objective.

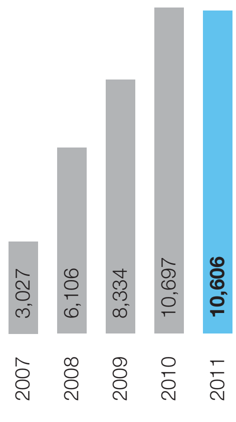
The new KTS Hospital will be built on a 5.79 acre land parcel purchased from the Terengganu State government and will ultimately replace the existing KTS facility which is operating at near or maximum capacity.

The new state-of-the-art facility will become Kuala Terengganu's flagship specialist hospital and will provide comprehensive medical care such as more advanced facilities, accommodate more in-patients, operate more specialist clinics and provide other in-demand healthcare services.

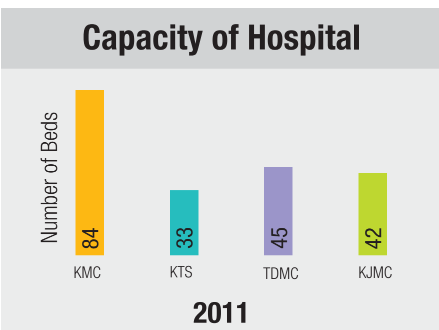
The hospital will offer five operating theatres, a 12-bedded ICU and 1½ storey car park with 281 parking bays. Construction is expected to start immediately after the lease documents are signed with the landowner, Tabung Amanah Warisan Negeri Terengganu. Completion is expected in 24 months.

Further reflecting our commitment to providing the best possible quality of healthcare, we will be looking to obtain Joint Commission International (JCI) accreditation for our KMC and KTS hospitals. JCI is an internationally recognised quality standard required for hospitals in North America and Europe.

With JCI accreditation, we will boost our credentials as a quality healthcare provider while instilling further confidence among customers.



Pre-tax Profit - Healthcare Division
(RM'000)



Innovations

TDM constantly seeks to re-invent its competencies so that it can continue to compete effectively and enhance its market positioning. We believe innovation is the key to realising this objective.

Over the years, innovation has enabled us to achieve incremental and transformational progress while realising our 3P Philosophy of People, Planet and Profit. We now have a healthy adaptation rate from incremental and transformational innovation within the company.

During the year under review, the Annual Innovation Sharing Conference for Managers saw several new ideas coming to the fore. Many of these ideas have been adopted across our operations. These include:

- The recyclable polybag and the biodegradable bag, which ensures that each palm receives the correct quantity of nutrients from manuring activities. The bags can be reused and are recyclable. It increases productivity and makes the transfer of fertiliser easier. Other innovations for the year consisted of netting, back-tagging and many more.

Innovation from previous years continued to be featured prominently during the year under review:

- Barn owls prove to be effective in controlling the rat population. TDM Plantation maintains breeding boxes to attract owls of the "Tyto Alba" species. These owls feed on the rat population, thereby providing a natural solution to the pest problem.
- Buffalos were employed for harvesting. Essentially, we use carts pulled by buffaloes to collect fruits in hilly terrain, near river embankments and other areas where mechanised vehicles were unsuitable. The buffalo technique is cost effective, easy to operate and practical. It has improved our collection rate.
- The use of Mucuna Bracteata and other legume cover crops to provide effective ground cover with lower cost was also continued in 2011.

Commitment to Shareholders' Wealth

Since its first dividend payment in 2007, TDM has maintained a healthy payout to shareholders. With our improving performance, we are confident of maintaining this trend in the future.

However, we are mindful of the need for balance between providing healthy dividend income to shareholders and ensuring that future capital requirements are adequately met, while remaining financially healthy.

Based on TDM's strong earnings generation capacity and its low risk balance sheet profile, the Group is well-positioned to achieve this balance between ensuring fair value and returns for shareholders without impeding growth strategies.

Commitment to Corporate Social Responsibility (CSR)

Corporate social responsibility or CSR underpins the responsible and sustainable delivery of our key business drivers and, as such, is an integral part of achieving our overall strategy. Guided by our 3Ps Philosophy: People, Planet and Profit, the integration of CSR across the Group and the inclusion of broader social and environmental issues into our decision making will help us achieve our business goals, maintain TDM's as an employer of choice while benefitting the communities in which we operate in.

You may refer to the CSR section of this Report for a full list of related initiatives undertaken in 2011.

Appreciation

It is not possible to review the financial year without mentioning key stakeholders who have contributed to our performance. This includes our management, staff, customers, business partners, shareholders and others.

On behalf of Senior Management, I wish to thank the Board of Directors for their guidance and support, our staff and all of you for your contributions and confidence in what has been a positive year for the Group. We look forward to 2012 being an equally positive, if not a better year and trust that you will continue to support us as we go forward to greater heights.

Badrul Hisham bin Mahari
Chief Executive Officer

TDM Group Strategy

TDM's record-breaking results are due to three unique elements which have propelled us to deliver continuous improvement since 2004 and unprecedented success in 2011.

These are implementation of the correct Group Strategy, a focus on operational excellence and the adoption of our 3P Philosophy of People, Planet and Profit. The 3P provides the bedrock upon which the TDM business is built upon.

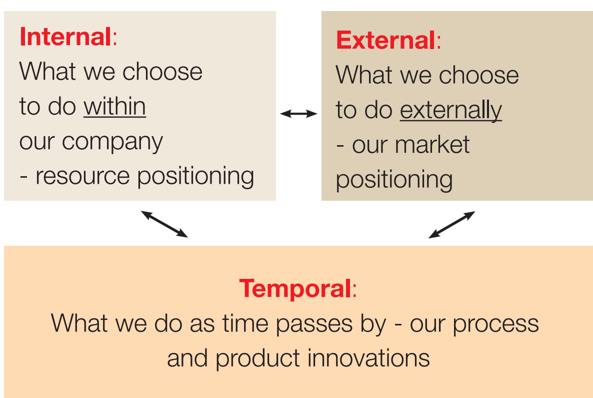
The combination of these three elements has progressively transformed TDM into a successful plantation and healthcare player.

Embarking on a Brave Transformation Journey

In 2004, TDM began its transformation journey with a single purpose: to become an organisation that delivers sustainable, long term profits and optimal returns to shareholders.

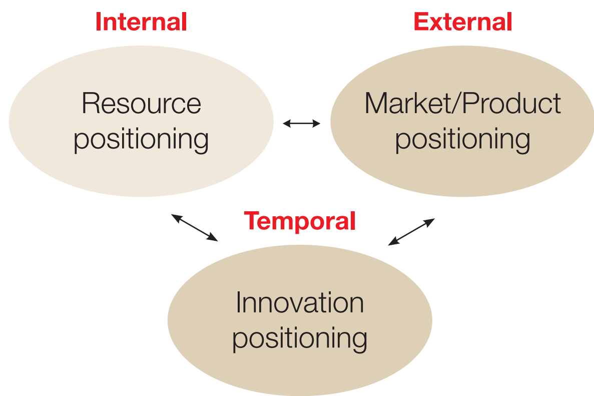
Operational excellence was identified as a key goal for the company. As part of this process, the Management proactively steered what TDM would be and what it would not; what it will choose to do and what it would not do as a corporate entity, internally and externally as well reinventing itself for the future.

3 locus of strategy



TDM's Core Strategic Locus

Aligning the 3 factors



Focussed Market Positioning

In 2004, the Group made several pivotal decisions.

We decided to concentrate only in the palm oil industry and healthcare industries. Other businesses were either divested or terminated. In the palm oil industry, we would only focus on upstream activities.

Similarly for our healthcare operations, we decided to be a secondary care community hospital operator. Therefore, we aligned our operations to provide the surrounding communities with access to quality yet affordable healthcare.

Optimising Our Resource Positioning

With our market positioning defined, we looked to align our existing resources. Our resource positioning, be it tangible or intangible was carefully developed to support our chosen market positioning in the plantation and healthcare sectors. Resources that supported our businesses were retained and where needed, we acquired new resources. Resources that did not meet our requirements were disposed off.

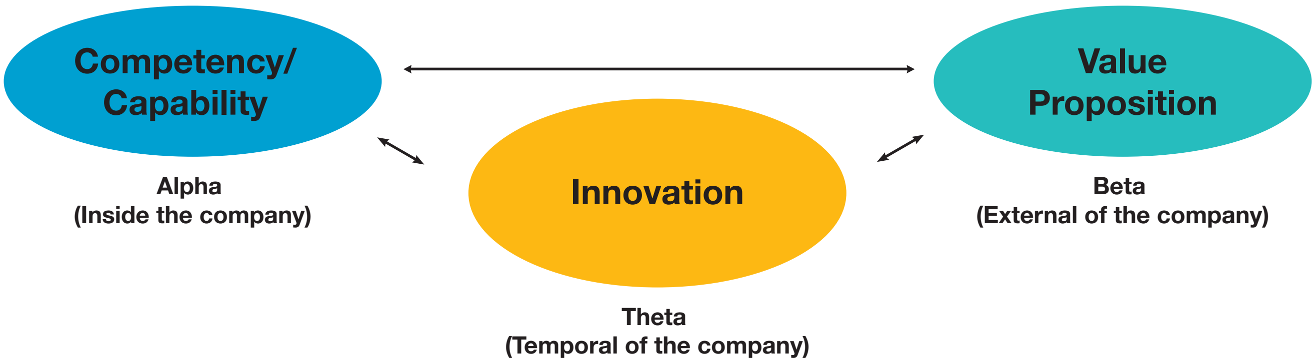
Harnessing Innovation

As time progresses, we continued to improve the fit of our competencies (resource positioning) with our value proposition (market positioning). We achieved this through innovation: new ideas, processes and systems, as well as organisational creativity. Innovation was embedded as part of the company culture, becoming a way of life for us all.

We termed this process as reinventing our company, to accommodate changes in the market place.

Over the years, innovation has enabled us to achieve incremental and transformational progress whilst at the same time, realising our 3P Philosophy. Innovation has brought the TDM Group to new levels of excellence – enhancing our competency, positioning us for greater achievement and enabling us to build a better company.

Relationship of Resource Positioning, Market Positioning & Innovation



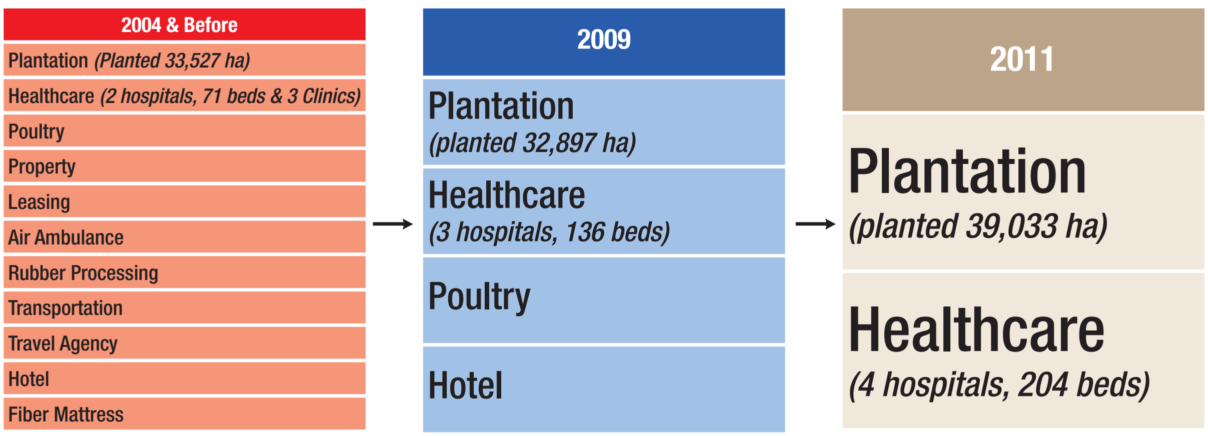
Overtime, this interactions will give TDM **a distinct differentiation that cannot be copied**.
Hence, a real strategy is achieved

The Tangible Progress

With only our plantation and healthcare operations, the Group could maximise the available resources to optimise results. We focused on growing these core businesses through lateral expansion and avoided participating in unrelated activities.

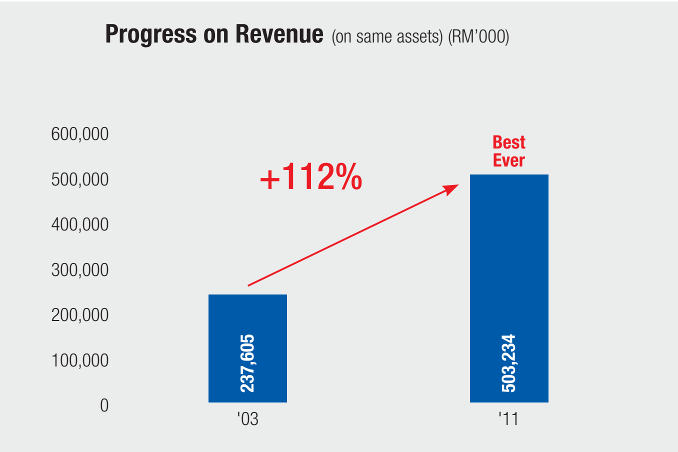
Several years later, our approach has proven to be sound. TDM has been consistently improving on its performance ultimately leading to record-breaking results in Financial Year (FY) 2011.

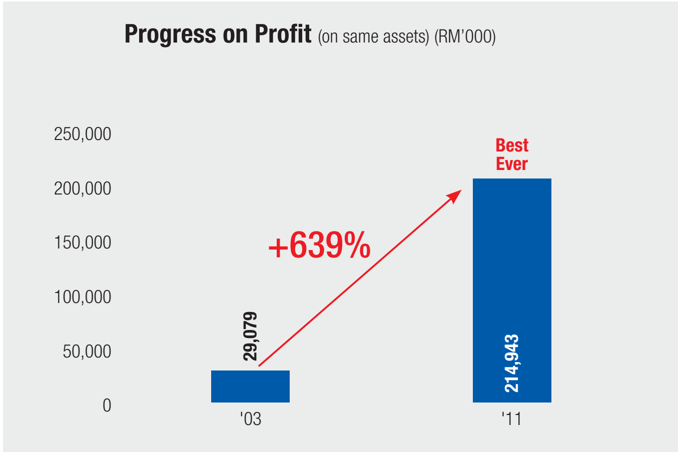
Streamlining of TDM Portfolio



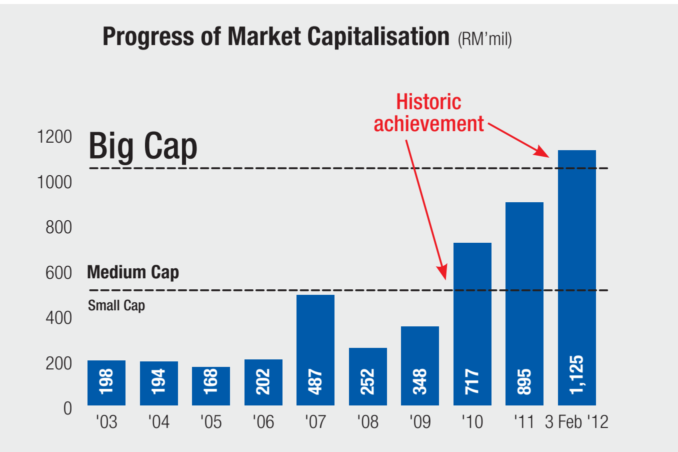
Progressively improving capability & capacity of the core business (strategic)

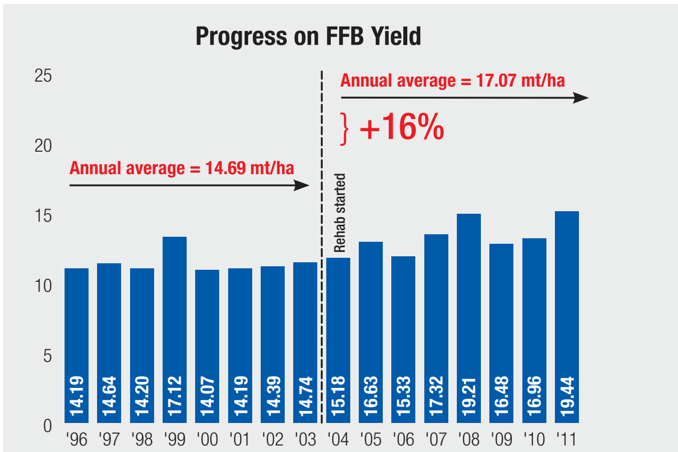
Tangible Progress for the Group

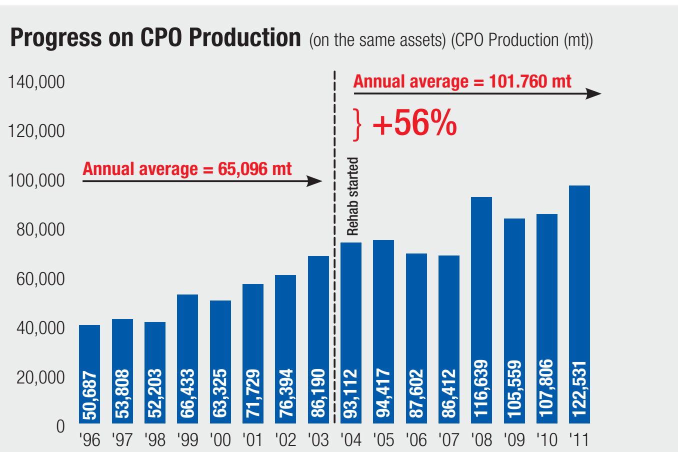


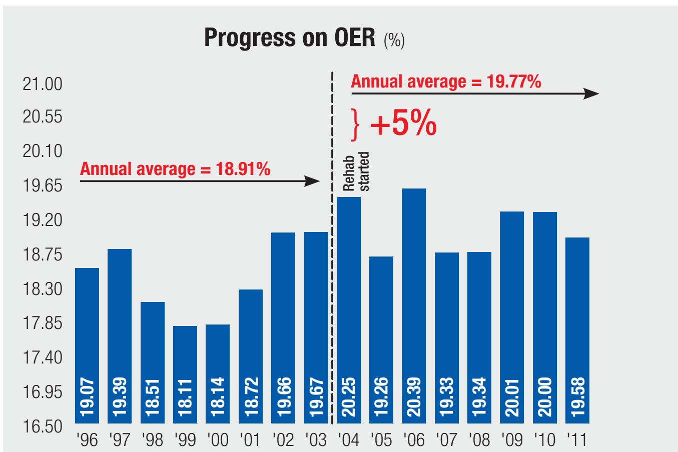


Tangible Progress for the Plantation Division

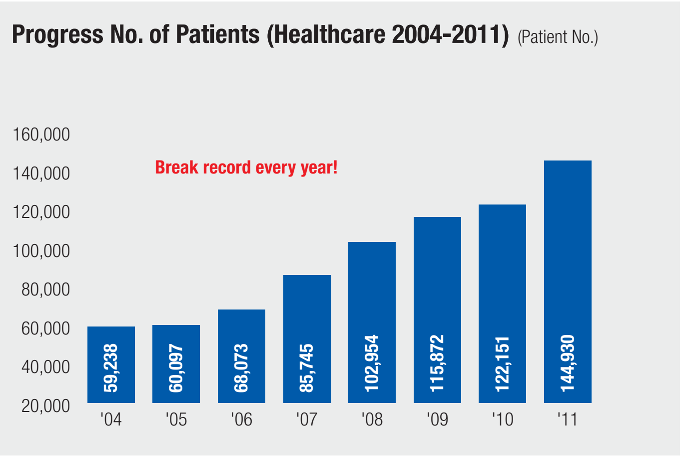


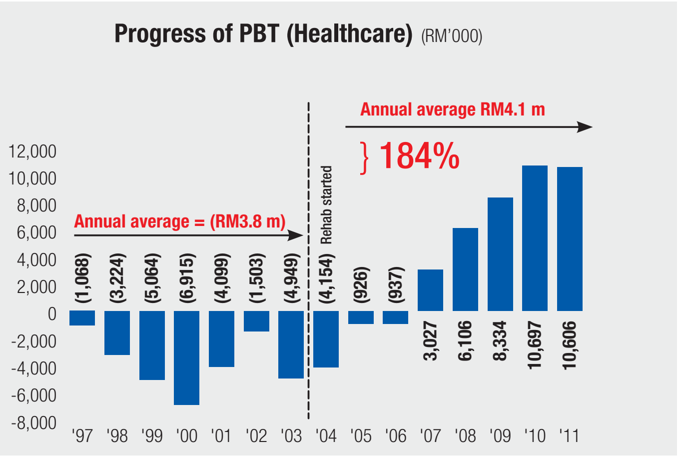






Tangible Progress in the Healthcare Division



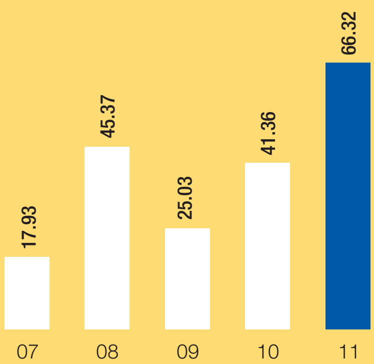


These results and others prove the effectiveness of our business strategy. Our deliberate focus on choosing to operate in our selective market positioning of the plantation and healthcare industry has proven to be the correct strategy for the Group. The constant fine-tuning of our resource positioning – our internal resources, be it tangible or intangible - to suit our value proposition has enabled us to support our business direction effectively.

Last but not least, TDM is able to optimise profit with the resources we have on a sustainable basis, while delivering strong returns to shareholders.

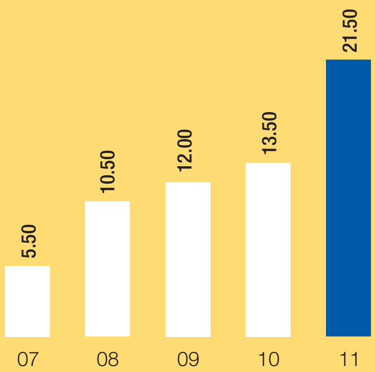
Financial Highlights

Strong Performance



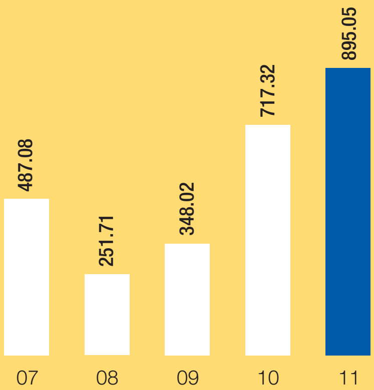
Earnings per Share (sen)

Attractive Growth in Dividend Payments



Net Dividends per Share (sen)

Improved Share Value



Market Capitalization (RM' million)

INCOME STATEMENT	**2007**	**2008**	**2009**	**2010**	**2011**
Revenue (RM'000)	267,127	405,064	335,593	392,763	**503,234**
Pre-tax profit (RM'000)	59,944	140,686	77,487	130,233	**214,943**
Profit after tax (RM'000)	40,210	100,300	55,947	94,544	**158,553**
STATEMENT OF FINANCIAL POSITION					
Total assets (RM'000)	790,966	861,362	838,660	928,562	**1,449,060**
Total liabilities (RM'000)	274,378	247,616	190,792	201,483	**274,453**
Shareholders' equity (RM'000)	500,735	597,965	631,027	708,860	**1,149,739**
Total equity (RM'000)	516,588	613,746	647,868	727,079	**1,174,607**
KEY FINANCIAL INDICATORS					
Pre-tax profit margin (%)	22.44	34.73	23.09	33.16	**42.17**
Return on average shareholders' equity (%)	8.16	18.26	9.10	14.11	**17.07**
Earnings per share (sen)	17.93	45.37	25.03	41.36	**66.32**
Net assets per share (RM)	2.40	2.80	2.96	3.22	**4.93**
Net dividends per share (sen)	5.50	10.50	12.00	13.50	**21.50***
Gearing ratio (times)	0.03	0.01	0.01	0.01	**0.01**
Current ratio (times)	0.94	1.18	1.39	1.65	**1.85**
Price to earning ratio (times)	12.60	2.53	6.35	7.66	**5.64**
Price to book ratio (times)	0.95	0.42	0.55	1.00	**0.76**

* Subject to approval of shareholders at 47th Annual General Meeting

↑ 28%

Revenue

FINANCIAL PERFORMANCE

- Record CPO production and strong CPO prices propelled TDM to register record revenue and pre-tax profit in 2011.
- Plantation division's revenue and pre-tax profit increased by 31% and 71% respectively.
- Healthcare division registered 16% increase in revenue to RM90.3 million from RM78.0 million in the previous year.

↑ 65%

Pre-tax Profit

FINANCIAL POSITION

- Healthy balance sheet with cash and bank balance of RM225 million and almost zero gearing.
- Net assets per share has jumped 53% from RM3.22 in 2010 to RM4.93 in 2011.

> "... TDM has set a track record for growth, distribution to shareholders and corporate governance."
>
> The Edge Malaysia, December 19, 2011

↑ 59%

Net Dividends per Share

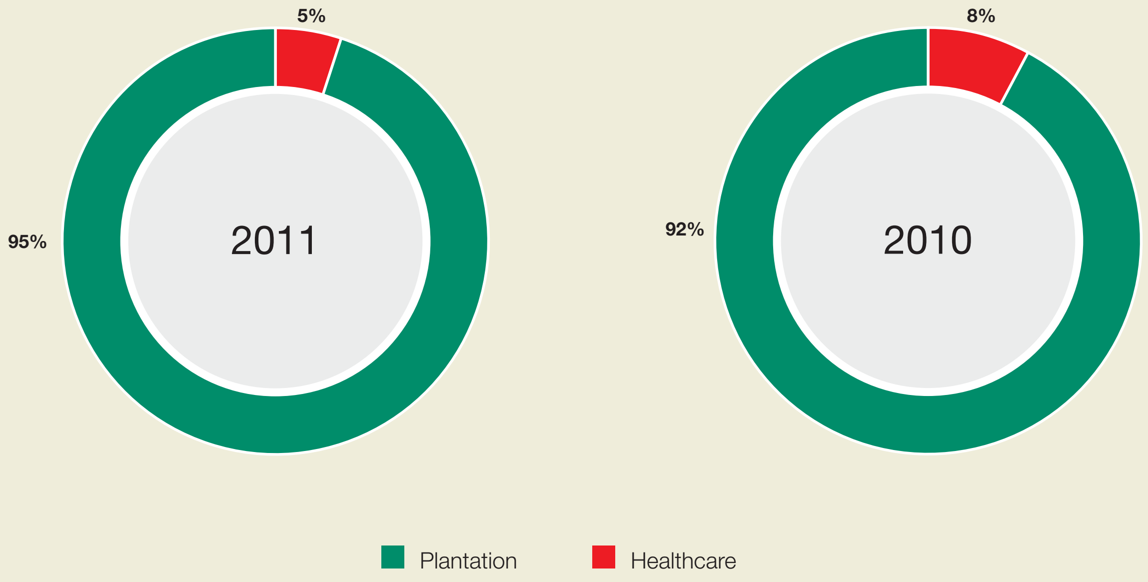
COMMITMENT TO SHAREHOLDERS' WEALTH

- Our dividends have been consistently growing since 2006.
- The dividends per share increased further by 59% YoY in 2011 to 21.5 sen, and this is equivalent to a 33% payout.
- Long term shareholders have enjoyed from 2004 to 2011, Total Shareholder Return (TSR) of 369%.

