



Laporan Tahunan
2016 TABUNG HAJI
Annual Report

Rasional

Rationale

Takrifan Semula Cabaran

Dalam menghadapi pelbagai cabaran baru yang hadir bersama dunia serba moden, seharusnya kebijaksanaan diperlukan. Cabaran luaran serta dalaman ternyata merupakan ujian yang harus dihadapi dengan bijak oleh setiap individu mahupun perniagaan untuk terus berjaya.

Laporan Tahunan **TH** 2016 bertemakan 'Takrifan Semula Cabaran' – sebuah tema yang merangkumi beberapa pendekatan proaktif bagi menangani cabaran semasa untuk terus maju dan tampil sebagai sebuah organisasi positif dan produktif.

Redefining Challenges

In facing new challenges the modern world brings, wisdom is needed. Internal and external challenges are part and parcel to be faced wisely by any individual or organisation to ensure continuous success.

TH's 2016 Annual Report adopts the theme 'Redefining Challenges' - a theme which embraces several proactive approaches in facing these current challenges so as to remain ahead and emerge as a positive and productive organisation.

KETELUSAN TADBIR URUS
Governance Transparency



KECEKAPAN PENGURUSAN
Management Efficiency



MEMPERKASA MASYARAKAT
Empowering Community



PENGUKUHAN PULANGAN
Strengthening Returns



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KECEKAPAN PENGURUSAN

Management Efficiency

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Empowering Community

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PENGUKUHAN PULANGAN

Strengthening Returns

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VISI Vision

Tonggak kejayaan ekonomi ummah; Pengurusan haji terbilang.

The pillar of the ummah's economic success; Excellence in hajj management.

MISI Mission

Dalam mencapai visi **TH**, KAMI beriltizam:

- Memperkasa ekonomi ummah;
- Sentiasa giat mencari pelaburan strategik global dan lokal bagi pertumbuhan berterusan;
- Menggembeng dan memperkayakan modal pendeposit;
- Memberi perkhidmatan cemerlang yang berterusan;
- Memudah dan menyempurnakan urusan jemaah ke arah haji mabrur; dan
- Memberi pulangan yang kompetitif, halal dan *toyyiban*.

In achieving **TH's** vision, WE pledge:

- To strengthen the ummah's economy;
- To remain active in seeking strategic investments locally and globally to ensure sustainable growth;
- To manage and enrich depositors' funds;
- To continuously provide excellent services;
- To facilitate and assist pilgrims in achieving mabrur hajj; and
- To provide competitive, halal and *toyyiban* returns.

NILAI TERAS Core Values

- | | |
|--------------------------|---------------------|
| • Komited | • Committed |
| • Profesional | • Professional |
| • Kerja Berpasukan | • Teamwork |
| • Menerima Perubahan | • Embracing Change |
| • Prihatin dan Penyayang | • Loving and Caring |



“*TH* merupakan jenama ikonik negara yang unik dan kini berada di fasa kematangannya. Saya yakin meskipun berhadapan dengan pelbagai cabaran, *TH* akan terus melangkah ke tahap lebih cemerlang, seterusnya menyumbang ke arah kesejahteraan ummah dan negara, InshaAllah”

“*TH* is the country's iconic brand which is unique and currently in a phase of maturity. I am convinced that despite all challenges, *TH* will continue to leap to greater heights, subsequently contributing towards the welfare of the ummah and the country, InshaAllah”

YB MEJAR JENERAL DATO' SERI JAMIL KHIR BIN HAJI BAHAROM (B)
Menteri di Jabatan Perdana Menteri
Minister in The Prime Minister's Department



NEGARAKU

RINGKASAN PRESTASI KEWANGAN LIMA TAHUN (2012-2016)

5-Year Financial Performance Summary (2012-2016)

KUMPULAN Group		2016	2015	2014	2013	2012
		RM Juta RM Million	RM Juta RM Million	RM Juta RM Million	RM Juta RM Million	RM Juta RM Million
PENDAPATAN Revenue		7,459	7,627	8,192	7,130	6,367
KEUNTUNGAN OPERASI Operating Profit		3,173	3,577	4,466	3,209	2,881
ZAKAT Zakat		78	73	74	70	58
KEUNTUNGAN BERSIH Net Profit		2,051	3,216	4,615	2,510	2,249
ASET BERSIH Net Assets		65,994	62,232	57,037	49,547	43,027

TH TH		2016	2015	2014	2013	2012
		RM Juta RM Million	RM Juta RM Million	RM Juta RM Million	RM Juta RM Million	RM Juta RM Million
PENDAPATAN Revenue		3,481	4,467	3,289	3,730	2,835
KEUNTUNGAN OPERASI Operating Profit		2,718	3,788	2,783	3,012	2,357
ZAKAT Zakat		60	59	53	47	44
KEUNTUNGAN BERSIH Net Profit		2,486	3,536	2,979	2,634	2,146
ASET BERSIH Net Assets		63,573	59,462	54,006	48,169	40,125
HIBAH PENDEPOSIT Depositors' Hibah		2,871	3,220	3,237	2,632	2,458
SIMPANAN PENDEPOSIT Depositors' Savings		67,704	62,548	54,358	45,719	38,284
BILANGAN PENDEPOSIT (Juta orang) Number of Depositors (Million people)		9.1	8.8	8.6	8.3	8.2

NISBAH KEWANGAN UTAMA TH TH Key Financial Ratio		2016	2015	2014	2013	2012
		%	%	%	%	%
KADAR KEUNTUNGAN BERSIH Net Profit Margin		71.4	79.2	90.6	70.6	75.7
PERBELANJAAN OPERASI/PENDAPATAN Operating Expenditure/Revenue		21.9	15.2	15.4	19.2	16.9
PERBELANJAAN OPERASI/ASET BERSIH Operating Expenditure/Net Assets		1.20	1.14	0.94	1.49	1.19
PERBELANJAAN OPERASI/SIMPANAN PENDEPOSIT Operating Expenditure/Depositors' Saving		1.13	1.09	0.93	1.57	1.25
PULANGAN KASAR KE ATAS ASET BERSIH Gross Return on Net Assets		5.47	7.51	6.09	7.74	7.07

STATISTIK LIMA TAHUN *TH* (2012-2016)

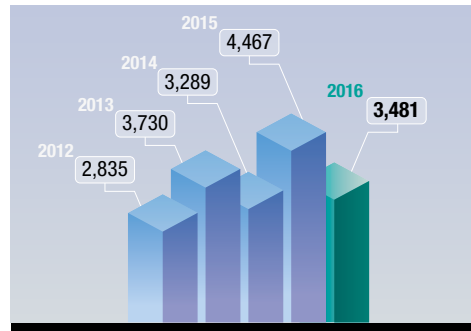
TH 5-Year Statistics (2012-2016)

Takrifan Semula Cabaran
Redefining Challenges

PENDAPATAN

Revenue

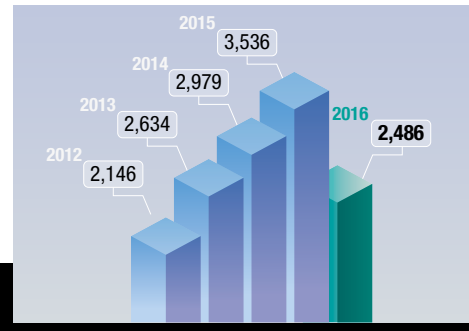
RM Juta | RM Million



KEUNTUNGAN BERSIH

Net Profit

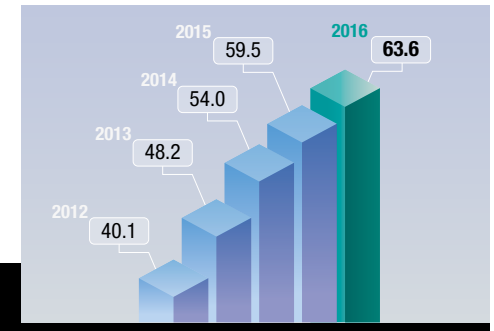
RM Juta | RM Million



ASET BERSIH

Net Assets

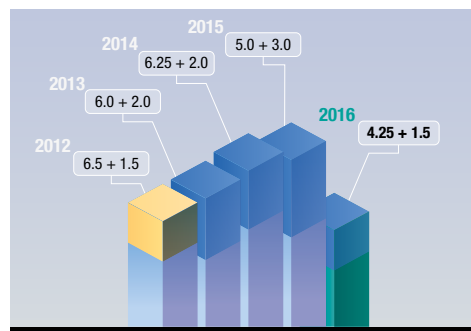
RM Bilion | RM Billion



KADAR HIBAH PENDEPOSIT

Depositors' Hibah Rate

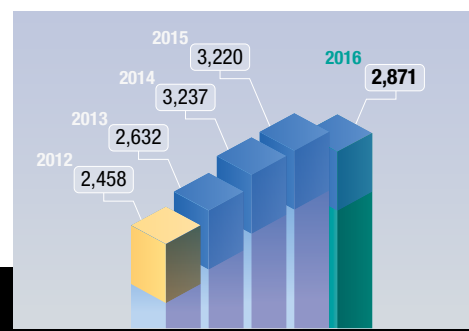
%



HIBAH PENDEPOSIT

Depositors' Hibah

RM Juta | RM Million



HIBAH TAHUNAN
Annual Hibah

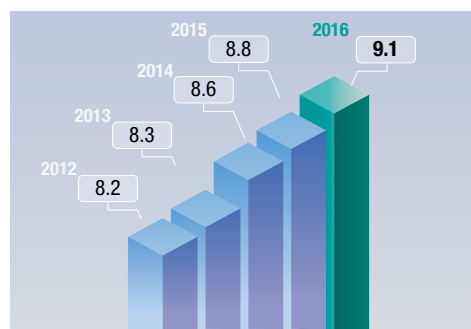
HIBAH HAJI
Haji Hibah

HIBAH KHAS SEMPENA
ULANGTAHUN KE-50 *TH*
Special Hibah Commemorating *TH*
50 Years Anniversary

BILANGAN PENDEPOSIT

Number of Depositors

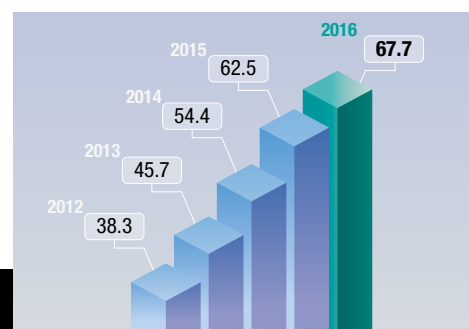
(Juta Pendeposit | Million Depositors)



SIMPANAN PENDEPOSIT

Depositors' Saving

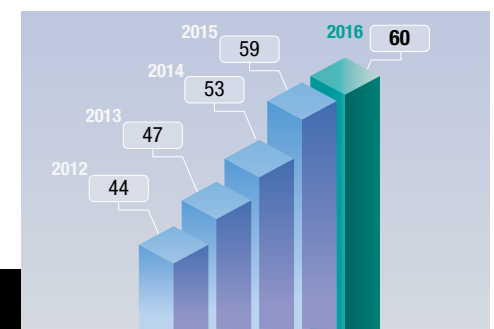
RM Bilion | RM Billion



ZAKAT

Zakat

RM Juta | RM Million



PENCAPAIAN

Milestones



Pengenalan buku akaun baru **TH** oleh YBhg. Tan Sri Ismee Ismail, Pengarah Urusan Kumpulan & Ketua Pegawai Eksekutif **TH**.

The introduction of **TH** new passbook by YBhg. Tan Sri Ismee Ismail, **TH's** Group Managing Director & Chief Executive Officer.

TH membuka cawangan baharu ke-123 di Pasir Gudang, Johor yang dirasmikan oleh YAB Dato' Mohamed Khaled Nordin, Menteri Besar Johor.

TH opened the 123rd branch in Pasir Gudang, Johor, which was officiated by YAB Dato' Mohamed Khaled Nordin, Johor's Chief Minister.



TH melancarkan Perkhidmatan Bergerak **TH** Komuniti bagi memberi akses kepada perkhidmatan **TH** untuk penduduk luar bandar.

TH launched the **TH** Community Mobile Service to provide access to **TH** services for the rural community.

16

April | April

19

Mei | May

16

Jun | June



TH melancarkan Sistem Maklumat Kesihatan (SIHAT) bagi memudahkan pengurusan kesihatan jemaah haji.

TH launched the Health Information System (SIHAT) to manage hajj pilgrims' health records smoothly.



Penggunaan pesawat Airbus 380 yang lebih besar dan selesa untuk Jemaah Haji Muassasah.

The usage of bigger and more comfortable Airbus 380 for the Muassasah Hajj Pilgrims.

YBhg. Datuk Seri Johan Abdullah dilantik menjadi Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif **TH** yang baharu menggantikan YBhg. Tan Sri Ismee Ismail. YBhg. Datuk Seri Johan Abdullah was appointed as the new **TH** Group Managing Director and Chief Executive Officer, replacing YBhg. Tan Sri Ismee Ismail.



Yayasan **TH** dilancarkan oleh YAB Perdana Menteri, Dato' Sri Mohd Najib bin Tun Abdul Razak di TH Hotel Kelana Jaya, Selangor. The **TH** Foundation was launched by YAB Prime Minister, Dato' Sri Mohd Najib bin Tun Abdul Razak at TH Hotel Kelana Jaya, Selangor.



Inisiatif CSR terbaharu **TH** iaitu **TH** Mobiliti dilancarkan dengan penyerahan 11 buah kenderaan dwi-fungsi (van jenazah & van serbaguna) kepada masjid-masjid terpilih. **TH**'s new CSR initiative namely **TH** Mobiliti, was launched with 11 dual-function vehicles (hearse and multi-purpose van) being handed over to selected mosques.

1

Julai | July

26

Julai | July

27

Oktober | October

MUSIM HAJI 1437H | HAJJ SEASON 1437H
4 Ogos | August - 16 Oktober | October



TH mengambil imej 10 cap jari bakal haji sebelum keberangkatan ke Tanah Suci. **TH** capturing all 10 fingerprint images of the hajj pilgrims before their departure for the Holy Land.



TH melaksanakan "Safari Wuquf" untuk membawa jemaah sakit dengan kenderaan dari hospital terus ke Arafah untuk berwuquf. **TH** organised "Safari Wuquf" by ferrying ill pilgrims on special vehicles from hospitals directly to Arafah to perform wuquf.



TH mengagihkan pek makanan kepada jemaah haji ketika bermabit di Muzdalifah. **TH** distributed packed food to hajj pilgrims during their mabit in Muzdalifah.

TAKRIFAN SEMULA CABARAN

Redefining Challenges



Ketelusan Tadbir Urus

Governance Transparency



DATUK SERI PANGLIMA ABDUL AZEEZ ABDUL RAHIM
PJN, SSAP, SPDK, DCSM, SJMK, DIMP, JP, DHMS
Pengerusi | [Chairman](#)

PERUTUSAN Pengerusi

Chairman's Statement

Takrifan Semula Cabaran
Redefining Challenges



Assalamualaikum dan Salam 1 Malaysia

Dengan nama Allah Yang Maha Pengasih lagi Maha Penyayang, segala puji-pujian hanya kepada Allah SWT, selawat dan salam ke atas Nabi Muhammad SAW, ahli keluarga dan sahabat-sahabat baginda.

Alhamdulillah dengan keizinan dan rahmat Allah SWT, berkat ketabahan, sokongan dan keyakinan semua pemegang berkepentingan, **TH** mencatat satu lagi pencapaian positif untuk tahun kewangan berakhir 31 Disember 2016.

Secara keseluruhan, operasi perniagaan, aktiviti pelaburan dan urusan pengendalian jemaah haji yang dilaksanakan oleh **TH** berjalan lancar walaupun menghadapi cabaran akibat ketidakstabilan ekonomi berikutan kejatuhan nilai Ringgit berbanding matawang utama dunia, kemelesetan sektor minyak dan gas berpanjangan yang memberi kesan kepada pendapatan negara, ketidakstabilan geopolitik yang berlarutan serta tempas kelembapan ekonomi dunia yang turut menjejaskan ekonomi domestik.

Berlatarkan sentimen pasaran yang lemah pada tahun ini, **TH** terus gigih menggerakkan langkah-langkah strategik jangka panjang yang telah diatur dengan teliti untuk menstabilkan portfolio pelaburan dan memastikan pulangan berterusan yang menepati jangkaan.

Namun cabaran getir yang dihadapi oleh **TH** sepanjang tahun 2016 bukanlah kesukaran operasi, tetapi sebaliknya persepsi negatif terhadap langkah-langkah strategik jangka panjang yang bertujuan semata-mata untuk meluas dan menstabilkan asas pendapatan masa depan **TH**. Kritikan-kritikan negatif yang dilemparkan ini telah ditangani secara profesional dan berhemat agar tidak menjejaskan keyakinan para pendeposit dan mengelirukan masyarakat umum secara keseluruhan.

Tahun 2016 juga menyaksikan perubahan teraju kepimpinan pengurusan tertinggi **TH**. Perubahan ini tidak mengganggu kelancaran operasi kerana ia telah dilaksanakan mengikut pelan penggantian yang telah dirancang sejak awal lagi.

Assalamualaikum and Salam 1 Malaysia

In the name of Allah the Most Compassionate and the Most Merciful. All praise is to Allah SWT, peace and blessings be upon the Prophet Muhammad SAW, his families and companions.

Alhamdulillah, with His permission and blessings, as well as perseverance, support and trust from the stakeholders, **TH** had recorded another positive performance for the financial year ended 31 December 2016.

In general, business operations, investment activities and hajj management undertaken by **TH** went smoothly despite the challenges due to economic instability resulting from depreciation in the value of Ringgit compared to major global currencies, the prolonged slowdown of oil and gas sector which had affected the nation's income, the dragging geopolitical instability and spill over of weak global economy which had also affected the domestic economy.

Amidst weak market sentiments during the year, **TH** diligently continued to mobilise its long-term strategic measures which were carefully planned to stabilise its investment portfolios and ensure continuous returns as expected.

Nevertheless, the most difficult challenge faced by **TH** in 2016 was not operational in nature, but more of negative perceptions towards **TH**'s long-term strategic measures designed to expand and stabilise its future income base. Negative criticisms levelled on **TH** were professionally and carefully addressed so as not to jeopardise our depositors' trust and confuse the public in general.

Year 2016 also witnessed a change in **TH**'s leadership. However, the change did not have any operational implications as it was based on a well-designed succession plan.

Bagi pihak Jemaah Lembaga Pengarah **TH**, saya dengan sukacitanya membentangkan Laporan Tahunan Lembaga Tabung Haji bersama Penyata Kewangan yang telah diaudit bagi tahun berakhir 31 Disember 2016.

Prestasi Kewangan Kekal Positif

Dalam keadaan ekonomi global yang tidak menentu, saya ingin memanjatkan rasa syukur ke hadrat Allah SWT kerana dengan limpah rahmat-Nya, **TH** mampu mencatat prestasi kewangan yang positif dengan pendapatan sebanyak RM3.48 bilion dan keuntungan bersih selepas zakat sebanyak RM2.49 bilion bagi tahun kewangan berakhir 31 Disember 2016.

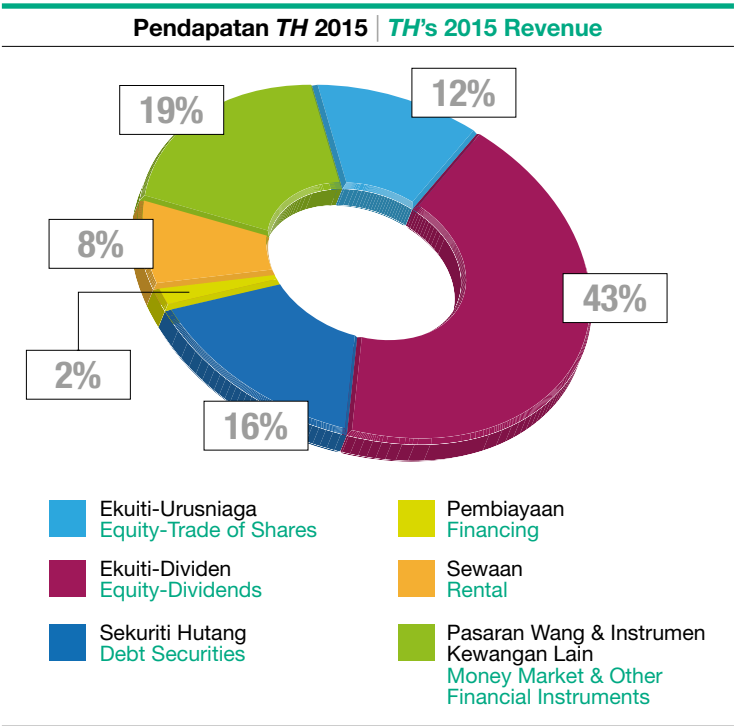
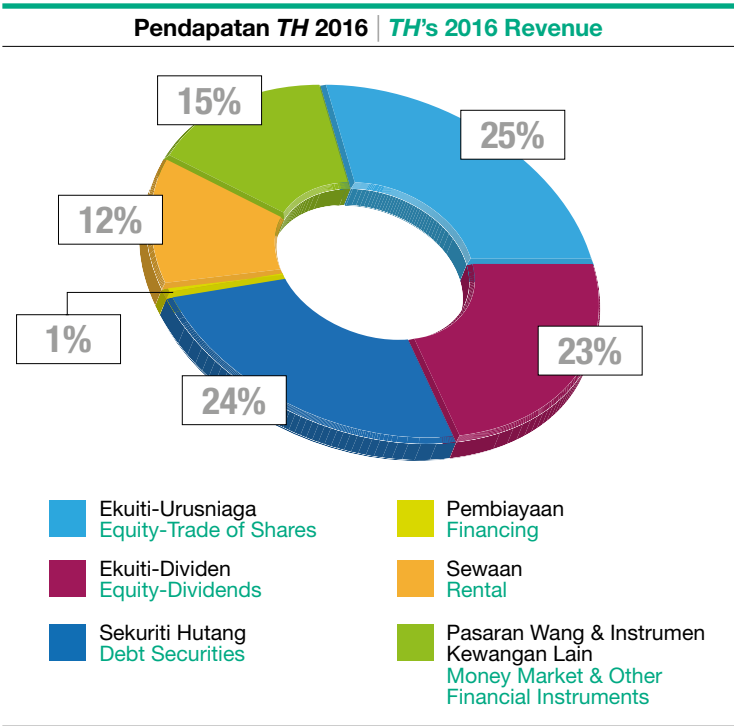
Keyakinan pendeposit terhadap **TH** tidak terjejas walaupun banyak kritikan serta tohmahan diterima terhadap ketidakupayaan pelaburan dan prestasi kewangan **TH**. Ini jelas terbukti dengan pertambahan bilangan pendeposit kepada 9.08 juta pada tahun 2016 berbanding 8.85 juta pada tahun 2015, sementara dana pendeposit turut menunjukkan peningkatan kepada RM67.70 bilion daripada RM62.55 bilion pada tahun sebelumnya.