↑ 25%

Market Capitalization

Segmental Performance - Pre-Tax Profit



2011
Pre-Tax Profit

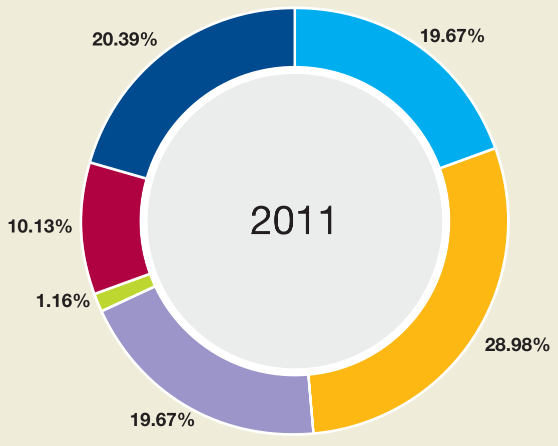
	RM'000	
Plantation	203,977	95%
Healthcare	10,606	5%
Others	360	0%
	214,943	**100%**

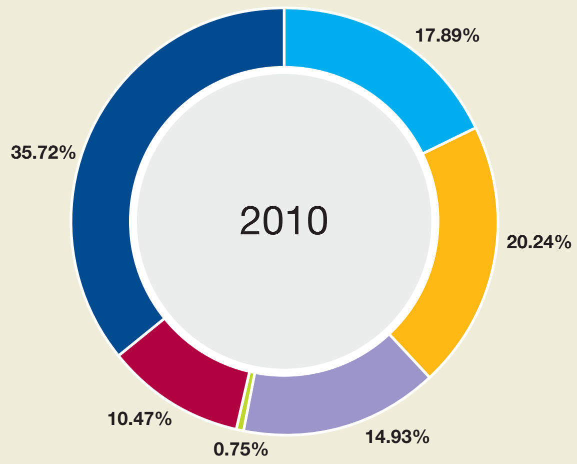
2010
Pre-Tax Profit

	RM'000	
Plantation	119,505	92%
Healthcare	10,697	8%
Others	31	0%
	130,233	**100%**

We have disposed the last of our divestment targets, TD Poultry Sdn Bhd, as we continue to enhance our capability and capacity in our TWO core businesses of plantation and healthcare.

Statement of Value Added





- To Employees - Employment Cost
- To Government - Taxation
- To Shareholders - Dividend
- To Shareholders - Minority Interest
- Retained for re-investment - Depreciation/Amortisation
- Retained for future growth - Retained Profit

	2011 RM'000	2010 RM'000
Value Added		
Revenue	503,234	392,763
Purchases of good and services	(194,573)	(176,345)
Value added by the Group	**308,661**	**216,418**
Other income	14,831	7,384
Finance expenses	(324)	(238)
Value added available for distribution	**323,168**	**223,564**

	2011 RM'000	2010 RM'000	2011 %	2010 %
Distribution				
To Employee Employment cost	38,266	31,555	19.67	17.89
To Government Taxation	56,390	35,689	28.98	20.24
To Shareholders Dividend Minority Interest	38,268 2,262	26,332 1,316	19.67 1.16	14.93 0.75
Retained for re-investment Depreciation/Amortisation	19,715	18,470	10.13	10.47
Retained for future growth Retained profit	39,672	62,983	20.39	35.72
Total distribution	**194,573**	**176,345**	**100.00**	**100.00**

Board of Directors

FROM LEFT:

Datuk Haji Roslan Bin Awang Chik (Chairman) • YB Dato' Haji Abdul Razak Bin Ismail • Haji Abdul Mutalip Bin Sulaiman • Wong Shew Yong • Haji Zakaria Bin K C Ahammu • Dato' Haji Mat Razali Bin Kassim • Haji Long Bin A. Rahman

Board of Directors' Profile

Datuk Haji Roslan Bin Awang Chik Age 61, Malaysian

Chairman / Non-Independent Non-Executive Director

Datuk Haji Roslan was appointed as Chairman of the Board of Directors and a Non-Independent Non-Executive Director on 13 January 2009.

He also holds various other positions in state and corporate organisations which include Managing Director and Executive Chairman of R.M.E. Sdn Bhd and Chairman of Ar Rahnu Al-Raudah Cooperative.

Datuk Haji Roslan began his career in 1968 in the specialised field of animal husbandry management with the Terengganu State government. He went on to serve as the Acting Deputy Director of Terengganu State Veterinary Services from 1976 – 1981 before venturing into the corporate world.

He holds a Diploma in Applied Sciences from Universiti Teknologi MARA (UiTM) and an MBA from the University of Southern California's Professional Studies Faculty.

Datuk Haji Roslan is not a director of any other public listed company nor does he have any family relationship with any director and/or substantial shareholder of the Company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past 10 years. He attended all 11 board meetings held during the financial year ended 31 December 2011. The shareholding has been disclosed on page 154 of this Annual Report.

Dato' Haji Abdul Razak Bin Ismail Age 58, Malaysian

Non-Independent Non-Executive Director

Dato' Haji Abdul Razak was appointed as a Board Director in 2008 and appointed as a member of the Audit Committee in 2010.

Dato' Haji Abdul Razak brings a wealth of experience with him from his long and illustrious career in the state government over the past 33 years. He continues to serve the State Government as its State Financial Officer, a position he has held since 2010.

Prior to his current role with the state government, Dato' Haji Abdul Razak has served with the Kemaman Land Office where he started his career in 1978. He also served as the Assistant District Officer (Development) at the Hulu Terengganu District Office and Principal Assistant Land Administrator at the Hulu Terengganu Land Office.

In 1987, Dato' Haji Abdul Razak was appointed as the Principal Assistant Director (Territorial and Economic Development) at the State Economic Planning Office and subsequently, Deputy Director of Land and Mines (Settlement) at the Land and Mines Office in 1988. This was followed by a tenure as Deputy President of the District Council of Hulu Terengganu in 1990.

In the 90's, Dato' Haji Abdul Razak served at various district offices and councils. In 1991, he was appointed as the Kenyir Lake Tourism Planning Development Unit Officer before returning to Kemaman as the Deputy President of the local District Council in 1995 and Principal Assistant of Land Administration at the Kemaman Land Office in 1996. This was followed by appointments as the President of the Dungun District Council in 1997, District Officer of Besut District in 1999, District Officer of Kuala Terengganu in 2001 and eventually as the Director of State Land and Mines at the Terengganu Land and Mines Office in 2005. On 15 January 2010, he was appointed as the State Financial Officer.

Dato' Haji Abdul Razak holds a Bachelor of Social Sciences (Honours) from Universiti of Sains Malaysia (USM). He is not a director of any other public listed company nor does he have any family relationship with any director and/or substantial shareholder of the Company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past 10 years. He has attended nine out of 11 board meetings held during the financial year ended 31 December 2011.

Haji Long Bin A. Rahman **Age 69, Malaysian**

Non-Independent Non-Executive Director

Haji Long bin A. Rahman, 69, was appointed to the Board on 13 January 2009 and appointed as a member of the Nomination and Remuneration Committee.

He also sits on the Board of the Terengganu State Museum, PTB Resort Sdn Bhd, Primula Beach Resort and Pertima Terengganu Sdn Bhd.

Prior to joining the corporate sector, Haji Long had a long and successful career with the Terengganu state government. From 1974-1983, he served as the Assistant District Officer for Kemaman, Dungun, Marang and Besut. This was followed by his appointment as the Assistant State Secretary for State Protocol in Terengganu in 1984, subsequently followed by his tenure as Head Assistant Collector of Land Revenue for Kuala Terengganu in 1990.

In 1992, Haji Long was made a full District Officer for Marang, a position he held for five years before joining Halim Mazmin Holdings Sdn Bhd as General Manager of its Kuala Terengganu branch from 1997-1999.

Haji Long is not a director of any other public listed company nor does he have any family relationship with any director and/or substantial shareholder of the Company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past ten 10 years. He has attended all 11 board meetings held during the financial year ended 31 December 2011.

Haji Zakaria Bin K C Ahammu **Age 51, Malaysian**

Senior Independent Non-Executive Director

Haji Zakaria was appointed to the Board in 2008 and appointed as the Chairman of the Nomination & Remuneration Committee. He is also a member of the Audit Committee.

Haji Zakaria comes from a diverse professional background having served in various fields including plantation, agriculture, property development and tourism. His career began with the government, specifically with the Agricultural Department of Malaysia in Perak in 1981.

He joined the plantation sector as a Cadet Planter with United Plantation Berhad in 1983, where he was promoted to Assistant Manager in 1984 and subsequently to Assistant Senior Manager.

In 1993, Haji Zakaria was appointed as Director of Rayhar Properties and Rayhar Travels. He presently serves in this position for both companies. He holds a Diploma in Agriculture from Universiti Pertanian Malaysia (UPM).

Haji Zakaria is not a director of any other public listed company nor does he have any family relationship with any director and/or substantial shareholder of the Company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past 10 years. He has attended all 11 Board meetings held during the financial year ended 31 December 2011.

Wong Shew Yong Age 61, Malaysian

Non-Independent Non-Executive Director

Wong Shew Yong was appointed as a Director of the Company in 2008.

Wong started his career in the corporate world, joining Pesama Timber Corporation Sdn Bhd in 1977 as an accountant. Over the years, he subsequently moved up the corporate ladder to become a General Manager of the same company in 1995.

He later moved on and joined Golden Pharos Berhad as a General Manager. He served the company for several years before rejoining Pesama in 2007 as its General Manager. He was eventually appointed as the Chief Executive Officer, CEO of the company, a position he presently holds. Wong also sits on the Board of Golden Pharos Berhad as a Director.

Wong holds a Degree in Business Commerce from Singapore's Nanyang University. He also holds a FCPA (Singapore) and FACCA (U.K.).

He does not have any family relationship with any director and/or substantial shareholder of the Company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past 10 years. He has attended eight out of 11 board meetings held during the financial year ended 31 December 2011. The shareholding has been disclosed on page 154 of this Annual Report.

Haji Abdul Mutalip Bin Sulaiman Age 56, Malaysian

Independent Non-Executive Director

Haji Abdul Mutalip was appointed to the Board of TDM Berhad on 18 May 2010 as Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

Abdul Mutalip has served in various positions in the Shell Group of Companies including as Manager, Business Support & Planning, Sarawak Shell Berhad. Prior to joining Shell, he served Malaysian Mining Corporation (MMC) Berhad as an Internal Audit Manager and also as a bank officer with the United Malayan Banking Corporation Berhad (UMBC).

Abdul Mutalip has extensive experience in internal and external auditing, financial and operational audits, financial reporting, project management, tax planning, developing business plans and feasibility studies. He is currently the sole practitioner of AM Sulaiman & Co., a firm registered with the Malaysian Institute of Accountants (MIA).

Abdul Mutalip does not have any family relationship with any director and/or substantial shareholder of the Company nor does he have any personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past ten 10 years. He has attended 10 out of 11 board meetings held during the financial year ended 31 December 2011.

Dato' Haji Mat Razali Bin Kassim **Age 57, Malaysian**

Non-Independent Non-Executive Director

Dato' Haji Mat Razali was appointed to the Board of TDM Berhad on 16 January, 2012.

Holding a Bachelors (Honours) degree in Economics from University Kebangsaan Malaysia (UKM), Dato' Haji Mat Razali, began his career with the District and Land offices and continues to work with the Terengganu State government.

He joined the Kuala Terengganu District office in 1979, serving as an Assistant District Officers, before assuming the post of Assistant Registrar of Land with the Hulu Terengganu Land Office in 1984. From 1985-1992, he was an Assistant Director of the Economic Planning Unit (EPU) for Terengganu.

Dato' Haji Mat Razali then moved to the Terengganu Treasury Office for a year before being appointed as Deputy President of the Dungun District Town Council in 1995. He later became Secretary of the Kuala Terengganu City Council, after which he returned to Dungun as President of the town council. He also served in the same capacity with the Kemaman city council.

In 2005, Dato' Haji Mat Razali was promoted to Deputy State Secretary (Administration) in the Terengganu State Secretariat. He is presently the Deputy State Secretary (Development) for the Terengganu State Secretariat and Director of the EPU in Terengganu. Prior to holding these positions, he was also Mayor of the Kuala Terengganu City Council from 2008 to 31 January 2010.

Dato' Haji Mat Razali does not have any family relationship with any director and/or substantial shareholders of the Company nor does he have any personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences within the past ten 10 years.

Chief Executive Officer's Profile

Badrul Hisham Bin Mahari **Age 53, Malaysian**

Chief Executive Officer

Badrul Hisham bin Mahari was appointed as Chief Executive Officer (CEO) of TDM Berhad on 1 July 2008. He has been with the TDM Group since 2004, when he first served as Group General Manager before being appointed to his present position.

Badrul Hisham's career in the corporate world began with the banking industry where he served as a Corporate Planning Officer with Kwong Yik Bank Berhad in 1984. Later, he joined Alexander Proudfoot, a leading consultancy firm, as a Productivity Consultant, a position he held from 1986 to 1989.

Badrul Hisham joined UEM Berhad in 1990 and held various positions in the organisation and eventually rising up the ranks to be appointed as Chief Operating Officer (COO) of one of the subsidiary companies in the Group. He was later appointed as CEO of a subsidiary company of Multimedia Development Corporation (MDC), before eventually joining TDM Berhad.

Badrul Hisham holds a Bachelor of Science degree in Chemistry from Indiana University, Bloomington, USA, an MBA from Drake University, USA and a Graduate Certificate in Business Research from Newcastle University, Australia.

He is not a director of any other public listed company nor does he have any family relationship with any director and/or substantial shareholders of the company. He has no personal interest in any business arrangements involving TDM Berhad or its subsidiary companies and has not been convicted of any offences.

As at 30 March 2012, he holds 110,000 unit shares in TDM Berhad.

From left:

Badrul Hisham bin Mahari (Chief Executive Officer), Abel Ahing (Group Manager, Management Information System)

Azlan bin Mokhtar (Group Manager, Productivity & Quality), Amir Mohd Hafiz bin Amir Khalid (Chief Financial Officer)

Management Team

Taking ownership of one single goal

From left:

Zahidah binti Shikh Anuar (Head, Internal Audit), Mohd Azlisham bin Jaffar (Group Manager, Legal & Secretarial), Abdul Khalif bin Mohammad Salleh (Group Manager, Human Resource), Alawiyah Hj Yussof (Head, Corporate Communications)

From left:

Mohammad Azrain bin Kassim (Manager, TDM Trading Sdn. Bhd.), Haji Ab Halim bin Yusof (Chief Executive Officer, TDM Plantation Sdn. Bhd.), Mat Yula bin Kasim (President Director, P.T. Rafi Kamajaya Abadi)

From left:

Abdul Ghani bin Pakir Muhamad (Chief Executive Officer, TDMC Hospital), Zawiah binti Sharif (Chief Executive Officer, Kuala Terengganu Specialist Hospital Sdn. Bhd.), Nik Zainon binti Yussoff (Chief Executive Officer, Kuantan Medical Centre Sdn. Bhd.), Adli Muhammad (General Manager, Kelana Jaya Medical Centre)

Financial Calendar

Announcement on Quarterly Result

19 May 2011 Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2011.	**09 August 2011** Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2011.	**24 November 2011** Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2011.	**27 February 2012** Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2011.

Dividend - Final Dividend

31 March 2011 Announcement of the proposed first and final dividend of 13.50 sen per ordinary share, tax exempt under the single-tier system for the financial year ended 31 December 2010.	**26 April 2011** Announcement of Notice of Book Closure.	**27 May 2011** Date of entitlement.	**09 June 2011** Date of payment.
27 March 2012 Announcement of the proposed final dividend of 18.50 sen per ordinary share, tax exempt under the single tier system in respect of the financial year ended 31 December 2011.	**25 May 2012** Date of entitlement.	**8 June 2012** Date of payment.	

Dividend - Interim Dividend

27 April 2011 Announcement of Notice of Book Closure - Single Tier Interim Dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 December 2011.	**27 May 2011** Date of entitlement.	**09 June 2011** Date of payment.

Annual General Meeting

25 April 2012 Date of notice of 47th Annual General Meeting and date of issuance of the 2011 Annual Report.	**17 May 2012** 47th Annual General Meeting.

Corporate Information

Board Of Directors

Datuk Haji Roslan bin Awang Chik
(Chairman, Non-Independent Non-Executive Director)

Dato' Haji Mat Razali bin Kassim
(Non-Independent Non-Executive Director)

Haji Zakaria bin K C Ahammu
(Senior Independent Non-Executive Director)

YB Dato' Haji Abdul Razak bin Ismail
(Non-Independent Non-Executive Director)

Haji Long bin A. Rahman
(Non-Independent Non-Executive Director)

Wong Shew Yong
(Non-Independent Non-Executive Director)

Abdul Mutalip bin Sulaiman
(Independent Non-Executive Director)

Audit Committee

Abdul Mutalip bin Sulaiman (Chairman)
YB Dato' Haji Abdul Razak bin Ismail
Haji Zakaria bin K C Ahammu

Nomination and Remuneration Committee

Haji Zakaria bin K C Ahammu (Chairman)
Haji Long bin A. Rahman
Abdul Mutalip bin Sulaiman

Company Secretaries

Yeap Kok Leong (MAICSA No. 0862549)
Wong Wai Foong (MAICSA No. 7001358)

Auditors

Messrs. Ernst & Young
Messrs. Kosasih, Nurdiyaman,
Tjahjo & Rekan

Principal Bankers

Bank Islam Malaysia Berhad
CIMB Bank Berhad
Maybank Berhad

Solicitors

Messrs. Abu Talib Shahrom
Messrs. Adnan Sharida & Associates
Messrs. Azmi & Associates

Registered Office

Aras 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Telephone No : (609) 620 4800
Facsimile No : (609) 620 4803

Registrar

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone No : (603) 2264 3883
Facsimile No : (603) 2282 1886

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Plantation Division

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

Healthcare Division

Aras 5, Bangunan UMNO Terengganu
Lot 3224, Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Telephone No : (609) 620 4800
Facsimile No : (609) 620 4803

Commodities Trading

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

Corporate Chart

Plantation

- TDM Plantation Sdn Bhd **100%** (Active)
- Kumpulan Ladang-Ladang Trengganu Sdn Bhd **100%** (Active)
  - KLLT Fibres Sdn Bhd **100%** (Dormant)
  - TRP Industries Sdn Bhd **100%** (Dormant)
  - Trengganu Rubber Processing Sdn Bhd **99.99%** (Dormant)
- TDM Trading Sdn Bhd **100%** (Active)
- TDM Capital Sdn Bhd **90%** (Active)
- PT. Rafi Kamajaya Abadi (Incorporated in Indonesia) **93.75%** (Active)
- PT. Rafi Sawit Lestari (Incorporated in Indonesia) **95%** (Active)

Healthcare

- Kumpulan Mediiman Sdn Bhd **90.49%** (Active)
  - Medi Air Sdn Bhd **100%** (Dormant)
  - HMMC (Ampang) Sdn Bhd **100%** (Dormant)
  - Kuala Terengganu Specialist Hospital Sdn Bhd **18.61%** (Active)
  - Kuantan Medical Centre Sdn Bhd **6.42%** (Active)
  - Kelana Jaya Medical Centre Sdn Bhd **25.71%** (Active)
- Kuala Terengganu Specialist Hospital Sdn Bhd **81.39%** (Active)
- Kuantan Medical Centre Sdn Bhd **85.56%** (Active)
- Kelana Jaya Medical Centre Sdn Bhd **73.59%** (Active)
- TDMC Hospital Sdn Bhd **100%** (Active)

Other Activities

- TD Ijarah Sdn Bhd **100%** (Dormant)
- TDM Properties Berhad **100%** (Dormant)
  - TD Permatang Sdn Bhd **100%** (Dormant)
  - TD Gabongan Sdn Bhd **51%** (Dormant)
- TDM Helling Sdn Bhd **100%** (Dormant)
- Indah Sari Travel & Tours Sdn Bhd **70%** (Dormant)

Active

Dormant

Profit Distribution Policy

TDM Group's annual consolidated distributable profits shall be appropriated as follows:

(i) one third for dividends to shareholders;

(ii) one third for capital expenditure of the Group; and

(iii) one third for the reserves of the Group.

This policy was approved by the Board of Directors of TDM Berhad on 13 August 2009

Dividend Policy

TDM Berhad will endeavour to pay-out dividends of at least 30% of its consolidated annual net profit after taxation and minority interest annually, subject to availability of distributable reserves.

Dividends will only be paid if approved by the Board of Directors and the shareholders of the Company.

The actual amount and timing of dividend payments will be dependent upon TDM Berhad's cash flow position, returns from operations, business prospects, current and expected obligations, funding needs for future growth, maintenance of an efficient capital structure and such other factors which the Board of Directors of TDM Berhad may deem relevant. The Company will take every effort to grow its businesses and it should be reflected in growth in the dividend rate.

The objective of this dividend policy is to provide sustainable dividends to shareholders consistent with the Company's earnings growth.

This policy was approved by the Board of Directors of TDM Berhad on 12 April 2009

Whistleblower Policy

1. TDM Whistleblower policy statement:

TDM Berhad is committed to sustaining a high standard of good Corporate Governance and adhering to our Code of Business Ethics. The Whistleblower policy acts to support the said values above by ensuring stakeholders can raise concerns on improprieties without fear of reprisals if acting in good faith.

The policy, through its procedures, aims to provide a transparent and confidential process when dealing with such raised concerns. This policy and the procedures are applicable to all companies within TDM group.

2. Whistleblower

Whistleblower is a specific means by which a stakeholder can report or disclose through an establish channel, concerns improprieties including fraud, criminal offences, miscarriage of justice, ethical wrongdoings and corruption, bribery and blackmail.

3. Ombudsperson

All complaints and/or concerns should be raised and directed to the Company's Ombudsperson. The Ombudsperson for TDM is the Chairman, Audit Committee. The Ombudsperson can be contacted as follows:-

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

TDM in the News

TDM Q1 pre-tax profit rises to RM38.2m

Published: 2011/05/19

TDM Bhd's pre-tax profit rose 42 per cent to RM38.2 million for the first quarter ended March 31, 2011 from RM26.8 million in the same quarter last year.

Its revenue increased to RM105.8 million from RM89.8 million in 2010, the company said in a filing to Bursa Malaysia today.

...ncial year ending Dec 31, 2011 remained ... kernel prices.

... continue to record satisfactory performanc...

SIZE DOES MATTER: The company aims to increase the acreage of its plantation to 100,000ha within eight years. TDM group manager accounts Amir Mohd Hafiz Amir Khalid, Roslan and Badrul at the media briefing in Kuala Terengganu

TDM to invest RM120m in Indonesia

by ANNA MARIA SAMSUDIN

TDM catat prestasi kukuh untung RM129.2j

TDM bina hospital pakar di Kuantan

TERENGGANU Development Management (TDM) Bhd, syarikat milik kerajaan negeri Terengganu akan membina sebuah hospital pakar swasta bernilai RM120 juta di Kuantan.

Pengerusinya, Datuk Roslan Awang Chik, berkata hospital setinggi tujuh tingkat, yang dijangka siap pembinaannya tahun depan, bakal dilengkapi dengan kemu... baru itu juga akan muncul sebagai hospital pakar swasta yang terbesar di Pantai Timur.

Sebelum ini TDM sudah mempunyai tiga buah hospital bersaiz sederhana iaitu Kuala Terengganu Specialist Hospital di Terengganu, Kelana Jaya Medical Centre di Selangor dan Kuantan Medical Centre di Pahang.

Roslan berkata, adalah ... di matlamat TDM un... ...kal sederhana dengan ...p pakar perubatan ko... ...i yang menawarkan ...nan kesihatan tanpa ...n-elemen kemewa...

...khidmatan yang dita... ...n menitikberatkan pe... ...dan seterusnya mampu...

EKONOMI

TDM bayar untung terbesar hasil perladangan, kesihatan

Pembayaran dividen ini sebari dengan prestasi memuaskan yang dicapai oleh TDM untuk 2010.

TDM's 2Q net profit surges 152%

"Ultimately, we aim to own a total of 40,000ha in Indonesia in eight years and will need an oil palm mill for each 10,000ha."

TDM on aggressive healthcare, oil palm drive

By Zaidi Isham Ismail

KUALA TERENGGANU: TDM Bhd, one of Malaysia's smallest plantation and healthcare companies, is on an aggressive mode to expand its landbank by more than threefold to 100,000ha in eight years, and own more hospitals from four at present.

TDM chairman Datuk Roslan Awang Chik said the company plans to spend RM30 million to set up its first oil palm mill in Kalimantan, Indonesia, once its hectarage reaches 10,000ha in the next three years, from 3,000ha at present.

"Ultimately, we aim to own a total of 40,000ha in Indonesia in eight years and will need an oil palm mill for each 10,000ha. Each oil palm mill will cost RM30 million.

"We have spent RM44 million on our oil palm estates in Indonesia and the first batch will start to impact our earnings in 2013," Roslan told reporters after its annual general meeting here yesterday.

TDM, which is 70 per cent-owned by the Terengganu state government, has a total of 33,294ha and two mills in Malaysia.

It aims to own a total of

pitals when the opportunity arises.

"We want to grow both our plantations and healthcare businesses but plantations will always be our core business."

TDM's plantation division currently accounts for 90 per cent of its earnings, healthcare (9 per cent) and food (1 per cent).

It started construction of its RM120 million Kuantan medical centre last year, which is slated for completion by the first quarter of 2013.

TDM also owns and manages the Kuala Terengganu Specialist Hospital and Kelana Jaya Medical Centre. It acquired the Taman Desa

TDM FINANCIAL PERFORMAN

TDM to build private specialist hospital in Kuantan

KUALA TERENGGANU: Terengganu Development Management (TDM) Bhd, a company owned by the Terengganu state government, will build a RM120 million private specialist hospital in Kuantan.

TDM chairman Datuk Roslan Awang Chik said construction of the seven-storey hospital, which will be equipped with the latest medical facilities, was expected to be completed next year.

"The new hospital will replace the existing Kuantan Medical Centre which has limited space," he said yesterday.

Roslan said the new hospital would also emerge as the biggest

TDM bina Medan Infodesa dalam ladang

SETIU 22 Mac - Dalam usaha membantu memperluaskan penggunaan teknologi maklumat dan komunikasi di luar bandar, TDM Berhad membina sebuah Medan Infodesa (MID) di Ladang Tayor, miliknya di sini.

Ia dibina melalui anak syarikatnya, TDM Plantation Sdn. Bhd. (TDMP) dan kemudahan itu juga bagi memenuhi hasrat penduduk setempat yang memerlukan sebuah pusat komuniti.

Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK) Tayor Tengah mengajukan permohonan untuk mendapatkan bantuan melalui TDMP bagi membolehkan mereka menjalankan pelbagai kegiatan kemasyarakatan.

Pusat itu dibangunkan dengan kos RM178,000 di tapak seluas 0.47 hektar dalam kawasan ladang berhampiran dengan penempatan penduduk di situ.

Perasmiannya telah disempurnakan Menteri Besar, Datuk Seri Ahmad Said **(gambar)** yang dilakukan serentak dengan perasmian kilang baja bioorganik TDM di Sungai Tong dekat sini baru-baru ini.

TDM merupakan syarikat pegangan pelaburan kerajaan negeri dengan perniagaan teras dalam sektor perladangan, penjagaan kesihatan dan makanan.

Pengerusi TDM Berhad, Datuk Roslan Awang Chik ketika berucap pada majlis itu berkata, pembinaan pusat komuniti ini adalah sebahagian daripada program tanggungjawab sosial korporat.

"Adalah menjadi tanggungjawab syarikat untuk bersama mengambil tindakan yang sewajarnya untuk membantu masyarakat luar bandar meningkatkan kualiti hidup," ujarnya.

Menteri Besar Datuk Seri Ahmad Said (third from left) inspecting the bio-organic fertiliser factory at Sungai Tong, Setiu, yesterday. — NST picture by Rozainah Zakaria

RM10m savings yearly with new fertiliser plant

By A. Azim Idris

SETIU: Terengganu's bio-organic fertiliser factory is helping it save RM10 million annually.