On behalf of **TH** Board of Directors, I am pleased to present the **TH** Annual Report together with its audited Financial Statements for the year ended 31 December 2016.

Positive Financial Performance

In an uncertain global economic condition, I would like to extend our gratitude to Allah SWT for His virtuous benevolence which had enabled **TH** to successfully record a positive financial performance with an income of RM3.48 billion and net profit after zakat of RM2.49 billion for the financial year ended 31 December 2016.

Depositors' confidence towards **TH** was unaffected despite the many criticisms and allegations towards its underperformed investments and financial standing. This is clearly seen from the increased number of depositors to 9.08 million in 2016 compared to 8.85 million in 2015, while depositors' funds showed an increase to RM67.70 billion from RM62.55 billion the year before.





Pendapatan keseluruhan **TH** pada tahun 2016 telah dijana daripada beberapa sumber merangkumi pelaburan ekuiti sebanyak 48%, sekuriti hutang sebanyak 24%, sewaan sebanyak 12%, pembiayaan sebanyak 1% serta pasaran wang dan instrumen kewangan lain sebanyak 15%.

Hampir keseluruhan sektor ekonomi utama Malaysia di mana **TH** mempunyai pendedahan pelaburan, antaranya sektor hartanah, minyak dan gas, perladangan dan telekomunikasi berdepan dengan tempoh sukar yang telah menjejaskan pertumbuhan pendapatan dan margin keuntungan yang seterusnya memberi kesan terhadap pulangan pelaburan.

Namun dalam situasi mencabar ini, **TH** tabah menghadapi segala kesukaran dan terus komited untuk meneruskan pendekatan pelaburan patuh syariah dalam sektor strategik yang menjanjikan pendapatan berulang dan stabil.

Sumbangan Zakat

Selain terjamin, simpanan di **TH** adalah halal dan bersih. **TH** telah membayar zakat bagi pihak pendeposit, maka pendeposit tidak perlu lagi membayar zakat ke atas wang simpanan mereka. Ini adalah berdasarkan keputusan Persidangan Jawatankuasa Fatwa Majlis Kebangsaan Bagi Hal Ehwal Ugama Islam Malaysia Kali ke-17 pada 3 Mei 1979.

TH's overall income during 2016 was generated from various sources comprising equity investments which stood at 48%, debt securities at 24%, rental income of 12%, 1% from financing and another 15% from money market and other financial instruments.

Almost all major Malaysian economic sectors where **TH** has investment exposure such as property, oil and gas, plantation and telecommunication faced challenging times, which affected their income growth and profit margins, thus in return had impacted investment returns.

In these trying situations, **TH** had persevered and remained committed with its shariah-compliant investments in strategic sectors which promise stable and recurring income.

Zakat Contributions

Apart from being guaranteed, savings in **TH** is halal and untainted by doubtful element. Depositors do not need to pay zakat for their savings, as it is paid for by **TH** on their behalf. This is in line with the decision made during the 17th Conference of the National Council of Fatwa Committee for Malaysia Islamic Religious Affairs held on 3 May 1979.

TH adalah antara penyumbang zakat terbesar negara pada tahun 2016 dengan bayaran berjumlah RM60.29 juta, peningkatan sebanyak 1.7% berbanding RM59.26 juta pada tahun sebelumnya.

Agihan zakat dilaksana berasaskan kepada purata baki simpanan terkumpul minimum pendeposit bagi setiap negeri sepanjang tahun.

Antara program agihan zakat yang dilaksana oleh **TH** ialah Program Baiti yang telah membina 39 buah rumah, sebuah masjid dan sebuah surau. Selain itu, Program Iqra dan Program Ehsan masing-masing telah menyumbang manfaat kepada lebih 4,000 pelajar dan 4,400 golongan kurang bernasib baik termasuk ibu dan bapa tunggal di seluruh negara. **TH** turut memperkenalkan Program Mobiliti dengan menyumbang 11 buah kenderaan dwi-fungsi untuk kegunaan komuniti setempat dalam urusan pengebumian jenazah dan aktiviti keagamaan lain.

Tanggungjawab Sosial Korporat

Sebagai sebuah organisasi Islam yang prihatin, program Tanggungjawab Sosial Korporat **TH** (CSR) terus dilaksanakan untuk para pemegang berkepentingan. Pemberian subsidi haji kekal sebagai sumbangan terbesar **TH** dengan keseluruhan subsidi haji berjumlah RM160 juta (1437H/2016M) berbanding RM126 juta pada tahun sebelumnya.

Selain subsidi haji, **TH** turut menanggung kos tidak langsung dengan menyediakan perkhidmatan-perkhidmatan nilai tambah secara percuma, antaranya kursus-kursus haji, pembimbing haji, perkhidmatan kesihatan, perkhidmatan kewangan, kaunseling dan petugas haji.

Pada tahun 2016, **TH** melancarkan Yayasan **TH** untuk mengurus pelaksanaan program CSR **TH** dengan lebih sistematik ke arah pembangunan ummah.

TH is among the nation's biggest zakat contributor for 2016, with a total payment of RM60.29 million, an increase of 1.7%, compared to RM59.26 million in the previous year.

Zakat distribution was made based on depositors' average minimum balance of accumulated savings in each state during the year.

Among the zakat distribution project carried out by **TH** was the Baiti Programme, which had built 39 houses, a mosque and a surau. Apart from that, Iqra and Ehsan Programme had contributed benefits to more than 4,000 students and 4,400 underprivileged including single parents respectively, throughout the nation. **TH** also introduced Mobility Programme with the contribution of 11 dual-function vehicles which could be used by the local community during burial process and for other religious activities.

Corporate Social Responsibility

As a caring Islamic organisation, **TH** continued its Corporate Social Responsibility (CSR) programmes for the benefit of its targeted stakeholders. Hajj subsidy remained the largest of **TH** CSR contribution with total subsidy of RM160 million (1437H/2016M) compared to RM126 million in the previous year.

Besides hajj subsidy, **TH** also bore indirect costs via the provisions of several value-added services for free such as hajj courses, hajj ibadah facilitators, health services, financial services, counseling and hajj personnel.

In 2016, Yayasan **TH** was launched to manage the implementation of **TH** CSR programmes in a systematic manner towards development of the ummah.

Selain itu, **TH** turut bersimpati terhadap mangsa krisis kemanusiaan yang berlaku di Myanmar dan Aceh. Bagi membantu mereka, **TH** telah mengambil inisiatif melancarkan Tabung Rohingya Utusan – **TH** dan Tabung Kemanusiaan Aceh dengan kerjasama beberapa agensi untuk mengutip dana bagi membantu mengurangkan kesengsaraan penduduk Rohingya dan mangsa gempa bumi di Aceh.

In addition, **TH** sympathised with the victims of humanitarian crises in Myanmar and Aceh. To help those victims, **TH** had collaborated with several agencies to initiate 'Tabung Rohingya Utusan – **TH**' and 'Tabung Kemanusiaan Aceh' where the funds collected were used to help ease the agony of the Rohingyans and earthquake victims in Aceh.



TH meneruskan semua program CSR sedia ada sepanjang tahun 2016 di mana ia melibatkan komuniti, jemaah haji dan anggota selari dengan objektif yang telah ditetapkan.

TH continued with its existing programmes throughout 2016 which gave emphasis on communities, hajj pilgrims and **TH** staff, in line with its identified objectives.

Menakrif Semula Cabaran

Sebagai sebuah organisasi yang mempunyai bilangan pendeposit dan pemegang berkepentingan yang besar, sudah pasti **TH** sentiasa menjadi perhatian umum. Oleh itu, Jemaah Lembaga Pengarah sentiasa memberi penekanan ke atas pengukuhan jenama **TH** melalui pengurusan operasi haji yang efisien dan pulangan pelaburan yang kompetitif.

Redefining Challenges

As an organisation with a large number of depositors and stakeholders, **TH** becomes the centre of attention. Hence, the Board of Directors continually emphasises on the reinforcement of **TH** brand through efficient hajj operational management and competitive return on investments.

Melangkah ke hadapan, **TH** akan mengenal pasti dan menakrif semula semua cabaran serta merangka pelan strategik bagi menanganinya bersesuaian dengan situasi **TH** dan keadaan sosio-ekonomi semasa.

Moving forward, **TH** will identify and redefine all challenges, as well as formulating strategic plans to address the issues that best suit **TH**'s situation and the current socio-economic conditions.

Saya yakin dengan Jemaah Lembaga Pengarah yang komited, barisan pengurusan yang berwibawa, dibantu oleh pasukan kerja yang setia dan berdedikasi, **TH** akan terus memastikan operasinya mematuhi hukum syariah, dipantau melalui dasar dan piawaian tadbir urus korporat yang ketat tetapi berhemat, pengurusan risiko yang mantap dan berlandaskan mandat akta penubuhannya.

I am confident with the commitment of the Board of Directors, competent management team as well as loyal and dedicated staff, **TH** will continue to ensure that its operations is shariah-compliant, monitored by strict but prudent policies and corporate governance, strong risk management and governed by its establishment mandate.



Penghargaan

Pertamanya, saya bagi pihak Lembaga Pengarah ingin mengucapkan ribuan terima kasih kepada Kerajaan Malaysia di bawah kepimpinan YAB Dato' Sri Mohd Najib bin Tun Abdul Razak atas sokongan yang diberikan kepada **TH**. Kami juga ingin mengucapkan terima kasih juga kepada YB Mejar Jeneral Dato' Seri Jamil Khir bin Haji Baharom (B), Menteri di Jabatan Perdana Menteri yang sentiasa memberi sokongan dan bersedia memberi nasihat kepada **TH**, baik dalam hal berkaitan pengendalian urusan haji mahupun dalam menjawab kritikan pelbagai pihak.

Penghargaan ikhlas juga ditujukan kepada YBhg. Tan Sri Ismee Ismail atas sumbangan beliau meletak **TH** di landasan yang kukuh sehingga mencatat rekod kewangan cemerlang sepanjang tempoh 10 tahun perkhidmatan beliau.

Ucapan terima kasih kepada YBhg. Dato' Abdul Rahman Ahmad, mantan Ahli Panel Pelaburan **TH** atas sumbangan beliau dalam membantu memperkasa portfolio pelaburan **TH**. Pada masa sama, saya mengalu-alukan YBhg. Dato' Sri Jahaberdeen YM Mohamed Yunoos dan YBhg. Dato' Iskandar Mizal Mahmood yang dilantik sebagai ahli Panel Pelaburan **TH** yang baharu. Saya berharap pengetahuan dan pengalaman luas yang mereka miliki akan menyumbang kepada peningkatan kualiti portfolio pelaburan **TH** pada masa hadapan.



Appreciation

Firstly, on behalf of the Board of Directors, I would like to convey our gratitude to the Government of Malaysia under the leadership of YAB Dato' Sri Mohd Najib bin Tun Abdul Razak for the support extended to **TH**. We are also thankful to YB Major General Dato' Seri Jamil Khir bin Haji Baharom (R), Minister in the Prime Minister's Department who is always ready to support and give advice to **TH** in hajj management as well as to rebut critics from various quarters.

A sincere appreciation also goes to YBhg. Tan Sri Ismee Ismail for his valuable contributions in positioning **TH** on strong footing which had enabled **TH** to record excellent financial performance throughout his 10 years of service.

My heartfelt appreciation also goes to YBhg. Dato' Abdul Rahman Ahmad, our former member of Investment Panel, for his contributions in strengthening **TH's** investment portfolio. At the same time, I am pleased to welcome YBhg. Dato' Sri Jahaberdeen YM Mohamed Yunoos and YBhg. Dato' Iskandar Mizal Mahmood who were appointed as new members of the **TH** Investment Panel. I hope their vast knowledge and experience will contribute towards enhancing the quality of **TH's** investment portfolio in the future.

Saya juga ingin mengucapkan tahniah dan mengalu-alukan pelantikan YBhg. Datuk Seri Johan Abdullah dan YBhg. Dato' Badlisyah Abdul Ghani. Saya percaya dengan pengalaman luas yang mereka miliki, khususnya dalam bidang kewangan Islam, mereka mampu melakukan pelan transformasi **TH** secara lebih holistik demi kesinambungan dan kecemerlangan **TH** seterusnya.

Saya juga ingin merakamkan ucapan terima kasih kepada rakan-rakan Jemaah Lembaga Pengarah atas komitmen yang diberi untuk memenuhi aspirasi mengangkat kedudukan **TH** ke tahap yang lebih tinggi walaupun berdepan dengan pelbagai cabaran.

Ucapan setinggi-tinggi terima kasih ditujukan kepada semua pendeposit dan jemaah haji atas kepercayaan yang diberikan kepada **TH**, sekaligus membolehkan kami melaksana tanggungjawab yang diamanahkan dengan sebaik-baiknya. Kepada barisan pengurusan dan para anggota **TH**, terima kasih atas kesungguhan dan sikap dedikasi anda dalam memikul tugas serta kesetiaan yang ditunjukkan.

InshaAllah, dengan semangat kerja yang kuat dan perancangan masa depan yang mampan, saya yakin **TH** akan terus menempa lebih banyak kejayaan pada tahun-tahun yang mendatang.

I would also like to congratulate and welcome YBhg. Datuk Seri Johan Abdullah and YBhg. Dato' Badlisyah Abdul Ghani. I believe with their vast experience, especially in Islamic finance, they will be able to initiate a more holistic transformation plan towards **TH**'s sustainability and excellent achievements.

I am pleased to record my appreciation to my colleagues on the Board of Directors for their commitment in fulfilling our aspiration to uplift **TH** to greater heights despite the challenges.

My foremost appreciation goes to all loyal depositors and hajj pilgrims for their trust in **TH**, which had enabled us to shoulder the entrusted duties to our best ability. To the **TH** management team and staff, thank you for your dedication and hard work in carrying out your roles as well as your sincere loyalty.

InshaAllah, I am positive that with strong teamwork and a sustainable future plan, **TH** will be able to continue charting excellent results in the years ahead.



Datuk Seri Panglima Abdul Azeez Abdul Rahim
Pengerusi | Chairman



TABUNG HAJI
حي علم الفلاح



**DATUK SERI PANGLIMA
ABDUL AZEEZ ABDUL RAHIM**

PJN, SSAP, SPDK, DCSM, SJMK, DIMP, JP, DHMS

Pengerusi | *Chairman*



**DATUK SERI
JOHAN ABDULLAH**

SMW, DJMK

**Pengarah Urusan Kumpulan dan
Ketua Pegawai Eksekutif**

*Group Managing Director and
Chief Executive Officer*

Dilantik pada 1 Julai 2016
Appointed on 1 July 2016



**TAN SRI
ISMEE ISMAIL**

PSM, PJN, SSAP, SSIS, DHMS, DSNS

**Mantan Pengarah Urusan Kumpulan dan
Ketua Pegawai Eksekutif**

*Former Group Managing Director and
Chief Executive Officer*

Tamat perkhidmatan pada 30 Jun 2016
Ceased services on 30 June 2016

LEMBAGA



**TAN SRI
OTHMAN MAHMOOD**

PSM, PJN, SMW, DGMK, PMW, AMN

Wakil Jabatan Perdana Menteri (JPM)
Prime Minister's Department (PMO)
Representative

**TAN SRI
DR. MOHD IRWAN SERIGAR ABDULLAH**

PSM, SSAP, SPSK, DCSM, DIMP, DPSK, SAP

Wakil Perbendaharaan
Treasury Representative

**PROF. EMERITUS TAN SRI DATO'
DR. ABDUL SHUKOR HUSIN**

PSM, DIMP, DSNS, JSM

**TAN SRI DATO' PADUKA
BADRUDDIN AMIRULDIN**

PSM, DHMS, DSDK, BKM, PJK, JP

**TAN SRI
DATUK MOHAMAD AZIZ**

PSM, PJN, SMJ, KMN, PIS, BSI, AMN, PPN

**TAN SRI
SHUKRY MOHD SALLEH**

PSM, PJN, SMW, DPSK, PGBK, ASDK,
PMP, PSK, AMN

**TAN SRI DATO' SRI
MOHAMED APANDI ALI**

PMN, PSM, SSAP, SPSK, SIMP, DGSM, DPMK,
DSAP, DIMP

**DATUK
ROSNİ SOHAR**

DMSM, PJK

PENGARAH Board of Directors

PROFIL LEMBAGA PENGARAH

Board of Director's Profile



■ **DATUK SERI PANGLIMA ABDUL AZEEZ ABDUL RAHIM**

PJN, SSAP, SPDK, DCSM, SJMK, DIMP, JP, DHMS

Pengerusi | [Chairman](#)

Datuk Seri Panglima Abdul Azeez Abdul Rahim berasal dari Petaling Jaya, Selangor. Beliau adalah Ahli Parlimen Baling dan juga merupakan Ahli Majlis Tertinggi UMNO Malaysia sejak 2008 hingga kini. Di samping itu, beliau juga adalah Pengerusi Eksekutif Yayasan Pembangunan Rakyat Baling, Kedah.

Beliau juga merupakan Presiden Kelab Putera 1 Malaysia yang telah ditubuhkannya pada 2010. Beliau sangat aktif dalam kerja-kerja kebajikan dan sukarelawan serta terlibat secara langsung dalam semua siri bantuan kemanusiaan di negara-negara yang ditimpa bencana alam.

Beliau berpengalaman luas dalam bidang perniagaan dan korporat dan telah dilantik sebagai Pengerusi TH Hotel & Residence Sdn Bhd dan Pengerusi Putrajaya Perdana Berhad. Selain itu, beliau juga adalah Ahli Lembaga Pengarah Brahim's Holdings Berhad dan Glomac Berhad.

Beliau merupakan Pengerusi Eksekutif di Azeera Management Consultants (M) Sdn Bhd sejak tahun 2003.

Datuk Seri Panglima Abdul Azeez Abdul Rahim dilantik sebagai Ahli Lembaga Pengarah **TH** pada tahun 2011. Beliau kemudiannya dilantik sebagai Pengerusi **TH** pada 1 Julai 2013.

Datuk Seri Panglima Abdul Azeez Abdul Rahim is from Petaling Jaya, Selangor. He is a Member of Parliament for Baling and a Member of UMNO Supreme Council since 2008, as well as the Executive Chairman of Yayasan Pembangunan Rakyat Baling, Kedah.

He also acts as President of Kelab Putera 1 Malaysia which he formed in 2010. He is actively involved in various charitable and community activities and has been directly involved in a series of humanitarian aid to countries that have experienced natural disasters.

He has vast experience in both business and corporate sectors and appointed as Chairman in TH Hotel & Residence Sdn Bhd and Chairman of Putrajaya Perdana Berhad. He also serves as Board Member in Brahim's Holdings Berhad and Glomac Berhad.

Since 2003, he has been the Executive Chairman of Azeera Management Consultants (M) Sdn Bhd.

Datuk Seri Panglima Abdul Azeez Abdul Rahim was appointed as a Member of **TH's** Board of Directors in the year 2011. He was later appointed as **TH's** Chairman on 1 July 2013.



■ DATUK SERI JOHAN ABDULLAH

SMW, DJMK

Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif | Group Managing Director & Chief Executive Officer

- Sarjana Pengurusan Perniagaan (Kewangan) Universiti Morehead State, Kentucky Amerika Syarikat (AS)
- Sarjana Muda Pengurusan Perniagaan (Kewangan) Universiti Eastern Michigan, Michigan AS
- Diploma Perbankan, Universiti Teknologi MARA

Datuk Seri Johan Abdullah dilahirkan di Kota Bharu, Kelantan. Beliau berpengalaman luas dalam kewangan korporat, pasaran modal, perbankan Islam dan pematuhan kawal selia.

Sebelum menyertai **TH**, beliau merupakan Pengarah Urusan Kumpulan/Ketua Pegawai Eksekutif BIMB Holdings Berhad sejak Mei 2008. Beliau merupakan Ahli Lembaga Pengarah di beberapa anak syarikat di dalam Kumpulan **TH**. Beliau juga pernah menyandang beberapa jawatan kanan semasa di Bursa Malaysia Berhad.

Beliau dilantik sebagai Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif **TH** pada 1 Julai 2016.

Datuk Seri Johan Abdullah is from Kota Bharu, Kelantan. He has vast experience in corporate finance, capital market, Islamic banking and regulatory compliance.

Prior to joining **TH**, he was the Group Managing Director/Chief Executive Officer of BIMB Holdings Berhad since May 2008. He is a Board member in various subsidiary companies within **TH** Group. He held various senior positions while he was with Bursa Malaysia Berhad.

He was appointed as **TH** Group Managing Director and Chief Executive Officer on 1 July 2016.



■ TAN SRI OTHMAN MAHMOOD

PSM, PJN, SMW, DGMK, PMW, AMN

Wakil Jabatan Perdana Menteri (JPM) | Prime Minister's Department (PMO) Representative

- Sarjana Pengurusan Sumber Tanah, Universiti Putra Malaysia
- Sarjana Muda Sosiologi (Kepujian), Universiti Kebangsaan Malaysia
- Diploma Pentadbiran Awam (INTAN)

Tan Sri Othman Mahmood berasal dari Muar, Johor. Beliau telah berkhidmat di Jabatan Perdana Menteri (JPM) sejak tahun 2006 dan kini merupakan Timbalan Ketua Setiausaha Kanan di JPM. Sepanjang kerjayanya di JPM, beliau telah menyandang beberapa jawatan penting di antaranya, Setiausaha Bahagian di Bahagian Pengurusan Hartanah, Setiausaha Bahagian Kewangan & Pembangunan dan Timbalan Ketua Setiausaha. Beliau juga pernah memegang jawatan sebagai Penolong Pentadbir Tanah di Pejabat Tanah Seremban dan Timbalan Pegawai Kewangan Negeri di Jabatan Kewangan dan Perbendaharaan Negeri Melaka.

Beliau seorang yang aktif dalam kegiatan kebajikan, kemasyarakatan dan sukan. Antaranya beliau telah dilantik sebagai Pengerusi Kelab Bukit Perdana JPM sejak tahun 2011, Naib Presiden Kelab Golf Perkhidmatan Awam Malaysia (KGPA) sejak 2014, Naib Yang Dipertua Majlis Sukan Anggota, Perkhidmatan Awam (MAKSAK) dan Pengerusi Jawatankuasa Protem Pembinaan Surau dan Sekolah Agama di Presint 18 Putrajaya sejak 2014.

Selain itu juga, Tan Sri Othman Mahmood telah dilantik sebagai Ahli Lembaga dan Pengerusi kepada beberapa entiti Kerajaan. Antaranya ialah Ahli Lembaga Pengarah Majlis Agama Islam Wilayah Persekutuan sejak 2010, Ahli Lembaga Pengarah Majlis Ekuin Malaysia sejak 2011, Pengerusi Kluster Perkhidmatan Awam, Gabungan Pemikir Profesional Felda sejak 2014, Ahli Lembaga Pengarah TV Al-Hijrah (2016), Ahli Lembaga Majlis Professor Negara (2015), Ahli Lembaga Pengarah Perbadanan Golf Subang (2010), Ahli Lembaga Pengarah Institut Kajian & Latihan Integrasi Nasional (IKLIN) (2016), Ahli Lembaga Pengarah Malaysian Industry- Government Group for High Technology sejak 2014 dan Ahli Lembaga Pengarah TH Plantations Berhad sejak Oktober 2015.