The "waste-to-wealth" process reduces dependency on chemical fertilisers by 15 per cent and contributes to greener development and management.

The factory was set up by TDM Bhd, through its subsidiary, TDM Plantation Sdn Bhd (TDMP) and the state government's plantation group had spent RM13.4 million on the factory.

The factory uses large volumes of palm oil biomass, such as empty fruit bunches (EFB) and Palm Oil Mill Effluent (POME).

Menteri Besar Datuk Seri Ahmad Said said this had helped to address Sungai Tong's Palm Oil Milling waste woes.

"Sustainability and eco-friendliness are a growing concern in the plantation sector.

"We will have greater advantage, such as boosting productivity through improvement in soil structure," he said after officiating at the factory yesterday.

The factory, which commenced operations last May, produced 24,000 tonnes of bio-organic fertilisers a year at maximum capacity.

Ahmad said TDM was planning to build another similar factory in its second oil palm factory in Kemaman.

He also said TDM recently began operations in Kalimantan, Indonesia, in an area of 3,000ha.

Also present at the launch was TDM Berhad chairman Datuk Roslan Awang Chik.

Corporate Social Responsibility

While being well recognised as a responsible corporate citizen, TDM pledges to do more and to continue earning the trust and confidence of its stakeholders.

Corporate Social Responsibility or CSR to TDM extends beyond the usual norms of philanthropy. CSR provides the very purpose of our existence and our aspirations as a company.

We are driven by our three pillars of People, Planet and Profit or better known to us as the 3P Philosophy. This simply means that we are committed to derive "Profit" through ethical means that will benefit the "People" while caring for the "Planet" or environment and safeguarding the interests of all stakeholders. Guided by our 3P Philosophy, we encourage activities that have a positive impact on our customers, employees, community and the environment.

Following is a detailed account of the activities that we have undertaken during the financial year.

PEOPLE

Employee Development

TDM is a Preferred Employer status. Our people continue to play a vital role in the execution of TDM's strategic initiatives. Our employees have been crucial in sustaining TDM's transformation, profitability and growth.

To ensure our people have the necessary capabilities to maintain a high performance culture, TDM provides several organisational development programmes in sync with the competency requirements of its strategies.

Some of the initiatives we have employed included the MBA scholarship programme, a new Management Trainee programme and other high-end executive training programmes conducted locally and abroad. All of these programmes are tailored to provide the company with a talent pool for succession planning.

We paired this talent development strategy with a customised compensation policy that is market driven which aimed to attract, retain and reward our workforce. At the same time, we spur our talent by providing a conducive working environment that allows innovation and continuous improvements to flourish within the organisation.

Assuring the Welfare of Our Employees

Apart from providing the employees and their families with medical, educational, social and recreational facilities, the company respects the rights of workers and their families to a comfortable and decent living. Hence, TDM takes every effort to ensure that these needs are adequately met and that remunerations are aligned to current industry standards.

In 2007, we introduced RM1,000 as a minimum wage for the Group and this policy is being progressively implemented in stages.

Our plantation workforce of 3,000 workers is compensated in accordance to the requirements outlined under the various industry agreements such as the Malaysian Agricultural Producers Association (MAPA), All Malaya Estates Staff Union (AMESU) and the National Union of Plantation Workers (NUPW).

In 2011, we built a total of 65 unit houses at the new line sites for estate workers. The process was initiated in 2005 at an annual cost of approximately RM4 million. The initiative will take 10 years to complete. As such, TDM Plantation would have spent close to RM40 million on workers' housing alone within 10 years starting from 2005. A total of 260 units have been built since the start of the programme.

Management continues to engage workers in a proactive manner as depicted during morning roll call. This is part of a continuous effort found to create a culture of operational excellence and discipline among workers.

Apart from housing, the company also constructed futsal courts, football fields, community halls, mosques and "suraus". These amenities are not only for our estate workers but for the convenience of the larger estate communities nearby.

One of the more innovative facilities in the estate is the new information technology (IT) centre. The centre is equipped with basic IT facilities such as computers with internet connections and so on. It will enable many estate workers to pick-up basic IT skills so that they are not left behind in today's knowledge based economy.

In addition to these activities, TDM also introduced the Field Assistant Training Programme in 2007. The training programme is one of the CSR programmes to enhance the life of the estate workers and eradicate poverty among the estate communities.

The trainees, who are mostly children (with at least minimum Sijil Pelajaran Malaysia, SPM qualification) of our estate workers, will undergo a six-month training programme where they will be exposed to the various aspect of palm oil estate management.

Community

During the year under review, we continued to be actively involved in sponsoring local community events such as sports tournaments, making contributions in cash or kind to the various schools in the estates as well as supporting various other community building programmes.

Working with Educational Institutions

TDM also supports various local agencies and institutions of higher learning by providing undergraduates and graduates with valuable training and practical exposure. One such programme is the collaboration between TDM Plantation with Universiti Malaysia Terengganu (UMT) where selected students will undergo practical internship stints at some of our estates. These stints will give them first-hand exposure of working in the field and experiencing the rigours of the job.

Uplifting the Healthcare of Local Communities

Through our four hospitals, TDM participated in various community service programmes. These were initiatives that we organised on our own accord or supported as a partner. Our hospitals held a total 162 different community events consisting of public forums, health talks, health screenings, community service programs, blood donation drives, ante-natal classes and more.

These activities improved community awareness on health related issues, helping to disseminate timely and accurate information so more people can make more informed decisions while also further improving accessibility to health care. Our efforts in these areas also enable us to build closer relationships with people while generally making a positive difference to uplift the health of the community.

Fun-to-Learn Programme

The Fun-to-Learn (FTL) initiative is TDM's own, self developed programme targeted at primary school children. The concept is based on the premise that children learn best when they are having fun.

FTL uses experiential learning techniques that allows young minds, aged 7-11 to explore, discover and create while acquiring useful skills that will help them perform better at home, school and in their own community. The programme was opened to children of estate workers and the surrounding estates. Participants eventually get to earn credit points leading towards internationally recognised certifications such as the Duke of Edinburgh Award.

In delivering the program, TDM employees were given the opportunity to lend their talents and skills – becoming facilitators for the children while developing their own capabilities.

Since the launch of the program in 2009, the results have been tremendous for all parties involved. Many of the participating children have shown significant improvement in the academic performance. Staff who took part also commended the project for giving them the chance to contribute to society. The involvement of staff from various units helped to create loser rapport between TDM employees and helped to foster teambuilding.

In 2011, the Management adopted science and technology as the theme for FTL activities. During the year, a total of 104 Year One to Year Six pupils from two schools in our Pelantoh and Air Putih estates – Kemaman Complex, participated in the programme. They were brought to visit Pusat Sains Negara, Petrosains, Zoo Negara and Putrajaya.

As a separate initiative, a total of 109 pupils from three primary schools in our estates in Bukit Besi Complex were taken for a fun and educational trip to Bukit Gambang Water Park, Kuantan.

Vendor Development Programme for Local Entrepreneurs

TDM has made a conscious decision to support local businesses and entrepreneurs via its Local Vendor Development Programme (VDP).

The VDP aims at developing sustainable, local businesses that in turn, can contribute to the betterment of the local community. Through this way, a positive ripple effect is created that leads to an overall improvement in the lives of people. It also prioritises qualified local vendors and suppliers to participate in the Group's business activities.

TDM provides sports and recreational facilities for its workers in line with its 3P philosophy where employee's satisfaction, wellbeing and morale is given priority. The use of sport has a team-building tool is also evident throughout the company.

TDM continues to invest in the latest medical equipment and technology to provide top quality treatment for the community.

During the year under review, the VDP has succeeded in helping locals set-up their own businesses to provide products and services to the TDM Group.

The process begins with the identification of non-core operations and job scopes that could be outsourced to external parties. After which an open tender is called for, inviting vendors to bid and participate in the process. Where required, participants are guided and mentored through the process by TDM.

Successful vendors are given training and support, and where necessary mentoring and auditing. Key to this effort is sustainability, the development of competent vendors to support the Group on a long term basis with the creation of win-win partnerships.

The programme has been successful in developing local aspirants into entrepreneurs; in helping them acquire new skills while uplifting the socio-economic status of individuals and communities. These successes have also been accomplished with little financial cost to the Group.

At the same time, the programme has enabled TDM to expand our network of vendors, which will contribute to greater flexibility in vendor selection, better quality of products and services and improved cost effectiveness and productivity going forward.

PLANET

Application of Industry Best Practices

TDM's business is intrinsically linked to the planet and thus, it is only natural that we care for the environment by continuously adopting and incorporating more environmentally friendly practices in the management and operations of our business.

Among the practices we have introduced over the years are: efficient use of water, application of natural biological techniques, eco-friendly replanting methods, soil conservation and maintenance methods, weed control and integrated pest management as well as stricter harvesting and processing.

During the year under review, TDM's practices have been acknowledged for its care towards the environment. The Malaysian Palm Oil Board (MPOB) certified all of our 12 estates with its Code of Good Agricultural Practice (GAP) for Oil Palm Estates and our Kemaman palm oil mill with the Code of Good Milling Practice certificate.

More details of these best practices are given in the CEO's statement.

Commissioning of TDM's First Bio-Organic Plant

One of our major contributions to the environment was the launch our bio-organic plant in August 2011. With this plant, we are able to significantly recycle our waste products – converting Empty Fruit Bunches (EFB) into bio-organic fertiliser.

PROFIT

Fair Competition and Full Transparency in Procurement

In the interest of transparency and fairness, the Group has instituted various measures in its procurement process to ensure that only the most competitive and qualified vendors are selected. One of which is to increase the rate of automation in its procurement processes. Thus far, the Group has implemented e-Procurement and e-Bidding for both of these respective activities.

The electronic systems will see vendors bid electronically where each competing party has an equal and fair chance to participate. There is also reduced level of human intervention, throughout the procurement and bidding processes from start to completion.

Apart from ensuring a more transparent supplier selection process, the electronic systems quicken processing time and provides a consistent and standardised format for all vendors to adopt. According to the Malaysian government, the efficiencies produced by such systems will result in savings of 20%-40% of procurement cost.

Safeguarding Shareholder's Returns

The Group is committed to ensuring sustainable, optimal returns for its stakeholders while achieving business growth. Profits earned will be divided equally between rewarding shareholders, funding expansion and held in reserve for future purposes.

While the Group is aggressive in the pursuit of revenue and profit growth, it will continue to exercise prudence with regard to risk management and corporate governance. The Group will continue to conduct itself with the highest standards of transparency.

Under TDM's dividend policy, the Group will constantly seek to declare a dividend of at least 30% of the consolidated net profit after tax and minority interest annually, subject to availability of distributable reserves.

Statement on Corporate Governance

The Board of Directors ("Board") acknowledges the importance of good corporate governance in achieving excellent performance and maintaining sustainable growth. Therefore the Board strongly supports the recommendations of the Malaysia Code on Corporate Governance (Revised 2007) ("Code") and Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Bursa Malaysia Listing Requirements") as well as Corporate Governance Guide: Towards Boardroom Excellence ("CG Guide").

The Board is continuously taking efforts to improve the governance practices in order to safeguard the shareholders' investment and enhancing shareholders' value as well as the interest of other stakeholders.

The Board is pleased to report below the manner in which the Company has applied the principles of the Code and the extent of compliance with the Best Practices provisions during the financial year ended 31 December 2011.

A. The Board of Directors

The Board has overall responsibility for corporate governance, strategic direction and overseeing the investments of the Group. All board members bring an independent judgement to bear on issues of strategic performance, resources, code of conduct and ensure the existence of appropriate processes and internal controls to manage performance.

Board Balance

The Company is headed by experienced Board with diverse background and expertise, primarily in business administration, economic and finance and plantation in both public and private sectors.

Their knowledge and expertise in their respective fields contribute to the enhancement of the effectiveness of the Board.

Detail of each individual directors' skills and experiences is presented in Board of Directors' Profile is set out on page 30 to 33 of this Annual Report.

The Board, as at the date of this statement, consists of seven (7) members, all of whom are Non-Executive Directors ("NED") (including the Chairman) and two (2) of the Directors are Independent.

The presence of Independent Non-Executive Directors ("INED") plays a pivotal role in corporate accountability. The role of the INED is particularly important as they provide independent and objective views, advice and judgement and ensure strategies proposed by the management are thoroughly discussed and evaluated, and the long term interests of stakeholders are considered.

The INED do not participate in the operation of the Company in order to uphold their objectivity and to fulfil their responsibility in providing check and balance to the Board. The INED have served the Company for no more than five (5) years and all of the Directors had served as Directors in not more than five (5) Boards of listed company.

The Board is in the opinion that the current Board size is appropriate to commensurate the complexity of the Group businesses and is conducive for effective conduct of Board decision making. The Board is also satisfied with the Board's composition in respect of representation of minority shareholders by the INED.

Roles of the Chairman and Chief Executive Officer

There is a distinct and clear division of responsibility between the Chairman and the Chief Executive Officer. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Chief Executive Officer has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions within the delegated authority limit approved by the Board.

The segregation of duties between the Chairman and the Chief Executive Officer facilitate an appropriate balance of role, responsibility and accountability and promote appropriate supervision of the management. Furthermore, the Chairman is neither previously a Chief Executive Officer nor a management member of the Company.

Senior Independent Non-Executive Director

Haji Zakaria bin K C Ahammu is the Senior Independent Non-Executive Director ("SID") of the Board to whom the shareholders and other stakeholders may convey their concerns. All concerns relating to the Company can be channelled to his email address, zakaria.tdmbbod@tdmberhad.com.my which is published on the Company's website.

Appointment to the Board

Nomination & Remuneration Committee established by the Board is responsible for assessing the nominee(s) for directorship and Board Committee membership and there upon convey their recommendation to the Board.

The Board is entitled to the services of the Company Secretaries who will ensure that all appointments are made in a proper manner and that all relevant information is obtained and all legal and regulatory requirements are met.

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting after their appointment. Also, at least one–third (1/3) of the remaining Directors are required to submit themselves for re-election at least once in every three (3) years at the Annual General Meeting.

Board Effectiveness Evaluation

Individual Directors Assessment was conducted with the objective to improve the Board effectiveness and to enhance the Directors awareness on the key areas that need to be addressed. The performance indicators for individual Directors include their interactive contributions, quality of input and understanding of their roles. Self-Assessment Questionnaires are completed by the Directors and the summary reports on the evaluation results will be tabled to the Board to deliberate areas for improvement.

Board Meetings and Supply of Information

The Board meetings for the year are scheduled in advance to review corporate strategies, operations and performance of business units within the Group.

Apart from scheduled meetings held to review and approve the quarter and annual results, the Board meets as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration.

To facilitate productive and meaningful deliberations, the proceedings of the meetings are conducted in accordance to structured agenda. The agenda together with Board papers are disseminated to the Board prior to the meetings to enable Directors to study matters that require their decisions or opinion. The Board meeting papers are prepared and presented in a manner to facilitate the deliberation and decision making by the Board.

The Board papers include, among others, the following details:

- Quarterly performance report of the Group;
- Quarterly financial statements to Bursa Malaysia Securities Berhad; and
- Major operational, financial and corporate proposals or issues.

The Directors attendance for the 11 Board meetings held during the financial year ended 31 December 2011 is as follows:

Members	No. of meeting attended	%
Y. Bhg. Datuk Haji Roslan bin Awang Chik (Chairman)	11/11	100
Y. Bhg. Dato' Haji Adzlan bin Mohd Dagang	11/11	100
YB Dato' Haji Abdul Razak bin Ismail	9/11	82
Tuan Haji Long bin A. Rahman	11/11	100
Tuan Haji Zakaria bin K C Ahammu	11/11	100
Encik Wong Shew Yong	8/11	73
Encik Abdul Mutalip bin Sulaiman	10/11	91

The Company Secretaries were entrusted to record the Board's deliberations. The minutes of the previous Board meeting was distributed to the Directors prior to the Board meeting for their perusal prior to confirmation of the minutes at the commencement of the following Board meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.

All Directors have direct access to the advices and services of the Company Secretaries whether as full Board or in their individual capacity, in the furtherance of their duties. The Directors are regularly updated on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. Directors whether acting as a full Board or in their individual capacity, in the furtherance of their duties may obtain independent professional advice, at the Company's expense.

Board Committee

In order to effectively discharging its duties, the Board has established the Board Committees namely Audit Committee, Nomination & Remuneration Committee and Employees' Shares Option Scheme Committee. The compositions and terms of reference of the Committees are in accordance to the best practise prescribed by the Code.

(a) Audit Committee

The Audit Committee comprises of three (3) NED whom two (2) of them are INED. The Chairman of the Audit Committee is a fellow of the Association of Chartered Certified Accountant (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

An Audit Committee report detailing the committee membership and meetings, terms of reference and activities during the year, is presented on page 59 to 63 of this Annual Report.

(b) Nomination & Remuneration Committee ("NRC")

The committee consists of three (3) NED and two (2) of them are INED. The primary function of the NRC among others includes the following:

- To determine the criteria for Board membership;
- To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board and committees;
- To propose to the Board the responsibilities of NED, including membership and chairmanship of Board committees;
- To evaluate annually the effectiveness of the Board and committees;
- To recommends to the Board on the re-election of retiring Board members;
- To establish and recommend the remuneration structure and policy for the Board members and senior management, where applicable.

The NRC meets at least once a year. In 2011, the committee held seven (7) meetings, the attendance of members is reflected as follows:

Members	No. of meetings attended	%
Tuan Haji Zakaria bin K C Ahammu (Chairman)	7/7	100
Tuan Haji Long bin A. Rahman	7/7	100
Encik Abdul Mutalip bin Sulaiman	7/7	100

(c) Employees' Shares Option Scheme Committee

Employees' Shares Option Scheme Committee has been established with the objective to administer the Scheme.

The following is the membership of Employees' Shares Option Scheme Committee at the date of this statement:

- Y. Bhg. Datuk Haji Roslan bin Awang Chik (Chairman)
- YB Dato' Haji Abdul Razak bin Ismail
- Tuan Haji Long bin A. Rahman

All the above mentioned committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decisions on all matters however lies entirely with the Board. The Committee will meet as and when required.

Directors' Training

The Directors completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities within 4 months of his appointment. Induction briefings which information includes Group corporate profile and activities as well as business plan and performance are organised for newly appointed director(s).

In discharging their duties, the Board continuously attends relevant seminars and conferences to keep abreast with industry's developments as well as the current changes in laws and regulations. Conferences, seminars and training programmes attended by Directors in year 2011 were as follows:-

- Company's Regulatory Updates for Directors & Executives
- Voluntary Winding-Up, Registration of Documents for Winding-Up by Court & Striking-off Application and its Procedures
- Optimising Corporate Tax Planning Strategies
- Malaysian Tax Conference 2011
- Accounting for Agriculture
- Setting Effective Key Performance Indicators
- Corporate Tax Planning for SMEs
- Capitalising from Latest Tax Updates & Developments

B. Directors Remuneration

The level and make up of remuneration

The remuneration of all Directors is reviewed by the NRC. The NRC has a structured procedure for the Board to approve the remuneration of all Non-Executive Directors which is based on their individual experience, expertise and level of responsibilities.

Procedure

The NRC recommends the remuneration framework and package of all Directors. Directors do not participate in decisions regarding their own remuneration packages. The Directors' remuneration are approved at the Annual General Meeting by shareholders.

Disclosure

The details of the remuneration of the Directors of the Group and the Company for the financial year ended 31 December 2011 are as follows:

	Group RM'000	Company RM'000
Executive Director		
Fees and other emoluments	329	–
Share option granted under ESOS	15	–
Benefits in kind	–	–
Non-Executive Directors		
Fees and other emoluments	1,597	657
Share option granted under ESOS	335	237
Benefits in kind	469	244
Total	**2,745**	**1,138**

The number of Directors of the Company whose total remuneration during the year is analysed below:

Non-Executive Directors	Number of directors
Below RM50,000	–
RM50,001 - RM100,000	6
RM100,001 - RM200,000	1

C. Relationship with Shareholders and Investors

The Company recognises the importance of timely dissemination of information to shareholders and other stakeholders. The Company adheres strictly to the disclosure requirements under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). All major developments of the Company and other information are communicated to investors through the following:

(i) Annual Report;
(ii) Quarterly financial results with an overview of the Group performance and operations;
(iii) Various announcements and disclosures made to Bursa Malaysia;
(iv) The Company's website (http://www.tdmberhad.com.my) and
(v) Various announcements that can be accessed at any time through the Bursa Malaysia website at (http://www.bursamalaysia.com)

The Company's website publishes the name(s), email address(es) and contact number(s) of designated person(s) to enable the shareholders and other stakeholders to forward their queries to the Company.

The Company Profit Distribution Policy and Dividend Policy is published in the Company website and presented on page 39 of this Annual Report.

Annual General Meeting
The Annual General Meeting ("AGM") is the crucial mechanism in shareholders' communication. It gives an opportunity to all shareholders to have direct access to the Board and to raise questions on resolutions being proposed. Shareholders are encouraged to attend the AGM and actively participate in the proceedings.

During the AGM, the Chairman, Directors and senior management are available to respond to shareholders' questions on the business and performance of the Company.

A press conference is sometimes held immediately after the AGM and the Chairman will explain to members of the media on any resolutions passed and to answer any questions in relation to the development and operations of the Group.

D. Accountability and Audit

Financial Reporting
The Board recognises the responsibility for ensuring the accounting records are properly kept and that the financial statements are prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The Board with the assistance of Audit Committee oversees the financial reporting process in order to ensure accuracy and adequacy of information and timely reporting.

Directors' Responsibility Statement
The Board of Directors is responsible to ensure that the financial statements of the Group and Company give a true and fair view of the state of affairs of the Group and Company.

The Statement of Directors pursuant to Section 169 (15) of the Companies Act, 1965 signed by Y. Bhg. Datuk Haji Roslan bin Awang Chik and Encik Abdul Mutalip bin Sulaiman is set out on page 72 of this Annual Report.

Internal Control
The Board acknowledges its responsibilities for the Company's internal controls which are to safeguard shareholders' investment and the Group's assets. The system involves key management from each business segment including the Board and is designed to meet the Group's particular needs and to manage risks which it is exposed to.

The Statement on Internal Control, which provides an overview of the state of internal controls within the Company and the Group, is set out on page 64 to 65 of this Annual Report.

Compliance and Internal Disclosure Controls
Pursuant to the Clause 3.3.7 of the Corporate Disclosure Guide issued by Bursa Malaysia on 22 September 2011, the Board had appointed Group Manager, Legal and Secretarial of the Company, Encik Mohd Azlisham bin Jaffar as the designated person to take overall responsibility for ensuring compliance with the disclosure obligation under the Bursa Malaysia Listing Requirements ("designated person"). He is a lawyer by profession and has seven (7) years experience as a law practitioner before joining TDM in 2007.

Relationship with Auditors
The Board maintains a transparent and appropriate relationship with the Company's Auditors, both external and internal, in seeking their professional advice towards ensuring compliance with applicable accounting standards and all statutory requirements. The Audit Committee meets with the external auditors at least twice a year without the presence of the management for them to table and discuss their audit plan, audit findings and the financial statements.

External auditors are also invited to attend the Company Annual General meeting and are available to answers shareholders questions on the content of their audit report.

E. Board Conduct

The Company's Code of Business ethics sets forth the guidelines and ethical standards of conduct required of the Board, the management and other employees of the Company. The details on the Code of Business ethics are set out on page 57 to 58 of this Annual Report.

F. Whistleblowing

The Board and the management acknowledge their responsibilities in dealing with fraud risk. A policy on whistle-blowing has been established as part of internal procedure to allow the Board, the management and other employees and stakeholders to report possible wrong doings. Establishment of the whistleblowing policy demonstrates the attitude of the Board and the management towards fraud and illegal acts. The detail of the Whistleblower Policy is set out on page 40 of this Annual Report.

G. Conflict of Interest and Related Party Transactions

The Directors are responsible at all times for determining whether there are a potential or actual conflict of interest in relation to any matter which comes before the Board. All Directors are required to make written declarations on whether they have any interest in transactions tabled at Board meetings.

The Directors acknowledge that they must declare any interest they have in the Company and its subsidiaries and abstain from deliberation and voting on the related resolutions at the Board or any general meetings convened to consider the matter.

In the event of a corporate proposal is required to be approved by shareholders, interested Directors will abstain from voting in respect of their shareholdings in TDM on the resolution relating to the corporate proposal, and will further ensure that persons related to them also refrain from voting on the resolution.

The statement was made in accordance with a resolution of the Board of Directors dated 27 February 2012.

Code of Business Ethics

Introduction

The Code of Business Ethics describes and reinforces TDM Berhad's guiding values and commitments to doing business responsibly, ethically and in a sustainable manner. We believe in applying the principles of our code of business ethics in every transaction which affects our people, our customers and our stakeholders and it is practised on the basis of integrity, mutual trust and respect which are essential to a long-term, mutually beneficial relationship.

This Code of Business Ethics (the Code) sets forth the guidelines and ethical standards of conduct required of the Board of Directors, Chairman, Chief Executive Officer, heads of departments, managers, executive officers and all other employees of TDM Berhad (TDM).

The Code, as well as its intent, is intended to define the conduct of all Group activities in accordance with the high standards of integrity and in compliance with all applicable laws and regulations; and applies to the Group, all its subsidiaries and other business entities controlled by it.

Our commitment to the Code and conduct prescribed by it extends to all our stakeholders, which encompasses everyone and every organisation which has an interest in the operations of TDM, including:

- Customers
- Employees and their Families
- Stockholders and Owners
- The Board and Board Committee Members
- Vendors and Suppliers
- Industry Affiliates
- The Community

Compliance with Laws, Rules and Regulations

TDM will comply with all relevant laws, regulations and by-laws as a pre-requisite for maintaining ethical behaviour and expects the same compliance from our business associates in the course of all related transactions.

All employees, Executive Officers and Board Members are also required to comply with all laws, rules and regulations which apply to the Group in all areas of business.

While it is the Group's philosophy to address matters internally, the Code takes precedence in not preventing or discouraging any party from reporting any illegal activity including the violation of any Federal, State or International laws, rules or regulations to the appropriate authorities.

The purpose of the Code is to promote ethical practices and in doing so, should not be an obstacle to any party to testify, participate or assist in any legal proceeding or investigation and in upholding the intent. No employee, Executive Officer or Board Member shall discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee for reporting any violation in good faith.

Professionalism

Having committed to maintaining the highest standards of professionalism to meet and exceed the expectations of our customers, the Group strives to develop high standards of employee competency to produce high quality products and services.

Results will be achieved by showing respect and acting responsibly which is the principle by which TDM conducts itself when dealing with people, customers, employees and the environment. In doing so, all parties are to be treated with dignity and courtesy to protect and improve the work environment, while abiding by the laws, rules and legislation which exist to add value to how we do business.

We shall also act responsibly towards our customers, co-workers and organisation by providing timely delivery of consistently high quality goods and services as we work together to add value to the business.

With results being essential to our investors and the business, the Code shall be an essential guide to the attainment of our goals which will be achieved by behaving ethically, legally and morally.

Conflict of Interest

When dealing with business associates, any actual or apparent conflicts between personal and professional interest are to be avoided and managed in an honest and ethical manner. As such employees, Executive Officers and Board Members are to act in the best interests of the Group and its stakeholders as personal interest must not impede with or harm the interests of the organisation.

Certain relationships or transactions, despite their appearance, may be approved following a transparent and ethical process of disclosure, discussion and consultation if they are deemed not harmful or improper to the Group. However, any conflict of interest or appearance thereof, even if harmless to the Group, is prohibited from the outset unless it has undergone a due process of disclosure, consultation and approval.

Our Moral Standards of Honesty, Integrity and Fair Dealing

In our relationships with partners, customers and suppliers we shall treat them fairly and conduct business in a manner consistent with the essential values of TDM which include the highest standards of integrity, openness, fairness and reliability.