Tan Sri Othman Mahmood dilantik sebagai Ahli Lembaga Pengarah **TH** pada 16 Januari 2012.

Tan Sri Othman Mahmood hails from Muar, Johor. He served in the Prime Minister's Department (PMO) 2006 and is currently the Senior Deputy Secretary General in the Prime Minister's Department. Throughout his career in the Prime Minister's Department, he has held several key positions including Secretary of Property Management Division, Secretary of Finance and Development Division and the Deputy Secretary General. He also served as an Assistant District Officer in Seremban District Office and Deputy State Financial Officer at the Department of Finance and Treasury of Malacca.

He has been actively involved in charitable activities, community and sports. Among them, he was appointed as the Chairman of the Bukit Perdana Club, Prime Minister's Department since 2011, the Vice President of Malaysia Civil Service Golf Club (KGPA) since 2014, the Vice President of Civil Service Sports Council (MAKSAK) and Protem Committee Chairman for Mosque and Islamic School Construction in Precinct 18, Putrajaya since 2014.

In addition, Tan Sri Othman Mahmood also appointed as a Board Member and Chairman of several government entities. Among them are the Board of Directors of the Federal Territory Islamic Religious Council since 2010, the Board of Directors of the Malaysian Equine Council since 2011, the Chairman of the Public Service Cluster, Joint Professional Thinkers of Felda since 2014, the Board of Directors of TV Al-Hijrah (2016), the Board of Directors Majlis Professor Negara (2015), the Board of Directors of Perbadanan Golf Subang (2010), the Board of Directors of Institut Kajian & Latihan Integrasi Nasional (IKLIN) (2016), the Board of Directors of the Malaysian Industry- Government Group for High Technology since 2014 and the Board of Directors of TH Plantations Berhad since October 2015.

Tan Sri Othman Mahmood was appointed as a Member of **TH's** Board of Directors on 16 January 2012.



■ TAN SRI DR. MOHD IRWAN SERIGAR ABDULLAH

PSM, SSAP, SPSK, DCSM, DIMP, DPSK, SAP

Wakil Perbendaharaan | [Treasury Representative](#)

- AMP Harvard, Amerika Syarikat
- PhD. Ekonomi, Universiti Islam Antarabangsa Malaysia
- Sarjana Sains Pengurusan Tenaga dan Dasar, University of Pennsylvania, Amerika Syarikat
- Sarjana Muda Sastera (Kepujian) Demografi, Universiti Malaya

Tan Sri Dr. Mohd Irwan Serigar Abdullah berasal dari Kota Bharu, Kelantan. Beliau menyertai Perkhidmatan Tadbir dan Diplomatik pada 1974 dan ditempatkan di Unit Perancang Ekonomi. Beliau mula bertugas di Kementerian Kewangan pada tahun 2003 dan kini memegang jawatan sebagai Ketua Setiausaha Perbendaharaan, Kementerian Kewangan. Beliau juga dilantik sebagai Pengerusi bagi Kumpulan Wang Persaraan (Diperbadankan) (KWAP), Lembaga Hasil Dalam Negeri (LHDN) dan Cyberview Sdn Bhd.

Selain berpengalaman luas dalam bidang pentadbiran kerajaan, beliau juga merupakan Ahli Lembaga Pengarah bagi beberapa agensi dan badan kerajaan, antaranya Penerbangan Malaysia Berhad (MAS), Petroliaam Nasional Berhad (PETRONAS), Perbadanan Insurans Deposit Malaysia (PIDM) dan Bank Negara Malaysia (BNM).

Tan Sri Dr. Mohd Irwan Serigar Abdullah dilantik sebagai Ahli Lembaga Pengarah **TH** pada 1 Mac 2011.

Tan Sri Dr. Mohd Irwan Serigar Abdullah hails from Kota Bharu, Kelantan. He joined the Malaysian Administrative and Diplomatic Service in 1974 and assigned to the Economic Planning Unit. His career at the Ministry of Finance began in 2003 and he is now the Secretary-General of Treasury, the Ministry of Finance. He is also the Chairman of Kumpulan Wang Persaraan (Diperbadankan) (KWAP), Lembaga Hasil Dalam Negeri (LHDN) and Cyberview Sdn Bhd.

Apart from his extensive experience in government administration, he also serves as a Board Member in several agencies and government bodies such as Malaysia Airline System (MAS), Petroliaam National Berhad (PETRONAS), Perbadanan Insurans Deposit Malaysia (PIDM) and Bank Negara Malaysia (BNM).

Tan Sri Dr. Mohd Irwan Serigar Abdullah was appointed as a Member of **TH's** Board of Directors on 1 March 2011.



■ PROF. EMERITUS TAN SRI DATO' DR. ABDUL SHUKOR HUSIN

PSM, DIMP, DSNS, JSM

- PhD. Akidah dan Falsafah Islam, Universiti Al-Azhar, Mesir
- Sarjana Akidah dan Falsafah, Universiti Al-Azhar, Mesir
- Sarjana Muda (Kepujian) Usuluddin, Universiti Al-Azhar, Mesir
- Diploma Pendidikan, Universiti Ain Shams, Mesir

Prof. Emeritus Tan Sri Dato' Dr. Abdul Shukor Husin dilahirkan di Jerantut, Pahang. Beliau kini menjawat jawatan sebagai Pengerusi Jawatankuasa Fatwa Majlis Kebangsaan bagi Hal Ehwal Ugama Islam Malaysia dan Ahli Jawatankuasa Khas Kabinet Tadbir Urus Indeks Syariah Malaysia serta Felo Utama di Universiti Sains Islam Malaysia (USIM). Pada masa yang sama, beliau menganggotai beberapa jawatankuasa di peringkat kebangsaan dan antarabangsa. Di antaranya ialah Timbalan Pengerusi Akademi Fiqh Sedunia (RABITAH), Ahli Majlis Kebangsaan bagi Hal Ehwal Ugama Islam Malaysia (MKI), Ahli Institut Kefahaman Islam Malaysia (IKIM), Ahli Jawatankuasa Fatwa Negeri Pahang, Ahli Majlis Ugama Islam dan Adat Resam Melayu Pahang dan Ahli Majlis Pemikir Islam (MPI).

Beliau pernah berkhidmat sebagai Naib Canselor USIM dari tahun 1999 hingga 2009 dan Dekan Fakulti Pengajian Islam, Universiti Kebangsaan Malaysia (UKM) selama enam tahun. Beliau menerima Ijazah Doktor Kehormat dari UKM pada tahun 2010. Pada tahun 2010, beliau dianugerahkan Profesor Emeritus oleh USIM. Beliau juga dianugerahkan sebagai Tokoh Maal Hijrah Peringkat Kebangsaan pada tahun 2011.

Beliau dilantik sebagai Ahli Lembaga Pengarah TH Properties Sdn Bhd pada tahun 2013 dan sebagai Ahli Lembaga Pengarah Bank Islam Malaysia Berhad pada tahun 2014.

Prof. Emeritus Tan Sri Dato' Dr. Abdul Shukor Husin dilantik sebagai Ahli Lembaga Pengarah **TH** pada 15 Oktober 2004.

Prof. Emeritus Tan Sri Dato' Dr. Abdul Shukor Husin was born in Jerantut, Pahang. He is currently the Chairman of the Fatwa Committee of the National Council for Islamic Affairs Malaysia, member of Special Cabinet Committee for Malaysian Syariah Index Governance and Distinguished Fellow at Islamic Science University of Malaysia (USIM). He also serves as Deputy Chairman of World Fiqh Academy (RABITAH) and is a member of several national and international committees i.e. National Council For Islamic Affair Malaysia, Institute of Islamic Understanding Malaysia (IKIM), Pahang State Fatwa Committee, Islamic Religious Council and Pahang Malay Customs as well as the Consultative Council of Islamic Da'wah (MPI).

He was once the Vice Chancellor of USIM from 1999 to 2009 and as Dean for the Faculty of Islamic Studies in Universiti Kebangsaan Malaysia (UKM) for six years. He received an Honorary Doctorate from the UKM in 2010. In 2010, he was honoured Professor Emeritus by USIM. He was also awarded the national-level Tokoh Ma'al Hijrah award for the year 2011.

He was appointed as a Board Member of TH Properties Sdn Bhd and Bank Islam Malaysia Berhad in 2013 and 2014, respectively.

Prof. Emeritus Tan Sri Dato' Dr. Abdul Shukor Husin was appointed as a Member of **TH's** Board of Directors on 15 October 2004.



■ TAN SRI DATO' PADUKA BADRUDDIN BIN AMIRULDIN

PSM, DHMS, DSDK, BKM, PJK, JP

Tan Sri Dato' Paduka Badruddin bin Amiruldin telah dilahirkan di Yan, Kedah pada 20 Mei 1950.

Beliau pernah menyandang jawatan sebagai Pengerusi di United Transport Company (UTC) anak syarikat MARA Holdings pada tahun 1986 dan Pembangunan Rumah Budi Yan, Kedah (Rumah Anak-Anak Yatim) pada tahun 1992. Selain itu, beliau juga pernah menjadi Ahli Lembaga Pengarah di KTM Berhad pada tahun 1992 dan dipilih sebagai Ahli Majlis Eksekutif Dewan Perniagaan Melayu Malaysia (DPMM) pada tahun 1992 dan Tourism Development Corporation pada tahun 1994.

Lantikan pertama beliau sebagai Pengerusi Lembaga Pemasaran Pertanian Persekutuan (FAMA) adalah pada 1 Mac 1994 sehingga 2000. Beliau juga merupakan Ahli Lembaga Pengarah di Kedah Cement Berhad pada tahun 1996, Pemas International Holdings Berhad dan MARA pada tahun 1997, Ahli Majlis Kolej Universiti Insaniah pada tahun 1997 dan Larut Consolidated Berhad pada tahun 1999. Pada tahun 2006, beliau telah dilantik sebagai Ahli Lembaga Pengarah di Perbadanan Kemajuan Negeri Kedah (PKNK).

Pada 1 Jun 2008, beliau telah dilantik sebagai Pengerusi FAMA buat kali kedua sehingga kini dan sebagai Pengerusi FAMA Corporation Sdn Bhd (FAMACO) dari tahun 2010 hingga 2014.

Dalam pertubuhan politik pula, beliau merupakan Ketua UMNO Cawangan Pekan Yan dari tahun 1978 sehingga kini, menjadi Ketua Pemuda UMNO Bahagian Jerai, Ketua UMNO Bahagian Jerai, Ketua Penerangan UMNO Negeri dan Bendahari UMNO Negeri Kedah. Beliau juga adalah Ahli Parlimen Yan/Jerai dari tahun 1992 sehingga tahun 1999 dan Speaker Dewan Undangan Negeri Kedah Darul Aman dari tahun 1999 sehingga tahun 2004. Pada tahun 2004 hingga 2008, beliau sekali lagi dipilih sebagai Ahli Parlimen Jerai. Beliau juga merupakan Pengerusi Tetap UMNO Malaysia sejak 2008 hingga kini.

Beliau telah dilantik sebagai Ahli Lembaga Pengarah TH Travel & Services Sdn Bhd pada 19 September 2012 dan Ahli Lembaga Pengarah TH Hotel & Residence Sdn Bhd pada 14 Ogos 2013. Pada 12 Mac 2015, beliau telah dilantik sebagai Ahli Lembaga Pengarah TH Global Services Sdn Bhd.

Tan Sri Dato' Paduka Badruddin bin Amiruldin telah dilantik sebagai Ahli Lembaga Pengarah **TH** sejak 1 Januari 2005.

Tan Sri Dato' Paduka Badruddin bin Amiruldin was born in Yan, Kedah on 20th May 1950.

He was the Chairman at the United Transport Company (UTC), a MARA Holdings subsidiary company in 1986, and also at the Pembangunan Rumah Budi Yan, Kedah (orphanage) in 1992. In addition, he was also a Board Member of KTM Berhad in 1992 and was chosen to become an Executive Council Member in the Malay Chamber of Commerce in the same year, and the same post in the Tourism Development Corporation in 1994.

His inaugural appointment as the Chairman of the Federal Agricultural Marketing Authority (FAMA) was from 1 March 1994 to 2000. He was also on the Board of Directors for Kedah Cement Berhad in 1996, Pemas International Holdings Berhad and MARA in 1997, a Council Member for Insaniah College University in 1997 and Larut Consolidated Berhad in 1999. In 2006, he was appointed into the Board of Directors for Kedah State Development Corporation (PKNK).

In June 2008, he was re-appointed as FAMA's Chairman to-date, and also as FAMA Corporation Sdn Bhd's Chairman from 2010 to 2014.

In the arena of politics, he is the UMNO Head for the Pekan Yan division from 1978 to-date, the UMNO Youth Head and UMNO Head for Jerai division, he was also the UMNO State Communications Chief and UMNO Treasurer for Kedah. He was the Parliament Member for Yan/Jerai from 1992 to 1999, and the State Assembly Speaker for Kedah Darul Aman from 1999 to 2004. From 2004 to 2008, he was again re-appointed as the Parliament Member for Jerai. He is also the Permanent Chairman for UMNO Malaysia from 2008 to-date.

He was appointed into the Board of Directors for TH Travel & Services Sdn Bhd on 19 September 2012, and the Board of Directors for TH Hotel & Residence Sdn Bhd on 14 August 2013. On 12 March 2015, he was appointed into the Board of Directors for TH Global Services Sdn Bhd.

Tan Sri Dato' Paduka Badruddin bin Amiruldin was appointed as a Member of **TH's** Board of Directors since 1 January 2005.



■ TAN SRI DATO' SRI MOHAMED APANDI ALI

PMN, PSM, SSAP, SPSK, SIMP, DGSM, DPMK, DSAP, DIMP

- Certificate of Legal Drafting, Institute of Advance Legal Studies, London
- Bar-At-Law, Inner Temple London
- LLB (Hons), University of London

Tan Sri Dato' Sri Mohamed Apandi Ali dilahirkan pada 11 Februari 1950 dan merupakan anak jati Kelantan. Sebelum dilantik sebagai Peguam Negara Malaysia pada 27 Julai 2015, beliau merupakan Hakim Mahkamah Persekutuan Malaysia.

Beliau pernah berkhidmat sebagai Majistret di Mahkamah Majistret Kuala Terengganu dari tahun 1973 hingga tahun 1975. Beliau juga pernah memegang jawatan sebagai Pengarah Biro Bantuan Guaman di Kelantan dari tahun 1975 hingga 1977. Selain itu, beliau pernah menjawat jawatan sebagai Timbalan Pendakwa Raya di Terengganu dan Kelantan dari tahun 1977 hingga tahun 1980. Seterusnya, beliau dilantik sebagai Penasihat Undang-Undang di Kementerian Perdagangan dan Perindustrian Malaysia sehingga tahun 1982.

Beliau membuka firma guamannya sendiri, Tetuan Apandi Ali & Co dan telah beramal sebagai peguambela dan peguamcara dari tahun 1982 hingga tahun 2003. Pada 1 Mei 2003, beliau telah dilantik sebagai Pesuruhjaya Kehakiman dan berkhidmat di Mahkamah Tinggi Malaya Kuantan sehingga tahun 2004. Seterusnya, pada 21 Disember 2004, beliau telah dilantik sebagai Hakim Mahkamah Tinggi dan kekal berkhidmat di Mahkamah Tinggi Malaya Kuantan sehingga 14 Februari 2007. Pada 15 Februari 2007 hingga 13 April 2010, beliau meneruskan khidmatnya sebagai Hakim Mahkamah Tinggi di Mahkamah Tinggi Malaya Kuala Lumpur. Beliau kemudiannya telah dilantik sebagai Hakim Mahkamah Rayuan pada 14 April 2010 hingga 29 September 2013. Beliau telah dilantik sebagai Hakim Mahkamah Persekutuan pada 30 September 2013 hingga 26 Julai 2015.

Tan Sri Dato' Sri Mohamed Apandi Ali dilantik sebagai Ahli Lembaga Pengarah **TH** pada 15 Januari 2016.

Tan Sri Dato' Sri Mohamed Apandi Ali was born on 11 February 1950 in Kelantan. Before his appointment as the Attorney General of Malaysia on 27 July 2015, Tan Sri was a Judge of the Federal Court, Malaysia.

He served as a Magistrate at the Kuala Terengganu Magistrate Court from 1973 to 1975, before he was appointed as the Director of Legal Aid Bureau in Kelantan from 1975 to 1977. Tan Sri also served as a Deputy Public Prosecutor in Terengganu and Kelantan from 1977 to 1980. Subsequently, he was appointed as the Legal Advisor at the Ministry of Trade and Industry Malaysia until 1982.

Tan Sri Dato' Sri Mohamed Apandi was a practicing advocate and solicitor at his own law firm, Tetuan Apandi Ali & Co from 1982 to 2003. On 1st May 2003, he was appointed as the Judicial Commissioner of the High Court of Malaya, Kuantan for a year until his next appointment as the Judge of the High Court of Malaya, Kuantan, the post he held for two years from 21st December 2004 to 14th February 2007. He continued his service as a High Court Judge at the High Court of Malaya, Kuala Lumpur from 15th February 2007 to 13th April 2010, after which he served as a Judge of the Court of Appeal from 14th April 2010 to 29th September 2013. He was later appointed as a Federal Court Judge from 30th September 2013 until 26th July 2015.

Tan Sri Dato' Sri Mohamed Apandi Ali was appointed as a Member of **TH's** Board of Directors on 15 January 2016.



■ TAN SRI DATUK MOHAMAD AZIZ

PSM, PJN, SMJ, KMN, PIS, BSI, AMN, PPN

Tan Sri Datuk Mohamad Aziz berasal dari Parit Raja, Batu Pahat, Johor. Beliau adalah Timbalan Pengerusi Tetap UMNO Malaysia dari tahun 2008 sehingga kini. Di samping itu, beliau juga adalah Ahli Pihak Berkuasa RISDA. Beliau pernah menjadi wakil peribadi kepada YAB Tun Hussein Onn, Perdana Menteri Malaysia yang ketiga. Beliau juga pernah menjawat jawatan sebagai Pegawai Seranta Kementerian Kemajuan Tanah dan Wilayah dari tahun 1982 hingga 1986.

Beliau juga merupakan Ahli Dewan Undangan Negeri Johor Kawasan Parit Yaani, Johor dari tahun 1986 hingga 1999, Exco Kerajaan Negeri Johor dari tahun 1990 hingga 1995, Ketua Penerangan Kerajaan Negeri Johor (Tugas-Tugas Khas) dari tahun 1995 sehingga 1999 dan juga sebagai Ahli Parlimen Seri Gading dari tahun 1999 hingga 2013.

Beliau juga pernah menjadi Pengerusi Tenaga Switchgear Sdn Bhd (Anak Syarikat TNB) serta pernah menjadi Ahli Lembaga Pengarah TH Indopalms Sdn Bhd dan Sabaco Sdn Bhd.

Beliau telah dilantik sebagai Ahli Lembaga Pengarah TH Hotel & Residence Sdn Bhd pada 24 Ogos 2015.

Tan Sri Datuk Mohamad Aziz dilantik sebagai Ahli Lembaga Pengarah **TH** pada 1 Januari 2011.

Tan Sri Datuk Mohamad Aziz is from Parit Raja, Batu Pahat, Johor. He is currently the Permanent Deputy Chairman for UMNO Malaysia since 2008. Besides that, he is a RISDA Member of Authority. He was once the Personal Representative for YAB Tun Hussein Onn, the third Prime Minister of Malaysia. He served as the Seranta Officer of Ministry of Rural and Regional Development from 1982 to 1986.

He was a Member of Johor State Assembly for Parit Yaani, Johor from 1986 to 1999, an Exco Member from 1990 to 1995 and Johor State Government Information Chief from 1995 to 1999 as well as a Member of Parliament of Malaysia for Seri Gading Constituency in the State of Johor from 1999 until 2013.

He has also served as a Chairman of Tenaga Switchgear Sdn Bhd (Subsidiary of TNB), as a Board Member for TH Indopalms Sdn Bhd and Sabaco Sdn Bhd.

He was appointed as a Board Member of the TH Hotel & Residence Sdn Bhd on 24 August 2015.

Tan Sri Datuk Mohamad Aziz was appointed as a Member of **TH's** Board of Directors on 1 January 2011.



■ TAN SRI SHUKRY MOHD SALLEH

PSM, PJN, SMW, DPSK, PGBK, ASDK, PMP, PSK, AMN

- Sarjana Kajian Dasar Sosial, University of Hull, United Kingdom
- Sarjana Muda Sains Kemasyarakatan (Kepujian), Universiti Sains Malaysia

Tan Sri Shukry Mohd Salleh dilahirkan di Kelantan. Beliau pernah menyandang jawatan sebagai Ketua Setiausaha Sulit kepada YAB Perdana Menteri Malaysia.

Beliau mempunyai pengalaman yang luas dalam pentadbiran kerajaan dan pernah memegang beberapa jawatan penting dalam Kementerian, termasuk sebagai Ketua Pengarah Unit Penyelaras Pelaksanaan (ICU) Jabatan Perdana Menteri, Penolong Setiausaha di Kementerian Pertahanan dan Kementerian Dalam Negeri. Beliau pernah bertugas dalam bidang Keselamatan di Negeri Sarawak, Sabah dan Selangor serta Pasukan Petugas Anti Dadah, Majlis Keselamatan Negara. Beliau pernah berkhidmat sebagai Pengarah Jabatan Pendaftaran Negara di Putrajaya, Sabah, Negeri Sembilan dan Perak. Beliau juga pernah berkhidmat sebagai Pengurus Besar di Lembaga Kemajuan Kelantan Selatan (KESEDAR) dan Jabatan Pembangunan Persekutuan Negeri Kelantan.

Beliau telah dilantik sebagai Ahli Lembaga Pengarah Perbadanan Perumahan Rakyat 1Malaysia (PR1MA) pada April 2015 dan Ahli Lembaga Pengarah Brandworth Corporation pada Mac 2016.

Tan Sri Shukry Mohd Salleh telah dilantik sebagai Ahli Lembaga Pengarah **TH** pada 1 September 2015.

Tan Sri Shukry Mohd Salleh was born in Kelantan. He has served as Principal Private Secretary to the YAB Prime Minister of Malaysia.

He has extensive experience in government administration and has held several key positions, including Director General of Implementation and Coordination Unit in Prime Minister's Department, Assistant Secretary in Ministry of Defense and Ministry of Home Affairs, Chief Assistant Secretary and Secretary of State Security Committee in Sarawak, Sabah and Selangor. He was once the Director of National Registration Department in Putrajaya, Sabah, Negeri Sembilan and Perak. He also served as the General Manager of Development Authority of South Kelantan (KESEDAR) and Kelantan Federal Development Department.

He was appointed as a Board Member of Perbadanan Perumahan Rakyat 1Malaysia (PR1MA) in April 2015 and a Board Member of Brandworth Corporation in March 2016.

Tan Sri Shukry Mohd Salleh was appointed as a Member of **TH's** Board of Directors on 1 September 2015.



■ DATUK ROSNI SOHAR

DMSM, PJK

Datuk Rosni Sohar dilahirkan pada 1 Februari 1958 dan merupakan anak jati Hulu Selangor, Selangor.

Beliau adalah Ahli Dewan Undangan Negeri Selangor Kawasan Hulu Bernam dan juga Ahli Majlis Tertinggi UMNO Malaysia. Selain itu, beliau adalah merupakan Penolong Setiausaha Pergerakan Wanita UMNO Malaysia sejak tahun 2009 sehingga kini. Sebelum bergiat aktif dalam politik, beliau merupakan seorang usahawan dan pernah berkhidmat sebagai pendidik. Beliau juga merupakan Naib Presiden Kesatuan Olahraga Malaysia (KOM) yang juga merangkap Pengerusi Jawatankuasa Kecil Wanita dan Kebajikan KOM.

Beliau cenderung menjalankan aktiviti-aktiviti kemasyarakatan dan pembangunan sosio-ekonomi komoditi sejagat terutamanya di Negeri Selangor. Beliau turut aktif memperjuangkan hak-hak asasi dan mempertingkatkan penyertaan wanita dalam pelbagai sektor ekonomi dan pendidikan. Beliau terlibat secara langsung sebagai Penolong Ketua Pesuruhjaya Skuad Sayang Kebangsaan yang melaksana dan menyelaras aktiviti kebajikan dan perkhidmatan sukarela bagi membantu rakyat di peringkat akar umbi seluruh negara. Sebagai satu-satunya wanita dalam Ahli Lembaga Pengarah **TH**, keprihatinan beliau lebih ditumpukan bagi mendekati dan mendalami isu serta keperluan jemaah wanita di Malaysia.

Beliau telah dilantik sebagai Ahli Lembaga Pengarah TH Hotel & Residence Sdn Bhd pada 24 Ogos 2015.

Datuk Rosni Sohar dilantik sebagai Ahli Lembaga Pengarah **TH** pada 1 Februari 2014.

Datuk Rosni Sohar was born on 1 February, 1958 and hails from Hulu Selangor, Selangor.

She is a Selangor State Assembly woman for Hulu Bernam and a Member of UMNO Supreme Council Malaysia. Apart from that, she serves Wanita UMNO as the Assistant Secretary since 2009. She was an entrepreneur and a teacher before actively involved in politics. She is also the Vice President of The Malaysia Athletics Federation (MAF) as well as the Chairman of Women Affairs and Welfare sub-committee of MAF.

She has a passion for community-based activities and socio-economic development of the global commodity especially in Selangor. She plays a vital role in promoting women's participation in both the economic and educational sectors. She is an Assistant Chief Commissioner of the National 'Skuad Sayang', a body that runs charitable activities and volunteer services towards providing assistance to grassroot communities nationwide. As the only female member of **TH's** Board of Directors, she focuses on reaching out and exploring issues pertaining to the needs of female pilgrims in Malaysia.

She was appointed as a Board Member of the TH Hotel & Residence Sdn Bhd on 24 August 2015.

Datuk Rosni Sohar was appointed as a Member of **TH's** Board of Directors on 1 February 2014.



PANEL PELABURAN

Investment Panel



**DATO' MOHZANI
DATUK DR. ABDUL WAHAB**

DPSJ, SMP, ASDK

Pengerusi | [Chairman](#)

**TAN SRI SHEIKH GHAZALI
ABDUL RAHMAN**

PSM, PJN, DSDK, SDK, AMN

DATO' GHAZALI AWANG

DIMP

DATO' IZHAM YUSOFF

DSDK



DATO' ISKANDAR MIZAL MAHMOOD

DIMP, DMSM

DATO' SRI JAHABERDEEN YM MOHAMED YUNOOS

SSAP, DIMP, PJM

SYED ELIAS ALHABSHI

ABDUL KADIR MD KASIM

Mantan Ahli
Former Member
Meletak jawatan pada 1 Jun 2016
Resigned on 1 June 2016

DATO' ABDUL RAHMAN AHMAD

DPMS
Mantan Ahli
Former Member
Meletak jawatan pada 30 September 2016
Resigned on 30 September 2016



■ DATO' MOHZANI DATUK DR. ABDUL WAHAB

DPSJ, SMP, ASDK

- Sarjana Ekonomi (Kepujian) Universiti Malaya Malaysia

Pengerusi | [Chairman](#)

Dato' Mohzani Datuk Dr. Abdul Wahab berasal dari Perlis. Beliau adalah Ahli Lembaga Pengarah Celcom Axiata dan Boustead Plantations. Beliau yang merupakan siswazah Ekonomi dari Universiti Malaya, menyertai Kumpulan Shell sejak tahun 1976. Beliau berkhidmat sebagai Pengarah Urusan Shell Malaysia Trading Sdn Bhd dan Shell Timur Sdn Bhd masing-masing dari tahun 2001 dan 2005 sehingga persaraan beliau pada penghujung tahun 2009. Beliau bersara dari Shell Malaysia pada penghujung Januari 2010 setelah berkhidmat selama 33 tahun. Sebelum persaraan, beliau adalah Pengarah Bukan Bebas dan Bukan Eksekutif untuk Shell Refining Company (FOM) Berhad sehingga 31 Disember 2009 dan Ahli Lembaga Brunei Shell Marketing. Pada 2011, beliau dilantik sebagai Pengarah Bebas Pavillion REIT Management dan Hong Leong Investment Bank.

Dato' Mohzani Datuk Dr. Abdul Wahab telah dilantik sebagai Ahli Panel Pelaburan sejak 1 Oktober 2007 sehingga 30 September 2015. Beliau kemudiannya dilantik sebagai Pengerusi Panel Pelaburan **TH** pada 1 Oktober 2015.

Dato' Mohzani Datuk Dr. Abdul Wahab hails from Perlis. He is a Board Member of Celcom Axiata and Boustead Plantations. An Economics graduate from Universiti Malaya, he joined Shell Group in 1976. He served as Managing Director for Shell Malaysia Trading Sdn Bhd and Shell Timur Sdn Bhd beginning 2001 and 2005 respectively, up to his retirement at the end of 2009. He retired from Shell Malaysia at the end of January 2010 after 33 years of service. Prior to his retirement, he was a Non-Independent Non-Executive Director at Shell Refining Company (FOM) Berhad until 31 December 2009, and a Board Member of Brunei Shell Marketing. In 2011, he became an Independent Director for Pavillion REIT Management and Hong Leong Investment Bank.

Dato' Mohzani Datuk Dr Abdul Wahab was appointed as member of **TH** Investment Panel since 1 October 2007 until 30 September 2015, he was then appointed as Chairman of **TH** Investment Panel on 1 October 2015.

■ TAN SRI SHEIKH GHAZALI ABDUL RAHMAN

PSM, PJN, DSDK, SDK, AMN

- Ijazah Kehormat Doktor Falsafah Syariah dan Kehakiman, Universiti Sains Islam Malaysia (USIM)
- B.A Perundangan Islam (Syariah) Universiti Azhar, Kaherah, Mesir
- Diploma Pendidikan, Universiti Ain Sham, Kaherah, Mesir
- Diploma Undang-Undang dan Pentadbiran Kehakiman Islam, Universiti Islam Antarabangsa, Malaysia

Tan Sri Sheikh Ghazali berasal dari Tobiar, Pendang, Kedah. Beliau merupakan mantan Ketua Pengarah/ Ketua Hakim Syarie, Jabatan Kehakiman Syariah Malaysia. Beliau pernah menyandang beberapa jawatan penting, di antaranya Pengerusi Jawatankuasa Teknikal Undang-Undang Syarak dan Sivil Jabatan Kemajuan Islam Malaysia (JAKIM); Ahli Jawatankuasa Fatwa Kebangsaan, JAKIM; Ahli Majlis Penasihat Syariah Bank Negara Malaysia dan Ahli Majlis Penasihat Syariah Suruhanjaya Sekuriti. Selain itu, beliau adalah Ahli Panel Mahkamah Rayuan Syariah Negeri Kelantan, Perak, Pahang dan Terengganu sehingga sekarang dan pernah menjadi Ahli Panel Mahkamah Rayuan di Negeri- Negeri Wilayah Persekutuan, Selangor, Pulau Pinang, Negeri Sembilan, Melaka, Johor, Sabah & Sarawak.

Beliau aktif di dalam aktiviti sosial melalui pelantikan beliau sebagai Ahli Majlis Perundangan Islam, Jabatan Perdana Menteri; Ahli Panel Undang-Undang Majlis Perundangan Islam, Jabatan Perdana Menteri; Ahli Jawatankuasa Perunding Hukum Syarak Jabatan Mufti Wilayah Persekutuan; Ahli Majlis Agama Islam Wilayah Persekutuan (MAIWP); Ahli Jawatankuasa Pembangunan dan Pelaburan MAIWP; Pengerusi Jawatankuasa “Good Governance” untuk Garis Panduan Syarikat MAIWP; Ahli Lembaga Pengarah Institut Kefahaman Islam Malaysia (IKIM); Ahli Jawatankuasa Kerja Projek Pembangunan IKIM; Pengerusi Jawatankuasa Kerja Penasihat Syariah Yayasan Waqaf Malaysia (YWM); Ahli Lembaga Pemegang Amanah (MALPA) YWM; Ahli Lembaga Penasihat, Fakulti Pengajian Islam di Universiti Kebangsaan Malaysia (UKM); Pengerusi Jawatankuasa Panel Syarie Tabung Wakaf Universiti Islam Malaysia (UIM); Panel Penasihat Pengajian Tinggi Syariah dan Undang-Undang di Universiti Sains Islam Malaysia (USIM); Ahli Jawatankuasa Pemandu Pembangunan Program (Steering Committee on Programme Development), Diploma Kefatwaan, Institut Pengurusan dan Penyelidikan Fatwa Sedunia (INFAD); Ahli Jawatankuasa Pemandu Pengurusan Pensijilan Halal Malaysia JAKIM, Pengerusi Jawatankuasa Penyelidikan dan Pengurusan Fatwa, JAKIM, Penyandang Kerusi Felo Utama, Fakulti Syariah & Undang-Undang USIM, Pengerusi Jawatankuasa Perjawatan, Pergerakan Gaji dan Kenaikan Pangkat IKIM, Ahli Jawatankuasa Kewangan dan Pelaburan IKIM, Pengerusi Jawatankuasa Tatatertib dan Disiplin IKIM, Ahli Majlis Fatwa Negeri Sabah dan Ahli Jawatankuasa Penasihat Program Sarjana Syariah Pusat Pengajian Undang-Undang, Universiti Utara Malaysia (UUM).

Beliau juga adalah Ahli Jawatankuasa Penasihat Syariah **TH** sejak tahun 2010. Di atas sumbangan dan jasanya terhadap pembangunan ummah, beliau telah mendapat pengiktirafan dan pengurniaan Anugerah Tokoh Ma'al Hijrah 1416H, Peringkat Wilayah Persekutuan Tahun 1995, Anugerah Penghargaan Ma'al Hijrah 1428H Peringkat Kebangsaan Tahun 2007 dan Tokoh Ma'al Hijrah Peringkat Kebangsaan Tahun 1436H/ 2014M.

Tan Sri Sheikh Ghazali dilantik sebagai Ahli Panel Pelaburan **TH** pada tahun 2001.



Tan Sri Sheikh Ghazali hails from Tobiar, Pendang, Kedah. He is the former Director General/Sharie Chief Judge, Malaysian Shariah Judicial Department. He has served in various capacities during the course of his illustrious career, including as Chairman of the Technical Committee of Islamic and Civil Law, Department of Islamic Development Malaysia (JAKIM), Member of the Malaysia National Fatwa Committee, JAKIM; Member of the National Shariah Advisory Council of Bank Negara Malaysia and Member of the Securities Commission's Shariah Advisory Council. He is currently a Panel Member of State Shariah Court of Appeal for Kelantan, Perak, Pahang and Terengganu and he was once a Panel Member of the State Shariah Court of Appeal for Federal Territory, Selangor, Penang, Negeri Sembilan, Malacca, Johor, Sabah and Sarawak.

He is actively involved in various social activities through his appointments as a Member of the Islamic Consultative Council, Prime Minister's Department; Chairman of the Islamic Consultative Council Law Panel, Prime Minister's Department; Member of the Federal Territory Mufti Department's Islamic Law Consultative Committee; Member of Federal Territory Islamic Religious Council (MAIWP); Member of Development and Investment Committee, MAIWP; Chairman of the Good Governance Committee for MAIWP's Company Guidelines; Board Member of the Institute of Islamic Understanding Malaysia (IKIM); Working Committee Member of IKIM's Development Project; Chairman of the Shariah Advisory Working Committee for Waqaf Foundation Malaysia (YWM); Board of Trustees' Member (MALPA) YWM; Member of the Advisory Board, Faculty of Islamic Studies at Universiti Kebangsaan Malaysia (UKM); Chairman of Shariah Panel of Tabung Waqaf Universiti Islam Malaysia (UIM), Higher Education Advisory Panel of Shariah and Law at the University Sains Islam Malaysia (USIM); Member of the Steering Committee on Programme Development, Kefatwaan Diploma, World Fatwa Management and Research Institute (INFAD); Member of the Steering Committee of Malaysia Halal Certification Management JAKIM and Chairman of Research and Fatwa Management Committee JAKIM; the Incumbent Main Fellow of the Shariah and Law Faculty, USIM; Chairman for the Recruitment, Salary Review and Promotions IKIM; a Member of the Financial and Investment Committee IKIM; the Chairman for Disciplinary Committee IKIM, Member of the Fatwa Council of Sabah, and a Committee Member of the Advisory Panel for the Shariah Postgraduate Degree Program at the Law Studies Centre, Universiti Utara Malaysia (UUM).

He is also a member of **TH** Shariah Advisory Committee since 2010. In appreciation of his contributions and effort towards the development of the ummah, he was bestowed with the Anugerah Tokoh Ma'al Hijrah 1416H, Federal Territory Level in 1995, Anugerah Penghargaan Ma'al Hijrah 1428H National Level in 2007 and Tokoh Ma'al Hijrah National Level in 1436H/2014M.

Tan Sri Sheikh Ghazali was appointed as a member of **TH** Investment Panel in 2001.

■ DATO' GHAZALI AWANG

DIMP

- Sarjana Muda Perdagangan, University of Newcastle, Australia
- Akauntan Berkanun, The Institute of Chartered Accountants, Australia
- Akauntan Berkanun, Institut Akauntan Malaysia (MIA)
- Diploma Pengajian Islam, Universiti Islam Antarabangsa, Malaysia
- Diploma Pengajian Syariah, Kolej Dar Al-Hikmah, Malaysia
- Magister Agama (MA), Institut Agama Islam Negeri, Imam Bonjol, Padang Indonesia

Dato' Ghazali Awang dilahirkan di Kelantan. Beliau berpengalaman luas dalam bidang kewangan dan telah banyak memegang jawatan penting di dalam beberapa organisasi di antaranya Ketua Akauntan/Pengurus Kanan Kewangan & Pentadbiran di Amanah Saham Nasional Berhad dan Permodalan Nasional Berhad.

Beliau juga pernah memegang jawatan sebagai Pengurus Audit, Pengurus Perkhidmatan Kewangan, Ketua Akauntan dan Pengurus Dana di Kumpulan Shell Malaysia. Selain itu, beliau juga pernah berkhidmat di Kumpulan Guthrie Berhad sebagai Pengarah Kumpulan dan Pengarah Eksekutif Kewangan & Perkhidmatan Korporat dan juga sebagai Ahli Lembaga Pengarah di Bank Simpanan Nasional dan CCM Duopharma Biotech Berhad. Beliau juga turut dilantik sebagai Ahli Lembaga Pengarah di TH Marine Holdings (L) Inc dan syarikat-syarikat senaraian awam iaitu HeiTech Padu Berhad, Prudential BSN Takaful Berhad, BIMB Investment Management Berhad dan TH Heavy Engineering Berhad.

Dato' Ghazali Awang telah dilantik sebagai Ahli Lembaga Pengarah **TH** sejak 1 September 2011 sehingga 31 Ogos 2015. Beliau kemudiannya dilantik sebagai Ahli Panel Pelaburan **TH** pada 1 Oktober 2015.

Dato' Ghazali Awang was born in Kelantan. He has extensive experience in the field of finance and has served in various capacities in several organisations, including as Chief Accountant/Senior Manager of Finance & Administration in Amanah Saham Nasional Berhad and Permodalan Nasional Berhad.

He was once the Audit Manager, Financial Services Manager, Chief Accountant and Fund Manager in Shell Malaysia Group of Companies. Apart from that, he served as Group Director and Executive Director for Finance & Corporate Services in Kumpulan Guthrie Berhad and also as a Board member of Bank Simpanan Nasional and CCM Duopharma Biotech Berhad. He also serves as a Board member TH Marine Holdings (L) Inc and several public listed companies such as HeiTech Padu Berhad, Prudential BSN Takaful Berhad, BIMB Investment Management Berhad and TH Heavy Engineering Berhad.

Dato' Ghazali Awang was appointed as a Member of **TH's** Board of Directors since 1 September 2011 until 31 August 2015. He was then appointed as a member of **TH** Investment Panel on 1 October 2015.





■ DATO' IZHAM YUSOFF

DSDK

- Sarjana Pengurusan Perniagaan, University of Miami, Amerika Syarikat
- Sarjana Muda Perakaunan, University of Miami, Amerika Syarikat
- Ahli Bersekutu di Institute of Internal Auditors Malaysia

Dato' Izhah Yusoff dilahirkan di Kedah. Beliau adalah Pengarah Urusan Kumpulan dan Pengarah Eksekutif Bina Darulaman Berhad (BDB).

Beliau dilantik sebagai Pengarah Bebas Bukan Eksekutif BDB pada Ogos 2013 dan kemudiannya sebagai Pengarah Eksekutif Bukan Bebas pada Februari 2014.

Sebelum menyertai BDB, beliau merupakan Pengarah Urusan dan Ketua Pegawai Eksekutif di Percetakan Nasional Malaysia Berhad dari Februari 2010 hingga Januari 2014. Beliau pernah berkhidmat sebagai Pengarah Eksekutif/Ketua Pegawai Operasi Ninebio Sdn Bhd dari 2007 hingga 2010, Pengarah Urusan dan Ketua Pegawai KUB Malaysia Berhad dari 2004 hingga 2007, Pengarah Urusan dan Ketua Pegawai Eksekutif Amanah Raya Berhad dari 2002 hingga 2004 dan Pengarah Bursa Malaysia Berhad.

Dato' Izhah Yusoff dilantik sebagai Ahli Panel Pelaburan **TH** pada 1 Oktober 2015.

Dato' Izhah Yusoff was born in Kedah. He is the Executive Director and Group Managing Director of Bina Darulaman Berhad (BDB).

He was appointed as an Independent Non-Executive Director of BDB in August 2013 and later re-designated to Non-Independent Executive Director in February 2014.

Prior to working with BDB, he was the Managing Director and Chief Executive Officer of Percetakan Nasional Malaysia Berhad from February 2010 until January 2014. He has served as the Executive Director / Chief Operating Officer of Ninebio Sdn Bhd from 2007 until 2010, Managing Director and Chief Executive of KUB Malaysia Berhad from 2004 until 2007, Managing Director and Chief Executive Officer of Amanah Raya Berhad from 2002 until 2004 and Director of Bursa Malaysia Berhad.

Dato' Izhah Yusoff was appointed as a Member of **TH** Investment Panel on 1 October 2015.

■ SYED ELIAS ALHABSHI

- Sarjana Pengurusan Perniagaan, Asian Institute of Management Manila, Filipina

Syed Elias Alhabshi berasal dari Melaka. Beliau adalah merupakan bekas pegawai kanan dalam bidang pelaburan, kewangan korporat dan perbankan. Beliau berkelulusan Sarjana Pengurusan Perniagaan daripada Asian Institute of Management, Filipina. Karier beliau bermula pada tahun 1961 di Malayan Banking Berhad dalam operasi perbankan runcit dan kemudian beliau berkhidmat di Bank Bumiputra Malaysia Berhad termasuk sebagai Pengurus Besar di pejabat London dan ibu pejabat. Pada 1982, beliau dilantik sebagai Naib Presiden dan Timbalan Ketua Eksekutif dan kemudiannya sebagai Presiden/Ketua Pegawai Eksekutif ASEAN Finance Corporation. Beliau juga pernah berkhidmat sebagai Pengarah Urusan Babcock & Brown Asia Pacific, Penasihat Eksekutif Hong Leong Capital Berhad dan Ketua Pegawai Operasi Bahagian Pengguna, Hong Leong Bank Berhad dan sebagai Penasihat Phileo Allied Bank (Malaysia) Berhad. Semasa beliau di Merrill Lynch selama 11 tahun, beliau menyandang jawatan sebagai Pengarah Eksekutif dan Ketua Private Banking/Securities & Investment Division bagi Asia Tenggara dan Pengarah Eksekutif Special Projects Asia Pacific District, Private Banking Division. Beliau kini adalah Pengerusi Threadneedle Asset Management Sdn Bhd, sebuah syarikat Global Islamic Asset Management di Kuala Lumpur.

Syed Elias Alhabshi dilantik sebagai Ahli Panel Pelaburan **TH** pada tahun 2009.

Syed Elias Alhabshi hails from Malacca. He has a strong background in the areas of investment, corporate finance and banking. He holds an MBA from the Asian Institute of Management, Philippines. He started his career in 1961 with Malayan Banking Berhad in retail banking operations and then served at Bank Bumiputra Malaysia Berhad in various capacities, including General Manager of the London office and head office. In June 1982, Syed Elias was appointed as the Vice-President and Deputy Chief Executive, and later as the President/Chief Executive Officer of ASEAN Finance Corporation. He had also served as Managing Director of Babcock & Brown Asia Pacific, Executive Advisor of Hong Leong Capital Berhad as well as Chief Operation Officer Consumer Division of Hong Leong Bank Berhad. He was once the Advisor to Phileo Allied Bank (Malaysia) Berhad. While attached to Merrill Lynch for 11 years, he served as Executive Director and Head of Private Banking/Securities & Investment Division for Southeast Asia, as well as the Executive Director for Special Projects Asia Pacific District, Private Banking Division. Currently he is the Chairman of Threadneedle Asset Management Malaysia Sdn Bhd, a Global Islamic Asset Management company in Kuala Lumpur.

Syed Elias Alhabshi was appointed as a Member of **TH** Investment Panel in 2009.