The Group's suppliers, customers, competitors and employees are to be dealt with honestly, ethically and fairly by each employee, Executive Officer and Board Member; and in doing so statements regarding the Group's products and services should not be untrue, misleading, deceptive or fraudulent. No individual is to be taken unfair advantage of by an act amounting to manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice of unfair dealing.

Ethical practices are also incorporated into the selection process by recruiting and promoting individuals who demonstrate a commitment to the ethics and principles by which TDM operates. This will be an unequivocal message to anyone that performance of the highest integrity is a prerequisite to continued employment and advancement within the Group.

Our partners are selected carefully and we will work only with vendors and suppliers who can share and align themselves with our principles and commitment to ethical business practices as how they operate will reflect on our growth effectiveness and reputation as well.

Occupational Safety and Health

TDM is committed to ensuring the safety and health of all our employees and customers, which is demonstrated by our endeavours to integrate occupational safety and health (OSH) practices into the business practices and strategy at all times. This transcends the Group's statutory duty to ensure full compliance with all relevant legislation as well as create and sustain a work culture and environment where safety and health are the priority.

Sexual Harassment Policy

In our commitment to maintain a workplace and environment which is free of harassment in any form, including ethnicity, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, sexual orientation or gender identity, all employees have the right to work in an environment which is free of any form of discrimination and conduct which could be considered harassing, coercive or disruptive and this includes sexual harassment.

No employee of any gender should be subjected verbally or physically to unsolicited, inappropriate and unwelcome sexual overtures or conduct.

TDM will initiate immediate action to address harassment of employees by managers, co-workers or non-employees regardless of whether the incident in question occurs in the place of work or in the course of an employee's work in the endeavour to promote a work environment in which all staff are treated with courtesy, dignity and respect.

Report of Audit Committee

The Board of Directors of TDM Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 December 2011.

1.0 Membership and Meetings

The Audit Committee comprises of three (3) Non-Executive Directors, two (2) of them are Independent Non-Executive Directors and all of them are financially literate. One (1) of them is a member of an accounting association.

The members of Audit Committee and their attendance of seven (7) meetings held in 2011 are as follows:

Members	Status of Directorship	Attendance of meetings
Encik Abdul Mutalip bin Sulaiman (Chairman)	Independent Non Executive Director	7/7
YB Dato' Haji Abdul Razak bin Ismail	Non-Executive Director	5/7
Tuan Haji Zakaria bin K C Ahammu	Senior Independent Non-Executive Director	7/7

The Chief Executive Officer, Internal Auditors, Senior Management and representative(s) from External Auditors are invited to attend the Audit Committee meetings, whenever necessary.

Besides the quarterly Audit Committee meetings, the Audit Committee also held at least two (2) meetings with External Auditors without the presence of the management to discuss and exchange views on relevant audit matters and will meet as and when required.

The Chairman of the Audit Committee provides reports on recommendation and decision of the Audit Committee to the Board.

Secretary

The Joint Secretaries, Yeap Kok Leong and Wong Wai Foong of TDM Berhad are also Joint Secretaries of the Audit Committee of the Company.

2.0 Terms of Reference

2.1 Membership

2.1.1 The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-

- (a) the Committee must be composed of no fewer than 3 members;
- (b) all of the members shall be non-executive directors with a majority of the Committee being independent directors; and
- (c) at least one member of the Committee:
  - (i) must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
    - (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
    - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967

or fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

2.1.2 The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.

2.1.3 No alternate director should be appointed as a member of the Committee.

2.1.4 In the event of any vacancy in the Committee resulting in the non-compliance of the Listing Requirements of the Bursa Malaysia pertaining to composition of audit committee, the Board of Directors shall within three months of that event fill the vacancy.

2.1.5 The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2.2 Meetings

2.2.1 Frequency

a. Meetings shall be held not less than four times a year.

b. Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

2.2.2 Quorum

A quorum shall consist of a majority of independent directors.

2.2.3 Secretary

The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

2.2.4 Attendance

a. The Head of Finance Department, the Head of Internal Audit (where such a function exists) and a representative of the external auditor shall normally attend meetings.

b. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

c. At least once a year, the Committee is authorised to convene meetings with the external auditors, internal auditors or both, in the absence of other directors and employees.

2.2.5 Reporting Procedure

The minutes of each meeting shall be circulated to all members of the Board.

2.2.6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

(a) the calling of meetings;

(b) the notice to be given of such meetings;

(c) the voting and proceedings of such meetings;

(d) the keeping of minutes; and

(e) the custody, production and inspection of such minutes.

2.3 Rights

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:

(a) have authority to investigate any matter within its terms of reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Company;

(d) have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity (if any);

(e) be able to obtain independent professional or other advice; and

(f) be able to convene meetings with external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

2.4 Function

2.4.1 The Committee shall, amongst others, discharge the following functions:

(a) To review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-

(i) the going concern assumption;

(ii) changes in or implementation of major accounting policy changes;

(iii) significant and unusual events; and

(iv) compliance with accounting standards and other legal requirements.

(b) To review any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.

(c) with the external auditor:

(i) the audit plan;

(ii) his evaluation of the system of internal controls;

(iii) his audit report;

(iv) his management letter and management's response; and

(v) the assistance given by the Company's employees to the external auditor;

2.4.2 To monitor the management's risk management practices and procedures.

2.4.3 In respect of the appointment of external auditors:

(a) to review whether there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;

(b) to consider the nomination of a person or persons as external auditors and the audit fee;

(c) to consider any questions of resignation or dismissal of external auditors.

2.4.4 In respect of the internal audit function:

(a) to review the adequacy of the scopes, functions, resources and the adequacy of the competency of the internal audit function and that it has the necessary authority to carry out its work;

(b) to review the internal audit programmes, processes, the results of the internal audit programmes, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(c) to review any appraisal or assessment of the performance of members of the internal audit function;

(d) to approve any appointment or termination of senior staff members of the internal audit function; and

(e) to inform itself of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.

2.4.5 To promptly report such matter to the Bursa Malaysia if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

2.4.6 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

3.0 Summary of Activities

During the financial year ended 31 December 2011, the principal activities carried out by the Audit Committee were as follows:

3.1 Financial Reporting

a) Reviewed the quarterly Unaudited Financial Statements of the Company and the Group before recommending it for Board of Directors approval.

b) Reviewed the annual Audited Financial Statements of the Company and the Group with the External Auditors prior to submission to the Board of Directors for their approval. The review was to ensure the Financial Statements prepared are in compliance with the Provisions of the Companies Act 1965 and Financial Reporting Standards.

3.2 Internal Audit

a) Reviewed Annual Internal Audit Plan to ensure adequate scope and comprehensive coverage of the Group's activities and principal risk areas were identified and adequately covered.

b) Reviewed the adequacy of resources and competency of the Internal Audit function to ensure it has appropriate expertise in discharging its duties.

c) Assessed performance and effectiveness of the Internal Audit Function and reviewed the skills and the core competencies requirement of the internal auditors.

d) Reviewed and deliberated the Internal Audit Reports tabled during the year, the audit recommendations and the management response to the internal audit findings and recommendations.

e) Held private meetings and discussions with the Head, Internal Audit on key internal control and internal audit related matters.

3.3 External Audit

a) Reviewed with External Auditors the audit plan, nature and scope of the audit, including the terms detailed in the external auditors' engagement letter.

b) Reviewed the result of the annual audit, the audit report and the management letter together with the management responses to the findings of the External Auditors.

c) Evaluated the performance of the External Auditors and made recommendation to the Board of Directors on their appointment and remuneration.

d) Held two (2) private meetings with the External Auditors to ensure there were no restrictions on the audit scope and to discuss any items that the auditors did not wish to raise in the presence of management.

3.4 Related Party Transactions

Reviewed related party transactions to ensure the appropriateness of the transaction and in the best interest of the Company.

3.5 Employees' Share Option Scheme ("ESOS")

Reviewed the allocation of option granted and exercised during the financial year to ensure it was in accordance to the provisions of the ESOS-By Laws and Bursa Malaysia Securities Main Market Listing Requirements.

4.0 Training

During the year, the Audit Committee members attended various seminars, conferences and training programmes as follows:

- Voluntary Winding-Up, Registration of Documents for Winding-Up by Court & Striking-off Application and its Procedures
- Optimising Corporate Tax Planning Strategies
- Malaysian Tax Conference 2011
- Accounting for Agriculture
- Setting Effective Key Performance Indicators
- Corporate Tax Planning for SMEs
- Capitalising from Latest Tax Updates & Developments

The Audit Committee Report was made in accordance with the resolution of the Board of Directors duly passed on 27 February 2012.

Abdul Mutalip bin Sulaiman
Chairman, Audit Committee

Statement on Internal Control

Introduction

The Statement on Internal Control ("Statement") is made pursuant to the Bursa Malaysia Listing Requirements which requires the Board to include in the Company Annual Report a statement about the state of its internal control.

Accordingly, the Board of Directors of TDM Berhad is pleased to present the statement which has been prepared in accordance to the "Statement on Internal Control: Guidance for Directors of Public Listed Companies" by Bursa Malaysia Securities Berhad.

Board Responsibility

The Board affirms its overall responsibility for maintaining sound internal control system to safeguard the shareholders' interest and the Group's assets. In view of the limitations that are inherent in any system of internal control, it is imperative to note that the system is designed to mitigate rather than eliminate the risk of failure to achieve business objectives. Therefore, the system of internal control can only provide reasonable, rather than absolute assurance against material misstatements, loss or fraud.

The Board throughout the current financial year has mitigated the risks faced by the Group through monitoring of the Group operational efficiency and profitability at its Board meetings. The Board was assisted by Board Committees namely the Audit Committee, Nomination and Remuneration Committee and Employees' Share Option Scheme Committee with their respective terms of reference.

Key Elements of Internal Control

The Board has tasked its Executive Management with the responsibility to monitor and review strategic and significant operational matters of the Group through the following key elements of internal controls:

- **Risk Management**

  The Board recognises that risk management is an integral part of the Group business operations and is important for the achievement of the business objectives. The Group Risk Management Committee led by the Chief Executive Officer was established to oversee the overall management of the principal risk areas of the Company and the Group. Responsibilities for managing the major risks were identified and action plans were drawn up to managed the risks.

- **Organisation and Management Structure**

  The Group established an organisation structure that clearly defined lines of responsibility and delegation of authority to ensure proper identification of accountability and segregation of duties.

  Employees were hired based on the stipulated guidelines and they were given continuous training in areas relevant to their job functions so that their knowledge and competencies remain pertinent in carrying out their duties and responsibilities. Employees were remunerated based on their performance and length of service according to an approved appraisal system.

- **Annual Business Plan**

  Annual business plans were prepared by the Company and its operating subsidiaries. The subsidiaries' business plans were deliberated thoroughly by the management at head office before submission for review, consideration and approval by the respective Boards.

- **Meetings**

  Meetings were held at operational and management level to review the business performance and to identify, discuss and resolve business and operational issues. These include periodic operation meetings at Group level which were chaired by the Company Chief Executive Officer.

- **Business Performance Review**
  The Group management monitors the financial performance against the budget and follows up on critical operational issues to ensure that appropriate action has been taken in accordance to the agreed plan.

  The management provides quarterly reports to the Board covering financial performance and production statistics which include the actual results comparison against approved annual budget.

  The detailed analysis of financial results was reviewed by the Audit Committee before recommendation to the Board prior to submission to Bursa Malaysia Securities Berhad.

- **Internal Audit Function**
  The Audit Committee, with the assistance of the Internal Audit Department provides an independent assessment on the adequacy, efficiency and effectiveness of the Group internal control system and advises management on areas that require improvement.

  In order to maintain the independence and effectiveness of the internal audit function, the Head of Internal Audit reports directly to the Audit Committee.

  During the financial year under review, the Internal Auditors conducted independent reviews of the key activities within the Group operating units based on the Annual Audit Plan approved by the Audit Committee. The Internal auditors also reviewed the extent to which their recommendations have been accepted and implemented by the management. Internal audit reports were tabled at the Audit Committee meetings, who subsequently reported to the Board its assessments and recommendations.

  The total cost incurred for the Internal Audit function of the Group for the financial year ended 31 December 2011 was RM390,000.

The Board regards the established internal control system explicated in this statement is adequate for the current Group businesses environment and continuous initiatives to strenghten the internal control system is taken up to ensure its appropriateness in the emergent businesses environment.

Review of the Statement by External Auditors

The external auditors have reviewed this statement and reported to the Board that nothing has come to their attention that caused them to believe that the Statement on Internal Control intended to be included in the annual report is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of Group internal control system.

This statement was made in accordance with the Board of Directors' resolution dated 27 February 2012.

Additional Compliance Statement

The following information is in compliance with Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Imposition of Sanction / Penalties

There were no public sanction and / or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Material Contract

During the financial year under review, save as disclosed in the sections under significant related party transactions set out in Note 31 to the financial statement, there were no other material contracts entered into by the Company and/or its subsidiaries which involved Directors' and major shareholders' interests, either still subsisting at the end of the financial year 2011 or which were entered into since the end of the previous financial year.

Share Buybacks

There were no share buybacks during the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Profit Guarantee

The Company did not have any profits guarantees during the financial year.

List of Properties

The list of properties is stated on page 155 to 157 of the Annual Report.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year by the Company's auditors amounted to RM5,000.

Revaluation Policy

The Group's policy on revaluation is disclosed in Note 2.7 to the financial statements.

Options, Warrants or Convertible Securities

During the financial year, there were no warrants or convertible securities issued by the Company other than shares or options issued pursuant to the Employee Share Options Scheme ("ESOS") as disclosed in Directors' Interest and Note 29 (b) to the financial statements.

According to the register of the ESOS options, the interests of the Chief Executive Officer in the Company's options during the financial year 2011 were as follows:

	As at 1 January 2011	No. of options Granted	No. of options Exercised	As at 31 December 2011
Encik Badrul Hisham bin Mahari	405,000	–	(250,000)	155,000

The aggregate maximum allowable allocation and the actual ESOS allocation to the Group directors and management personnel are as follows:

	Since the Commencement of the ESOS
	Maximum Allowable Allocation
Directors	15%
Management Personnel	35%

TDM ESOS 2008

Options	**Maximum percentage of options exercisable in each year commencing from the offer date**				
Year	**2008**	**2009**	**2010**	**2011**	**2012**
Directors (100,000 and above)	20%	20%	20%	20%	20%
Management personnel (from 20,000 up to 100,000)	40%	30%	30%	–	–

TDM ESOS 2010

Options	**Maximum percentage of options exercisable in each year commencing from the offer date**		
Year	**2010**	**2011**	**2012**
Directors and management personnel (Above 20,000)	40%	30%	30%

Further, the Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in the financial statements for the financial year 2011, the names of option holders with less than 245,000 options, other than directors, whom options have been granted during the year and details of their holdings.

Variation in Results

The Company did not make any release on the profit estimate, forecast or projection for the financial year.

There is no significant variance between the results for the financial year and the unaudited results previously released by the Company.

Directors' Report and Audited Financial Statements

31 December 2011

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

Principal Activities

The principal activities of the Company are investment holding, provision of management services and cultivation of oil palms.

The principal activities of its subsidiaries are described in Note 17 to the financial statements.

There have been no significant changes in the nature of subsidiaries' activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit from continuing operations, net of tax	158,553	69,477
Profit from discontinued operation, net of tax	560	–
Profit for the year, net of tax	159,113	69,477
Profit attributable to:		
Owners of the parent	156,851	69,477
Minority interests	2,262	–
	159,113	69,477

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 December 2010 were as follows:

	RM'000
In respect of the financial year ended 31 December 2010:	
A first and final dividend of 13.50 sen dividend per share, tax exempt under the single-tier system on 231,926,852 ordinary shares declared on 31 March 2011 and paid on 9 June 2011	31,310

	RM'000
In respect of the financial year ended 31 December 2011:	
An interim dividend of 3 sen dividend per share, tax exempt under the single-tier system on 231,926,852 ordinary shares declared on 27 April 2011 and paid on 9 June 2011	**6,958**
Total	**38,268**

At the forthcoming Annual General Meeting ("AGM"), a final dividend in respect of the financial year ended 31 December 2011 of 18.50 sen dividend per share, tax exempt under the single-tier system on 238,046,617 ordinary shares, amounting to RM44,038,624 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2012.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Y. Bhg. Datuk Haji Roslan bin Awang Chik	
Y. B. Dato' Haji Abdul Razak bin Ismail	
Tuan Haji Long bin A. Rahman	
Tuan Haji Zakaria bin K C Ahammu	
Encik Wong Shew Yong	
Encik Abdul Mutalip bin Sulaiman	
Y. Bhg. Dato' Haji Mat Razali bin Kassim	*(appointed on 16 January 2012)*
Y. Bhg. Dato' Haji Adzlan bin Mohd Dagang	*(resigned on 16 January 2012)*

Directors' Benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under Employee Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 31 to the financial statements.

Directors' Interests

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

	Number of ordinary shares of RM1 each			
	1 January 2011	**Acquired**	**Sold**	**31 December 2011**
Y. Bhg. Datuk Haji Roslan bin Awang Chik	–	350,000	–	350,000
Y. Bhg. Dato' Haji Adzlan bin Mohd Dagang	–	231,000	(200,000)	31,000
Tuan Haji Long bin A. Rahman	–	231,000	(231,000)	–
Encik Wong Shew Yong	–	231,000	–	231,000

	Number of options over ordinary shares of RM1 each			
	1 January 2011	**Granted**	**Exercised**	**31 December 2011**
Y. Bhg. Datuk Haji Roslan bin Awang Chik	500,000	–	(350,000)	150,000
Y. B. Dato' Haji Abdul Razak bin Ismail	330,000	–	–	330,000
Y. Bhg. Dato' Haji Adzlan bin Mohd Dagang	330,000	–	(231,000)	99,000
Tuan Haji Long bin A. Rahman	330,000	–	(231,000)	99,000
Encik Wong Shew Yong	330,000	–	(231,000)	99,000

None of the other directors in office at the end of the financial year had any interest in shares or options over shares in the Company or its related corporations during the financial year.

Issue of Shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM225,572,202 to RM238,046,617 by way of the issuance of 8,976,200 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at an average exercise price of RM1.76 per ordinary share and 3,498,215 ordinary shares of RM1 each at an issue price of RM2.83 per ordinary share as partial discharge of purchase consideration for the acquisition of a subsidiary.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Employee Share Option Scheme ("ESOS")

The TDM Berhad ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 19 February 2008. The ESOS was implemented on 17 March 2008 for a period of 5 years from the date of implementation.

During the year, the Company granted 155,000 share options under the ESOS.

The salient features and other terms of the ESOS are disclosed in Note 29(b) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia ("CCM") from having to disclose the names of option holders, other than directors, to whom options have been granted during the year and details of their holdings. This information has been separately filed with the CCM.

Other Statutory Information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; and

    (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Other Statutory Information (Cont'd.)

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant Events

Details of significant events are disclosed in Note 17(a), 17(b) and 17(c) to the financial statements.

Subsequent Events

Details of subsequent events are disclosed in Note 38 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2012.

Datuk Haji Roslan bin Awang Chik

Abdul Mutalip bin Sulaiman

Statement by Directors

Pursuant to Section 169(15) of the Companies Act 1965

We, Datuk Haji Roslan bin Awang Chik and Abdul Mutalip bin Sulaiman, being two of the directors of TDM Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 75 to 151 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and the cash flows for the year then ended.

The information set out in Note 40 to the financial statements have been prepared in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2012.

Datuk Haji Roslan bin Awang Chik

Abdul Mutalip bin Sulaiman

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act 1965

I, Amir Mohd Hafiz bin Amir Khalid, being the officer primarily responsible for the financial management of TDM Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 75 to 151 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed,
Amir Mohd Hafiz bin Amir Khalid at Kuala Terengganu in
the state of Terengganu Darul Iman on 27 March 2012

Amir Mohd Hafiz bin Amir Khalid

Before me,

PESURUHJAYA SUMPAH
No :T 027
Nama: WAN NAWANG
BIN ENDOT
MALAYSIA

No.11-Q, Tingkat 1
Jalan Engku Pengiran Anom 1
20300 Kuala Terengganu,
Terengganu.

Independent Auditors' Report

to the members of TDM Berhad

Report on the Financial Statements

We have audited the financial statements of TDM Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 75 to 151.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

in accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act, other than as disclosed in Note 17 to the financial statements.

Other matters

The supplementary information set out in Note 40 on page 152 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Sandra Segaran a/l Muniandy@Krishnan
No. 2882/01/13 (J)
Chartered Accountant

Kuala Terengganu, Terengganu Darul Iman, Malaysia
27 March 2012

Statements of Comprehensive Income

For the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000 Restated	Company 2011 RM'000	Company 2010 RM'000 Restated
Continuing operations					
Revenue	4	**503,234**	392,763	**144,748**	99,572
Cost of sales		**(214,374)**	(190,550)	**(24,083)**	(21,904)
Gross profit		**288,860**	202,213	**120,665**	77,668
Other items of income					
Interest income		**4,734**	2,204	**452**	430
Other income		**10,097**	5,180	**443**	93
Other items of expense					
Distribution costs		**(8,064)**	(8,051)	**(1,794)**	(1,690)
Administrative expenses		**(75,359)**	(67,639)	**(30,283)**	(30,079)
Other expenses		**(5,001)**	(3,436)	**(4,805)**	(2,998)
Finance costs	5	**(324)**	(238)	**(2)**	(783)
Profit before tax from continuing operations	6	**214,943**	130,233	**84,676**	42,641
Income tax expense	9	**(56,390)**	(35,689)	**(15,199)**	(6,081)
Profit from continuing operations, net of tax		**158,553**	94,544	**69,477**	36,560
Discontinued operation					
Profit/(loss) from discontinued operation, net of tax	10	**560**	(1,488)	**–**	–
Profit for the year, net of tax		**159,113**	93,056	**69,477**	36,560
Other comprehensive income:					
Available for sale investments' fair value movement		**4**	33	**–**	–
Revaluation of land, buildings, plant and machinery and plantation development expenditure	27	**345,004**	–	**4,095**	–
Deferred tax impact on revaluation	9	**(46,965)**	–	**(202)**	–
Foreign currency translation		**718**	(1,544)	**–**	–
Other comprehensive income for the year, net of tax		**298,761**	(1,511)	**3,893**	–
Total comprehensive income for the year		**457,874**	91,545	**73,370**	36,560

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000 Restated	Company 2011 RM'000	Company 2010 RM'000 Restated
Profit attributable to:					
Owners of the parent		**156,851**	91,740	**69,477**	36,560
Minority interests		**2,262**	1,316	**–**	–
		159,113	93,056	**69,477**	36,560
Total comprehensive income attributable to:					
Owners of the parent		**452,483**	90,523	**73,370**	36,560
Minority interests		**5,391**	1,022	**–**	–
		457,874	91,545	**73,370**	36,560
Earnings per share attributable to owners of the parent (sen per share):					
Basic	11	**66.32**	41.36		
Diluted	11	**64.02**	41.00		
Earnings per share from continuing operations attributable to owners of the parent (sen per share)					
Basic	11	**66.08**	42.03		
Diluted	11	**63.79**	41.67		
Earnings/(loss) per share from discontinued operation attributable to owners of the parent (sen per share)					
Basic	11	**0.24**	(0.67)		
Diluted	11	**0.23**	(0.67)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000 Restated	Company 2011 RM'000	Company 2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	**582,250**	296,458	**21,557**	30,566
Biological assets	14	**501,803**	368,168	**23,638**	23,638
Investment property	15	**11,000**	–	**11,000**	–
Goodwill	16	**8,571**	1,468	**–**	–
Investments in subsidiaries	17	**–**	–	**220,713**	187,718
Other investments	18	**4,700**	4,700	**–**	–
Available for sale investments	19	**151**	148	**–**	–
		1,108,475	670,942	**276,908**	241,922
Current assets					
Property development costs	20	**–**	–	**–**	–
Inventories	21	**23,151**	14,914	**603**	418
Trade and other receivables	22	**79,279**	60,900	**152,266**	52,097
Prepayments		**1,392**	5,048	**24**	33
Tax recoverable		**297**	56	**–**	–
Cash and bank balances	23	**224,524**	176,702	**2,505**	46,888
		328,643	257,620	**155,398**	99,436
Assets of disposal group classified as held for sale	10	**11,942**	–	**4,078**	–
		340,585	257,620	**159,476**	99,436
Total assets		**1,449,060**	928,562	**436,384**	341,358
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	29	**–**	160	**–**	77
Borrowings	24	**926**	3,245	**65**	82
Trade and other payables	25	**166,304**	147,146	**72,615**	41,439
Tax payable		**10,350**	6,090	**2,741**	813
		177,580	156,641	**75,421**	42,411
Liabilities of disposal group classified as held for sale	10	**5,616**	–	**–**	–
		183,196	156,641	**75,421**	42,411
Net current assets		**145,447**	100,979	**79,977**	57,025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000
Non-current liabilities					
Retirement benefit obligations	29	**1,142**	833	**186**	89
Borrowings	24	**564**	1,520	**–**	76
Deferred tax liabilities	30	**89,551**	42,489	**9,712**	9,901
		91,257	44,842	**9,898**	10,066
Total liabilities		**274,453**	201,483	**85,319**	52,477
Net assets		**1,174,607**	727,079	**351,065**	288,881
Equity attributable to owners of the parent					
Share capital	26	**238,046**	225,572	**238,046**	225,572
Share premium	26	**64,069**	45,945	**64,069**	45,945
Retained earnings/(accumulated losses)	28	**347,161**	228,996	**9,285**	(21,924)
Other reserves	27	**500,463**	208,347	**39,665**	39,288
		1,149,739	708,860	**351,065**	288,881
Minority interests		**24,868**	18,219	**–**	–
Total equity		**1,174,607**	727,079	**351,065**	288,881
Total equity and liabilities		**1,449,060**	928,562	**436,384**	341,358

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2011

	Attributable to owners of the parent										
			Non-distributable		Distributable	Non-distributable					
2011 Group	**Equity, total RM'000**	**Equity attributable to owners of the parent, total RM'000**	**Share capital (Note 26) RM'000**	**Share premium (Note 26) RM'000**	**Retained earnings (Note 28) RM'000**	**Other reserves, total RM'000**	**Asset revaluation reserve (Note 27) RM'000**	**Foreign currency translation reserve (Note 27) RM'000**	**Share option reserve (Note 27) RM'000**	**Fair value adjustment reserve (Note 27) RM'000**	**Minority interests RM'000**
Opening balance at 1 January 2011											
As previously stated	727,354	709,135	225,572	45,945	229,271	208,347	205,481	(1,793)	4,626	33	18,219
Prior year adjustments (Note 37)	(275)	(275)	–	–	(275)	–	–	–	–	–	–
At 1 January 2011 (restated)	727,079	708,860	225,572	45,945	228,996	208,347	205,481	(1,793)	4,626	33	18,219
Total comprehensive income	457,874	452,483	–	–	156,851	295,632	294,954	674	–	4	5,391
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	20,698	20,698	8,976	11,722	–	–	–	–	–	–	–
Share options granted under ESOS	1,543	1,543	–	–	–	1,543	–	–	1,543	–	–
Exercise of ESOS	(5,059)	(5,059)	–	–	–	(5,059)	–	–	(5,059)	–	–
Shares issued for acquisition of a subsidiary	*9,900*	*9,900*	*3,498*	*6,402*	–	–	–	–	–	–	–
Loss on accretion interest	–	(418)	–	–	(418)	–	–	–	–	–	418
Issuance of new ordinary shares in a subsidiary	932	–	–	–	–	–	–	–	–	–	932
Dividends on ordinary shares (Note 12)	(38,360)	(38,268)	–	–	(38,268)	–	–	–	–	–	(92)
Total transactions with owners	(10,346)	(11,604)	12,474	18,124	(38,686)	(3,516)	–	–	(3,516)	–	1,258
Closing balance at 31 December 2011	1,174,607	1,149,739	238,046	64,069	347,161	500,463	500,435	(1,119)	1,110	37	24,868