■ DATO' SRI JAHABERDEEN YM MOHAMED YUNOOS

SSAP, DIMP, PJM

- Sarjana dalam Undang-undang Perbandingan daripada Universiti Islam Antarabangsa Malaysia (2006)
- Sarjana Muda Undang-undang (Kepujian) daripada Universiti Leeds University, United Kingdom (1991)
- Sijil Amalan Guaman (Lembaga Kelayakan Profesion Malaysia) (1992)
- Ijazah Sarjana Muda Ekonomi (Kepujian) daripada Universiti Kebangsaan Malaysia (1985)

Dato' Sri Jahaberdeen YM Mohamed Yunoos, seorang anak watan Pulau Pinang, merupakan rakan kongsi pengurusan di Tetuan Jahaberdeen & Co. Beliau berkepakaran di dalam undang-undang jenayah, perlembagaan, tort dan politik-pentadbiran.

Selain pendedahan dalam bidang perundangan, beliau juga seorang aktivis sosial yang terlibat dengan pelbagai agensi Badan Bukan Kerajaan seperti Just International Movement, Jawatankuasa Hak Asasi Manusia Badan Peguam Malaysia, Ahli Panel bagi Lembaga Disiplin Badan Peguam Malaysia dan Pengerusi Yayasan Ropera, suatu yayasan yang menjadi asas ke arah pendidikan dalam erti kata yang luas.

Dato' Sri Jahaberdeen YM Mohamed Yunoos merupakan bekas pensyarah ekonomi dan undang-undang media di Lembah Klang dan universiti-universiti tempatan.

Beliau sangat aktif dalam menyampaikan syarahan dalam pelbagai topik kepada institusi-institusi dan korporat dalam hal ehwal Islam, motivasi, strategi pembelajaran dan politik. Di antaranya, beliau pernah menyampaikan syarahan undang-undang perniagaan kepada pengurusan tertinggi Permodalan Nasional Berhad (1995), undang-undang media kepada pengamal Perhubungan Awam serta syarikat penerbitan, dan undang-undang jenayah di PDRM. Di antara tahun 1997-2000, beliau sering dijemput sebagai penceramah jemputan bagi program diskusi ilmiah berkaitan undang-undang di TV3. Beliau juga telah menerbitkan buku teks ekonomi serta buku-buku berkaitan hal ehwal Islam dan sosio-politik. Beliau merupakan kolumnis popular di akhbar Malay Mail.

Dato' Sri Jahaberdeen YM Mohamed Yunoos telah dilantik sebagai Ahli Panel Pelaburan **TH** pada 1 November 2016.

Dato' Sri Jahaberdeen YM Mohamed Yunoos, a Penangite, is the Managing Partner of Messrs Jahaberdeen & Co. He specialises in criminal, constitutional, tort and politico-administrative legal matters.

Other than exposures in the legal field, he is also a social activist involved with various Non-Government Organizations such as Just International Movement, Human Rights Sub Committee of the Bar Council, Panel member of the Bar Council Disciplinary Committee, and Chairman of Yayasan Ropera, a foundation geared towards education in the broadest sense.

Dato' Sri Jahaberdeen YM Mohamed Yunoos was an economics and media law lecturer in the Klang Valley and at local universities.

He is very active in delivering lectures in various topics to institutions and corporates in Islamic affairs, motivation, learning strategies and politics. Among others, he delivered lectures in business law to top management of Permodalan Nasional Berhad (1995), media law to public relations practitioners and publishers, and criminal law to Polis DiRaja Malaysia. Between 1997-2000, he was often invited as a guest speaker for various legal discussion programmes at TV3. He has also published an economics textbook as well as books on Islamic affairs and socio-political. He is a popular columnist in the Malay Mail.

Dato' Sri Jahaberdeen YM Mohamed Yunoos was appointed as a Member of **TH** Investment Panel on 1 November 2016.

■ DATO' ISKANDAR MIZAL MAHMOOD

DIMP, DMSM

- Sarjana Sains dalam Pengurusan Perniagaan (Perakaunan) Boston University, Amerika Syarikat.

Dato' Iskandar Mizal Mahmood berasal dari Kelantan. Beliau mempunyai pengalaman 28 tahun bekerja dengan pelbagai syarikat antarabangsa, termasuk agensi kerajaan yang meliputi perbankan pelaburan hingga ke sektor teknologi di semua peringkat – dari bahagian operasi hinggalah ke bahagian pengurusan.

Dato' Iskandar Mizal Mahmood memulakan kerjayanya di Arthur Andersen & Co, sebuah syarikat audit antarabangsa pada tahun 1989. Beliau kemudian menjelajah ke dalam perbankan perniagaan serta pelaburan untuk Bumiputra Merchant Bankers Berhad and Commerce International Merchant Bankers Berhad (sekarang dikenali sebagai CIMB Group). Pada tahun 1999, beliau telah menyertai Malaysia Airports Holdings Berhad (MAHB) dan menguruskan Tawaran Awam Permulaan (IPO) dan Penyenaraian MAHB di Bursa Malaysia; serta melaksanakan tanggungjawab lain seperti kewangan korporat, perancangan strategik, pembangunan perniagaan dan perhubungan pelaburan. Pada tahun 2003, Kementerian Kewangan Malaysia telah melantik beliau untuk mengetuai Malaysian Technology Development Corporation Sdn Bhd. Selepas dari itu, beliau telah dilantik pula untuk meneraju Malaysian Biotechnology Corporation Sdn Bhd, salah sebuah inisiatif teknologi utama Kerajaan pada waktu itu. Beliau kemudian telah memasuki sektor swasta akademik; bekerjasama dengan Manipal Education Global of India untuk menubuhkan Manipal International University di Malaysia. Beliau juga pernah memegang jawatan sebagai Ketua Pegawai Eksekutif Kumpulan untuk Pos Malaysia Berhad. Beliau kini merupakan Ahli Lembaga Pengarah untuk beberapa syarikat teknologi termasuk Globetronics Technology Berhad, sebuah syarikat tersenarai awam.

Dato' Iskandar Mizal Mahmood telah dilantik sebagai Ahli Panel Pelaburan **TH** pada 1 November 2016.

Dato' Iskandar Mizal Mahmood was born in Kelantan. He has 28 years' experience with multitude of companies ranging from multinational to government companies and spanning from investment banking to technology sectors at all levels from hands-on operations to leadership.

Dato' Iskandar Mizal Mahmood started his career with an international audit firm Arthur Andersen & Co in 1989. He moved into merchant and investment banking serving Bumiputra Merchant Bankers Berhad and Commerce International Merchant Bankers Berhad (now known as CIMB Group). He joined Malaysia Airports Holdings Berhad (MAHB) in 1999 to undertake the Initial Public Offering and Listing of MAHB on Bursa Malaysia and assume other responsibilities such as corporate finance, strategic planning, business development and investor relations. In 2003, Ministry of Finance Malaysia appointed him to helm the leadership of Malaysian Technology Development Corporation Sdn Bhd. He was later appointed to helm the leadership of Malaysian Biotechnology Corporation Sdn Bhd, one of the Government of Malaysia's key technology initiatives at that time. He then ventured into the private education sector by partnering with Manipal Education Global of India to set up Manipal International University in Malaysia. He also served as the Group Chief Executive Officer of Pos Malaysia Berhad. He currently sits on the Board of several technology companies including Globetronics Technology Berhad, a public listed company.

Dato' Iskandar Mizal Mahmood was appointed as a Member of **TH** Investment Panel on 1 November 2016.



PENYATA TADBIR URUS KORPORAT

Statement of Corporate Governance

Jemaah Lembaga Pengarah **TH** (Lembaga Pengarah) memberi perhatian dan komitmen sepenuhnya dalam memastikan aplikasi tadbir urus korporat berdasarkan piawaian tertinggi, efektif dan selari dengan tatacara tadbir urus yang termaktub di dalam Akta Tabung Haji 1995 (Akta 535) dan amalan terbaik bersesuaian dengan prinsip-prinsip Kod Tadbir Urus Korporat Malaysia.

Lembaga Pengarah

Lembaga Pengarah bertanggungjawab sepenuhnya ke atas keseluruhan tadbir urus korporat **TH** termasuk hala tuju pembangunan strategiknya serta menetapkan matlamat, polisi dan strategi untuk pengurusan dan memantau pencapaian matlamat tersebut. Lembaga Pengarah diberi kuasa mentadbir kumpulan wang, segala yang berkenaan dengan kebajikan jemaah Haji dan merumus dasar yang berkaitan dengannya. Lembaga Pengarah juga berfungsi menjalankan perkara-perkara lain yang dikehendaki atau dibenarkan untuk dilakukan di bawah Akta 535.

Komposisi Lembaga Pengarah

Pelantikan Ahli Lembaga Pengarah (Ahli) adalah mengikut garis panduan yang dinyatakan di Seksyen 6 Akta 535. Lembaga Pengarah dianggotai oleh Pengerusi dan tidak lebih daripada sembilan Ahli yang lain. Pengerusi dan tidak lebih daripada tujuh daripada Ahli lain adalah atas lantikan Menteri di Jabatan Perdana Menteri (Menteri Pentadbir), manakala baki dua Ahli adalah wakil daripada Jabatan Perdana Menteri dan Kementerian Kewangan. Kesemua Ahli mestilah warganegara Malaysia, beragama Islam serta berpengalaman dalam pelbagai bidang seperti kewangan, ekonomi, perakaunan, perkhidmatan awam dan perundangan. Gabungan ini penting dalam mencapai kejayaan strategik **TH** secara menyeluruh. Salah seorang Ahli akan dilantik oleh Menteri Pentadbir untuk memegang Jawatan Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif, di mana beliau dipertanggungjawabkan untuk mengurus secara langsung operasi **TH** serta melaksanakan matlamat yang ditetapkan oleh Lembaga Pengarah, seperti termaktub di dalam Seksyen 12 Akta 535. Ahli-ahli yang lain merupakan Pengarah Bebas Bukan Eksekutif. Ahli-ahli yang dilantik hendaklah memegang jawatan selama tempoh tidak melebihi tiga tahun dan layak dilantik semula.

The Board of Directors of **TH** (the Board) gives full attention and commitment to ensure effective applications of corporate governance are adhered to the highest standards and are in line with the governance practices incorporated in Tabung Haji Act 1995 (Act 535) as outlined in the Principles of the Malaysian Code On Corporate Governance.

The Board of Directors

The Board is fully responsible for the overall corporate governance of **TH** which includes determining its strategic development direction as well as its management objectives, policies and strategies and monitoring of the achievements of the said objectives. The Board is empowered to administer the depositors' fund, all matters concerning the welfare of pilgrims and also to formulate policies in connection therewith. The Board also functions to do such other things as obligatory or allowable under Act 535.

Composition of the Board

The appointment of the Board Members (Members) is in accordance with the guidelines stipulated under Section 6 of Act 535. The Board comprises a Chairman and not more than nine other Members. The Chairman and not more than seven Members are appointed by the Minister from the Prime Minister's Department (Minister) while the remaining two Members are representatives from the Prime Minister's Department and the Ministry of Finance. Members must be Muslim Malaysian citizens with vast experience in diverse areas including finance, economy, accounting, public administration and law. Such a composition is crucial to ensure the overall strategic success of **TH**. One of the Members may be appointed by the Minister as Group Managing Director and Chief Executive Officer who is responsible in managing the operations of **TH** directly and carrying out objectives as determined by the Board and stipulated under Section 12 of Act 535. Other Members are Independent Non-Executive Directors. Members shall hold office for a term not exceeding three years and are eligible for reappointment.

Imbuhan Lembaga Pengarah

Seorang Ahli tidak berhak menerima saraan tetapi boleh dibayar honorarium, elaun perjalanan dan elaun sara hidup yang ditentukan Menteri Pentadbir, seperti mana dibenarkan di bawah Seksyen 7 Akta 535. Hanya Ahli yang dilantik sebagai Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif sahaja layak menerima gaji atau elaun yang ditentukan oleh Lembaga Pengarah dengan persetujuan Menteri, seperti mana dibenarkan di bawah Seksyen 12 (3) Akta 535.

Proses Membuat Keputusan

Ahli akan diberikan tempoh mencukupi bagi menelaah kertas kerja cadangan sebelum membuat keputusan yang wajar dan bertepatan.

Integriti

Berdasarkan Seksyen 9 Akta 535, sekiranya terdapat percanggahan kepentingan, Ahli berkenaan hendaklah mengisytiharkan dan mengecualikan diri daripada pertimbangan dan pengundian yang melibatkan kepentingan mereka.

Mesyuarat Lembaga Pengarah

Berdasarkan Seksyen 8 Akta 535, Mesyuarat Lembaga Pengarah (Mesyuarat) perlu diadakan sekurang-kurangnya sekali setiap tiga bulan dan tiga orang Ahli diperlukan bagi membentuk kuorum pada mana-mana Mesyuarat.

Board Remuneration

Members are not entitled to receive any remuneration, but may be paid such honorarium, travelling and subsistence allowance as determined by the Minister pursuant to Section 7 Act 535. As stipulated under Section 12 (3) Act 535, only a Member who is appointed as the Group Managing Director and Chief Executive Officer is allowed to receive salary or allowances as determined by the Board and approved by the Minister.

Decision Making Process

Members will have ample time to study all the proposal papers in order to be able to make informed and accurate decisions.

Integrity

Based on Section 9 of Act 535, in any event when a conflict of interest arises, Members shall declare their interest and shall not take part in any deliberation and shall not vote on matter which involves their interests.

Board Meetings

In accordance with Section 8 Act 535, the Board Meetings (Meeting) should be held at least once every three months and three Members are required to form a quorum at any of the Meeting.

Sebanyak 14 Mesyuarat Lembaga Pengarah, termasuk 8 Mesyuarat Lembaga Pengarah Khas diadakan sepanjang 2016. Mesyuarat-mesyuarat tersebut telah diadakan pada tarikh-tarikh berikut:

There are 14 Board Meetings held during 2016, including 8 Special Board Meetings. The Meetings were held on the following dates:

Bil. No.	Mesyuarat Meetings	Tarikh Date
1.	Mesyuarat Lembaga Pengarah Khas Bil. 1/2016 (K) (329) Special Board Meeting No. 1/2016 (K) (329)	12 Januari 2016 12 January 2016
2.	Mesyuarat Lembaga Pengarah Khas Bil. 2/2016 (K) (330) Special Board Meeting No. 2/2016 (K) (330)	19 Januari 2016 19 January 2016
3.	Mesyuarat Lembaga Pengarah Khas Bil. 3/2016 (K) (331) Special Board Meeting No. 3/2016 (K) (331)	3 Februari 2016 3 February 2016
4.	Mesyuarat Lembaga Pengarah Bil. 1/2016 (332) Board Meeting No. 1/2016 (332)	22 Februari 2016 22 February 2016
5.	Mesyuarat Lembaga Pengarah Khas Bil. 4/2016 (K) (333) Special Board Meeting No. 4/2016 (K) (333)	7 Mac 2016 7 March 2016
6.	Mesyuarat Lembaga Pengarah Khas Bil. 5/2016 (K) (334) Special Board Meeting No. 5/2016 (K) (334)	6 April 2016 6 April 2016
7.	Mesyuarat Lembaga Pengarah Bil. 2/2016 (335) Board Meeting No. 2/2016 (335)	27 April 2016 27 April 2016
8.	Mesyuarat Lembaga Pengarah Khas Bil. 6/2016 (K) (336) Special Board Meeting No. 6/2016 (K) (336)	16 Mei 2016 16 May 2016
9.	Mesyuarat Lembaga Pengarah Khas Bil. 7/2016 (K) (337) Special Board Meeting No. 7/2016 (K) (337)	22 Jun 2016 22 June 2016
10.	Mesyuarat Lembaga Pengarah Bil. 3/2016 (338) Board Meeting No. 3/2016 (338)	19 Julai 2016 19 July 2016
11.	Mesyuarat Lembaga Pengarah Bil. 4/2016 (339) Board Meeting No. 4/2016 (339)	25 Ogos 2016 25 August 2016
12.	Mesyuarat Lembaga Pengarah Bil. 5/2016 (340) Board Meeting No. 5/2016 (340)	10 November 2016 10 November 2016
13.	Mesyuarat Lembaga Pengarah Khas Bil. 8/2016 (K) (341) Special Board Meeting No. 8/2016 (K) (341)	21 November 2016 21 November 2016
14.	Mesyuarat Lembaga Pengarah Bil. 6/2016 (342) Board Meeting No. 6/2016 (342)	7 Disember 2016 7 December 2016

Jawatankuasa-Jawatankuasa Lembaga Pengarah

Seperti yang dinyatakan di dalam Seksyen 11 Akta 535, terdapat beberapa Jawatankuasa diwujudkan bagi membantu Lembaga Pengarah melaksanakan fungsi-fungsi mereka dan memastikan tadbir urus korporat yang baik dan teratur. Setiap Jawatankuasa melaksanakan tugas mengikut terma rujukan yang ditetapkan dan dikaji dari semasa ke semasa bagi memastikan ianya adalah relevan dan terkini. Antara Jawatankuasa utama yang ditubuhkan adalah seperti berikut:

Board Committees

As stipulated in Section 11 of Act 535, several Committees have been established to assist the Board in performing its functions and to ensure the implementation of sound corporate governance practices. Each Committee is to perform their duties according to the terms of reference that has been set and reviewed from time to time to ensure that they are relevant and updated. Amongst the main Committees established are as follows:

Jawatankuasa dengan Keahlian Lembaga Pengarah | Committees with Participation of the Board

Jawatankuasa Audit Audit Committee	- Seperti di Laporan Jawatankuasa Audit. As tabled in the Audit Committee Report.
Jawatankuasa Pengurusan Risiko Risk Management Committee	- Mengesyor, mengkaji semula dan memastikan Rangka Kerja Pengurusan Risiko dilaksanakan secara efektif dan sewajarnya; - Mengesyor dan mengkaji semula pelan strategi pengurusan risiko, tahap penerimaan risiko, polisi-polisi pengurusan risiko dan had risiko untuk kelulusan Lembaga Pengarah; - Mengkaji profil risiko dan pendedahan risiko untuk memastikan ianya dalam lingkungan ditetapkan; - Meluluskan pelan pengurusan kesinambungan perniagaan; - Meluluskan metodologi pengukuran risiko; dan - Meneliti dan memantau segala inisiatif pengurusan risiko dan usaha-usaha menyerapkan budaya mengawal risiko di TH. Recommend, review and ensure the effectiveness of the Risk Management Framework; Review and recommend the risk management strategic plan, risk tolerance level, risk management policies and risk limits for approval by the Board; Review risk profile and risk exposures to ensure they remain within the specified scope; Approve the business continuity management plan; Approve the risk measurement methodology; and Deliberate and monitor all risk management initiatives and efforts to inculcate a risk management culture in TH.
Lembaga Tender Tender Board	- Meluluskan perolehan bernilai di antara RM10 juta - RM30 juta; dan - Memperakukan cadangan sesuatu perolehan untuk kelulusan Lembaga Pengarah. Approval of purchases worth between RM10 million and RM30 million; and Endorsement of procurement proposals for approval by the Board.
Jawatankuasa Urusan Haji Hajj Affairs Committee	- Bertanggungjawab bagi kebajikan, perlindungan, pengawalan dan kebajikan am jemaah haji; dan - Pengurusan Tabung Kebajikan Jemaah Haji Malaysia. Responsible in welfare, protection control and general well-being of the hajj pilgrims; and Management of the Malaysian Pilgrims Welfare Fund.

Jawatankuasa Penasihat Syariah Shariah Advisory Committee	• Menasihati Lembaga Pengarah mengenai perkara-perkara berkaitan syariah untuk memastikan bahawa operasi perniagaan TH mematuhi prinsip syariah pada setiap masa; • Menjelaskan keputusan syariah berhubung urusan TH seperti yang diputuskan oleh jawatankuasa berdasarkan kepada apa yang dirujuk kepadanya oleh Lembaga Pengarah, Pengerusi, Bahagian Syariah atau mana-mana juga cabang perniagaan TH; • Mengesahkan urusan TH adalah mematuhi syariah melalui laporan yang dikemukakan oleh Bahagian Syariah kepada jawatankuasa secara berkala, menjelaskan pelaksanaan resolusi dan hukum yang dikeluarkan oleh jawatankuasa; dan • Mewakili TH dalam bidang syariah di persidangan, seminar, dan juga untuk mengambil bahagian dalam forum kewangan Islam. • Advising the Board on matters pertaining to Shariah so as to ensure that the business operations of TH are in compliance with the Shariah principles at all times; • Provide explanation on Shariah decisions in relation to any of TH transactions as decided by the committee based on the matters referred to it by the Board, Chairman, Shariah Division or any branches of business under TH; • Confirmation of transactions and contracts to be entered into by TH are Shariah-compliant based on reports presented by the Shariah Division to the Committee on periodic basis, explaining the resolution and principles issued by the committee; and • Represent TH in Shariah matters at conventions, seminars and to participate in any Islamic finance forum.
Jawatankuasa Penamaan Nomination Committee	• Mengkaji keperluan dan mengenalpasti calon-calon yang sesuai untuk dilantik sebagai wakil TH di dalam Lembaga Pengarah syarikat di mana TH mempunyai kepentingan; dan • Meneliti urusan pelantikan dan penamatan perwakilan TH dalam Lembaga Pengarah syarikat yang dilabur. • Reviewing matters relating to the appointment and retirement of TH Board representatives in investee companies; and • Identifying individuals suitably qualified to be appointed as TH Board representative in TH investee companies.
Jawatankuasa Perkhidmatan Services Committee	• Melaksanakan Seksyen 13 dan 14 Akta Tabung Haji yang secara amnya berkenaan dengan pelantikan pegawai perkhidmatan, ejen, penasihat dan sebagainya; • Mempunyai kuasa membuat peraturan-peraturan berkaitan syarat-syarat perkhidmatan dan tata tertib; dan • Bertanggungjawab dalam penggubalan dasar dan pelaksanaan di bawah arahan Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif mengikut peraturan ditetapkan oleh Lembaga Pengarah. • Implementing Section 13 and 14 of Tabung Haji Act which generally are in respect of the appointment of service officer, agents, advisor etc.; • Empowered to formulate rules and regulations on service conditions and discipline; and • Responsible for enacting policies and implementing them under the directive of the Chief Executive Officer as provided by the guidelines determined by the Board.
Jawatankuasa Tata tertib Disciplinary Committee (i) Jawatankuasa Tata tertib Kumpulan Pengurusan Eksekutif Management and Executive Disciplinary Committee (ii) Jawatankuasa Tata tertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Committee	• Menimbang dan menentukan hukuman tata tertib ke atas anggota yang telah melanggar syarat-syarat perkhidmatan dan peraturan-peraturan yang berkuatkuasa dari semasa ke semasa; dan • Menentukan perkara-perkara yang berkaitan dengan tata kelakuan anggota TH. • Disciplinary actions on employees who breached terms and conditions of their appointments as well as rules and regulations that are enforced from time to time; and • Decide on matters in relation to TH's employees' code of conduct.