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2011

	← Attributable to owners of the parent →										
			Non-distributable		Distributable	← Non-distributable →					
2010 **Group**	**Equity, total** **RM'000** **Restated**	**Equity attributable to owners of the parent, total** **RM'000**	**Share capital (Note 26)** **RM'000**	**Share premium (Note 26)** **RM'000**	**Retained earnings (Note 28)** **RM'000**	**Other reserves, total** **RM'000**	**Asset revaluation reserve (Note 27)** **RM'000**	**Foreign currency translation reserve (Note 27)** **RM'000**	**Share option reserve (Note 27)** **RM'000**	**Fair value adjustment reserve (Note 27)** **RM'000**	**Minority interests** **RM'000** **Restated**
Opening balance at 1 January 2010	647,868	631,027	218,881	38,132	163,588	210,426	205,481	(543)	5,488	–	16,841
Total comprehensive income	91,545	90,523	–	–	91,740	(1,217)	–	(1,250)	–	33	1,022
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	14,504	14,504	6,691	7,813	–	–	–	–	–	–	–
Share options granted under ESOS	2,870	2,870	–	–	–	2,870	–	–	2,870	–	–
Exercise of ESOS	(3,732)	(3,732)	–	–	–	(3,732)	–	–	(3,732)	–	–
Acquisition of shares in existing subsidiary	(700)	–	–	–	–	–	–	–	–	–	(700)
Issuance of new ordinary shares in subsidiaries	1,126	–	–	–	–	–	–	–	–	–	1,126
Loss on accretion interest	31	–	–	–	–	–	–	–	–	–	31
Dividends on ordinary shares (Note 12)	(26,433)	(26,332)	–	–	(26,332)	–	–	–	–	–	(101)
Total transactions with owners	(12,334)	(12,690)	6,691	7,813	(26,332)	(862)	–	–	(862)	–	356
Closing balance at 31 December 2010 (restated)	727,079	708,860	225,572	45,945	228,996	208,347	205,481	(1,793)	4,626	33	18,219

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company Statement of Changes in Equity

For the financial year ended 31 December 2011

		Attributable to owners of the parent						
		Non-distributable		Distributable		Non-distributable		
2011 **Company**	**Equity, total RM'000**	**Share capital (Note 26) RM'000**	**Share premium (Note 26) RM'000**	**(Accumulated losses)/ Profits (Note 28) RM'000**	**Other reserves, total RM'000**	**Asset revaluation reserve (Note 27) RM'000**	**Capital reserve (Note 27) RM'000**	**Share option reserve (Note 27) RM'000**
Opening balance at 1 January 2011	**288,881**	**225,572**	**45,945**	**(21,924)**	**39,288**	**31,926**	**2,736**	**4,626**
Total comprehensive income	**73,370**	**–**	**–**	**69,477**	**3,893**	**3,893**	**–**	**–**
Transactions with owners								
Issuance of ordinary shares pursuant to ESOS	**20,698**	**8,976**	**11,722**	**–**	**–**	**–**	**–**	**–**
Share options granted under ESOS	**1,543**	**–**	**–**	**–**	**1,543**	**–**	**–**	**1,543**
Exercise of ESOS	**(5,059)**	**–**	**–**	**–**	**(5,059)**	**–**	**–**	**(5,059)**
Dividends on ordinary shares (Note 12)	**(38,268)**	**–**	**–**	**(38,268)**	**–**	**–**	**–**	**–**
Shares issued for acquisition of a subsidiary	**9,900**	**3,498**	**6,402**	**–**	**–**	**–**	**–**	**–**
Total transactions with owners	**(11,186)**	**12,474**	**18,124**	**(38,268)**	**(3,516)**	**–**	**–**	**(3,516)**
Closing balance at 31 December 2011	**351,065**	**238,046**	**64,069**	**9,285**	**39,665**	**35,819**	**2,736**	**1,110**
Opening balance at 1 January 2010	265,011	218,881	38,132	(32,152)	40,150	31,926	2,736	5,488
Total comprehensive income	36,560	–	–	36,560	–	–	–	–
Transactions with owners								
Issuance of ordinary shares pursuant to ESOS	14,504	6,691	7,813	–	–	–	–	–
Share options granted under ESOS	2,870	–	–	–	2,870	–	–	2,870
Exercise of ESOS	(3,732)	–	–	–	(3,732)	–	–	(3,732)
Dividends on ordinary shares (Note 12)	(26,332)	–	–	(26,332)	–	–	–	–
Total transactions with owners	(12,690)	6,691	7,813	(26,332)	(862)	–	–	(862)
Closing balance at 31 December 2010	288,881	225,572	45,945	(21,924)	39,288	31,926	2,736	4,626

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000 Restated	Company 2011 RM'000	Company 2010 RM'000
Operating activities					
Profit before tax from continuing operations		**214,943**	130,233	**84,676**	42,641
Profit/(loss) before tax from discontinued operation	10	**558**	(1,486)	**–**	–
Profit before tax, total		**215,501**	128,747	**84,676**	42,641
Adjustments for:					
Interest expense					
- Continuing operations	5	**324**	238	**2**	24
- Discontinued operation	10	**80**	89	**–**	–
Interest expense charged by subsidiaries	5	**–**	–	**–**	759
Depreciation of property, plant and equipment	6	**21,455**	17,502	**2,697**	1,504
Property, plant and equipment written off	6	**310**	38	**85**	–
Reversal of amortisation of leasehold land	6	**–**	(1,386)	**–**	–
Amortisation of livestocks	6	**492**	968	**–**	–
Loss on disposal of biological assets	6	**–**	2,397	**–**	2,397
Inventories written off	6	**–**	61	**–**	–
Gain on disposal of property, plant and equipment	6	**(223)**	(91)	**–**	(19)
Impairment loss on trade receivables	6	**1,730**	928	**–**	–
Impairment loss on other receivables	6	**624**	4,045	**5**	4,940
Reversal of impairment loss on trade receivables	6	**(173)**	(2)	**–**	–
Reversal of impairment loss on other receivables	6	**(67)**	(128)	**–**	–
Bad debts written off	6	**24**	60	**–**	–
Payables written back	6	**(2,771)**	(1,036)	**(54)**	(51)
Provision for impairment of investment in subsidiaries	6	**–**	–	**8,900**	6,000
Dividend income	6	**(942)**	(1,646)	**(52,697)**	(33,846)
Biological assets written off	6	**–**	2,101	**–**	–
(Gain)/loss on liquidation of subsidiaries	6	**(152)**	1,174	**–**	–
Interest income	6	**(4,734)**	(2,204)	**(452)**	(31)
Interest income charged to subsidiaries	6	**–**	–	**–**	(399)
Loss on accretion interest	6	**–**	31	**–**	–
Provision for/(reversal of) short term accumulating compensated absences	7	**124**	(10)	**9**	23
Provision for retirement benefit obligations	7	**238**	192	**20**	33
Share options granted under ESOS	7, 8	**1,543**	2,869	**558**	1,207
Total adjustments		**17,882**	26,190	**(40,927)**	(17,459)
Operating cash flows before changes in working capital		**233,383**	154,937	**43,749**	25,182

For the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000 Restated	Company 2011 RM'000	Company 2010 RM'000
Operating activities (cont'd.)					
Changes in working capital					
(Increase)/decrease in inventories		**(9,302)**	(454)	**(185)**	834
(Increase)/decrease in receivables		**(17,939)**	(6,245)	**(82,366)**	4,270
Increase/(decrease) in payables and deferred revenue		**17,973**	17,129	**30,395**	(10,745)
Total changes in working capital		**(9,268)**	10,430	**(52,156)**	(5,641)
Cash flows from/(used in) operations		**224,115**	165,367	**(8,407)**	19,541
Interest paid		**(404)**	(327)	**(2)**	(24)
Interest received		**4,734**	2,204	**452**	31
Taxes paid		**(54,891)**	(24,354)	**(9,546)**	(3,458)
Tax refund		**159**	–	**159**	–
Zakat paid		**–**	(351)	**–**	–
Retirement benefits paid	29	**(89)**	(1,031)	**–**	(241)
Net cash flows from/(used in) operating activities		**173,624**	141,508	**(17,344)**	15,849
Investing activities					
Purchase of property, plant and equipment	13(b)	**(51,895)**	(41,022)	**(678)**	(2,003)
Addition of livestocks	14	**(881)**	(753)	**–**	–
Addition of plantation development expenditure	14	**(40,059)**	(16,273)	**–**	–
Purchase of additional shares in subsidiaries	17	**–**	(700)	**(9,448)**	(14,660)
Dividend received		**942**	1,646	**10,442**	60,989
Proceeds from disposal of biological assets		**–**	1,500	**–**	1,500
Proceeds from disposal of property, plant and equipment		**363**	195	**–**	19
Net cash outflow on acquisition of a subsidiary	17(a)	**(9,501)**	–	**(4,633)**	–
Proceeds from liquidation of a subsidiary		**152**	–	**–**	–
Net cash flows (used in)/from investing activities		**(100,879)**	(55,407)	**(4,317)**	45,845
Financing activities					
Proceeds from trust receipts and bankers' acceptances		**5,648**	6,099	**–**	–
Repayments of trust receipts and bankers' acceptances		**(5,463)**	(6,164)	**–**	–
Proceeds from issuance of ordinary shares		**16,571**	11,400	**15,639**	10,772
Repayments of term loans		**(1,692)**	(188)	**–**	–
Repayments of hire purchase facilities		**(1,125)**	(1,190)	**(93)**	(75)
Dividends paid to shareholders		**(38,360)**	(26,433)	**(38,268)**	(26,332)
Net cash flows used in financing activities		**(24,421)**	(16,476)	**(22,722)**	(15,635)
Net increase/(decrease) in cash and cash equivalents		**48,324**	69,625	**(44,383)**	46,059
Cash and cash equivalents at 1 January		**176,100**	106,475	**46,888**	829
Cash and cash equivalents at 31 December	23	**224,424**	176,100	**2,505**	46,888

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2011

1. Corporate Information

The principal activities of the Company are investment holding, provision of management services and cultivation of oil palms. The principal activities of the subsidiaries are as disclosed in Note 17 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Aras 5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin, 20100 Kuala Terengganu, Terengganu Darul Iman.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 July 2010 and 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	*1 July 2010*
Amendments to FRS 2 Share-based Payment	*1 July 2010*
FRS 3 Business Combinations	*1 July 2010*
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	*1 July 2010*
Amendments to FRS 127 Consolidated and Separate Financial Statements	*1 July 2010*
Amendments to FRS 138 Intangible Assets	*1 July 2010*
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	*1 July 2010*
IC Interpretation 12 Service Concession Arrangements	*1 July 2010*
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	*1 July 2010*
IC Interpretation 17 Distributions of Non-cash Assets to Owners	*1 July 2010*
Amendments to FRS 132 Classification of Rights Issues	*1 March 2010*
IC Interpretation 18 Transfers of Assets from Customers	*1 January 2011*
Amendments to FRS 7 Improving Disclosures about Financial Instruments	*1 January 2011*
Amendments to FRS 1 Limited Exemptions for First-time Adopters	*1 January 2011*
Amendments to FRS 1 Additional Exemptions for First-time Adopters	*1 January 2011*
IC Interpretation 4 Determining Whether an Arrangement Contains a Lease	*1 January 2011*
Improvements to FRS issued in 2010	*1 January 2011*

2. Summary of Significant Accounting Policies (Cont'd.)

2.2 Changes in accounting policies (cont'd.)

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company except for those discussed below:

Revised FRS 3 *Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements*

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Amendments to FRS 7 *Improving Disclosures about Financial Instruments*

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 33. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34(b).

Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

The amendments to FRS 5 requires that when a subsidiary is held for sale, all its assets and liabilities shall be classified as held for sale under FRS 5, even when the Group will retain a non-controlling interest in the subsidiary after the sale.

2. Summary of Significant Accounting Policies (Cont'd.)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*	1 July 2011
Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7 *Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets*	1 January 2012
FRS 124 *Related Party Disclosures*	1 January 2012
Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 10 *Consolidated Financial Statements*	1 January 2013
FRS 11 *Joint Arrangements*	1 January 2013
FRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13 *Fair Value Measurement*	1 January 2013
FRS 119 *Employee Benefits*	1 January 2013
FRS 127 *Separate Financial Statements*	1 January 2013
FRS 128 *Investment in Associate and Joint Ventures*	1 January 2013
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9 *Financial Instruments*	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 7 *Transfers of Financial Assets*

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets*

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

2. Summary of Significant Accounting Policies (Cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

FRS 9 *Financial Instruments*

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities.

FRS 10 *Consolidated financial statements*

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 11 *Joint Arrangements*

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly- controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

FRS 12 *Disclosure of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 *Fair Value Measurement*

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

FRS 127 *Separate Financial Statements*

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

2. Summary of Significant Accounting Policies (Cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd.)

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as of the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.10. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2. Summary of Significant Accounting Policies (Cont'd.)

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

2. Summary of Significant Accounting Policies (Cont'd.)

2.7 Property, plant and equipment (cont'd.)

Subsequent to recognition, property, plant and equipment except for buildings, plant and machinery, leasehold land and freehold land included within property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Certain buildings, plant and machinery, leasehold land and freehold land included within property, plant and equipment are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers.

Revaluations are performed at a regular interval of at least once every five (5) years to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the statement of financial position date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in progress is also not depreciated as this asset is not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets, at the following annual rates:

Leasehold land	33 - 88 years
Buildings	5% - 10%
Plant, machinery, equipment, vehicles and renovation	5% - 20%
Livestock pen and cages	10% - 33.3%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. Summary of Significant Accounting Policies (Cont'd.)

2.8 Biological assets

(a) Plantation development expenditure

Plantation development expenditure consists of pre-cropping costs incurred from the commencement of development to the date of maturity of the rootstock. Subsequent to recognition, plantation development expenditure are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed at least once in every five years to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the statement of financial position date.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in income statements, in which case the increase is recognised in income statements to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in income statements. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Expenditure incurred in respect of newly planted areas up to the time of maturity is capitalised as plantation development expenditure. Replanting expenditure is charged to the income statement as and when it is incurred. Replanting expenditure in the existing land with other crops other than the one previously planted is not being capitalised but expensed off in the income statement.

(b) Livestocks

Livestocks represent deferred expenditure incurred on the breeder stock up to their maturity. This deferred expenditure will be amortised over the average production cycle of the breeders.

Deferred expenditure on the breeder stock is carried at the lower of amortised cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while the market value is determined on the current net selling prices. On disposal of livestocks, the difference between net disposal proceeds and the carrying amount is recognised in income statements.

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2. Summary of Significant Accounting Policies (Cont'd.)

2.9 Investment properties (cont'd.)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.10 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash- generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. Summary of Significant Accounting Policies (Cont'd.)

2.11 Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

2. Summary of Significant Accounting Policies (Cont'd.)

2.13 Financial assets (cont'd.)

(b) Available-for-sale financial assets (cont'd.)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of Significant Accounting Policies (Cont'd.)

2.14 Impairment of financial assets (cont'd.)

(b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.15 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately. Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of Significant Accounting Policies (Cont'd.)

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of Significant Accounting Policies (Cont'd.)

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Defined benefit plan

The Group operates a funded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligations under the Scheme are determined based on triennial actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value.

Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service cost, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

(c) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

2. Summary of Significant Accounting Policies (Cont'd.)

2.21 Employee benefits (cont'd.)

(c) Employee share option plans (cont'd.)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.22 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.23 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rendering of services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

2. Summary of Significant Accounting Policies (Cont'd.)

2.24 Revenue (cont'd.)

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Management fees

Management fees are recognised when services are rendered.

2.25 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of Significant Accounting Policies (Cont'd.)

2.25 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3. Significant Accounting Judgements and Estimates (Cont'd.)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Discontinued operation

On 20 October 2011, the Board of Directors announced its decision to dispose of the food segment consisting of TD Poultry Sdn. Bhd. ("TDPSB") and, therefore classified it as disposal group for sale. The Board considered the subsidiary met the criteria to be classified as held for sale at that date for the following reasons:

- TDPSB is available for immediate sale and can be sold to a potential buyer in its current condition.
- The sale was completed on 20 February 2012.

For more details on the discontinued operation, refer to Note 10.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant and equipment

The cost of plant and equipment for the plantation industry and medical equipment for healthcare is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 20 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 16.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. Significant Accounting Judgements and Estimates (Cont'd.)

3.2 Key sources of estimation uncertainty (cont'd.)

(d) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 22.

(e) Defined benefit plan

The cost defined benefit pension plans is determined using actuarial assumptions. The principal assumptions used to determine the present value of defined benefit obligation are discount rate, long-term rate of return on assets and future salary increases. The carrying amount on the Group's defined benefit plan at the reporting date is disclosed in Note 29(a).

4. Revenue

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000
Sale of goods	**423,268**	323,979	**59,550**	47,957
Rendering of services	**76,400**	66,330	**–**	–
Dividend income from subsidiaries	**–**	–	**52,697**	33,846
Management fees from subsidiaries	**–**	–	**32,501**	17,769
Management fee from Terengganu Oil Palm Development				
- Sublessees Scheme	**3,566**	2,454	**–**	–
	503,234	392,763	**144,748**	99,572

Revenue for the Group represents invoiced amount for sale of goods and services rendered after allowing for sales discounts and returns and excludes intra-group transactions.

5. Finance Costs

	Group		Company	
	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000
Interest expense on:				
- bank overdrafts	**152**	38	**–**	15
- term loans	**101**	67	**–**	–
- hire purchase and finance lease liabilities	**71**	133	**2**	9
- interest charged by subsidiaries	**–**	–	**–**	759
	324	238	**2**	783

6. Profit Before Tax from Continuing Operations

The following items have been included in arriving at profit before tax from continuing operations:

	Group		Company	
	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000 Restated
Auditors' remuneration:				
- statutory audits	**283**	257	**58**	58
- Continuing	**265**	239	**58**	58
- Discontinued	**18**	18	**–**	–
- other services	**5**	5	**5**	5
- over provided in prior year	**–**	(4)	**–**	–
Employee benefits expense (Note 7)	**52,253**	44,605	**10,148**	10,133
- Continuing	**50,314**	42,695	**10,148**	10,133
- Discontinued	**1,939**	1,910	**–**	–
Non-executive directors' remuneration (Note 8)	**1,932**	2,040	**894**	1,106
- Continuing	**1,842**	1,954	**894**	1,106
- Discontinued	**90**	86	**–**	–
Depreciation of property, plant and equipment (Note 13)	**21,455**	17,502	**2,697**	1,504
- Continuing	**20,711**	16,818	**2,697**	1,504
- Discontinued	**744**	684	**–**	–
Property, plant and equipment written off (Note 13)	**310**	38	**85**	–
- Continuing	**309**	38	**85**	–
- Discontinued	**1**	–	**–**	–
Biological assets written off (Note 14)	**–**	2,101	**–**	–
Amortisation of livestocks				
- Discontinued (Note 14)	**492**	968	**–**	–
Reversal of amortisation of leasehold land (Note 13)	**–**	(1,386)	**–**	–
Loss on accretion interest	**–**	31	**–**	–
Loss on disposal of biological assets	**–**	2,397	**–**	2,397
Rental of premises	**3,337**	3,552	**600**	600
Rental of equipment	**48**	180	**1**	–
- Continuing	**46**	177	**1**	–
- Discontinued	**2**	3	**–**	–
Rental of land	**144**	89	**142**	85
Rental of parking space	**103**	103	**30**	47
Rental of chicken pen - discontinued	**31**	173	**–**	–
Inventories written off	**–**	61	**–**	–
Gain on disposal of property, plant and equipment	**(223)**	(91)	**–**	(19)
Bad debts written off	**24**	60	**–**	–
Impairment loss on trade receivables	**1,730**	928	**–**	–
- Continuing	**865**	584	**–**	–
- Discontinued	**865**	344	**–**	–

6. Profit Before Tax from Continuing Operations (Cont'd.)

	Group		Company	
	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000 Restated
Impairment loss on other receivables	**624**	4,045	**5**	4,940
Reversal of impairment loss on trade receivables	**(173)**	(2)	**–**	–
- Continuing	**(155)**	–	**–**	–
- Discontinued	**(18)**	(2)	**–**	–
Reversal of impairment loss on other receivables	**(67)**	(128)	**–**	–
Payables written back	**(2,771)**	(1,036)	**(54)**	(51)
Royalty	**553**	423	**–**	–
Share of profits from estates payable to Lembaga Tabung Amanah Warisan Negeri Terengganu	**3,873**	2,862	**3,873**	2,862
Share of profits from estates payable to Majlis Agama Islam dan Adat Melayu Terengganu	**933**	137	**933**	137
Provision for impairment of investment in subsidiaries	**–**	–	**8,900**	6,000
Replanting expenditure	**196**	430	**–**	–
(Gain)/loss on liquidation of subsidiaries	**(152)**	1,174	**–**	–
Dividend received	**(942)**	(1,646)	**(52,697)**	(33,846)
Interest income	**(4,734)**	(2,204)	**(452)**	(31)
Rental income	**(766)**	(227)	**–**	–
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(44,600)**	(30,809)	**(16,147)**	(11,239)
Insurance compensation received	**(62)**	–	**–**	–
Management fees charged to subsidiaries	**–**	–	**(32,501)**	(17,769)
Interest expense charged by subsidiaries	**–**	–	**–**	759
Interest income charged to subsidiaries	**–**	–	**–**	(399)

7. Employee Benefits Expense

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		**Restated**
Salaries, wages and allowances	**27,225**	23,026	**3,696**	3,534
Defined contribution benefits	**5,259**	3,464	**710**	729
Social security costs	**603**	1,467	**64**	61
Provision for retirement benefit obligations (Note 29 (a))	**238**	192	**20**	33
Provision for/(reversal of) short term accumulating compensated absences	**124**	(10)	**9**	23
Share options granted under ESOS	**1,208**	2,134	**321**	678
Other benefits	**17,596**	14,332	**5,328**	5,075
	52,253	44,605	**10,148**	10,133

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM344,000 (2010: RM307,000) as further disclosed in Note 8.

8. Directors' Remuneration

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive directors' remuneration (Note 7):				
Fees and other emoluments	**329**	274	**–**	–
Share options granted under ESOS	**15**	33	**–**	–
	344	307	**–**	–
Non-executive directors' remuneration (Note 6):				
Fees and other emoluments	**1,597**	1,305	**657**	577
Share options granted under ESOS	**335**	735	**237**	529
	1,932	2,040	**894**	1,106
Total directors' remuneration	**2,276**	2,347	**894**	1,106
Estimated money value of benefits-in-kind	**469**	141	**244**	22
Total directors' remuneration including benefits-in-kind	**2,745**	2,488	**1,138**	1,128

8. Directors' Remuneration (Cont'd.)

The number of directors of the Company whose total remuneration during the year falling within the following bands is analysed below:

	Number of directors	
	2011	2010 Restated
Non-executive directors:		
Below RM50,000	**–**	1
RM50,001 - RM100,000	**6**	5
RM150,001 - RM200,000	**1**	1

9. Income Tax Expense

The major components of income tax expense for the years ended 31 December 2011 and 2010 are:

	Group		Company	
	2011 RM'000	2010 RM'000 Restated	2011 RM'000	2010 RM'000
Statement of comprehensive income:				
Current income tax - continuing operations				
- Malaysian income tax	**57,499**	35,628	**15,615**	7,261
- (Over)/under provision of income tax in prior year	**(1,206)**	(1,234)	**(25)**	5
	56,293	34,394	**15,590**	7,266
Deferred tax - continuing operations (Note 30):				
(Over)/under provision in prior year	**(1,071)**	615	**(64)**	(4)
Relating to origination and reversal of temporary differences	**1,168**	680	**(327)**	(1,181)
	97	1,295	**(391)**	(1,185)
Income tax attributable to continuing operations	**56,390**	35,689	**15,199**	6,081
Income tax attributable to discontinued operation (Note 10)	**(2)**	2	**–**	–
Income tax expense recognised in profit or loss	**56,388**	35,691	**15,199**	6,081
Deferred income tax related to other comprehensive income:				
- Net surplus on revaluation of land, buildings, plant and machinery and plantation development expenditure	**46,965**	–	**202**	–

9. Income Tax Expense (Cont'd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 is as follows:

	2011 RM'000	2010 RM'000 Restated
Group		
Profit before tax from continuing operations	**214,943**	130,233
Profit/(loss) before tax from discontinued operation (Note 10)	**558**	(1,486)
Accounting profit before tax	**215,501**	128,747
Taxation at Malaysian statutory rate of 25% (2010: 25%)	**53,875**	32,187
Income not subject to tax	**(270)**	(11)
Expenses not deductible for tax purposes	**2,810**	4,359
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(469)**	(465)
Deferred tax assets recognised during the year	**(204)**	(96)
Deferred tax assets not recognised during the year	**2,925**	336
(Over)/under provision of deferred tax in prior year	**(1,071)**	615
Over provision of income tax in prior year		
- Continuing	**(1,206)**	(1,234)
- Discontinued	**(2)**	–
Tax expense for the year	**56,388**	35,691
Company		
Profit before tax	**84,676**	42,641
Taxation at Malaysian statutory rate of 25% (2010: 25%)	**21,169**	10,660
Income not subject to tax	**(8,900)**	(7,656)
Expenses not deductible for tax purposes	**3,019**	3,076
Over provision of deferred tax in prior year	**(64)**	(4)
(Over)/under provision of income tax in prior year	**(25)**	5
Tax expense for the year	**15,199**	6,081

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

10. Discontinued Operation and Disposal Group Classified as Held for Sale

On 20 October 2011, the Company entered into a Share Sale Agreement with Vision Poultry Sdn. Bhd. ("VPSB") to dispose the Company's entire investment in its wholly-owned subsidiary, TD Poultry Sdn. Bhd. ("TDPSB") comprising 35,495,984 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of TDPSB to VPSB for a total cash consideration of RM4,000,000.

The rationale for the disposal is to streamline and rationalise the core businesses of the Group.

10. Discontinued Operation and Disposal Group Classified as Held for Sale (Cont'd.)

As at 31 December 2011, the assets and liabilities related to TDPSB have been presented in the statements of financial position of the Group and the Company as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on the statement of comprehensive income of the Group as "Profit/(loss) from discontinued operation, net of tax". The disposal of TDPSB was completed on 20 February 2012 (Note 38).

Statement of comprehensive income disclosures

The results of TDPSB for the years ended 31 December are as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Revenue	**31,392**	26,035
Cost of sales	**(29,125)**	(26,319)
Gross profit/(loss)	**2,267**	(284)
Other income	**190**	121
Administrative expenses	**(1,819)**	(1,230)
Distribution cost	**–**	(4)
Operating profit/(loss)	**638**	(1,397)
Finance costs	**(80)**	(89)
Profit/(loss) before tax from discontinued operation	**558**	(1,486)
Income tax benefit/(expense)	**2**	(2)
Profit/(loss) from discontinued operation, net of tax	**560**	(1,488)

Statement of financial position disclosures

The major classes of assets and liabilities of TDPSB classified as held for sale as at 31 December 2011 are as follows:

	Group
	RM'000
Assets	
Property, plant and equipment	**5,919**
Biological assets	**858**
Inventories	**1,201**
Trade and other receivables	**3,915**
Tax recoverable	**3**
Cash and bank balances	**46**
Assets of disposal group classified as held for sale	**11,942**
Liabilities	
Trade and other payables	**3,626**
Borrowings - overdraft	**146**
Borrowings - trust receipts and bankers' acceptances	**1,542**
Borrowings - hire purchase payables	**302**
Liabilities directly associated with disposal group classified as held for sale	**5,616**
Net assets directly associated with disposal group classified as held for sale	**6,326**

10. Discontinued Operation and Disposal Group Classified as Held for Sale (Cont'd.)

The non-current assets classified as held for sale on the Company's statement of financial position as at 31 December 2011 are as follows:

	Company RM'000
Assets:	
Investment in a subsidiary	**4,032**
Amount due from a subsidiary	**46**
	4,078

Statement of cash flows disclosures

The cash flows attributable to TDPSB are as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Operating	**1,466**	962
Investing	**(1,105)**	(888)
Financing	**127**	(147)
Net cash inflows/(outflows)	**488**	(73)

11. Earnings/(Loss) Per Share

(a) Continuing operations

Basic earnings per share amounts are calculated by dividing profit for the year from continuing operations, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year from continuing operations, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December:

	Group	
	2011 RM'000	**2010 RM'000 Restated**
Profit net of tax attributable to owners of the parent	**156,851**	91,740
Add back: (Profit)/loss from discontinued operation, net of tax, attributable to owners of the parent	**(560)**	1,488
Profit net of tax from continuing operations attributable to owners of the parent used in computation of basic earnings and diluted earnings per share	**156,291**	93,228

11. Earnings/(Loss) Per Share (Cont'd.)

(a) Continuing operations (cont'd.)

	No. of shares RM'000	No. of shares RM'000 Restated
Weighted average number of ordinary shares in issue for basic earnings per share computation	236,522	221,789
Effects of dilution:		
- Share options	2,557	1,942
- Retention shares pursuant to acquisition of a new subsidiary	276	–
- Issuance of new shares pursuant to acquisition of land	5,650	–
Weighted average number of ordinary shares in issue for diluted earnings per share computation	245,005	223,731
Basic earnings/(loss) per share (sen per share)		
- Continuing operations	66.08	42.03
- Discontinued operation	0.24	(0.67)
	66.32	41.36
Diluted earnings/(loss) per share (sen per share)		
- Continuing operations	63.79	41.67
- Discontinued operation	0.23	(0.67)
	64.02	41.00

(b) Discontinued operation

The basic and diluted earnings/(loss) per share from discontinued operation are calculated by dividing the profit/(loss) from discontinued operation, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares for basic earnings/(loss) per share computation and weighted average number of ordinary shares for diluted earnings/(loss) and loss per share computation respectively. The loss and share data are presented in the tables in Note 11(a).

12. Dividends

	Dividends in respect of year			Dividends recognised in year	
	2011 RM'000	2010 RM'000	2009 RM'000	2011 RM'000	2010 RM'000
Recognised in prior year					
Final dividend of 4 sen gross dividend per share, less 25%, on 219,435,002 ordinary shares and 9 sen dividend per share, tax exempt under the single-tier system on 219,435,002 ordinary shares declared on 30 March 2010 and paid on 15 June 2010.	–	–	26,332	–	26,332

12. Dividends (Cont'd.)

	Dividends in respect of year			Dividends recognised in year	
	2011 RM'000	2010 RM'000	2009 RM'000	2011 RM'000	2010 RM'000
Recognised during the year					
First and final dividend of 13.50 sen dividend per share, tax exempt under the single-tier system on 231,926,852 ordinary shares declared on 31 March 2011 and paid on 9 June 2011.	**–**	31,310	–	**31,310**	–
An interim dividend of 3 sen dividend per share, tax exempt under the single-tier system on 231,926,852 ordinary shares declared on 27 April 2011 and paid on 9 June 2011.	**6,958**	–	–	**6,958**	–
Proposed for approval at AGM (not recognised as at 31 December)					
Final dividend in respect of the financial year ended 31 December 2011 of 18.50 sen dividend per share, tax exempt under the single-tier system on 238,046,617 ordinary shares.	**44,039**	–	–	**–**	–
	50,997	31,310	26,332	**38,268**	26,332

At the forthcoming Annual General Meeting ("AGM"), a final dividend in respect of the financial year ended 31 December 2011 of 18.50 sen dividend per share, tax exempt under the single-tier system on 238,046,617 ordinary shares, amounting to RM44,038,624 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2012.

13. Property, Plant and Equipment

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Livestock pen and cages RM'000	Work-in progress RM'000	Total RM'000
Group							
At 1 January 2010							
Cost or valuation							
At cost	1,683	111,551	32,881	106,846	632	13,620	267,213
At valuation	800	83,255	19,227	47,464	–	–	150,746
At 1 January 2010	2,483	194,806	52,108	154,310	632	13,620	417,959
Additions	–	14,953	–	10,154	22	15,993	41,122

13. Property, Plant and Equipment (Cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Livestock pen and cages RM'000	Work-in progress RM'000	Total RM'000
Group (cont'd.)							
Disposal	–	–	–	(706)	–	–	(706)
Transfers	–	–	4,666	7,925	–	(12,591)	–
Adjustments	–	–	–	(16)	–	(277)	(293)
Write off	–	–	–	(804)	–	–	(804)
At 31 December 2010	2,483	209,759	56,774	170,863	654	16,745	457,278
Representing:							
At cost	1,683	126,504	37,547	123,399	654	16,745	306,532
At valuation	800	83,255	19,227	47,464	–	–	150,746
At 31 December 2010	2,483	209,759	56,774	170,863	654	16,745	457,278
At 1 January 2011							
Cost or valuation							
At cost	**1,683**	**126,504**	**37,547**	**123,399**	**654**	**16,745**	**306,532**
At valuation	**800**	**83,255**	**19,227**	**47,464**	**–**	**–**	**150,746**
At 1 January 2011	**2,483**	**209,759**	**56,774**	**170,863**	**654**	**16,745**	**457,278**
Additions	**–**	**8,194**	**428**	**24,337**	**96**	**19,136**	**52,191**
Disposals	**–**	**–**	**(290)**	**(175)**	**–**	**–**	**(465)**
Transfers	**–**	**–**	**6,782**	**3,445**	**–**	**(10,227)**	**–**
Reclassifications	**–**	**–**	**630**	**(630)**	**–**	**–**	**–**
Write offs	**–**	**(673)**	**(222)**	**(1,310)**	**(1)**	**(70)**	**(2,276)**
Revaluation surplus	**–**	**223,963**	**10,899**	**16,897**	**–**	**–**	**251,759**
Revaluation deficit	**(800)**	**–**	**–**	**–**	**–**	**–**	**(800)**
Transfer to investment property (Note 15)	**–**	**(11,000)**	**–**	**–**	**–**	**–**	**(11,000)**
Acquisition of a subsidiary (Note 17)	**7,200**	**–**	**12,945**	**5,761**	**–**	**–**	**25,906**
Attributable to discontinued operation	**–**	**(1,668)**	**(9,630)**	**(8,322)**	**(749)**	**–**	**(20,369)**
Exchange differences	**–**	**682**	**172**	**613**	**–**	**–**	**1,467**
Elimination of accumulated depreciation on revaluation	**–**	**(31,398)**	**(8,988)**	**(28,848)**	**–**	**–**	**(69,234)**
At 31 December 2011	**8,883**	**397,859**	**69,500**	**182,631**	**–**	**25,584**	**684,457**

13. Property, Plant and Equipment (Cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Livestock pen and cages RM'000	Work-in progress RM'000	Total RM'000
Group (cont'd.)							
Representing:							
At cost	**83**	**26,431**	**10,998**	**137,831**	**–**	**25,584**	**200,927**
At valuation	**8,800**	**371,428**	**58,502**	**44,800**	**–**	**–**	**483,530**
At 31 December 2011	**8,883**	**397,859**	**69,500**	**182,631**	**–**	**25,584**	**684,457**
Accumulated depreciation and impairment							
At 1 January 2010	–	24,778	31,883	88,660	520	523	146,364
Depreciation charge for the year (Note 6)	–	3,589	1,621	12,248	44	–	17,502
Adjustment	–	–	–	(292)	–	–	(292)
Disposal	–	–	–	(602)	–	–	(602)
Write off	–	–	–	(766)	–	–	(766)
Reversal of amortisation of leasehold land	–	(1,386)	–	–	–	–	(1,386)
At 31 December 2010	–	26,981	33,504	99,248	564	523	160,820
Analysed as:							
Accumulated depreciation	–	26,981	33,504	94,431	564	–	155,480
Accumulated impairment losses	–	–	–	4,817	–	523	5,340
	–	26,981	33,504	99,248	564	523	160,820

13. Property, Plant and Equipment (Cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, equipment, vehicles and renovation RM'000	Livestock pen and cages RM'000	Work-in progress RM'000	Total RM'000
Group (cont'd.)							
Accumulated depreciation and impairment							
At 1 January 2011	**–**	**26,981**	**33,504**	**99,248**	**564**	**523**	**160,820**
Depreciation charge for the year (Note 6)	**–**	**4,482**	**2,869**	**14,059**	**45**	**–**	**21,455**
Disposals	**–**	**–**	**(199)**	**(126)**	**–**	**–**	**(325)**
Write offs	**–**	**(673)**	**(72)**	**(1,221)**	**–**	**–**	**(1,966)**
Reclassifications	**–**	**–**	**3,398**	**(3,398)**	**–**	**–**	**–**
Acquisition of a subsidiary (Note 17)	**–**	**–**	**–**	**5,378**	**–**	**–**	**5,378**
Attributable to discontinued operation	**–**	**(183)**	**(8,044)**	**(5,614)**	**(609)**	**–**	**(14,450)**
Exchange differences	**–**	**1,275**	**(19)**	**(727)**	**–**	**–**	**529**
Elimination of accumulated depreciation on revaluation	**–**	**(31,398)**	**(8,988)**	**(28,848)**	**–**	**–**	**(69,234)**
At 31 December 2011	**–**	**484**	**22,449**	**78,751**	**–**	**523**	**102,207**
Analysed as:							
Accumulated depreciation	**–**	**484**	**22,449**	**78,751**	**–**	**–**	**101,684**
Accumulated impairment losses	**–**	**–**	**–**	**–**	**–**	**523**	**523**
At 31 December 2011	**–**	**484**	**22,449**	**78,751**	**–**	**523**	**102,207**
Net carrying amount							
At 31 December 2010	2,483	182,778	23,270	71,615	90	16,222	296,458
At 31 December 2011	**8,883**	**397,375**	**47,051**	**103,880**	**–**	**25,061**	**582,250**

13. Property, Plant and Equipment (Cont'd.)

	Leasehold land RM'000	Machinery, equipment and vehicles RM'000	Work-in progress RM'000	Renovation RM'000	Total RM'000
Company					
Cost or valuation					
At 1 January 2010	34,092	3,776	523	2,643	41,034
Additions	–	1,287	716	–	2,003
Disposal	–	(83)	–	–	(83)
At 31 December 2010	34,092	4,980	1,239	2,643	42,954
Representing:					
At cost	–	4,980	1,239	2,643	8,862
At valuation	34,092	–	–	–	34,092
At 31 December 2010	34,092	4,980	1,239	2,643	42,954
Cost or valuation					
At 1 January 2011	**34,092**	**4,980**	**1,239**	**2,643**	**42,954**
Additions	**209**	**169**	**300**	**–**	**678**
Revaluation surplus	**4,095**	**–**	**–**	**–**	**4,095**
Write offs	**(673)**	**(22)**	**(70)**	**–**	**(765)**
Transfer to investment property (Note 15)	**(11,000)**	**–**	**–**	**–**	**(11,000)**
Transfer	**–**	**646**	**(646)**	**–**	**–**
Elimination of accumulated depreciation on revaluation	**(7,554)**	**–**	**–**	**–**	**(7,554)**
At 31 December 2011	**19,169**	**5,773**	**823**	**2,643**	**28,408**
Representing:					
At cost	**–**	**5,773**	**823**	**2,643**	**9,239**
At valuation	**19,169**	**–**	**–**	**–**	**19,169**
At 31 December 2011	**19,169**	**5,773**	**823**	**2,643**	**28,408**
Accumulated depreciation and impairment					
At 1 January 2010	5,648	2,153	523	2,643	10,967
Depreciation charge for the year (Note 6)	831	673	–	–	1,504
Disposal	–	(83)	–	–	(83)
At 31 December 2010	6,479	2,743	523	2,643	12,388

13. Property, Plant and Equipment (Cont'd.)

	Leasehold land RM'000	Machinery, equipment and vehicles RM'000	Work-in progress RM'000	Renovation RM'000	Total RM'000
Company (cont'd.)					
Accumulated depreciation and impairment (cont'd.)					
At 1 January 2011	**6,479**	**2,743**	**523**	**2,643**	**12,388**
Depreciation charge for the year (Note 6)	**1,748**	**949**	**–**	**–**	**2,697**
Write offs	**(673)**	**(7)**	**–**	**–**	**(680)**
Elimination of accumulated depreciation on revaluation	**(7,554)**	**–**	**–**	**–**	**(7,554)**
At 31 December 2011	**–**	**3,685**	**523**	**2,643**	**6,851**
Net carrying amount					
At 31 December 2010					
At cost	–	2,237	716	–	2,953
At valuation	27,613	–	–	–	27,613
	27,613	2,237	716	–	30,566
At 31 December 2011					
At cost	**–**	**2,088**	**300**	**–**	**2,388**
At valuation	**19,169**	**–**	**–**	**–**	**19,169**
	19,169	**2,088**	**300**	**–**	**21,557**

(a) Had the revalued property, plant and equipment been carried under cost model, the net carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 December 2011 and 31 December 2010 are as follows:

	Group 2011 RM'000	Group 2010 RM'000 Restated
Freehold land	**6,629**	1,600
Leasehold land	**105,549**	107,570
Buildings	**18,901**	18,979
Plant and machinery	**22,384**	25,566

13. Property, Plant and Equipment (Cont'd.)

(b) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM52,191,000 (2010: RM41,122,000) and RM678,000 (2010: RM2,003,000) respectively of which RM296,000 (2010: RM100,000) of the Group were acquired by means of finance leases. Net carrying amounts of property, plant and equipment held under finance leases are as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000 Restated**	**2011 RM'000**	**2010 RM'000**
Machinery, equipment and motor vehicles				
- Continuing	**3,066**	3,323	**84**	190
- Discontinued	**303**	55	**–**	–
	3,369	3,378	**84**	190

(c) Details of independent professional valuations of properties owned by the Company and its subsidiaries at 31 December 2011 are as follows:

Group

Year of valuation	Description of property	Valuation amount RM'000	Basis of valuation
2006	Buildings	15,980	Open market value
2011	Freehold land	**8,800**	Open market value
2011	Leasehold land	**371,428**	Open market value
2011	Buildings	**42,522**	Open market value
2011	Plant and machinery	**44,800**	Open market value
		483,530	

Company

Year of valuation	Description of property	Valuation amount RM'000	Basis of valuation
2011	Leasehold land	**19,169**	Open market value

14. Biological Assets

	2011 RM'000	2010 RM'000 Restated
Group		
(a) Plantation development expenditure		
At cost or valuation		
At 1 January		
At cost	**34,265**	23,990
At valuation	**333,434**	333,434
	367,699	357,424
Addition	**40,059**	16,273
Disposal	**–**	(3,897)
Write off	**–**	(2,101)
Revaluation surplus	**94,045**	–
At 31 December	**501,803**	367,699
Representing:		
At cost	**82,467**	34,265
At valuation	**419,336**	333,434
At 31 December	**501,803**	367,699
(b) Livestocks		
At cost or valuation		
At 1 January	**13,040**	12,287
Addition	**881**	753
	13,921	13,040
Cumulative amount amortised	**(13,063)**	(12,571)
Attributable to discontinued operation	**(858)**	–
At 31 December	**–**	469
Total	**501,803**	368,168

	2011 RM'000	2010 RM'000
Company		
(a) Plantation development expenditure		
At cost		
At 1 January	**23,638**	27,535
Disposal	**–**	(3,897)
At 31 December	**23,638**	23,638

14. Biological Assets (Cont'd.)

Company (cont'd.)

(a) Plantation development expenditure (cont'd.)

(i) Had the revalued biological assets been under cost model, the net carrying amount of each class of biological assets that would have been included in the financial statements of the Group as at 31 December 2011 and 31 December 2010 are as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
		Restated
Plantation development expenditure	**259,174**	249,945

(ii) Prior to 1 January 2006, plantation development expenditure was classified as property, plant and equipment and livestocks were classified as deferred expenditure.

(iii) Details of independent professional valuations of biological assets owned by the Company and its subsidiaries at 31 December 2011 are as follows:

Group

Year of valuation	**Description of property**	**Valuation amount RM'000**	**Basis of valuation**
2011	Plantation development expenditure	**419,336**	Open market value

15. Investment Property

	Group and Company	
	2011	**2010**
	RM'000	**RM'000**
At 1 January	**–**	–
Transfer from property, plant and equipment (Note 13)	**11,000**	–
At 31 January	**11,000**	–

Group and Company

Year of valuation	**Description of property**	**Valuation amount RM'000**	**Basis of valuation**
2011	Leasehold land	**11,000**	Open market value

16. Goodwill

	Group 2011 RM'000	Group 2010 RM'000
At 1 January	**1,468**	1,070
Additional investment in a subsidiary (Note 17(a))	**7,103**	398
At 31 December	**8,571**	1,468

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to two individual cash-generating units ("CGU") for impairment testing as follows:

- Plantation
- Healthcare

The carrying amounts of goodwill allocated to each CGU are as follows:

	Group 2011 RM'000	Group 2010 RM'000
Plantation	**477**	477
Healthcare	**8,094**	991
	8,571	1,468

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five-year period are as follows:

	Plantation		Healthcare	
	2011	2010	2011	2010
Growth rates	**-26%**	-32%	**58%**	23%
Pre-tax discount rates	**5%**	4%	**3%**	4%

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Budgeted gross margins – The basis used to determine the value assigned to the key assumption is average gross margin achieved in the period immediately before the budget period, increased for expected efficiency improvement.

Growth rates – The management believes that the average growth rates used are consistent with the medium-term average growth rate of the economy.

Pre-tax discount rates – The discount rates are pre-tax and reflect specific risks relating to the relevant activities.

17. Investment in Subsidiaries

	Company 2011 RM'000	Company 2010 RM'000 Restated
Unquoted shares at cost:		
- in Malaysia	**186,519**	196,079
- outside Malaysia	**44,351**	25,346
	230,870	221,425
Less: Accumulated impairment losses	**(17,645)**	(40,645)
	213,225	180,780
ESOS granted to employees of subsidiaries	**7,488**	6,938
	220,713	187,718

Details of the subsidiaries are as follows:

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2011 %	Proportion of ownership interest 2010 %
TDM Plantation Sdn. Bhd.	Malaysia	Management of oil palm plantation, processing and trading of palm oil and related products.	**100**	100
Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.	Malaysia	Cultivation of oil palms, trading of palm oil and other related products.	**100**	100
TDM Trading Sdn. Bhd.	Malaysia	Trading of crude palm oil and other related products.	**100**	100
TDM Capital Sdn. Bhd.	Malaysia	Investment holding, trading, cultivation of oil palms and other related products.	**90**	90
Kumpulan Mediiman Sdn. Bhd. **	Malaysia	Investment holding and provision of consultancy and management services to specialist medical centres.	**90.49**	90.49
Kuala Terengganu Specialist Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	100
PT Rafi Kamajaya Abadi *	Indonesia	Cultivation of oil palms, trading of palm oil and other related products.	**93.80**	89.18
TDM Properties Bhd. ##	Malaysia	Dormant.	**100**	100

17. Investment in Subsidiaries (Cont'd.)

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2011 %	2010 %
Indah Sari Travel & Tours Sdn. Bhd.**	Malaysia	Dormant.	**70**	70
TD Ijarah Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100
TD Poultry Sdn. Bhd. ***	Malaysia	Intergrated poultry farming.	**100**	100
TDM Helling Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100
Kuantan Medical Centre Sdn. Bhd.	Malaysia	Specialist medical centre.	**91.98**	92.35
Kelana Jaya Medical Centre Sdn. Bhd.	Malaysia	Specialist medical centre.	**99.30**	98.97
TDMC Hospital Sdn. Bhd.	Malaysia	Specialist medical centre.	**100**	–
Held by Kumpulan Ladang-Ladang Trengganu Sdn. Bhd.				
TRP Industries Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100
KLLT Fibres Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100
Trengganu Rubber Processing Sdn. Bhd. ##	Malaysia	Dormant.	**99.99**	99.99
TDM Markwell (S) Pte. Ltd. (In liquidation) #	Singapore	Dormant.	**–**	100
Held by TRP Industries Sdn. Bhd.				
World Wide Rubber Marketing Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100
Held by TDM Properties Bhd.				
TD Gabongan Sdn. Bhd. ##	Malaysia	Dormant.	**51**	51
TD Permatang Sdn. Bhd. ##, ###	Malaysia	Dormant.	**100**	100
Held by Kumpulan Mediiman Sdn. Bhd.				
Medi Air Sdn. Bhd. **	Malaysia	Dormant.	**100**	100

17. Investment in Subsidiaries (Cont'd.)

Names of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2011 %	2010 %
Held by Kuala Terengganu Specialist Hospital Sdn. Bhd.				
HMMC (Ampang) Sdn. Bhd. ##	Malaysia	Dormant.	**100**	100

* Audited by firms of auditors other than Ernst & Young.

** Subsidiaries with auditors' reports that draw reference to the going concern assumptions and the dependence upon the financial support of the Company. These reports are not qualified.

*** Classified as discontinued operation during the current financial year (Note 10).

No consolidation with this subsidiary as the subsidiary has been liquidated.

The financial statements have been prepared on a break-up basis. The auditors' reports draw reference to the going concern assumptions. These reports are not qualified.

No consolidation with the subsidiary. The directors deem this as a dormant subsidiary and therefore the results are immaterial to the financial statements of the Group.

(a) Acquisition of a subsidiary

On 1 April 2011, the Company had entered into a conditional Share Sale Agreement with Intercontinental Nominees Sdn. Bhd. ("INSB") and Cekal Teguh Sdn. Bhd. ("CTSB") to acquire 23,691,931 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital in TDMC Hospital Sdn. Bhd. ("TDMCHSB") for a total purchase consideration of RM16,500,000.

On 16 June 2011, the Company executed a Supplemental Letter with INSB and CTSB to vary certain terms in the Share Sale Agreement dated 1 April 2011.

The Share Sale had been completed on 15 July 2011.

The fair values of the identifiable assets and liabilities of TDMCHSB as at the date of acquisition were:

	Fair value RM'000	Carrying value RM'000
Property, plant and equipment	20,528	9,949
Inventories	136	136
Trade and other receivables	839	839
Cash and cash equivalents	(4,868)	(4,868)
	16,635	6,056
Trade and other payables	(6,872)	(6,872)
Borrowings	(1,508)	(1,508)
	(8,380)	(8,380)
Net identifiable assets	8,255	(2,324)

17. Investment in Subsidiaries (Cont'd.)

(a) Acquisition of a subsidiary (cont'd.)

Total cost of business combination

The total cost of the business combination is as follows:

	RM'000
Cash paid	4,633
Retention fund	825
3,498,215 ordinary shares issued at RM2.83 each	9,900
	15,358

As part of the cost of business combination, the Company issued 3,498,215 ordinary shares with a fair value of RM2.83 each, being the Company's published price of the shares at the date of exchange to the vendor.

The effect of the acquisition on cash flows is as follows:

	RM'000
Total cost of the business combination	15,358
Less: Non-cash consideration	(10,725)
Consideration settled in cash	4,633
Less: Cash and cash equivalents of subsidiary acquired	4,868
Net cash outflow on acquisition	9,501

Goodwill arising on acquisition

	RM'000
Group's interest in fair value of net identifiable assets	8,255
Goodwill on acquisition (Note 16)	7,103
Cost of business combination	15,358

(b) Additional investment in subsidiaries

(i) Kuantan Medical Centre Sdn. Bhd.

On 17 October 2011, Kuantan Medical Centre Sdn. Bhd. ("KMC"), a subsidiary of the Company increased its issued and paid up ordinary share capital from RM20,824,839 to RM28,809,135 by way of issuance of 7,984,296 ordinary shares of RM1 each at an issue price of RM1.30 per ordinary share. The share premium of RM2,395,289 arising from the issuance of ordinary shares has been recognised in the financial statements of the subsidiary.

The Company's contribution portion is RM9,447,918 by way of cash and the remaining balance of RM931,667 belongs to the minority shareholders. The Company's equity contribution in KMC decreased from 92.35% to 91.98%.

(ii) PT Rafi Kamajaya Abadi

On 13 May 2011, the Company has increased its investment in PT Rafi Kamajaya Abadi ("PT Rafi") by way of capitalisation of amount due to Company amounting to RM19,005,685. The Company's equity contribution in PT Rafi increased from 89.18% to 93.80%.

17. Investment in Subsidiaries (Cont'd.)

(b) Additional investment in subsidiaries (cont'd.)

(iii) Kelana Jaya Medical Centre Sdn. Bhd.

On 31 October 2011, the Company has increased its investment in Kelana Jaya Medical Centre Sdn. Bhd. ("KJMC") by way of capitalisation of amount due to Company amounting to RM1,129,529.

On 31 October 2011, Kumpulan Mediiman Sdn. Bhd., a subsidiary of the Company has increased its investment in KJMC by way of capitalisation of amount due to company amounting to RM2,280,883.

The Company's equity contribution in KJMC increased from 98.97% to 99.30%.

(c) Liquidation of a subsidiary

The voluntary winding up proceedings of TDM Markwell (S) Pte. Ltd. (In liquidation), a wholly-owned subsidiary of Kumpulan Ladang-Ladang Trengganu Sdn. Bhd. ("KLLTSB") have been completed on 23 September 2011. Upon its dissolution, TDM Markwell (S) Pte. Ltd. (In liquidation) ceased to be a subsidiary of KLLTSB and the Company. The gain arising from the liquidation of RM152,000 has been recognised in the statement of comprehensive income.

18. Other Investments

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Marketable securities				
Unquoted shares, at cost				
Within Malaysia - shares	**9,745**	9,745	**4,770**	4,770
Less: Impairment losses	**(5,045)**	(5,045)	**(4,770)**	(4,770)
	4,700	4,700	**–**	–

19. Available for Sale Investments

	2011		2010	
	Carrying amount RM'000	**Market value of quoted investments RM'000**	**Carrying amount RM'000**	**Market value of quoted investments RM'000**
Group				
Non-current				
Available for sale investments				
- Equity instruments (quoted in Malaysia), representing total available for sale investments	**151**	**151**	148	148

20. Property Development Costs

	Group	
	2011	2010
	RM'000	RM'000
Property development, at cost	**1,583**	1,583
Less: Provision for foreseeable losses	**(1,583)**	(1,583)
	–	–

21. Inventories

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
		Restated		
At cost				
Produced inventories	**3,959**	1,512	**603**	418
Pharmaceutical products	**2,165**	1,299	**–**	–
Consumables and food stuff	**1,287**	700	**–**	–
Spare parts, equipment and store	**5,125**	6,974	**–**	–
Seedlings	**10,615**	3,689	**–**	–
Chicken farming inventories	**–**	740	**–**	–
	23,151	14,914	**603**	418

22. Trade and Other Receivables

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	**79,222**	71,381	**–**	–
Less: Allowance for impairment				
Third parties	**(13,015)**	(19,675)	**–**	–
Trade receivables,net	**66,207**	51,706	**–**	–
Other receivables				
Due from subsidiaries	**–**	–	**166,083**	65,844
Sundry receivables	**23,305**	18,062	**7,024**	7,047
Deposits	**1,673**	2,491	**85**	130
	24,978	20,553	**173,192**	73,021
Less: Allowance for impairment				
Third parties	**(11,906)**	(11,359)	**(7,024)**	(7,024)
Subsidiaries	**–**	–	**(13,902)**	(13,900)
	(11,906)	(11,359)	**(20,926)**	(20,924)

22. Trade and Other Receivables (Cont'd.)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Other receivables,net	**13,072**	9,194	**152,266**	52,097
Total trade and other receivables	**79,279**	60,900	**152,266**	52,097
Add: Cash and bank balances (Note 23)	**224,524**	176,702	**2,505**	46,888
Total loans and receivables	**303,803**	237,602	**154,771**	98,985

Included in sundry receivables of the Group is an amount of RM5,000,000 (2010: RM5,000,000) held with a shareholder, Terengganu Incorporated Sdn. Bhd.