Jawatankuasa Rayuan Tatatertib Disciplinary Appeal Committee (i) Jawatankuasa Rayuan Tatatertib Kumpulan Pengurusan dan Eksekutif Management and Executive Disciplinary Appeal Committee (ii) Jawatankuasa Rayuan Tatatertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Appeal Committee	• Menerima, menimbang dan memutuskan apa-apa rayuan yang dikemukakan oleh seorang pekerja terhadap keputusan hukuman tatatertib Jawatankuasa Tatatertib berdasarkan peruntukan Peraturan-Peraturan Tatatertib Tabung Haji 2010. • To accept, deliberate and decide on all appeals made by employees of TH against decisions in regards to disciplinary actions that have been made by the Disciplinary Committee as provided under the Tabung Haji Disciplinary Regulations 2010.
Majlis Penasihat Haji Hajj Advisory Council	• Menasihati Menteri Pentadbir berkenaan kebajikan jemaah haji dan perkara yang dirujuk padanya berhubung dengan isu urusan haji; • Memberi maklumbalas kepada pengurusan TH berkaitan isu-isu yang dihadapi oleh jemaah haji; dan • Memberi cadangan bagi meningkatkan perkhidmatan kepada jemaah haji. • Advise the Minister on matters regarding the hajj pilgrims' welfare and other hajj-related issues; • Provide feedback to TH's management regarding issues faced by the hajj pilgrims; and • Provide suggestions on how to improve the existing hajj management services.

Kehadiran Ahli dalam Mesyuarat Lembaga Pengarah dan Jawatankuasa-Jawatankuasa **TH** dengan Keahlian Lembaga Pengarah

Attendance of Members in the Board Meeting and **TH** Committee with Participation of the Board

Butiran kehadiran mesyuarat yang dihadiri Ahli adalah seperti berikut:

The attendance of meetings by Members are as follows:

Ahli Lembaga Pengarah The Board Members	Lembaga Pengarah The Board	Jawatankuasa Audit Audit Committee	Jawatankuasa Pengurusan Risiko Risk Management Committee	Jawatankuasa Urusan Haji Hajj Affairs Committee	Jawatankuasa Penasihat Syariah Shariah Advisory Committee	Jawatankuasa Perkhidmatan Services Committee	Jawatankuasa Tatatertib Kumpulan Pengurusan dan Eksekutif Management and Executive Disciplinary Committee	Jawatankuasa Tatatertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Committee	Jawatankuasa Rayuan Tatatertib Kumpulan Pengurusan dan Eksekutif Management and Executive Disciplinary Appeal Committee	Jawatankuasa Rayuan Tatatertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Appeal Committee	Majlis Penasihat Haji Hajj Advisory Council
Pengerusi Chairman											
Datuk Seri Panglima Abdul Azeez Abdul Rahim	14/14	-	-	3/3	-	-	-	-	1/1	2/2	1/1
Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif Group Managing Director and Chief Executive Officer											
Datuk Seri Johan Abdullah (Dilantik pada 1 Julai 2016 Appointed on 1 July 2016)	4/5*	-	1/1*	1/2*	-	4/4*	0/1*	-	-	-	-
Tan Sri Ismee Ismail (Tamat perkhidmatan pada 30 Jun 2016) Ceased services on 30 June 2016)	8/9*	-	1/1*	1/1*	-	2/4*	-	-	-	-	1/1

Ahli Lembaga Pengarah The Board Members	Lembaga Pengarah The Board	Jawatankuasa Audit Audit Committee	Jawatankuasa Pengurusan Risiko Risk Management Committee	Jawatankuasa Urusan Haji Hajj Affairs Committee	Jawatankuasa Penasihat Syariah Shariah Advisory Committee	Jawatankuasa Perkhidmatan Services Committee	Jawatankuasa Tata tertib Kumpulan Pengurusan dan Eksekutif Management and Executive Disciplinary Committee	Jawatankuasa Tata tertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Committee	Jawatankuasa Rayuan Tata tertib Kumpulan Pengurusan dan Eksekutif Management and Executive Disciplinary Appeal Committee	Jawatankuasa Rayuan Tata tertib Kumpulan Bukan Eksekutif Non-Executive Disciplinary Appeal Committee	Majlis Penasihat Haji Hajj Advisory Council
Wakil Kementerian Kewangan Ministry of Finance Representative											
Tan Sri Dr. Mohd Irwan Serigar Abdullah	9/14	0/2	-	-	-	1/8	0/1*	-	-	-	-
Wakil Jabatan Perdana Menteri Prime Minister's Department Representative											
Tan Sri Othman Mahmood	13/14	2/2	-	1/3	-	8/8	1/1	5/5	-	-	-
Ahli Member											
Prof. Emeritus Tan Sri Dato' Dr. Abdul Shukor Husin	13/14	-	-	2/3	4/4	7/8	1/1	-	-	-	-
Tan Sri Dato' Paduka Badruddin Amiruldin	13/14	-	-	-	-	-	-	-	1/1	2/2	-
Tan Sri Dato' Sri Mohamed Apandi Ali (Dilantik pada 15 Januari 2016 Appointed on 15 January 2016)	9/13*	-	-	-	-	-	-	-	-	-	-
Tan Sri Datuk Mohamad Aziz	12/14	-	-	-	-	-	-	-	-	-	-
Tan Sri Shukry Mohd Salleh	13/14	-	4/4	-	-	-	-	-	1/1	2/2	-
Datuk Rosni Sohar	12/14	2/2	-	-	-	6/7*	1/1	-	-	-	-

Rujukan: | **Reference:**

- Tiada mesyuarat Lembaga Tender dan Jawatankuasa Penamaan diadakan pada 2016. |
No Tender Board and Nomination Committee meeting held in 2016.
- Kesemua ketidakhadiran adalah dengan bersebab. | All non attendance are with valid reason.

* Berdasarkan bilangan mesyuarat sepanjang tempoh pelantikan. | Based on the number of meetings held during the tenure of appointment.

Lembaga Pengarah boleh dari masa ke semasa mendapatkan khidmat dan nasihat profesional bebas dalam menjalani tugas dan tanggungjawab mereka. Oleh yang demikian, beberapa Jawatankuasa tanpa Lembaga Pengarah telah ditubuhkan menurut Seksyen 11 Akta 535 bagi tujuan tersebut, antaranya:

The Board may from time to time seek independent professional services and advice in carrying out their roles and responsibilities. For that reason, some Committees without participation of the Board were established pursuant to Section 11 of Act 535 as follows:

Jawatankuasa tanpa Keahlian Lembaga Pengarah Committees without Participation of the Board	
Panel Pelaburan Investment Panel	• Menasihati Lembaga Pengarah dalam menilai dan memberi sokongan terhadap cadangan pelaburan yang berdaya maju untuk TH sebelum ia diangkat untuk kelulusan Menteri Pentadbir; dan • Menasihati Pengurusan TH akan keberkesanan aktiviti dan kawalan dalaman pelaburan TH. (Rujuk halaman Profil Panel Pelaburan mengenai komposisi keahlian) • Advises the Board in their assessment and recommendation of viable investment proposals for TH prior to submission to the Minister for approval; and • Advises the Management of TH on internal control effectiveness of investment-related matters. (Refer to Investment Panel Profile page on membership composition)
Jawatankuasa Penasihat Ibadah Hajj Ibadah Advisory Committee	• Memutuskan kedudukan hukum-hakam isu ibadat haji yang dirujuk; • Memberi cadangan kepada Pengurusan TH berkaitan isu pelaksanaan ibadat haji; • Mengesahkan bahan penerbitan ibadat haji oleh TH; dan • Bertugas sebagai pakar rujuk ibadat haji dalam Rombongan Kebajikan Haji ke Tanah Suci. (Keahlian: 1 Pengerusi, 1 wakil JAKIM dan 7 ahli) • Decide the status of relevant laws and regulations pertaining to hajj issues; • Advise TH Management on issues relating to the performance of hajj; • Approve publication of hajj materials by TH; and • Act as adviser for hajj matters during Hajj Pilgrimage at the Holy Land. (Membership: 1 Chairman, 1 JAKIM representative and 7 other members)

Akauntabiliti Dan Audit

Laporan Kewangan

Lembaga Pengarah adalah bertanggungjawab dalam penyediaan penyata kewangan yang diaudit dan memastikan bahawa ianya disediakan menurut prinsip perakaunan yang diterima umum dan piawaian-piawaian perakaunan yang diluluskan di Malaysia dan diselaras menurut prinsip-prinsip syariah.

Accountability And Audit

Financial Report

The Board is responsible for preparing the audited financial statements and ensuring that the financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and comply with accounting standards issued in Malaysia and in line with shariah principles.

Lembaga Pengarah turut bertanggungjawab memastikan laporan kewangan yang dibentangkan adalah benar, saksama dan komprehensif mengenai kedudukan kewangan **TH** dan Kumpulan kepada semua pendeposit dan orang awam. Laporan kewangan **TH** dikemukakan setiap tahun kepada Ketua Audit Negara bagi tujuan pengauditan dan dibentangkan di Parlimen.

Lembaga Pengarah komited memberikan penyataan telus dan terkini mengenai penyata kewangan kepada pihak berkepentingan. Lembaga Pengarah perlu memastikan proses penyediaan penyata kewangan berasaskan konsep usaha berterusan berdasarkan andaian munasabah dengan sumber mencukupi untuk meneruskan operasi.

Kawalan Dalaman

Lembaga Pengarah adalah bertanggungjawab dan komited untuk mengekalkan pelaksanaan kawalan dalaman yang berwibawa. Lembaga Pengarah perlu mengenalpasti bidang risiko penting dan mengambil langkah sewajarnya untuk mengurus risiko-risiko tersebut di samping mengkaji kecukupan dan integriti kawalan dalaman.

Maklumat berkenaan sistem kawalan dalaman serta tinjauan menyeluruh berhubung kedudukan kawalan dalaman dibentangkan di seksyen Penyata Kawalan Dalaman di dalam Laporan Tahunan ini.

Komunikasi

Lembaga Pengarah mengiktiraf akan kepentingan memberi maklumat tepat yang melibatkan pihak berkepentingan. Untuk itu, kaedah-kaedah digunapakai adalah melalui Tabung Haji Contact Centre, kenyataan akhbar, laman web **TH**, laporan tahunan, media sosial, dan pelaporan kepada Jabatan Perdana Menteri, Parlimen serta lain-lain pihak berkepentingan secara langsung.

The Board is also responsible to ensure that the presentation of the financial statements reflect a true, fair and comprehensive view of the financial position of **TH** and the Group to the depositors and the public. The financial statements of **TH** are submitted annually to the Auditor-General for auditing purposes and are presented to Parliament.

The Board is committed to provide stakeholders with transparent and timely release of latest financial statements. The Board must ensure that the financial statements are prepared according to the 'going concern concept' based on reasonable estimation of adequate resources to continue operations.

Internal Control

The Board acknowledges its responsibility and is committed to maintain a sound implementation of internal control. The Board is required to identify key risk areas and to take appropriate measure in managing such risks while reviewing the adequacy and integrity of the internal control.

The information on the state of internal control and a comprehensive appraisal in relation to its position are presented in the section on Statement of Internal Control in this Annual Report.

Communication

The Board recognizes the importance of disseminating accurate information regarding matters involving the interest of the stakeholders. The platforms used for this purpose are through the Tabung Haji Contact Centre, press statements, **TH** website, annual reports, social media, and reporting to the Prime Minister's Department, Parliament and directly to other stakeholders.

PENYATA KAWALAN DALAMAN

Statement of Internal Control

Jemaah Lembaga Pengarah (Lembaga Pengarah) mengiktiraf kepentingan mengekalkan sistem kawalan dalaman, pengurusan risiko serta tadbir urus korporat yang baik bagi menjaga Kumpulan Wang Simpanan Pendeposit dan aset **TH**. Lembaga Pengarah sedar akan tanggungjawab untuk memastikan sistem kawalan dalaman dan sistem pengurusan maklumat adalah berkesan, mencukupi serta berintegriti dalam aspek-aspek kewangan dan bukan kewangan.

Sistem kawalan dalaman yang kukuh membolehkan Lembaga Pengarah menjalankan operasinya secara cekap dan berkesan, memastikan pelaporan kewangan yang tepat, prosedur kerja yang mantap serta pematuan undang-undang dan peraturan-peraturan. Namun begitu oleh kerana wujudnya batasan dalam mana-mana sistem kawalan dalaman, sistem ini hanya akan dapat memberikan kepastian munasabah dan bukan kepastian mutlak akan keberkesanan menghindari berlakunya kesilapan penting penyata pengurusan serta maklumat kewangan ataupun terhadap kerugian kewangan dan penipuan.

Sistem kawalan direkabentuk bagi memastikan risiko-risiko dihadapi Lembaga Pengarah dalam mencapai objektif penubuhan **TH** dapat dikenalpasti dan diurus, walaupun tidak dapat dihapuskan sama sekali, berada pada tahap boleh diterima. Berikut adalah ciri-ciri utama kawalan dalaman di **TH** dan Kumpulan:

Struktur Organisasi dan Pentadbiran

- Penubuhan pelbagai jawatankuasa dengan terma rujukan ditakrifkan jelas ke atas peranan dan tanggungjawab;
- Manual Kuasa Tabung Haji yang menyatakan tahap dan had kuasa pengurusan;
- Manual Pengurusan Pejabat Dan Tadbir Urus Tabung Haji yang merupakan rujukan berpusat komprehensif, seragam, praktikal serta boleh diaplikasi di semua pejabat **TH** dan menjadi peraturan yang digunapakai;
- Struktur organisasi yang jelas mengenai akauntabiliti, penurunan kuasa dan tanggungjawab di semua peringkat;

The Board of Directors (the Board) recognizes the importance of maintaining good internal controls, risk management practices and corporate governance to safeguard the depositors' funds and **TH's** assets. Ultimately, the Board is cognisant of its responsibility to ensure effectiveness, adequacy and integrity of internal controls and information management systems in both financial and non-financial aspects.

An effective internal control system has enabled the Board to carry out its operations efficiently and effectively, ensuring accurate financial reporting and establishing working procedures that are in compliance with laws and regulations. Nevertheless, it must be acknowledged that due to the limitations inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The control system is designed to ensure that the risks faced by the Board in its effort to achieve **TH's** objectives can be identified and managed, but not entirely eliminated, to an acceptable level. The main features of internal control at **TH** and the Group are:

Organizational Structure and Administration

- Establishment of various committees with terms of reference on the roles and responsibilities;
- **TH** Authority Manual sets the level and limit of management authority;
- Tabung Haji Office Management and Governance Manual as a centralised reference that is comprehensive, uniform, practical and can be applied at all **TH** offices and has become adopted regulations;
- An organizational structure with clearly defined lines of accountability, empowerment and responsibility at all levels;

- Bahagian Audit Dalam melapor terus kepada Jawatankuasa Audit yang menyediakan penilaian bebas terhadap kecukupan dan kewibawaan sistem kawalan dalaman serta mengetengahkan sebarang risiko yang ketara. Pelaksanaan audit adalah berdasarkan pelan audit tahunan yang diluluskan oleh Jawatankuasa Audit. Bagi memantau sistem kawalan dalaman syarikat subsidiari, **TH** telah mengarahkan penubuhan Jabatan atau Bahagian Audit Dalam untuk setiap syarikat subsidiari. Bahagian Audit Dalam juga membuat auditan di ibu pejabat, pejabat-pejabat cawangan dan syarikat subsidiari **TH**. Pemeriksaan tunai dan lawatan mengejut dibuat ke pejabat-pejabat cawangan **TH** secara berterusan;
- Bahagian Integriti bertanggungjawab membentuk persekitaran perniagaan adil, telus dan bebas daripada rasuah, penyelewengan dan salahguna kuasa. Ia juga berperanan meningkatkan kecekapan sistem penyampaian perkhidmatan dan kawalan dalaman serta menerapkan budaya integriti di dalam organisasi;
- Bahagian Pengurusan Risiko (BPR) berperanan mewujudkan budaya pengurusan risiko yang kukuh dan mantap yang dimanifestasikan melalui pemahaman risiko merentasi setiap peringkat, keputusan perniagaan dan aktiviti. BPR juga telah mengembangkan fungsinya untuk mengurus risiko pematuhan yang mungkin boleh berlaku jika **TH** tidak mematuhi undang-undang, polisi dalaman atau tatakerja perniagaan; dan
- **TH** juga mewakili sekurang-kurangnya seorang Lembaga Pengarah atau pegawai pengurusan **TH** di setiap syarikat subsidiarinya.
- The Internal Audit Division reports directly to the Audit Committee. The division provides an independent assessment on the adequacy and integrity of internal control system and subsequently notifies all departments of any apparent risks. Audit implementation is based on an annual audit plan approved by the Audit Committee. To monitor its subsidiaries' internal control systems, **TH** has directed for the establishment of Internal Audit Departments or Divisions within **TH** subsidiaries. The Internal Audit Division also audits the departments at the head office, branch offices and subsidiaries of **TH**. Surprise visits and cash inspections are continuously conducted at **TH** branch offices;
- The Integrity Division is responsible to create a business environment that is fair, transparent and free from bribery, malpractices and misuse of authority. It is also part of the Division's role to increase service delivery efficiency and internal control as well as nurture the culture of integrity within the organisation;
- The role of the Risk Management Division (RMD) is to inculcate a robust and sound risk management culture; manifested through clear understanding of the existence of risk elements in each level of the decision-making process and business activities undertaken. RMD had expanded its function to include managing risk of compliance that may arise if **TH** fails to adhere to the law, internal policies, or business conduct; and
- **TH** also assigns at least one Board Member or an officer from the management of **TH** to monitor each subsidiary.

Pelaburan

- Bagi urusan pelaburan, Jawatankuasa Penasihat Pelaburan (Panel Pelaburan) telah ditubuhkan, di mana ahli-ahlinya adalah daripada kalangan profesional di dalam bidang masing-masing dan tidak mempunyai keahlian Lembaga Pengarah. Tanggungjawab Panel Pelaburan adalah menasihati Lembaga Pengarah dalam menimbang cadangan pelaburan sebelum diangkat untuk kelulusan Menteri di Jabatan Perdana Menteri;
- Prospek-prospek pelaburan juga perlu melalui BPR, Jawatankuasa Penilaian Portfolio sebelum melalui Panel Pelaburan;
- Panel Pelaburan juga akan menasihatkan Pengurusan **TH** ke atas keberkesanan aktiviti dan kawalan dalaman pelaburan; dan

Investment

- An Investment Advisory Committee (Investment Panel) was set up, whose membership consist of professionals within their field and not from the Board. The Investment Panel's role is to advise the Board in discharging its duties by deliberating on any viable investment proposals prior to submission to the Minister in the Prime Minister's Department for approval;
- All prospective proposals must also go through the RMD, Portfolio Review Committee and subsequently presented to the Investment Panel;
- The Investment Panel also advises **TH** Management on the effective method of implementing internal control and investment activities; and

- Dasar dan polisi pelaburan serta penggunaan rangkakerja Alokasi Aset Strategik (SAA) juga merupakan tonggak utama kawalan risiko kewangan di **TH**. Strategi pelaburan **TH** pada dasarnya disokong oleh toleransi risiko seperti yang dicadangkan dengan mengambil kira analisa persekitaran pasaran dana dan modal, pemandu ekonomi aliran tunai, ufuk masa pelaburan, tadbir urus atau kekangan peraturan dan faktor-faktor lain yang berkaitan. SAA ini dikaji semula secara berkala untuk memastikan aset dilaburkan pada tahap yang optimum. **TH** akan meneruskan aktiviti pelaburan yang berhemat di dalam lingkungan toleransi risiko yang ditetapkan untuk memastikan pulangan yang kompetitif ke atas pelaburan.

Khidmat Pendeposit dan Operasi

- Penyediaan kemudahan perkhidmatan pengeluaran dan simpanan melalui mesin ATM/CDM selain berurusan di kaunter-kaunter **TH** seluruh Malaysia; dan
- Penggunaan khidmat *Tabung Haji Contact Centre* menjadi perhubungan utama untuk menangani sebarang pertanyaan atau aduan daripada orang awam.

Kewangan

- Sistem Pengurusan Kewangan sentiasa melalui penambahbaikan berterusan terutama daripada segi perakaunan, kewangan serta pelaporan; dan
- Dari sudut pengurusan bajet, **TH** mengamalkan budaya berbelanja secara berhemah dan terkawal di mana bajet yang diluluskan tidak semestinya dibelanjakan. Perbelanjaan adalah mengikut keutamaan di samping memastikan kualiti perkhidmatan berada di tahap yang cemerlang.

Sistem dan Teknologi

- Sistem Pendeposit, Haji, Hartanah dan Sumber Manusia sentiasa melalui usaha penambahbaikan berterusan. Urusan perolehan juga dilaksanakan secara Sistem Perolehan Elektronik;

- The investment policies and the adoption of the Strategic Asset Allocation (SAA) framework have been the main thrust of the financial risk control in **TH**. **TH**'s investment strategy in essence is underpinned by the recommended risk tolerance level by taking into account the environmental analysis of fund and capital markets, economic drivers of cash flows, investment time horizons, governance or regulatory constraints and other related factors. The SAA is reviewed regularly to ensure the assets are invested at an optimum level. **TH** will continue its prudent investment activities within the risk tolerance that ensures a competitive return on investment.

Operations and Depositors Services

- Withdrawal and deposit services through ATM/CDM terminals apart from performing their transactions at **TH** counters nationwide; and
- The usage of Tabung Haji Contact Centre as the main channel to handle queries and complaints by the general public.

Finance

- The Financial Management System undergoes continuous improvement especially on accounting, financial and also reporting practices; and
- From the budget management perspective, **TH** practises a prudent spending culture whereby budgets approved by the Board are not necessarily spent. **TH**'s spending is based on priority without compromising on the quality of service provided for its customers.

Technology and System

- The Depositor, Haji, Properties and Human Resource systems are continuously improved. Procurement management is conducted via the Electronic Procurement System;

- Dasar Teknologi Maklumat dan Komunikasi **TH** (ICT Policy) dirangka dan didokumenkan menggariskan dasar serta prosedur yang perlu untuk memastikan keselamatan, kerahsiaan, kewibawaan dan ketersediaan maklumat, data dan aplikasi di dalam organisasi. Melalui pelaksanaan serta pematuhan dasar ini, ianya dapat mengawal penggunaan perkakasan IT milik **TH** dan juga keselamatan maklumat yang berbentuk digital. Ciri-ciri keupayaan Sistem Keselamatan ICT **TH** adalah merangkumi Perlindungan Kebocoran Data, Penapisan Kandungan, Laporan Pemantauan segala penggunaan sistem, aplikasi, peralatan komputer termasuk peralatan USB dan Perlindungan Sekuriti Parameter;
- Demi mematuhi Akta Pencegahan Pengubahan Wang Haram, Pencegahan Pembiayaan Keganasan dan Hasil Daripada Aktiviti Haram 2001, Sistem AML/CFT disepadukan dengan Sistem Pendeposit. Sesi latihan dan penerangan kepada anggota **TH** berkaitan AML/CFT ini dibuat secara berterusan;
- **TH** juga menggunakan kaedah Pengurusan Risiko Bersepadu dalam menguruskan risikonya;
- Bagi memastikan perkhidmatan komputer yang lebih mantap serta pengurangan risiko dalam menampung operasi perniagaan dan perkhidmatan pelanggan, **TH** menyediakan satu Pusat Data **TH** dengan pensijilan Piawaian Antarabangsa oleh Uptime Institute (spesifikasi Pusat Data Tier 3) dan mempunyai tahap keselamatan tinggi dan kawalan ketat Pusat Data dan dipantau sepanjang masa;
- Bagi memastikan keselamatan dokumen sensitif dan terperingkat sentiasa terkawal, selamat serta tidak terdedah kepada umum **TH** melaksanakan mekanisme kawalan keselamatan termasuk enkripsi dokumen dan penggunaan *watermark* ke atas semua dokumen terperingkat, sama ada dalam bentuk fizikal atau perkongsian dengan penerima sah melalui peranti elektronik seperti mel elektronik dan pemacu luaran. Sistem enkripsi ini direka untuk memitigasi kebocoran maklumat dan dokumen dikunci apabila dikongsi dengan penerima yang tidak sah. Dokumen dienkrp berdasarkan kepada tahap-tahap sensitiviti yang menentukan cara pengurusannya seperti Dokumen Terperingkat (Terhad) dan hanya untuk edaran dalaman sahaja, Dokumen Sensitif serta Dokumen Terperingkat (Sulit, Rahsia dan Rahsia Besar);
- **TH's** Information and Communication Technology Policy (ICT Policy) is designed and documented outlining the policies and procedures to ensure the security, confidentiality, integrity, availability of information, data and applications within the organization. Through the implementation and compliance with this policy, it can control the use of IT hardware and security of information in digital form. The features of **TH** ICT Security System comprise Data Leakage Protection, Content Filtering, Report Monitoring on the use of systems, applications, computer peripherals including USB devices and security protection parameters;
- In compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the AML/ CFT System is integrated into the Depositor System. Training and briefing sessions pertaining to AML/CFT are carried out with **TH's** personnel on a continuous basis;
- **TH** also uses the Enterprise Risk Management method in managing its risks;
- To ensure better computer services and reduce risks in supporting business operations and customer service, **TH** provides a **TH** Data Centre that meets International Standards Certification by the Uptime Institute (Data Centre Tier 3 specification) and also with high level of security and strict Data Centre control and monitored continuously;
- To ensure the security of sensitive and classified documents are being controlled, safe and not exposed to the public, **TH** implemented the security control mechanism that includes document encryption and watermarking on all classified documents, both in physical form or shared documents with authorised recipients through electronic devices such as e-mails and external drives. This encryption system is designed to mitigate information leakages. Documents are locked when shared with unauthorised recipients. The documents are encrypted based on sensitivity levels which define how they should be dealt with such as Classified Documents (Restricted) and strictly for internal circulation only, Sensitive Documents and Classified Documents (Confidential, Secret and Top Secret);

- Persijilan Sistem Pengurusan Kualiti (SPK) MS ISO 9001:2008 oleh pihak SIRIM Berhad bagi:
 - Jabatan Haji (Pengurusan dan Operasi Perkhidmatan Haji di Malaysia dan Arab Saudi);
 - Jabatan Khidmat Pendeposit dan Operasi (Penyampaian Perkhidmatan Pelanggan dan Tabungan); dan
 - Bahagian Pentadbiran dan Perolehan (Perkhidmatan Pengurusan Perolehan).
- Persijilan Sistem Pengurusan Keselamatan dan Kesihatan Pekerjaan MS 1772:2011 bagi Skop Pengurusan Bangunan dan Penyelenggaraan Fasiliti oleh pihak SIRIM Berhad.
- Certification of Quality Management System (QMS) ISO 9001:2008 given by SIRIM Berhad for:
 - Hajj Division (Pilgrimage Services Management and Operations in Malaysia and Saudi Arabia);
 - Depositor Services and Operations Division (Customer Service Delivery and Savings); and
 - Administration and Procurement Division (Procurement Management Services).
- Certification of MS 1772: 2011 by SIRIM Berhad under the Scope of Building Management and Maintenance of Facilities.

Pengurusan Sumber Manusia

- **TH** sentiasa memberi penekanan bagi mempertingkatkan tahap profesionalisme di kalangan anggota melalui proses pengambilan, latihan dan sistem penilaian prestasi yang bersesuaian;
- **TH** telah membangunkan Indeks Penilaian Prestasi dalam membuat penilaian tahunan ke atas prestasi pengurusan pertengahan dan tertinggi;
- **TH** adalah komited untuk menjadi organisasi yang dapat mewujudkan persekitaran perniagaan yang adil, telus serta bebas daripada gejala rasuah seperti mana dizahirkan dalam Ikrar Integriti Korporat **TH**;
- **TH** melaksanakan Dasar Keselamatan dan Kesihatan Pekerjaan bagi memastikan persekitaran dan premis **TH** adalah selamat serta sihat untuk semua anggota **TH** dan juga pihak lain dalam aktiviti-aktiviti pekerjaan yang dijalankan. Dasar ini akan sentiasa dinilai dan disemak semula dari semasa ke semasa secara berkala berdasarkan kepada perundangan dalam usaha meningkatkan pengurusan dan keselamatan di **TH**;
- Dasar bagi Pendedahan Maklumat Tentang Salah Laku di Tempat Kerja diwujudkan bagi memastikan proses pelaporan maklumat salah laku anggota dibuat mengikut prosedur dan cara yang diperuntukkan oleh polisi dalaman. **TH** telah menyediakan saluran e-Whistleblowing untuk maklumbalas atau aduan di dalam laman webnya;

Human Resource Management

- **TH** has always emphasized on improving the level of professionalism among staff through appropriate process of recruitment, training and performance evaluation system;
- **TH** has also developed a Performance Assessment Index as a basis to make annual assessment on the performance of its middle and senior management;
- **TH** is committed to be an organization that creates fair, transparent and independent business environment that is free from corruption as stated in **TH's** Corporate Integrity Pledge;
- The implementation of Occupational Health and Safety Policy in **TH** is to ensure the environment and premises are safe and healthy for all the staff and also other parties when carrying out their work. This policy will be continuously evaluated and revised from time to time on a regular basis based on the regulation in order to improve the management and safety of **TH**;
- A Whistleblowing Policy was put in place to ensure that the reporting process for cases of staff misconduct is carried out in accordance with procedures and methods provided by **TH's** internal policy. **TH** has provided an e-Whistleblowing channel on its website to receive feedbacks or complaints;

- **TH** mewujudkan Polisi Integrity Pact dalam urusan Perolehan **TH** di mana ianya merupakan satu proses pengisytiharan secara dokumen bertulis oleh pembida/orang awam dan anggota **TH** supaya tidak terlibat dalam amalan rasuah;
 - **TH** menguatkuasakan peraturan-peraturan tatatertib melalui Peraturan-Peraturan Tatatertib Tabung Haji 2010 dan Peraturan-Peraturan Tabung Haji (Jawatankuasa Tatatertib dan Jawatankuasa Rayuan Tatatertib) 2010;
 - Kursus pengukuhan kerja dan ceramah integriti diberikan kepada anggota; dan
 - Dasar pusingan kerja terutama dalam kalangan anggota teller dilaksanakan secara berperingkat serta berterusan.
- **TH** has established an Integrity Pact Policy in **TH's** Procurement process where bidders/members of the public and **TH** staff are required to make a written declaration not to get involved in corrupt practices;
 - **TH** enforced disciplinary regulations through the Tabung Haji Disciplinary Regulations 2010 and Tabung Haji Regulations (Disciplinary Committee and Disciplinary Appeal Committee) 2010;
 - Job competency enhancement training and integrity talks are given to staff; and
 - Job rotation policy, especially among tellers, has been implemented in stages and on a continuous basis.

Lembaga Pengarah berpuas hati dengan sistem kawalan dalaman yang telah diwujudkan sama ada di peringkat **TH** mahupun Kumpulan dan akan terus menjalankan proses mengenal pasti, menganalisa dan mengurus risiko utama yang mungkin dihadapi sepanjang tahun.

Proses tersebut akan selalu dikaji oleh Lembaga Pengarah melalui Jawatankuasa Audit dan pemeriksaan akan dilakukan dengan panduan Piagam Audit Dalam dan Jawatankuasa Audit.

Sistem kawalan dalaman yang telah dilaksanakan akan dipertingkatkan lagi dari semasa ke semasa secara berterusan selaras dengan perubahan persekitaran.

Penyata ini telah disediakan sejajar dengan kelulusan Lembaga Pengarah bertarikh 13 April 2017.

The Board is satisfied with the system of internal controls that have been established at either **TH** or its Group and will continue to carry out the process of identifying, analyzing and managing significant risks that may be encountered during the year.

These processes will be reviewed constantly by the Board of Directors via the Audit Committee. Inspections will be made based on the Internal Audit Charter under the guidance of the Audit Committee.

Internal control systems that have been implemented will be continuously upgraded from time to time in line with changes in the environment.

This statement is prepared in line with the Board of Directors approval made on 13 April 2017.

LAPORAN JAWATANKUASA AUDIT

Audit Committee Report

Takrifan Semula Cabaran
Redefining Challenges

Jawatankuasa Audit

Rujukan dan pelantikan ahli Jawatankuasa Audit yang berkuat kuasa adalah mengikut Surat Pekeliling Am Bil. 3 Tahun 1998 – Garis Panduan Mengenai Peranan dan Tanggungjawab Kementerian, Lembaga Pengarah dan Ketua Eksekutif dalam Pengurusan Badan-Badan Berkanun Persekutuan.

Keahlian Jawatankuasa Audit 2016

Jawatankuasa ini terdiri daripada Pengarah-Pengarah Bukan Eksekutif. Senarai Ahli Jawatankuasa Audit tahun 2016 adalah seperti berikut:

Nama Name	Status Jawatan Position
Tan Sri Othman Mahmood Dilantik sebagai Pengerusi Jawatankuasa Audit pada 25 Februari 2016 Appointed as Chairman of the Audit Committee on 25 February 2016	Pengerusi Chairman Wakil Jabatan Perdana Menteri Representative of the Prime Minister's Department
Tan Sri Dr. Mohd Irwan Serigar Abdullah	Wakil Perbendaharaan Treasury Representative
Datuk Rosni Sohar Dilantik sebagai Ahli Jawatankuasa Audit pada 22 Februari 2016 Appointed as Member of the Audit Committee on 22 February 2016	Ahli Member

Kekerapan Mesyuarat

Kuorum mesyuarat ialah dua orang ahli dan Ketua Audit Dalam sebagai Setiausaha. Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif serta Pengurusan Kanan **TH** akan turut hadir atas jemputan daripada Jawatankuasa. Jawatankuasa Audit telah bermesyuarat sebanyak dua kali sepanjang tahun 2016 iaitu pada tarikh seperti berikut:

- Mesyuarat Pertama – 6 April 2016
- Mesyuarat Kedua – 5 Ogos 2016

Audit Committee

Reference and appointment of its active members of Audit Committee are in accordance with The General Circular No. 3 1998 – Guidelines on Roles and Responsibilities of The Ministry, Board of Directors and Chief Executive in the Management of the Federal Statutory Bodies.

2016 Audit Committee Membership

The Committee comprises Non-Executive Directors. Members of the Audit Committee for 2016 are as follows:

Frequency of Meeting

The required quorum is two members and the Chief Internal Auditor acts as the Secretary. The Group Managing Director and Chief Executive Officer and Senior Management of **TH** will attend as invitees. The Audit Committee met twice in 2016 on the following dates:

- First Meeting – 6 April 2016
- Second Meeting – 5 August 2016

Bidang Kuasa

Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

- Menyiasat semua aktiviti yang termasuk dalam bidang kuasanya;
- Memperolehi semua sumber yang diperlukan bagi menjalankan tugasnya;
- Memperolehi semua maklumat dan dokumen yang berkaitan dengan semua aktivitinya;
- Komunikasi dengan juruaudit luar dan dalam serta pihak pengurusan Kumpulan **TH**;
- Mendapatkan khidmat nasihat profesional atau guaman yang mempunyai pengalaman dan kepakaran yang berkaitan; dan
- Mengadakan mesyuarat dengan juruaudit luar dan dalam.

Tugas dan Tanggungjawab

Tugas dan tanggungjawab Jawatankuasa Audit kepada Jemaah Lembaga Pengarah adalah untuk mengkaji, menilai dan melaporkan mengenai perkara-perkara berikut:

- Menetapkan skop audit dan perancangan audit dalaman;
- Memastikan polisi dalaman, prosedur dan garis panduan, kawalan dalaman dan operasi yang efektif dilaksanakan;
- Memastikan juruaudit mempunyai kuasa untuk menjalankan tugas mereka;
- Memastikan tindakan penambahbaikan dilaksanakan demi mengukuhkan kawalan dalaman;
- Memastikan tiada sebarang urusan yang boleh menimbulkan konflik kepentingan dan keraguan terhadap integriti Pengurusan **TH**;
- Mengkaji struktur Bahagian Audit Dalam untuk memperbaiki dan meningkatkan kecekapan serta keberkesanannya dalam melaksanakan fungsinya;
- Mengkaji dan meluluskan perubahan dalam tumpuan dan kaedah pengauditan seperti pendekatan audit berasaskan pematuhan kepada audit berasaskan risiko. Ini termasuklah mengkaji garis panduan audit serta kaedah pengauditan berdasarkan piawaian industri dan amalan sejagat yang terbaik; dan
- Mengkaji keperluan anggota dan latihan yang diperlukan anggota Audit Dalam bagi melaksanakan tugas dengan lebih kompeten, efisien dan efektif.

Terms of Reference

The Audit Committee is given authority by the Board to:

- Investigate all activities within its terms of reference;
- Access to all the necessary resources to carry out their duties;
- Access to all information and documents relevant to all their activities;
- Communicate directly with external and internal auditors as well as **TH's** Group Management;
- Seek expert and experienced professional or legal advices on related matters; and
- Hold meetings with external and internal auditors.

Duties and Responsibilities

The Audit Committee's duties and responsibilities to the Board of Directors are to examine, assess and report on the following matters:

- Determination of scope of audit and the internal audit plan;
- Ensure that the internal policies, procedures and guidelines, internal control and operations implemented are effective;
- Ensure auditors have the authority to carry out their duties;
- Ensure improvement actions are implemented for tighter internal control;
- Ensure that no transactions may give rise to conflict of interests and raise doubts on the integrity of **TH's** Management;
- Review the structure of the Internal Audit Division to improve as well as enhance the efficiency and effectiveness in carrying out its functions;
- Review and approve changes in the audit focus and approach, such as from compliance-based to risk-based audits. This includes reviewing the audit guidelines and risk-based audit approach based on industry standards and global best practices; and
- Review staff requirements and their training needs to ensure that Internal Audit staffs are competent, efficient and effective in conducting audit assignments.

LAPORAN PENGURUSAN RISIKO

Risk Management Report

Takrifan Semula Cabaran
Redefining Challenges

Pendekatan Pengurusan Risiko Bersepadu (ERM) terus digunakan pada seluruh organisasi untuk menguruskan potensi risiko secara berhemah berdasarkan toleransi risiko dan pelan mitigasi yang ditetapkan untuk memastikan pencapaian objektif strategik **TH**.

Kenyataan Dasar Pengurusan Risiko

Setiap aktiviti perniagaan yang diceburi boleh menimbulkan pelbagai jenis risiko di tahap-tahap yang tertentu berdasarkan kepada kebarangkalian dan impak. Risiko-risiko ini hendaklah dikenalpasti, diukur, dinilai dan diurus secara bersepadu dan konsisten oleh **TH** sendiri.

Objektif Pengurusan Risiko

Untuk melindungi **TH** daripada kegagalan untuk mencapai visinya sebagai institusi yang menjana ekonomi ummah yang unggul dan pengurusan haji yang cemerlang melalui pengurusan risiko yang efektif dan bersepadu.

Proses Pengurusan Risiko

The Enterprise Risk Management (ERM) approach is adopted across the organisation to manage potential risks prudently based on the risk tolerance and mitigation plan set to ensure the achievement of **TH**'s strategic objectives.

Risk Management Policy Statement

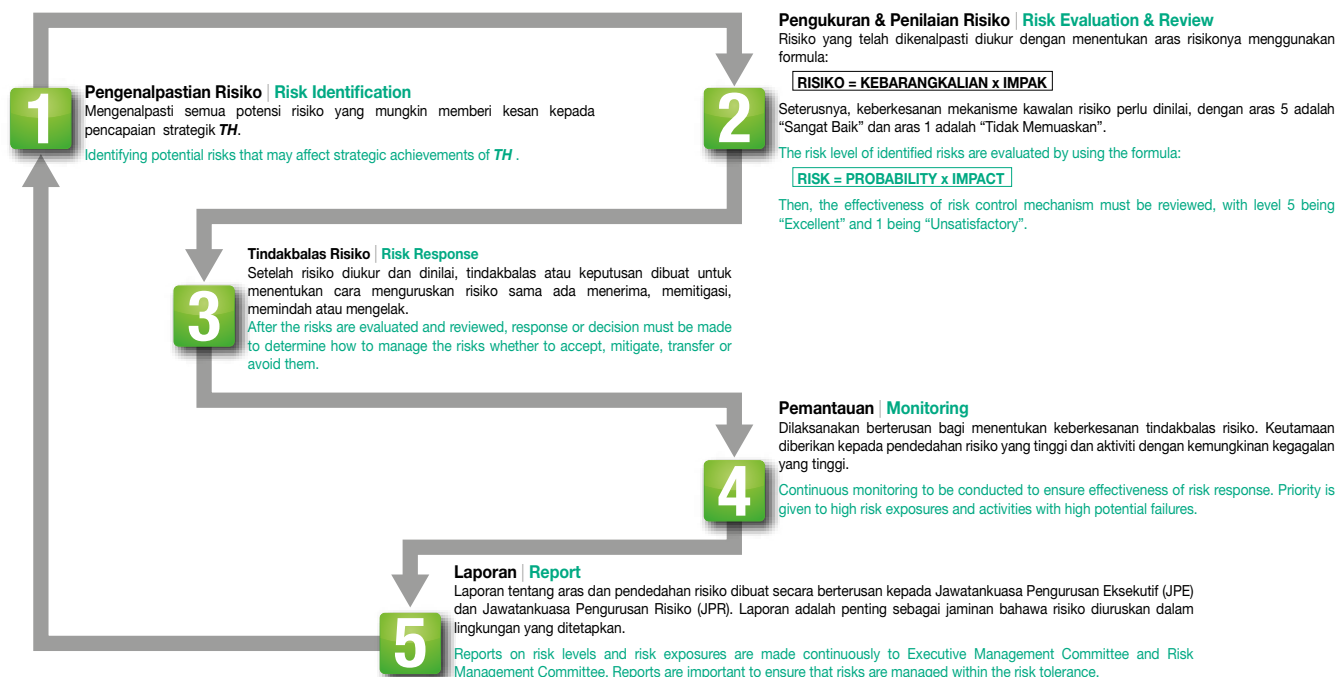
Every business activities undertaken may trigger potential risks with different risk levels based on its probability and impact. These risks must be identified, evaluated, reviewed and managed integrally and consistently by **TH**.

Risk Management Objective

To protect **TH** from failure in achieving its vision of becoming the institution that generates ummah economic success and excellence in pilgrimage management through an effective and integrated risk management.

Risk Management Process

Proses Pengurusan Risiko | Risk Management Process



Risiko-Risiko Utama TH dan Mitigasinya

Risiko Keselamatan Dokumen

Beberapa tindakan kawalan telah diambil seperti berikut:

- Penambahbaikan berterusan kepada sistem *Data Leak Prevention* di mana kandungan sensitif digunakan oleh anggota dipantau dan laporan terperinci dikeluarkan; dan
- Pelaksanaan Mekanisme Kawalan Keselamatan termasuk enkripsi dokumen dan penggunaan *watermark* ke atas dokumen terperingkat.

Dokumen dienkrp berdasarkan tahap-tahap sensitiviti:

Material Risks of TH and its Key Risk Mitigations

Document Security Risk

Several control measures have been taken as follows:

- Continuous enhancement to the Data Leak Prevention system where sensitive contents used by staff are monitored and detailed reports are produced; and
- The implementation of Security Control Mechanism that includes document encryption and watermark on classified documents.

Documents are encrypted based on sensitivity levels:

Tahap Sensitiviti Sensitivity Level	Jenis Dokumen Type Of Documents
Hijau Green	Dokumen Terperingkat (Terhad) dan hanya untuk edaran dalaman sahaja. Classified Documents (Restricted) and strictly for internal circulation only.
Kuning Yellow	Dokumen Sensitif. Sensitive Documents.
Merah Red	Dokumen Terperingkat (Sulit, Rahsia dan Rahsia Besar). Classified Documents (Confidential, Secret and Top Secret).

• Risiko Kewangan

Secara keseluruhan bagi tahun 2016, penilaian risiko pelaburan menunjukkan bahawa tahap toleransi risiko untuk semua kelas aset adalah di antara sederhana dan tinggi. Dari segi kecairan tunai, **TH** mempunyai tunai dan aset bersamaan tunai mencukupi bagi menampung tahap pengeluaran tinggi.

Pada masa ini, **TH** mempunyai aset cair berkualiti tinggi secukupnya untuk menampung sebarang krisis kecairan.

Alokasi Aset Strategik (SAA) merupakan antara tonggak utama kawalan risiko kewangan di **TH**. SAA dikaji semula secara berkala bagi memastikan aset pelaburan sentiasa pada tahap optimum.

• Risiko Operasi

Risiko Operasi adalah kemungkinan berlakunya kerugian akibat dari kegagalan atau kelemahan proses dalaman, manusia, sistem atau apa-apa peristiwa luaran yang boleh mengganggu proses dan operasi perniagaan **TH**. Bagi mengawal risiko operasi, berikut merupakan inisiatif-inisiatif utama yang telah dilaksanakan bagi tahun 2016:

- Penilaian Risiko Operasi diperluaskan ke peringkat Pejabat **TH** Negeri dan Cawangan;
- Mengenalpasti risiko korporat **TH** yang boleh menghalang **TH** daripada mencapai objektif perniagaannya;
- Penilaian risiko yang menyeluruh ke atas projek-projek teknologi maklumat sebelum pelaksanaan dan pembangunan projek dimulakan;
- Projek menaiktaraf tapak alternatif bagi meneruskan operasi fungsi-fungsi perniagaan yang kritikal; dan
- Mengemaskini Analisis Keberkesanan Perniagaan bagi menyesuaikan dengan keperluan semasa dan melaksanakan ujian-ujian bagi melihat keberkesanan Pelan Kesenambungan **TH** semasa bencana.

• Financial Risk

Overall for the year 2016, investment risk assessment indicates that the risk tolerance level for all asset class is between medium and high. In terms of liquidity, **TH** has sufficient cash and cash equivalent assets to accommodate high level of withdrawals.