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2010: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group 2011 RM'000	Group 2010 RM'000 Restated
Neither past due nor impaired	**18,407**	6,247
1 to 30 days past due not impaired	**25,253**	17,717
31 to 60 days past due not impaired	**9,121**	4,908
61 to 90 days past due not impaired	**2,408**	2,033
More than 91 days past due not impaired	**908**	6,844
	37,690	31,502
Impaired	**23,125**	33,632
	79,222	71,381

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM37,690,000 (2010: RM31,502,000) that are past due at the reporting date but not impaired.

Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

22. Trade and Other Receivables (Cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group individually impaired	
	2011	**2010**
	RM'000	**RM'000**
		Restated
Trade receivables-nominal amounts	**23,125**	33,632
Less: Allowance for impairment	**(13,015)**	(19,675)
	10,110	13,957

Movement in allowance accounts:

	Group	
	2011	**2010**
	RM'000	**RM'000**
At 1 January	**19,675**	18,870
Charge for the year (Note 6)	**1,730**	928
- Continuing operations	**865**	584
- Discontinued operation	**865**	344
Reversal of impairment losses (Note 6)	**(173)**	(2)
- Continuing operations	**(155)**	–
- Discontinued operation	**(18)**	(2)
Written off	**(618)**	(121)
- Continuing operations	**(389)**	(121)
- Discontinued operation	**(229)**	–
Attributable to discontinued operation	**(8,240)**	–
Acquisition of a subsidiary	**641**	–
At 31 December	**13,015**	19,675

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing (2010: bore interest at BLR + 1%) and are repayable on demand. The amount due from the corporate shareholder is unsecured, non-interest bearing and is repayable on demand.

(c) Other receivables

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM11,906,000 (2010: RM11,359,000) and RM20,926,000 (2010: RM20,924,000) respectively for impairment of other receivables.

22. Trade and Other Receivables (Cont'd.)

(c) Other receivables (cont'd.)

The movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
At 1 January	**11,359**	7,537	**20,924**	27,938
Charge for the year (Note 6)	**624**	4,045	**5**	4,940
Reversal of impairment losses (Note 6)	**(67)**	(128)	**–**	–
Written off	**(10)**	(95)	**(3)**	(11,954)
At 31 December	**11,906**	11,359	**20,926**	20,924

23. Cash and Cash Equivalents

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash at banks and in hand	**5,915**	41,509	**159**	14,825
Short term deposits with:				
Licensed banks	**218,609**	135,193	**2,346**	32,063
Cash and bank balances	**224,524**	176,702	**2,505**	46,888

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month and one year depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2011 for the Group and for the Company were 2.8% (2010: 2.6%) and 2.8% (2010: 2.6%) respectively.

The Group's deposits with licensed banks amounting to RM255,000 (2010: RM98,000) are under lien and pledged for certain banking facilities.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash and short term deposits				
- Continuing operations	**224,524**	176,702	**2,505**	46,888
- Discontinued operation (Note 10)	**46**	–	**–**	–
Cash and bank balances	**224,570**	176,702	**2,505**	46,888
Bank overdrafts - discontinued operation (Note 10)	**(146)**	(602)	**–**	–
Cash and cash equivalents	**224,424**	176,100	**2,505**	46,888

24. Borrowings

		Group		Company	
		2011	2010	2011	2010
	Maturity	RM'000	RM'000	RM'000	RM'000
Current					
Secured					
Obligations under finance leases (Note 32(b))	2012	**738**	1,098	**65**	82
Bank overdrafts (Note 23)	On demand	**–**	602	**–**	–
Bank loan:					
- 8% p.a. fixed rate loan	2012	**188**	188	**–**	–
Trust receipts and bankers' acceptances	2011	**–**	1,357	**–**	–
		926	3,245	**65**	82
Non-current					
Secured					
Obligations under finance leases (Note 32(b))	2013-2016	**205**	974	**–**	76
Bank loan:					
- 8% p.a. fixed rate loan	2014	**359**	546	**–**	–
		564	1,520	**–**	76
Total borrowings		**1,490**	4,765	**65**	158

The remaining maturities of the borrowings as at year end are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	**926**	3,245	**65**	82
More than 1 year and less than 2 years	**335**	956	**–**	76
More than 2 years and less than 5 years	**229**	564	**–**	–
	1,490	4,765	**65**	158

8% p.a. fixed rate loan

The bank loan is secured by a first legal charge over the buildings of a subsidiary. The carrying amount of buildings pledged as securities is RM3,600,000 (2010: RM3,666,000).

24. Borrowings (Cont'd.)

Bank overdrafts and trust receipts and bankers' acceptances

The weighted average of interest rates at the statement of financial position date were as follows:

	Group	
	2011	**2010**
Trust receipts and bankers' acceptances	**4.09%**	3.84%
Bank overdrafts	**8.10%**	7.30%

The secured bank overdrafts and trust receipts of a subsidiary are secured by corporate guarantee from the Company.

25. Trade and Other Payables

	Group		Company	
	2011 RM'000	**2010 RM'000 Restated**	**2011 RM'000**	**2010 RM'000 Restated**
Trade payables				
Third parties	**109,123**	85,682	**222**	79
Other payables				
Amounts due to subsidiaries	**–**	–	**48,290**	16,507
Sundry payables	**35,258**	41,666	**22,106**	19,445
Accruals	**21,463**	19,798	**1,997**	5,408
Due to minority shareholder	**460**	–	**–**	–
	57,181	61,464	**72,393**	41,360
Total trade and other payables	**166,304**	147,146	**72,615**	41,439
Add: Borrowings (Note 24)	**1,490**	4,765	**65**	158
Total financial liabilities carried at amortised cost	**167,794**	151,911	**72,680**	41,597

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group are up to one month.

(b) Other payables

The amounts due to subsidiaries are unsecured, non-interest bearing (2010: bore interest at BLR + 1% per annum) and are repayable on demand. The amount due to minority shareholder is unsecured, non-interest bearing and is repayable on demand.

Other payables are non-interest bearing. Other payables are normally settled on an average term of 30 days (2010: 30 days).

26. Share Capital and Share Premium

	Group and Company			
	Number of ordinary shares of RM1 each	Amount		
	Share capital (issued and fully paid) RM'000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total RM'000
At 1 January 2010	218,881	218,881	38,132	257,013
Ordinary shares issued during the year:				
Pursuant to ESOS (Note 29(b))	6,691	6,691	7,813	14,504
At 31 December 2010 and 1 January 2011	**225,572**	**225,572**	**45,945**	**271,517**
Ordinary shares issued during the year:				
Pursuant to ESOS (Note 29(b))	**8,976**	**8,976**	**11,722**	**20,698**
Issued for acquisition of a subsidiary (Note 17(a))	**3,498**	**3,498**	**6,402**	**9,900**
At 31 December 2011	**238,046**	**238,046**	**64,069**	**302,115**

	Number of ordinary shares of RM1 each		Amount	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Authorised				
At 1 January/31 December	**500,000**	500,000	**500,000**	500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

27. Other Reserves

	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Fair value adjustment reserve RM'000	Total RM'000
Group					
At 1 January 2010	205,481	(543)	5,488	–	210,426
Other comprehensive income:					
Available for sale investments' fair value movement	–	–	–	33	33
Foreign currency translation	–	(1,544)	–	–	(1,544)
Less: Minority interests	–	294	–	–	294
	–	(1,250)	–	33	(1,217)
Transactions with owners:					
Share options granted under ESOS	–	–	2,870	–	2,870
Exercise of ESOS	–	–	(3,732)	–	(3,732)
	–	–	(862)	–	(862)
At 31 December 2010	205,481	(1,793)	4,626	33	208,347
At 1 January 2011	**205,481**	**(1,793)**	**4,626**	**33**	**208,347**
Other comprehensive income:					
Available for sale investments' fair value movement	**–**	**–**	**–**	**4**	**4**
Foreign currency translation	**–**	**718**	**–**	**–**	**718**
Revaluation of land, buildings, plant and machinery and plantation development expenditure	**345,004**	**–**	**–**	**–**	**345,004**
Deferred tax impact on revaluation	**(46,965)**	**–**	**–**	**–**	**(46,965)**
Less: Minority interests	**(3,085)**	**(44)**	**–**	**–**	**(3,129)**
	294,954	**674**	**–**	**4**	**295,632**
Transactions with owners:					
Share options granted under ESOS	**–**	**–**	**1,543**	**–**	**1,543**
Exercise of ESOS	**–**	**–**	**(5,059)**	**–**	**(5,059)**
	–	**–**	**(3,516)**	**–**	**(3,516)**
At 31 December 2011	**500,435**	**(1,119)**	**1,110**	**37**	**500,463**

27. Other Reserves (Cont'd.)

	Asset revaluation reserve RM'000	Capital reserve RM'000	Share option reserve RM'000	Total RM'000
Company				
At 1 January 2010	31,926	2,736	5,488	40,150
Transactions with owners:				
Share options granted under ESOS	–	–	2,870	2,870
Exercise of ESOS	–	–	(3,732)	(3,732)
At 31 December 2010 and 1 January 2011	**31,926**	**2,736**	**4,626**	**39,288**
Other comprehensive income:				
Revaluation of leasehold land	**4,095**	**–**	**–**	**4,095**
Deferred tax impact on revaluation	**(202)**	**–**	**–**	**(202)**
	3,893	**–**	**–**	**3,893**
Transactions with owners:				
Share options granted under ESOS	**–**	**–**	**1,543**	**1,543**
Exercise of ESOS	**–**	**–**	**(5,059)**	**(5,059)**
	–	**–**	**(3,516)**	**(3,516)**
At 31 December 2011	**35,819**	**2,736**	**1,110**	**39,665**

The movements in each category of the reserves are disclosed in the statements of changes in equity. The nature and purpose of each category of the reserves are as follows:

(a) Asset revaluation reserve

This reserve represents increases in the fair value of buildings, plant and machinery, leasehold and freehold land and plantation development expenditure, net of deferred taxation.

(b) Capital reserve

This reserve, which is eliminated on consolidation, relates to the surplus arising from the sale of property, plant and equipment in 1986 to a subsidiary company.

(c) Foreign currency translation reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of a foreign subsidiary as well as the translation of foreign currency loans used to finance investments in the foreign subsidiary.

(d) Share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 29(b)). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

27. Other Reserves (Cont'd.)

(e) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

28. Retained Earnings/(Accumulated Losses)

These comprise the cumulative results of the Group and of the Company net of taxation and minority interests.

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumtances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has elected for the irrevocable option to disregard the Section 108 balance as at 31 December 2011. Hence, the Company will be able to distribute out its entire profit for the year ended 31 December 2011 under the single tier system.

29. Employee Benefits

(a) Retirement benefit obligations

Certain subsidiaries of the Group and the Company operate an unfunded, defined benefit Retirement Benefit Scheme for its employees. All employees who were employed by the Company prior to January 1999 are eligible for the scheme. Benefits are payable based on the last drawn salary of the employee and the number of years of service with the certain subsidiaries of the Group and the Company.

The following tables summarise the components of retirement benefit expense recognised in the statements of comprehensive income and recognised in the statements of financial position.

The amounts recognised in the statements of comprehensive income are determined as follows:-

	Group		**Company**	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current service cost	**90**	72	**7**	12
Interest cost	**98**	111	**10**	22
Net actuarial loss/(gain)	**50**	9	**3**	(1)
Total included in employee benefits expense (Note 7)	**238**	192	**20**	33

All of the Group's and Company's charge for the year has been included in administrative expenses.

29. Employee Benefits (Cont'd.)

(a) Retirement benefit obligations (cont'd.)

The amounts recognised in the statements of financial position are determined as follows:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Present value of unfunded defined benefit obligations	**1,744**	1,587	**213**	195
Unrecognised net actuarial loss	**(602)**	(594)	**(27)**	(29)
Net liability	**1,142**	993	**186**	166

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	**993**	1,832	**166**	374
Recognised in statements of comprehensive income (Note 7)	**238**	192	**20**	33
Payments during the year	**(89)**	(1,031)	**–**	(241)
At 31 December	**1,142**	993	**186**	166

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Analysed as:				
Current:				
Not later than 1 year	**–**	160	**–**	77
Non current:				
Later than 1 year	**1,142**	833	**186**	89
	1,142	993	**186**	166

Principal actuarial assumptions used for the defined benefit plans are shown below:

	Group		Company	
	2011	**2010**	**2011**	**2010**
Discount rate	6.25%-7.50%	6.25%	6.25%	6.25%
Average salary increase	6.00%-7.00%	6.00%	6.00%	6.00%

The Retirement Benefit Scheme was revalued on 24 November 2010. As at that date, the revaluation showed that the Group's provision for retirement benefits was sufficient to meet the actuarially determined value of vested benefits.

29. Employee Benefits (Cont'd.)

(a) Retirement benefit obligations (cont'd.)

Amounts for the current and previous four periods for the Group and Company are as follows:

Group

	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Present value of unfunded defined benefit obligations	**1,744**	1,587	1,765	1,723	1,048

Company

	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Present value of unfunded defined benefit obligations	**213**	195	336	191	187

(b) Employee share options scheme ("ESOS")

The TDM Berhad ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 19 February 2008. The ESOS was implemented on 17 March 2008 for a period of 5 years from the date of implementation.

The salient features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five (5) years commencing from 17 March 2008 ("the Option period").

(ii) Only employees and directors of the Group are eligible to participate in the scheme and must have completed a continuous period of employment of at least one (1) year before the date of offer. The selection for participation in the scheme shall be at the discretion of the ESOS Committee.

(iii) The new TDM shares are to be allotted and issued to the Grantee pursuant to the exercise of any option under this scheme.

(iv) In the event of cessation of employment of the Grantee with the Group prior to the full exercise of the Options, such Options shall cease without any claim against the Group provided always that the ESOS Committee in its discretion, by notice in writing, if such cessation occurs by reason.

(v) The total number of new TDM Shares which may be made available under the Scheme shall not exceed fifteen centum (15%) of the total issued and paid-up share capital comprising ordinary shares of the Company at any one time.

(vi) The total number of new TDM Shares allocated, in aggregate, to the directors and/or senior management of the TDM Group shall not exceed fifty per centum (50%) of the total TDM Shares available under the Scheme.

(vii) The number of TDM Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company, shall not exceed ten per centum (10%) of the total TDM Shares available under the Scheme.

(viii) The weighted average market price of the TDM Shares for the five (5) Market Days immediately preceding the Offer Date less a discount of not more than ten per centum (10%) there from at the ESOS Committees' discretion.

29. Employee Benefits (Cont'd.)

(b) Employee share options scheme ("ESOS") (cont'd.)

Movement of share options during the financial year

The following table illustrates the number ("No") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	Group			
	2011		2010	
	No RM'000	WAEP RM'000	No RM'000 Restated	WAEP RM'000
Outstanding at 1 January	**10,486**	**1.76**	10,104	1.61
Granted	**155**	**2.55**	7,361	1.90
Exercised (Note 26)	**(8,976)**	**1.76**	(6,691)	1.61
Lapsed	**(208)**	**1.76**	(288)	1.61
Outstanding at 31 December	**1,457**		10,486	
Exercisable as at 31 December	**1,457**		10,486	

- The weighted average fair value of options granted during the financial year was RM0.5459 (2010: RM0.5577).
- The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.99 (2010: RM1.94).
- The range of exercise prices for options outstanding at the end of the year was RM1.61 to RM2.55 (2010: RM1.61 to RM1.90). The weighted average remaining contractual life for these options is 1.17 years (2010: 2.17 years).

(i) Fair value of share options granted

The fair value of share options granted during the year was calculated by using the Binomial model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing models for the years ended 31 December 2011 and 2010:

	2011	2010 Restated
Dividend yield (% p.a.)	**4.03**	4.03
Volatility (% p.a.)	**41.05**	41.05
Risk-free interest rate (% p.a.)	**3.31**	3.31
Sub optimal early exercise factor (times)	**1.263**	1.263
Withdrawal (% p.a.)	**1.50**	1.50

The sub optimal early exercise factor is the assuming of the option holders will early exercise when the share price underlying a vested option reaches a certain multiple of the exercise price, or at the end of the contractual term if this price is not achieved.

30. Deferred Tax

Group	As at 1 January 2010 RM'000	Recognised in profit or loss RM'000	Recognised in equity RM'000	As at 31 December 2010 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	As at 31 December 2011 RM'000
Deferred tax liabilities:							
Property, plant and equipment and biological assets	48,084	2,768	6	**50,858**	**1,313**	**46,965**	**99,136**
Other receivables	(57)	57	–	**–**	**–**	**–**	**–**
	48,027	2,825	6	**50,858**	**1,313**	**46,965**	**99,136**
Deferred tax assets:							
Provision for liabilities	(6,541)	(1,314)	–	**(7,855)**	**(946)**	**–**	**(8,801)**
Other receivables	–	(38)	–	**(38)**	**38**	**–**	**–**
Other payables	(298)	(178)	–	**(476)**	**(308)**	**–**	**(784)**
	(6,839)	(1,530)	–	**(8,369)**	**(1,216)**	**–**	**(9,585)**
	41,188	1,295	6	**42,489**	**97**	**46,965**	**89,551**

Company	As at 1 January 2010 RM'000	Recognised in profit or loss RM'000	As at 31 December 2010 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	As at 31 December 2011 RM'000
Deferred tax liabilities:						
Property, plant and equipment and biological assets	11,465	(1,062)	**10,403**	**(80)**	**202**	**10,525**
Deferred tax assets:						
Other payables	(94)	52	**(42)**	**(5)**	**–**	**(47)**
Others	(285)	(175)	**(460)**	**(306)**	**–**	**(766)**
	(379)	(123)	**(502)**	**(311)**	**–**	**(813)**
	11,086	(1,185)	**9,901**	**(391)**	**202**	**9,712**

30. Deferred Tax (Cont'd.)

Presented after appropriate offsetting as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax assets	**(9,585)**	(8,369)	**(813)**	(502)
Deferred tax liabilities	**99,136**	50,858	**10,525**	10,403
	89,551	42,489	**9,712**	9,901

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2011	**2010**
	RM'000	**RM'000**
		Restated
Unused tax losses	**72,192**	46,779
Unabsorbed capital allowances	**31,980**	27,402
	104,172	74,181

The availability of unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities.

31. Related Party Disclosures

(a) Sale and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit distribution from Terengganu Oil Palm Development - Sublessees Scheme	**(44,600)**	(30,809)	**(16,147)**	(11,239)
Dividend income from subsidiaries	**–**	–	**(52,697)**	(33,846)
Management fee charged to subsidiaries	**–**	–	**(32,501)**	(17,769)
Sale of building to a director	**(300)**	–	**–**	–
Healthcare services charged by subsidiaries	**–**	–	**580**	377
Interest income charged to subsidiaries	**–**	–	**–**	(399)
Interest expense charged by subsidiaries	**–**	–	**–**	759

31. Related Party Disclosures (Cont'd.)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term benefits	**4,102**	3,181	**1,316**	1,296
Post-employment benefits:				
- Defined contribution plan	**303**	277	**120**	122
- Defined benefit plan	**2**	2	**–**	–
Share options granted under ESOS	**544**	1,022	**291**	641
	4,951	4,482	**1,727**	2,059

Included in the total key management personnel are:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive and non-executive directors' remuneration excluding benefits-in-kind (Note 8)	**2,276**	2,347	**894**	1,106

Directors' interests in employee share option scheme

- In prior year, 1,820,000 share options were granted to five of the Company's non executive directors under the Employee Share Options Scheme (Note 29 (b)) at an exercise price of RM1.90 each.

- In prior year reporting date, the total number of outstanding share options granted by the Company to the above-mentioned directors was 1,820,000.

32. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Capital expenditure				
Approved and contracted for: Property, plant and equipment	**85,397**	96,750	**–**	15
Approved but not contracted for: Property, plant and equipment	**33,084**	135,628	**671**	1,784

(b) Finance lease commitments

The Group has finance leases for certain items of machinery, equipment and motor vehicles (Note 13). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
Not later than 1 year	**763**	1,180	**66**	91
Later than 1 year and not later than 2 years	**159**	826	**–**	77
Later than 2 years and not later than 5 years	**59**	215	**–**	–
	981	2,221	**66**	168
Less: Future finance charges	**(38)**	(149)	**(1)**	(10)
Present value of finance lease payables	**943**	2,072	**65**	158
Analysis of present value of hire purchase payables:				
Not later than 1 year	**738**	1,098	**65**	82
Later than 1 year and not later than 2 years	**148**	769	**–**	76
Later than 2 years and not later than 5 years	**57**	205	**–**	–
	943	2,072	**65**	158
Less: Due within 12 months (Note 24)	**(738)**	(1,098)	**(65)**	(82)
Due after 12 months (Note 24)	**205**	974	**–**	76

The hire purchase and lease liabilities bore an average interest rate at the statement of financial position date of 3.57% (2010: 3.17%) per annum. The Group and the Company have finance leases and hire purchase contracts for various items of property, plant and equipment (see Note 13(b)). These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group and the Company by entering into these leases and no arrangements have been entered into for contingent rental payments.

33. Fair Value of Financial Instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	Group 2011		Company 2011	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Financial liabilities:				
Borrowings (non-current)				
- Obligations under finance leases	**205**	**241**	**–**	**–**
- Bank loan:				
- 8.0% p.a. fixed rate loan	**359**	**291**	**–**	**–**

	Group 2010		Company 2010	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Financial liabilities:				
Loan and borrowings (non-current)				
- Obligations under finance leases	974	1,310	76	157
- Bank loan:				
- 8.0% p.a. fixed rate loan	546	290	–	–

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	22
Trade and other payables (current)	25
Borrowings (current)	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

34. Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Company's Chief Executive Officer, all heads of subsidiaries and certain managers of the Company. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group			
	2011		**2010**	
	RM'000	**% of total**	**RM'000**	**% of total**
By industry sectors:				
Plantations	**50,970**	**77%**	33,968	66%
Healthcare	**15,237**	**23%**	13,662	26%
Food	**–**	**–**	4,076	8%
	66,207	**100%**	51,706	100%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 22. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

34. Financial Risk Management Objectives and Policies (Cont'd.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

At the reporting date, approximately 62% (2010: 68%) of the Group's borrowings and 100% (2010: 52%) of the Company's borrowings (Note 24) will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2011		
	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	**166,304**	**–**	**166,304**
Borrowings	**951**	**577**	**1,528**
Total undiscounted financial liabilities	**167,255**	**577**	**167,832**
Company			
Financial liabilities:			
Trade and other payables	**72,615**	**–**	**72,615**
Borrowings	**66**	**–**	**66**
Total undiscounted financial liabilities	**72,681**	**–**	**72,681**

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from inter company transactions that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currency in which these transactions are denominated is mainly Rupiah ("Rp").

35. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes, equity attributable to the owners of the parent less the fair value adjustment reserve less asset revaluation reserve.

		Group		**Company**	
	Note	**2011 RM'000**	**2010 RM'000 Restated**	**2011 RM'000**	**2010 RM'000 Restated**
Borrowings	24	**1,490**	4,765	**65**	158
Trade and other payables	25	**166,304**	147,146	**72,615**	41,439
Less: - Cash and bank balances	23	**(224,524)**	(176,702)	**(2,505)**	(46,888)
Financial liabilities, attributable to discontinued operation, net of cash and bank balances	10	**5,570**	–	**–**	–
Net debt		**(51,160)**	(24,791)	**70,175**	(5,291)
Equity attributable to the owners of the parent		**1,149,739**	708,860	**351,065**	288,881
Less: - Fair value adjustment reserve		**(37)**	(33)	**–**	–
Less: - Asset revaluation reserve		**(500,435)**	(205,481)	**(35,819)**	(31,926)
Total capital		**649,267**	503,346	**315,246**	256,955
Capital and net debt		**598,107**	478,555	**385,421**	251,664
Gearing ratio		**-9%**	-5%	**18%**	-2%

36. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) The plantation division involved in activities such as cultivation of oil palms, sale of fresh fruit bunches and management of plantation operation services.

(ii) Healthcare division provides healthcare consultancy and operates specialist medical centres.

(iii) Food division involved in activities such as integrated poultry farming and processing of related products. This segment has been classified as a discontinued operation during the financial year (Note 10).

The amounts relating to food division have been excluded to arrive at amounts shown in the consolidated statement of comprehensive income as they are presented separately in the statement of comprehensive income within one line item, “profit/(loss) from discontinued operation, net of tax”.

(iv) Others division involve dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

36. Segment Information (Cont'd.)

	Plantation 2011 RM'000	Plantation 2010 RM'000 Restated	Healthcare 2011 RM'000	Healthcare 2010 RM'000 Restated	Others 2011 RM'000	Others 2010 RM'000 Restated	Notes	Per consolidated financial statements 2011 RM'000	Per consolidated financial statements 2010 RM'000 Restated
Revenue:									
Total revenue	**548,352**	407,892	**94,754**	79,269	**–**	–		**643,106**	487,161
Inter-segment	**(135,441)**	(93,105)	**(4,431)**	(1,293)	**–**	–	A	**(139,872)**	(94,398)
External revenue	**412,911**	314,787	**90,323**	77,976	**–**	–		**503,234**	392,763
Results:									
Interest income	**4,338**	2,092	**370**	90	**26**	22		**4,734**	2,204
Dividend income	**942**	1,646	**–**	–	**–**	–		**942**	1,646
Depreciation	**15,826**	13,426	**4,879**	3,386	**6**	6		**20,711**	16,818
Other non-cash expenses	**1,892**	11,037	**1,377**	1,008	**–**	–	B	**3,269**	12,045
Segment profit	**203,977**	119,505	**10,606**	10,697	**360**	31		**214,943**	130,233

	Plantation 2011 RM'000	Plantation 2010 RM'000 Restated	Healthcare 2011 RM'000	Healthcare 2010 RM'000 Restated	Food (Discontinued) 2011 RM'000	Food (Discontinued) 2010 RM'000 Restated	Others 2011 RM'000	Others 2010 RM'000 Restated	Notes	Per consolidated financial statements 2011 RM'000	Per consolidated financial statements 2010 RM'000 Restated
Assets:											
Additions to non-current assets	**74,901**	35,830	**16,894**	21,430	**1,336**	888	**–**	–	C	**93,131**	58,148
Segment assets	**1,301,120**	832,859	**133,833**	82,228	**11,942**	11,843	**2,165**	1,632		**1,449,060**	928,562
Segment liabilities	**248,753**	176,467	**20,074**	18,910	**5,616**	5,740	**10**	366		**274,453**	201,483

36. Segment Information (Cont'd.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Other non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2011 RM'000	2010 RM'000 Restated
Inventories written off	6	–	61
Biological assets written off	6	–	2,101
Impairment loss on trade receivables	6	**865**	584
Impairment loss on other receivables	6	**624**	4,045
Property, plant and equipment written off	6	**309**	38
Loss on disposal of biological assets	6	–	2,397
Share options granted under ESOS			
- Continuing operations	7,8	**1,471**	2,819
		3,269	12,045

C Additions to non-current assets consist of:

	Note	2011 RM'000	2010 RM'000 Restated
Property, plant and equipment	13	**52,191**	41,122
Biological assets	14	**40,940**	17,026
		93,131	58,148

37. Prior Year Adjustments

(a) Correction of the carrying amount of inventories of a subsidiary in prior year

Prior year adjustments relate to the overstatement of inventories of a subsidiary in previous financial year. The adjustments have been accounted for retrospectively and the effects of the adjustments are as disclosed in Note 37(b).

(b) Effects of prior year adjustments

	Group 2011 RM'000
Effects on retained earnings of the Group:	
At 1 January, as previously stated	**229,271**
Effects of prior year adjustments (Note 37(a))	**(275)**
At 1 January, as restated	**228,996**

37. Prior Year Adjustments (Cont'd.)

(b) Effects of prior year adjustments (cont'd.)

	Group 2010 RM'000
Effects on profit for the year, net of tax of the Group:	
As previously stated	93,331
Effects of prior year adjustments (Note 37(a))	(275)
As restated	93,056

Following the prior year adjustments and to conform with current year's presentation, certain comparative figures in statements of financial position as at 31 December 2010 and statements of comprehensive income of the Group and of the Company for the year ended 31 December 2010 have been restated as follows:

	As previously stated RM'000	Adjustments/ Reclassified RM'000	As restated RM'000
Group			
Statement of comprehensive income			
Revenue	420,440	27,677	392,763
Cost of sales	(218,051)	(27,501)	(190,550)
Profit from Al-Mudharabah	806	806	–
Interest income	–	(2,204)	2,204
Other income	6,699	1,519	5,180
Distribution costs	(8,055)	(4)	(8,051)
Administrative expenses	(68,869)	(1,230)	(67,639)
Other expenses	(3,436)	–	(3,436)
Finance costs	(327)	(89)	(238)
Income tax expense	(35,876)	(187)	(35,689)
Profit/(loss) from discontinued operation, net of tax	–	1,488	(1,488)
Profit for the year, net of tax	93,331	(275)	93,056
Group			
Statement of financial position			
Biological assets	367,624	544	368,168
Inventories	15,918	(1,004)	14,914
Tax payable	6,275	185	6,090
Retained earnings	229,271	275	228,996
Company			
Statement of comprehensive income			
Interest income	–	(430)	430
Other income	523	430	93

38. Events Occuring After the Reporting Date

(a) On 20 February 2012, the Company completed the disposal of one of its wholly-owned subsidiaries, TD Poultry Sdn. Bhd. ("TDPSB"), which has been classified as discontinued operation (Note 10) as at 31 December 2011, for a cash consideration of RM4 million.

(b) On 22 February 2012, the Company had entered into a conditional sale and purchase agreement with Lembaga Tabung Amanah Warisan Negeri Terengganu for the acquisition of a parcel of leasehold land held under H.S.(D) 9537, Lot No. PT 2407, Mukim Batu Buruk, District of Kuala Terengganu, Terengganu Darul Iman for a total purchase consideration of RM16.90 million to be fully satisfied via the issuance of 3,557,895 new ordinary shares of RM1.00 each at an issue price of RM4.75 per TDM Berhad's ordinary share.

(c) On 29 February 2012, the Board of Directors of the Company had announced that the Company had subscribed the joint venture company's shares and entered into a Joint Venture and Shareholders Agreement ("Agreement") with Bapak H Rahman and PT Rafi Sawit Lestari. The Company has subscribed 950,000 shares in PT Rafi Sawit Lestari out of 1,000,000 shares that have been issued and paid up which represented 95% equity interest in the company.

    Pursuant to the 95% equity subscription, PT Rafi Sawit Lestari becomes a subsidiary of the Company.

39. Authorisation of Financial Statements for Issue

The financial statements for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 27 March 2012.

40. Supplementary Information - Breakdown of Retained Profits/(Accumulated Losses) into Realised and Unrealised

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at 31 December 2011 and 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		
Total retained profits/(accumulated losses)				
- Realised	**169,356**	112,618	**7,057**	(22,665)
- Unrealised	**77,261**	26,005	**2,228**	741
	246,617	138,623	**9,285**	(21,924)
Less: Consolidation adjustments	**100,544**	90,373	**–**	–
Retained profits/(accumulated losses) as per financial statements	**347,161**	228,996	**9,285**	(21,924)

Statistics on Shareholdings

as at 30 March 2012

Analysis of Shareholdings

Authorised Share Capital : RM500,000,000.00

Issued and Paid-up Capital : RM240,324,962 comprising 240,324,962 Ordinary Shares of RM1.00 each

Voting Rights : One (1) vote per ordinary share

A. Distribution of Shareholdings

Breakdown of Shareholdings	No. of Shareholders	Percentage %	No. of Shares	Percentage %
1 – 99	64	1.221	1,647	0.000
100 – 1,000	751	14.337	645,398	0.268
1,001 – 10,000	3,486	66.552	14,559,903	6.058
10,001 – 100,000	819	15.635	26,903,196	11.194
100,001 – 12,016,247	116	2.214	48,389,194	20.134
12,016,248 and above	2	0.038	149,825,624	62.342
TOTAL	**5,238**	**100.000**	**240,324,962**	**100.000**

B. List of Thirty (30) Largest Shareholders

No.	Name	No. of Shares	Percentage %
1.	Terengganu Incorporated Sdn Bhd	117,025,624	48.694
2.	Perbadanan Memajukan Iktisad Negeri Terengganu	32,800,000	13.648
3.	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for United Teochew (Malaysia) Bhd (M09)*	6,385,000	2.656
4.	Permodalan Terengganu Berhad	3,742,000	1.557
5.	ABB Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Yayasan Terengganu (1115001178)*	2,000,000	0.832
6.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for Dimensional Emerging Markets Value Fund*	1,928,000	0.802
7.	Amanahraya Trustees Berhad *Public Smallcap Fund*	1,621,000	0.674
8.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-ASING)*	1,295,000	0.538
9.	Gan Kho @ Gan Hong Leong	1,020,000	0.424
10.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Hock Fatt (E-SS2)*	980,000	0.407
11.	Pesama Timber Corporation Sdn Bhd	870,934	0.362
12.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koay Ean Chim*	844,900	0.351
13.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for the Bank of New York Mellon (Mellon Acct)*	812,800	0.338

No.	Name	No. of Shares	Percentage %
14.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teoh Ah Baa @ Teoh Beng Suang (IMO/M&A)*	770,000	0.320
15.	Amanahraya Trustees Berhad *Public Dividend Select Fund*	758,900	0.315
16.	Eng Bak Chim	700,000	0.291
17.	Soon Ah Khun @ Soon Lian Huat	695,000	0.289
18.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Citibank NA, Singapore (Julius Baer)*	667,600	0.277
19.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koay Ean Chim (IMO/TAS)*	640,000	0.266
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund*	634,100	0.263
21.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	583,400	0.242
22.	Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (LBF)*	550,300	0.228
23.	Megategas Sdn Bhd	500,000	0.208
24.	Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd	475,760	0.197
25.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Small Cap Series*	475,400	0.197
26.	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teaw Hung Meng (Penang-CL)*	461,100	0.191
27.	Soon Lian Huat Holdings Sdn. Berhad	435,000	0.181
28.	HSBC Nominees (Asing) Sdn Bhd *TNTC for LSV Emerging Markets Small Cap Equity Fund, LP*	423,400	0.176
29.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yoong Fui Kien*	421,000	0.175
30.	HSBC Nominees (Asing) Sdn Bhd *TNTC for Employees Retirement Fund of the City of Dallas*	414,200	0.172

C. List of Substantial Shareholders (5% and above)

		Direct Interest		Deemed Interest	
No.	**Name**	**No. of Shares**	**Percentage %**	**No. of Shares**	**Percentage %**
1.	Terengganu Incorporated Sdn. Bhd.	117,025,624	48.694	–	–
2.	Perbadanan Memajukan Iktisad Negeri Terengganu	32,800,000	13.648	–	–

D. List of Directors' Shareholdings

		Direct Interest		Deemed Interest	
No.	**Name**	**No. of Shares**	**Percentage %**	**No. of Shares**	**Percentage %**
1.	Y. Bhg. Datuk Haji Roslan Bin Awang Chik	350,000	0.145	–	–
2.	Y. Bhg. Dato' Haji Mat Razali Bin Kassim	–	–	–	–
3.	YB Dato' Haji Abdul Razak Bin Ismail	–	–	–	–
4.	Haji Zakaria Bin K C Ahammu	–	–	–	–
5.	Haji Long Bin A. Rahman	–	–	–	–
6.	Wong Shew Yong	231,000	0.096	–	–
7.	Abdul Mutalip Bin Sulaiman	–	–	–	–

List of Properties

Production / Company / Division (Metrik Tonne)		Estate	Division	Tenure	Area (Hectares)	Description	Net Book Value
Mukin Tebak	Kemaman					Oil Palm plantation	175,399,998
HS (D) 1779 PT 1666		Part Jerneh Estate/ Tebak		Leasehold exp. 2052 Sublease exp. 2052	3,681.10		
Geran 18274 Lot 2514		Part Jernih Estate/ Tebak		Leasehold exp. 2078 Sublease exp. 2018	218.20		
HS (D) 2872 PT 402 B		Part Jernih Estate/ Tebak		Leasehold exp. 2078 Sublease exp. 2018	198.19		
Geran 12509 PT 821		Pelantoh Estate	Nort & South Pelantoh	Leasehold exp. 2013	35.45		
Geran 12510 Lot 2444		Pelantoh Estate	North & South Pelantoh	Leasehold exp. 2013	82.28		
Geran 12511 Lot 2550		Pelantoh Estate	North & South Pelantoh	Leasehold exp. 2013	24.96		
Geran 12512 Lot 2443		Pelantoh Estate	North & South Pelantoh	Leasehold exp. 2013	73.49		
Geran 12618 Lot 822		Pelantoh Estate	North & South Pelantoh	Leasehold exp. 2013	68.71		
Geran 12497 Lot 833		Pelantoh Estate	North & South Pelantoh	Leasehold exp. 2013	88.58		
HS (D) 001 L/NF 198/65		Air Puteh Estate		Leasehold exp. 2012 Sublease exp. 2011	129.50		
HS (D) 002 L/NF 198/65		Air Puteh Estate		Leasehold exp. 2012 Sublease exp. 2011	414.40		
HS (D) 003 L/NF 198/65		Air Puteh Estate		Leasehold exp. 2012 Sublease exp. 2011	976.38		
HS (D) 004 L/NF 198/65		Air Puteh Estate		Leasehold exp. 2012 Sublease exp. 2011	1,888.00		
HS (D) 011 PT 28		Pelantoh Estate		Sublease exp. 2014	3,439,95		
HS (D) 011 PT 29		Pelantoh Estate		Sublease exp. 2014	3,439,95		
Mukim Belara	Sungai Tong					Oil Palm plantation	110,290,183
Geran 12885 Lot 7250		Jaya Estate	Bari	Leasehold exp. 2072	1,413.09		
Geran 6001 Lot 6558		Jaya Estate	Jaya	Leasehold exp. 2072	1,661.42		
Geran 6247 Lot 6743		Jaya Estate	Jaya	Leasehold exp. 2072	84.91		

Production / Company / Division (Metrik Tonne)		Estate	Division	Tenure	Area (Hectares)	Description	Net Book Value
Mukim Belara	Sungai Tong					Oil Palm plantation	120,282,489
HS (D) 1017 PT 804 K		Fikri Estate	Sentosa	Leasehold exp. 2072	103.60		
Geran 9309 Lot 8264		Fikri Estate	Sentosa	Leasehold exp. 2072	58.44		
Geran 10657 Lot 6641		Fikri Estate	Sentosa	Leasehold exp. 2072	1.54		
HS (D) 1983 PT 381 K		Fikri Estate	Sentosa	Leasehold exp. 2072	20.40		
Geran 8238 Lot 8187		Fikri Estate	Sentosa	Leasehold exp. 2072	68.15		
HS (D) 813 PT 882 K		Fikri Estate	Sentosa	Leasehold exp. 2072	7.67		
HS (D) 814 PT 883 K		Fikri Estate	Sentosa	Leasehold exp. 2072	895.81		
HS (D) 561 PT 642 K		Fikri Estate	Sentosa	Leasehold exp. 2072	635.86		
Geran 6005 Lot 7254		Fikri Estate	Fikri	Leasehold exp. 2072	82.28		
Geran 6521 Lot 7663		Fikri Estate	Fikri	Leasehold exp. 2075	58.77		
Geran 13085 Lot 8169		Fikri Estate	Fikri	Leasehold exp. 2072	141.02		
Geran 6003 Lot 7251		Fikri Estate	Fikri	Leasehold exp. 2072	536.08		
Geran 6004 Lot 7253		Fikri Estate	Fikri	Leasehold exp. 2072	224.28		
Geran 6491 Lot 7662		Fikri Estate	Fikri	Leasehold exp. 2072	128.68		
PN 3074 Lot 9390		Fikri Estate	Pakoh Jaya	Leasehold exp. 2087	472.00		
HS (D) 6416 PT 4151 K		Fikri Estate	Pakoh Jaya	Leasehold exp. 2098	79.86		
HS (D) 6416 PT 4152 K		Fikri Estate	Pakoh Jaya	Leasehold exp. 2098	15.16		
HS (D) 6417 PT 4153 K		Fikri Estate	Pakoh Jaya	Leasehold exp. 2098	17.90		
HS (D) 6418 PT 4154 K		Fikri Estate	Pakoh Jaya	Leasehold exp. 2098	2.74		
Mukim Hulu Nerus	Sungai Tong					Oil Palm plantation	73,716,739
HS (D) 764 PT 707 K		Tayor Estate		Leasehold exp. 2072	498.02		
GM 1533 Lot 0054		Tayor Estate		Leasehold exp. 2072	1.81		
HS (D) 770 Lot 789 K		Tayor Estate		Leasehold exp. 2072	2.83		
HS (D) 769 Lot 788 K		Tayor Estate		Leasehold exp. 2072	2.63		
GM 617 Lot 0097		Tayor Estate		Leasehold exp. 2072	1.12		
GM 1546 Lot 0094		Tayor Estate		Leasehold exp. 2072	1.73		
Geran 8683 Lot 3039		Tayor Estate		Leasehold exp. 2072	569.42		
Geran 8684 Lot 3040		Tayor Estate		Leasehold exp. 2072	12.65		
Geran 8685 Lot 3041		Tayor Estate		Leasehold exp. 2072	1,133.65		
Mukim Hulu Nerus	Sungai Tong					Oil Palm plantation	68,876,023
HS (D) 1235 PT 7218		Pelung Estate		Leasehold exp. 2012	3,007.00		
Mukim Besul	Bukit Besi					Oil Palm plantation	144,833,357
HS (D) 72 PT 140		Gajah Mati Estate/ Pinang Emas		Leasehold exp. 2075	4,854.61		
HS (D) 73 PT 141		Gajah Mati Estate		Leasehold exp. 2075	624.84		
Mukim Jerangau	Bukit Besi					Oil Palm plantation	140,287,691
HS (D) 74 PT 1140		Pinang Emas Estate		Leasehold exp. 2075	738.15		
HS (D) 75 PT 1143		Pinang Emas Estate		Leasehold exp. 2075	456.89		
HS (D) 76 PT 1144		Pinang Emas Estate		Leasehold exp. 2075	36.74		
HS (D) 77 PT 1145		Pinang Emas Estate		Leasehold exp. 2075	580.52		

Production / Company / Division (Metrik Tonne)		Estate	Division	Tenure	Area (Hectares)	Description	Net Book Value
Mukim Jerangau	Bukit Besi					Oil Palm plantation	11,572,315
HS (D) 397 PT 3643		Jerangau Estate	Chakuh 9	Leasehold exp. 2051	406.77		
Mukim Jerangau	Bukit Besi						42,131,480
PN 669 Lot 37		Jerangau Estate	Jerangau	Leasehold exp. 2049	456.89		
PN 669 Lot 204		Jerangau Estate	Jerangau	Leasehold exp. 2049	36.74		
PN 825 Lot 1157		Jerangau Estate	Jerangau	Leasehold exp. 2058	580.52		
Mukim Bandar Kuala Terengganu							
Geran 6763 Lot 3072 Geran 6764 Lot 3073 102&102A, Jalan Sultan Ismail Kuala Terengganu				Freehold	297.00 sq. m	2 units of 4 storey shophouses (Office)	1,600,000
Mukim Batu Buruk							
GM 569-575 Lot 3046-3052 Bgn Jalan Kamaruddin, Jalan Kamaruddin Kuala Terengganu				Leasehold exp. 2090	1,390 sq. m	5 units of 4 storey shophouses and 2 parcels of land	1,753,973
Mukim Pulau Perhentian HS (D) 2209 PT 320				Leasehold exp. 2051	448,271.70 sq. m	Undeveloped Resort Land	11,000,000.00
Mukim Chendering							
TD Poultry Sdn Bhd Kaw. Perindustrian Chendering 21080 Kuala Terengganu				Building	9,800 sq ft	Processing Plant	2,299,999.00
TD Poultry Sdn Bhd Kaw. Perindustrian Chendering 21080 Kuala Terengganu				Building	2,800 sq ft	Office Building	152,977.29
KM 25 1/2 Pulau Kerengga Marang, 21600 Terengganu				Building	150,000.00 sq ft	Production Building	422,471.75
Daerah Kemaman Terengganu				Building	913,500.00 sq ft	Farming Building	356,261.46
Wilayah Persekutuan							
Geran 11011 Lot No. 36 Sek 51 Bandar Kuala Lumpur 33B-12-1 Villa Putra Kuala Lumpur				Building		Apmt (1 unit)	0 (disposed)
State of Selangor							
Mukim Damansara Lot No. 3.5 and 4.5 HS (D) 85220 PT No. 14532 District of Petaling				Leasehold exp. 2092	2,815.2 sq m	Hospital Building	4,837,554.00
State of Kalimantan Barat, Indonesia							
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia				Leasehold Land	18,007,98 Ha (HGU)		12,000
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia				Building			395
Kabupaten Melawi, Provinsi Kalimantan Barat, Indonesia				Property Development Expenditure			31,070

Headquarters

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Kompleks Sg. Tong

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Estate Manager : En. Mohd Kahar Mukktarudin

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Estate Manager : Hj. Mohd Pauzi Mahmud

Ladang Tayor
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Terengganu
Tel : (609) 824 1790
Fax : (609) 824 1679
Estate Manager : Hj. Saifuddin Mustaffa

Ladang Pelung
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Estate Manager : En. Jais Sungip

Kompleks Bukit Besi

Ladang Gajah Mati
Bukit Besi, 23000 Dungun
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Estate Manager : Hj. Fikri Ismail

Ladang Majlis Agama Islam
Bukit Besi, 23000 Dungun
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Estate Manager : Hj. Fikri Ismail

Ladang Pinang Emas
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Fax : (609) 834 0377
Estate Manager : En. N. Thanimalai

Ladang Jerangau
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Estate Manager : Hj. Abdullah Zawawi Jusoh

Kompleks Kemaman

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Estate Manager : En. Murad Jusoh

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Estate Manager : En. Fadhilah Mukhtar

Ladang Jernih
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Tel : (6019) 928 4716
Estate Manager : En. Abdul Kahar Abdul Wahab

Ladang Pelantoh
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Estate Manager : Hj. Ezani Ismail

Mills

Kilang Kelapa Sawit Sungai Tong
Sungai Tong, 21500 Setiu
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Tel : (609) 624 7290
Fax : (609) 624 6472
Mill Manager : Hj. Hassan Osman

Kilang Kelapa Sawit Kemaman
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Mill Manager : En. Shahbudin Usop

Healthcare Division

Kelana Jaya Medical Centre Sdn. Bhd.
No. 1, FAS Business Avenue
Jalan Perbandaran SS7, Kelana Jaya
47301 Kelana Jaya
Selangor, Malaysia
Tel : (603) 7805 2111
Fax : (603) 7806 3505
www.kjmc.com.my

Kuantan Medical Centre Sdn. Bhd.
No. 1, Jalan Tun Ismail 9
25000 Kuantan
Pahang, Malaysia
Tel : (609) 514 2828
Fax : (609) 514 7688
www.kmcsb.com.my

Kuala Terengganu Specialist Hospital Sdn. Bhd.
No. 443B, Jalan Kamaruddin
20400 Kuala Terengganu
Terengganu, Malaysia
Tel : (609) 624 5353
Fax : (609) 626 5211
www.kts.net.my

TDMC Hospital Sdn. Bhd.
No. 45, Jalan Desa, Taman Desa
Off Jalan Klang Lama
58100 Kuala Lumpur
Tel : (603) 7982 6500
Fax : (603) 7625 8652
www.tdmc.my

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh (47th) Annual General Meeting of the Company will be held at Rajawali 2, Ri-Yaz Heritage Marina Resort & Spa, Pulau Duyong, 21300 Kuala Terengganu, Terengganu on Thursday, 17 May 2012 at 11.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Statutory Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon. **(Ordinary Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 113 of the Company's Articles of Association, and being eligible offer themselves for re-election.
   i) Datuk Haji Roslan Bin Awang Chik **(Ordinary Resolution 2)**
   ii) Haji Long Bin A. Rahman **(Ordinary Resolution 3)**

3. To re-elect Dato' Haji Mat Razali Bin Kassim retiring pursuant to Article 116 of the Company's Articles of Association, and being eligible offer himself for re-election. **(Ordinary Resolution 4)**

4. To approve the payment of the final dividend of 18.50 sen per ordinary share, tax exempt under the single-tier system for the financial year ended 31 December 2011. **(Ordinary Resolution 5)**

5. To approve the payment of Directors' Remuneration for the financial year ending 31 December 2012. **(Ordinary Resolution 6)**

6. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

As Special Business

To consider and if thought fit, to pass the following resolutions:

7. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**
   "THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue not more than ten percent (10%) of the issued capital of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorized to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof AND THAT authority be and is hereby given to the Directors to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **(Ordinary Resolution 8)**

8. **To approve the Company's Philanthropy Policy Statement which read as follows:**
"TDM Group will contribute 2% of its consolidated annual net profit after taxation, minority interest and dividend payments to approved organisations in Terengganu that support social causes, sports and economic developments. **(Ordinary Resolution 9)**

9. **Proposed Amendments of Articles of Association**
"THAT the proposed amendments to the Articles of Association ("AA") of the Company in the manner as set out below ("Proposed Amendments") be hereby approved and in the consequence thereof, the new AA incorporating all appropriate amendments be adopted AND THAT the Directors and Secretary be hereby authorised to sign, do and execute all relevant documents, acts and things as may be required for or in connection with and to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities:-

Reference	Proposed New Article
New Article 80A	Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account "omnibus account", there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A (1) of Securities Industry (Central Depositories) Act 1991.
New Article 80B	Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
New Article 80C	A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting."

(Special Resolution)

10. To transact any other ordinary business of which due notice shall be given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of members at the 47th Annual General Meeting to be held on 17 May 2012, the final dividend of 18.50 sen per ordinary share, tax exempt under the single-tier system for the financial year ended 31 December 2011 will be paid on Friday, 8 June 2012 to Depositors whose names appear in the Record of Depositors on Friday, 25 May 2012. A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 25 May 2012 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

YEAP KOK LEONG (MAICSA No. 0862549)
WONG WAI FOONG (MAICSA No. 7001358)
Company Secretaries

Kuala Terengganu
25 April 2012

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of the Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account "omnibus account", there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney duly authorised.

6. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company at Aras 5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin, 20100 Kuala Terengganu, Terengganu Darul Iman not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of the poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

8. For the purpose of determining a member who shall be entitled to attend and vote at the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 57B of the Articles of Association of the Company and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 8 May 2012. Only a depositor whose name appears on the Record of Depositors as at 8 May 2012 shall be entitled to attend the said meeting or appoint proxies to attend and vote in his stead.

9. Explanatory Note on Special Business:

   Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

   The Company had on 46th Annual General Meeting held on 19 May 2011, obtained its shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act"). It is further noted that, the Company had on 15 July 2011, issued a total of 3,498,215 ordinary shares of RM1.00 each representing 1.51% of the issued and paid-up share capital of the Company, at an issue price of RM2.83 per share, as part settlement of the total purchase consideration of RM16.5 million in relation to the acquisition of 23,691,931 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital in TDMC Hospital Sdn Bhd as per the Company's announcement to Bursa Malaysia Securities Berhad on 1 April 2011.

   The proposed Ordinary Resolution No. 8 is a renewal of the mandate to issue shares under Section 132D of the Act. If passed, it will allow the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company but not exceeding 10% of the issued share capital of the Company.

   A renewal for the said mandate is sought to avoid any delay and cost involved in convening such a general meeting. Should the mandate be exercised, the Directors will utilize the proceeds raised for funding current and / or future investment projects, working capital, acquisition, issuance of shares as settlement of purchase consideration and / or such other applications they may in their absolute discretion deem fit.

   To approve the Company's Philanthropy Policy Statement

   The Company always endeavored to support social causes, economic developments and promote sports activities in Terengganu considering it not only the Company's ethical accountability towards society at large but also as a part of its Corporate Social Responsibility program. TDM is committed to good corporate governance that encourages transparency, hence the seeking of shareholders' approval for the Philanthropy Policy Statement at the Annual General Meeting.

   Proposed Amendments of Articles of Association

   The proposed amendments will bring the Company's Articles of Association in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There is no person seeking election as Director at this Annual General Meeting.

TDM BERHAD (6265-P)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

I/We ____
(name of shareholder as per NRIC / passport / certificate of incorporated in capital letters)

with (New NRIC No.) ______________________ (Old NRIC No.) ______________________

(Passport No.) ______________________ (Company No.) ______________________

of ____
(full address)

being a member(s) of abovenamed Company, hereby appoint ______________________
(name of proxy as per NRIC / passport in capital letters)

with (New NRIC No.) ______________ (Old NRIC No.) ______________ (Passport No.) ______________

of ____
(full address)

or failing him/her ____
(name of proxy as per NRIC / passport in capital letters)

with (New NRIC No.) ______________ (Old NRIC No.) ______________ (Passport No.) ______________

of ____
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at Forty-Seventh (47th) Annual General Meeting of the Company to be held at Rajawali 2, Ri-Yaz Heritage Marina Resort & Spa, Pulau Duyong, 21300 Kuala Terengganu, Terengganu on Thursday, 17 May 2012 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Please indicate with an "X" in the spaces as provided below how you wish to cast your votes. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his /her discretion.

No.	Resolutions		For	Against
1.	To receive the Statutory Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon.	**Resolution 1**		
2.	To re-elect Datuk Haji Roslan Bin Awang Chik retiring pursuant to Article 113 of the Company's Articles of Association.	**Resolution 2**		
3.	To re-elect Haji Long Bin A. Rahman retiring pursuant to Article 113 of the Company's Articles of Association.	**Resolution 3**		
4.	To re-elect Dato' Haji Mat Razali Bin Kassim retiring pursuant to Article 116 of the Company's Articles of Association.	**Resolution 4**		
5.	To approve the payment of the Final dividend of 18.50 sen per ordinary share, tax exempt under the single-tier system for the financial year ended 31 December 2011.	**Resolution 5**		
6.	To approve the payment of Directors' Remuneration for the financial year ending 31 December 2012.	**Resolution 6**		
7.	To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 7**		
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	**Resolution 8**		
9.	To approve the Company's Philanthropy Policy Statement.	**Resolution 9**		
10.	Proposed Amendments of Articles of Association.	**Special Resolution**		

____
Signature(s)/Common Seal of Member(s)

Number of shares held: ______________________

Date: ______________________

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	No. of Share	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

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7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company at Aras 5, Bangunan UMNO Terengganu, Lot 3224, Jalan Masjid Abidin, 20100 Kuala Terengganu, Terengganu Darul Iman not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of the poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
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Affix
Stamp

TDM Berhad (6265-P)

Aras 5, Bangunan UMNO Terengganu

Lot 3224, Jalan Masjid Abidin

20100 Kuala Terengganu

Terengganu Darul Iman

fold here

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