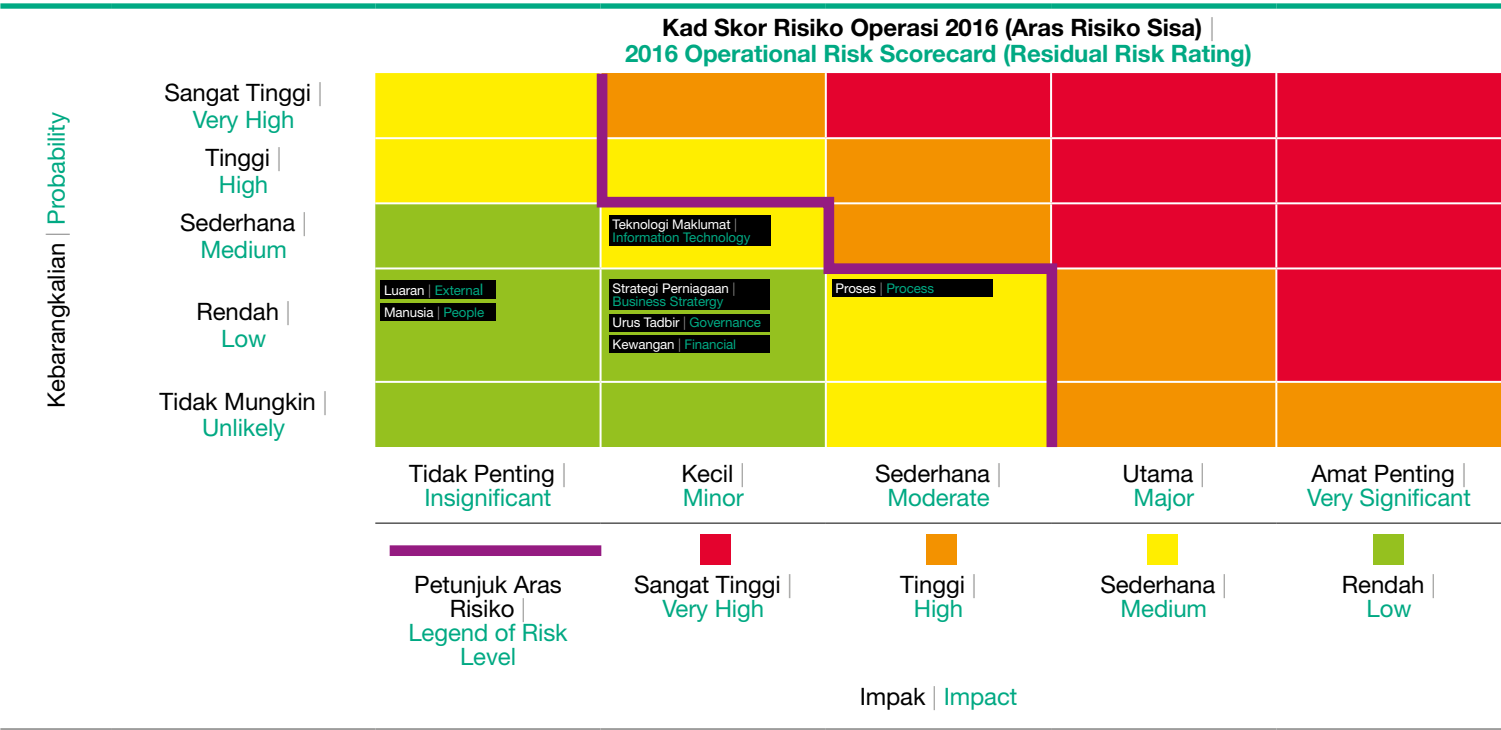
Currently, **TH's** High Quality Liquid Asset is sufficient to withstand any liquidity crisis.

Strategic Asset Allocation (SAA) has been one of the mainstays of the financial risk control in **TH**. The SAA is reviewed regularly to ensure the assets are invested at optimum level.

• Operational Risk

Operational risk is defined as possibility of losses resulting from the failure or weaknesses of internal processes, people, systems or any external events that can disrupt **TH's** process and business operations. To control operational risks, the following are the main initiatives which have been implemented in 2016:

- Operational Risk Assessment are extended throughout **TH's** state and branch offices;
- Identify **TH** corporate risks which could prevent **TH** from achieving its business objectives;
- Comprehensive risk assessment on information technology projects prior to implementation and development of the projects;
- Upgraded alternate site project for the continuation of operations for critical business functions; and
- Business Impact Analysis updates exercise to adapt with current operational needs and perform various tests to gauge the effectiveness of **TH** Business Continuity Plan during disaster.



Risiko Operasi Haji

Secara keseluruhan, risiko tahun 1437H adalah didapati berada di tahap sederhana dan terkawal. Untuk Musim Haji 1437H, fokus pengurusan risiko haji tertumpu kepada tiga ruang kerja iaitu :

- Memantau isyarat amaran awal risiko melalui Petunjuk Risiko Utama yang telah dikenalpasti;
- Menilai dan memantau keberkesanan kawalan risiko terutama risiko yang di tahap tinggi; dan
- Memastikan kesiapsiagaan Operasi Haji di Tanah Suci dalam menghadapi bencana.

Selain daripada itu, **TH** berterusan meningkatkan pengurusan risiko operasi haji dengan inisiatif seperti berikut:

- Menambahbaik Pelan Pengurusan Bencana Operasi Haji Tanah Suci;
- Mengadakan Latihan Table Top untuk menyediakan Pasukan Tindakan Kecemasan akan sebarang bencana keselamatan di Tanah Suci; dan

Haji Operation Risk

Overall, the risk for the year 1437H hajj operations was moderate and under control. For the 1437H Hajj Season, the hajj risk management is focused on three areas of work, namely:

- To monitor early warning signals of possible risks through identified Key Risk Indicators;
- To assess and monitor the effectiveness of risk controls especially those recognized as high level of risk; and
- To ensure Hajj Operation in the Holy Land is ready to face any disaster.

In addition, **TH** continues to enhance its hajj operation risk management by setting up initiatives such as:

- Enhancing Disaster Management Plan for Hajj Operation in the Holy Land;
- Organising Table Top Exercise to ensure Emergency Response Team are ready for any disaster in the Holy Land; and

- Memantau secara dekat keberkesanan setiap kawalan yang telah dibangunkan semasa Operasi Haji Tanah Suci berlangsung.

- Close monitoring of controls effectiveness that has been developed during Hajj Operation in the Holy Land.

• Pencegahan Pengubahan Wang Haram dan Pencegahan Pembiayaan Keganasan (AML/CFT)

Antara risiko dan tindakan kawalan yang telah dijalankan sepanjang 2016 adalah seperti berikut:

• Anti-Money Laundering and Counter Financing Terrorism (AML/CFT)

Among the risks and control actions which were implemented during 2016 are as follows:

Cabaran 2016 Challenges in 2016	Kawalan dan Pelan Mitigasi Controls and Mitigation Plans	Inisiatif Utama Sepanjang 2016 2016 Key Initiatives
Memastikan pematuhan menyeluruh terhadap Akta AMLATFPUAA 2001 dan Sektor 1 oleh Bank Negara Malaysia (BNM). To ensure the compliance to AMLATFPUAA 2001 Act and Sector 1 of Bank Negara Malaysia (BNM).	Peningkatan pemahaman dan kesedaran AML/CFT secara meluas melalui latihan yang kerap dan berterusan. Increasing understanding (awareness) of AML/CFT through regular and on-going training.	Latihan, bengkel dan seminar untuk anggota TH, Pengurusan Kanan dan Ahli Lembaga Pengarah. Training, workshop and seminar for employees, Senior Managements and Board Members.
Memupuk budaya pematuhan dan menanam rasa bertanggungjawab menguruskan risiko sepanjang masa dan semasa operasi harian. To cultivate compliance culture and to instil sense of responsibility to manage risk at all time and daily business operations.	Pelaksanaan Sistem Pencegahan Pengubahan Wang Haram komprehensif. Implementing a comprehensive Anti-Money Laundering System.	Penguatkuasaan pematuhan AML/CFT bagi cawangan dan pelantikan pegawai pematuhan untuk setiap pejabat cawangan. Enforcing AML/CFT compliance check for branches, and appointing branch compliance officer.
Membangunkan pendekatan strategik yang komprehensif dan bersepadu bagi memastikan maklumat dan keputusan sejajar dengan peraturan yang ditetapkan. To develop comprehensive and integrated strategic approach in order to ensure information and decision-making comply with the regulatory expectations.	Penambahbaikan standard prosedur operasi, melaksanakan penambahbaikan kepada sistem teras, meningkatkan kaedah-kaedah pengurusan kes serta menyemai dan merealisasikan budaya pematuhan di semua peringkat organisasi dan di setiap aktiviti. Improving guidelines standards operating procedure, performing enhancement to core system, enhancing case management rules and cultivating and realizing compliance culture at all levels of the organisation and activities.	Mengkaji dan memperbaiki dasar AML/CFT di TH, dasar penerimaan pelanggan, usaha wajar pelanggan, pemantauan transaksi mencurigakan, penilaian sendiri pelanggan, pemeriksaan/penyaringan pekerja, penyimpanan rekod dan pelaporan kepada badan-badan berkuasa. Reviewing and improving TH's AML/CFT policy, customer acceptance policy, customer due diligence, suspicious transaction monitoring, customer self-assessment, employee screening, record keeping and reporting to regulatory bodies.
Mengenal pasti risiko dan mengadaptasikan ke dalam konsep selera risiko dalam pendekatan yang sedia ada. To identify risk inherent and to embed it into the concept of risk appetite within the existing approach.	Penggunaan teknologi untuk memantau, mengkaji semula, menilai, dan melaporkan aktiviti yang mencurigakan berasaskan risiko dan pendekatan yang praktikal. Utilising technology to monitor, review, evaluate, escalate and report suspicious activities using risk-based and practical approach.	Penambahbaikan secara berterusan bagi modul sistem AML/CFT sedia ada untuk menutup mana-mana jurang pengawalseliaan dan memperbaiki sebarang kekurangan kawalan. Further enhancing the quality of existing AML/CFT system module to close any regulatory gaps and control deficiencies.
Untuk menguji dan memastikan keberkesanan kawalan serta kajian Sistem AML/CFT secara berkala dalam mengenal pasti sebarang jurang dan kekurangan dalam pematuhan peraturan pengawalseliaan. To test and ensure control effectiveness and to regularly review the AML/CFT System to identify any regulatory gaps and control deficiencies.	Penambahbaikan berterusan dengan menguasai dan mengemaskini pemahaman terhadap ancaman dan kelemahan sistem yang boleh mempengaruhi keberkesanan program AML/CFT TH. Constant improvement by continually capture and update understanding of threats and system weaknesses that can influence the effectiveness of TH AML/CFT program.	Pelaporan kerap tentang penilaian risiko utama AML/CFT, hasil tinjauan pematuhan TH terhadap AMLATFPUAA 2001 dan Sektor 1 BNM, serta isu-isu lain yang berkaitan kepada pihak Pengurusan Kanan dan Lembaga Pengarah. Regular reporting on key AML/CFT risk assessment, outcome of the reviews of TH's compliance with the AMLATFPUAA 2001 and Sector 1 BNM, as well as other related issues to Senior Managements and Board Members.

• Pematuhan

lanya ditakrifkan sebagai risiko kegagalan mematuhi keperluan undang-undang dan peraturan-peraturan dalaman yang boleh menjejaskan operasi. Aktiviti-aktiviti kawalselia pematuhan yang dijalankan adalah:

- **Risiko Pematuhan dan Penilaian**
Menjalankan penilaian ke atas pejabat cawangan dan mengkaji serta menilai tahap pematuhan cawangan mengikut garis panduan yang ditetapkan.
- **Pengurusan Pematuhan dan Mitigasi**
Dijalankan ke atas cawangan yang terpilih berdasarkan transaksi yang tinggi bagi menilai tahap pematuhan, kecukupan dan keberkesanan mekanisme kawalan yang sedia ada.
- **Pemantauan Pematuhan**
Pemantauan terhadap keberkesanan kawalan dan usaha mitigasi untuk memenuhi obligasi terhadap peraturan.
- **Laporan Pematuhan**
Menyediakan laporan pematuhan kepada Jawatankuasa Pengurusan Risiko dan Pengurusan Kanan bagi menggalakkan kesedaran berterusan mengenai kepentingan pematuhan dan kesan ketidakpatuhan seperti sekatan perundangan atau peraturan, potensi kerugian kewangan dan kehilangan reputasi.

Melangkah Ke Hadapan

Dalam memastikan **TH** kekal kuat demi menghadapi cabaran yang mendatang, **TH** akan terus meningkatkan keupayaan dalam penggunaan ERM dengan sasaran untuk memperluaskan pendekatan tersebut kepada anak-anak syarikat. Penambahbaikan dan inisiatif berterusan akan dibuat di seluruh peringkat **TH** dalam menempuh risiko yang bakal timbul. **TH** komited untuk terus menambahbaik rangka kerja pengurusan risiko, keupayaan, dan budaya di seluruh peringkat Kumpulan untuk memastikan pertumbuhan jangka panjang dan kemampunan perniagaan **TH**.

• Compliance

It is defined as the risk of failure to comply with legal requirements and internal regulations that may affect operations. Regulatory compliance activities conducted are:

- **Compliance Risk and Identification Assessments**
Performed assessments at branches and to review and assess the level of compliance of predetermined guidelines.
- **Compliance Management and Mitigation**
Conducted at selected branches with high volume transactions in order to assess level of compliance, adequacy and effectiveness of existing control mechanism.
- **Compliance Monitoring**
Monitoring of the effectiveness of control and mitigation effort to satisfy regulatory obligations.
- **Compliance Reporting**
Providing compliance reports to Risk Management Committee and Senior Management to promote continuous awareness of the importance of compliance and the effect of non-compliance such as legal restrictions or regulations, potential for financial loss and loss of reputation.

Moving Forward

In ensuring that **TH** stays strong while facing the challenges ahead, **TH** continues to enhance its ERM capabilities with the aim to extend the approach to **TH** subsidiaries. Continuous improvements and initiatives will be made across all functions in **TH** in the light of the emerging risks. **TH** is committed to continually improving **TH** risk management framework, capabilities and culture across the Group so as to ensure the long-term growth and sustainability of **TH**'s businesses.

LAPORAN INTEGRITI

Integrity Report

Pada sepanjang tahun 2016 Bahagian Integriti telah memberi tumpuan terhadap pelaksanaan dan pembentukan Pelan Integriti **TH**, Pek Integriti, Kod Etika Perniagaan, Kod Etika Pembekal dan Polisi 'Whistle Blowing' yang telah dibangunkan pada tahun sebelumnya. Di samping itu, Bahagian Integriti telah mengambil langkah mempertingkatkan imej **TH** dari perspektif integriti ke arah memantapkan keyakinan masyarakat terhadap organisasi ini. Lima bidang keberhasilan ditetapkan iaitu:

- Tadbir urus yang mantap, telus dan berintegriti;
- Pengurusan maklumat yang diterima secara efektif;
- Pematuhan kepada sistem dan prosedur kerja;
- Pengendalian kes-kes khidmat rundingan dengan cekap, berkesan dan berhemah; dan
- Keterlibatan semua peringkat lapisan pengurusan dan anggota **TH** serta anak-anak syarikat bagi program integriti secara efektif.

Selari dengan penubuhan **TH** untuk memartabatkan ekonomi ummah, adalah menjadi prasyarat **TH** untuk meletakkan integriti pada tahap yang tinggi. Bagi mencapai visi dan misi tersebut, **TH** telah mengorak langkah dengan menyusun strategi bagi memperkasa integriti secara cekap dan berkesan serta patuh syariah sebagai teras untuk meningkatkan ekonomi ummah. Seajar dengan hasrat tersebut, **TH** telah:

- Menambahbaik standard amalan tadbir urusnya;
- Mempertingkatkan tahap integriti, ketelusan dan ketinggian sahsiah tanpa bertolak ansur kepada penyelewengan, rasuah serta mutu perkhidmatan kepada masyarakat;
- Melaksanakan program pencegahan dan pendidikan yang komprehensif dan berskala besar melalui komunikasi bersemuka, medium interaktif elektronik dan media cetak;
- Menyemak keberkesanan usaha pencegahan rasuah dan kawalan dalaman, menguatkuasa mekanisme semakan dan keseimbangan bagi menutup peluang dan ruang rasuah, penyelewengan dan salah guna kuasa dalam sistem, prosedur dan tatacara kerja; dan
- Membina keutuhan dan kecakapan melalui beberapa perubahan dan penambahbaikan terhadap aspek prosedur kerja, pengurusan amalan tadbir urus dan modal insan.

Justeru, **TH** memberi penekanan kepada usaha membina penghayatan dan pembudayaan terhadap integriti sebagai pendekatan untuk menyemai jiwa integriti ke dalam diri semua anggota **TH**.

In 2016, the Integrity Division focused on the implementation and formation of **TH** Integrity Plan, Integrity Pact, Code of Business Ethics, Code of Supplier Ethics and Whistle Blowing Policy which were developed in the year before. Furthermore, Integrity Division had taken steps to enhance **TH**'s image from integrity perspective in order to strengthen public's confidence towards the organisation. Five key result areas specified are:

- A sound governance with high integrity and transparency;
- Effective management of information received;
- Compliance with system and work procedures;
- Efficient, effective and cautious in handling consultative cases; and
- Effective participation from all levels of management and members of **TH** as well as its subsidiaries in integrity programmes conducted.

Lifting integrity to the highest level has always been the ever-important prerequisite at **TH**, which justifiably is in line with the vision of the establishment of **TH**, to elevate the economic status of the ummah. To achieve this vision and mission, **TH** has devised various strategies to efficiently and effectively reinforce integrity as well as to be shariah-compliant, so as to uphold the core to improve the economy of ummah. In line with the above, **TH** has:

- Improved the standard of governance practices;
- Enhanced the level of integrity, transparency and impeccable character, without compromising on malpractices, corruptions as well as service standards to the community;
- Conducted large-scale and comprehensive prevention and education programmes through face-to-face communications, interactive electronic and printed medium;
- Reviewed the efficacy of anti-corruption initiatives and internal control, as well as enforcing a check and balance mechanism to eradicate any opportunities for bribery, malpractice and abuse of power within the systems, procedures and work processes; and
- Developing strength and efficiency, through the implementation of various changes and improvement towards work procedure, governance practice and human capital management.

As such, **TH** emphasised on efforts that develop appreciation and acculturation of integrity as an approach to nurturing the spirit of integrity among all **TH** members.

Memperkasa Peranan Bahagian Integriti Melalui Mekanisme Pelaporan Jawatankuasa Integriti dan Tadbir Urus (JITU)

TH telah menubuhkan Jawatankuasa Integriti dan Tadbir Urus (JITU) berdasarkan Pekeliling Arahan YAB Perdana Menteri No.1 Tahun 2014 menggantikan Jawatankuasa Tadbir Urus (JKTU). Peranan dan tanggungjawab JITU adalah untuk mengenalpasti isu, masalah dan langkah-langkah penambahbaikan berdasarkan sumber-sumber berikut:

- Laporan auditan antaranya Laporan Audit Negara dan Laporan Audit Dalam; dan
- Enam terma rujukan pemantapan keutuhan sistem pengurusan pentadbiran Kerajaan iaitu dasar dan perundangan; sistem dan prosedur penyampaian perkhidmatan; tindakan pengesanan, punitif dan pemulihan; pembudayaan nilai-nilai murni dan kod etika; pengurusan pelanggan; dan membina permuafakatan dengan pihak berkepentingan.

Agenda mesyuarat JITU adalah meliputi isu-isu berikut:

- Pematuhan, tadbir urus dan pelanggaran peraturan berdasarkan penemuan audit;
- Laporan statistik maklumat 'Whistle Blower' **TH** dan isu-isu utama semasa;
- Pembentangan laporan tatatertib **TH**;
- Laporan pengurusan aduan melalui Tabung Haji Contact Centre (THCC) dan Bahagian Komunikasi Korporat Kumpulan **TH**;
- Laporan maklum balas JITU berdasarkan enam terma rujukan; dan
- Laporan maklum balas pejabat cawangan **TH**.

Struktur pelaporan JITU di peringkat cawangan dan negeri **TH** diwujudkan melalui pelantikan Pengurus Besar Operasi Pejabat Cawangan (OPC) sebagai wakil. Isu-isu integriti di peringkat Negeri disalurkan oleh semua Pengarah **TH** Negeri selaku Duta Integriti di peringkat negeri kepada Pengurus Besar OPC.

Empowering Integrity Division's Role Through Integrity and Governance Committee Reporting Mechanism (JITU)

TH had formed the Integrity and Governance Committee (JITU) to replace the Governance Committee (JKTU) based on The Prime Minister's Directive Circular No. 1 Year 2014. The roles and responsibilities of JITU are to identify issues, problems and steps for improvement based on the following sources:

- Audit reports, such as, the Auditor General's Report and Internal Audit Report; and
- Six terms of reference to solidify the soundness of Government's administration management, which include policy and law; service delivery systems and procedures; detection, punitive and rehabilitation actions; acculturation of values and code of ethics; customer management; and building mutual understanding with stakeholders.

JITU meeting agenda includes the following:

- Compliance, governance and violation of regulations based on audit's findings;
- The statistical report of **TH** Whistle Blowing information and the current burning issues;
- **TH** disciplinary report presentation;
- Complaint management report through the Tabung Haji Contact Centre (THCC) and **TH** Group Corporate Communication Division;
- JITU feedback report based on the six terms of reference; and
- **TH** Branch Office feedback report.

The reporting structure of JITU at **TH** branch and state level was established through the appointment of the General Manager of Branch Office Operation (OPC) as representative. Integrity issues at state level are channelled to the OPC General Manager by **TH** State Directors who are the state's Integrity Ambassador.

Integriti dan Pematuhan

TH membina, merancang dan melaksanakan program bagi meningkatkan pengetahuan, kesedaran dan kemahiran mengenai pengurusan integriti melalui pelbagai kaedah komunikasi antaranya bicarawara Bicara Integriti, forum, rundingan meja bulat, dokumen integriti dan lain-lain pendekatan kepada anggota **TH**, Ahli Lembaga Pengarah **TH**, Ketua-ketua anak syarikat, pembida, petender, pelanggan **TH** dan pihak-pihak berkepentingan. Melalui program komunikasi, **TH** akan dapat:

- Membentuk persekitaran perniagaan yang adil, telus dan berintegriti, bebas daripada rasuah, penyelewengan dan salah guna kuasa;
- Meningkatkan keberkesanan tadbir urus korporat terbaik dan etika perniagaan untuk kepentingan pihak berkepentingan dan pendeposit **TH**;
- Meningkatkan kecekapan dalam sistem penyampaian perkhidmatan dan kawalan dalaman; dan
- Penerapan dan pembudayaan integriti dalam organisasi.

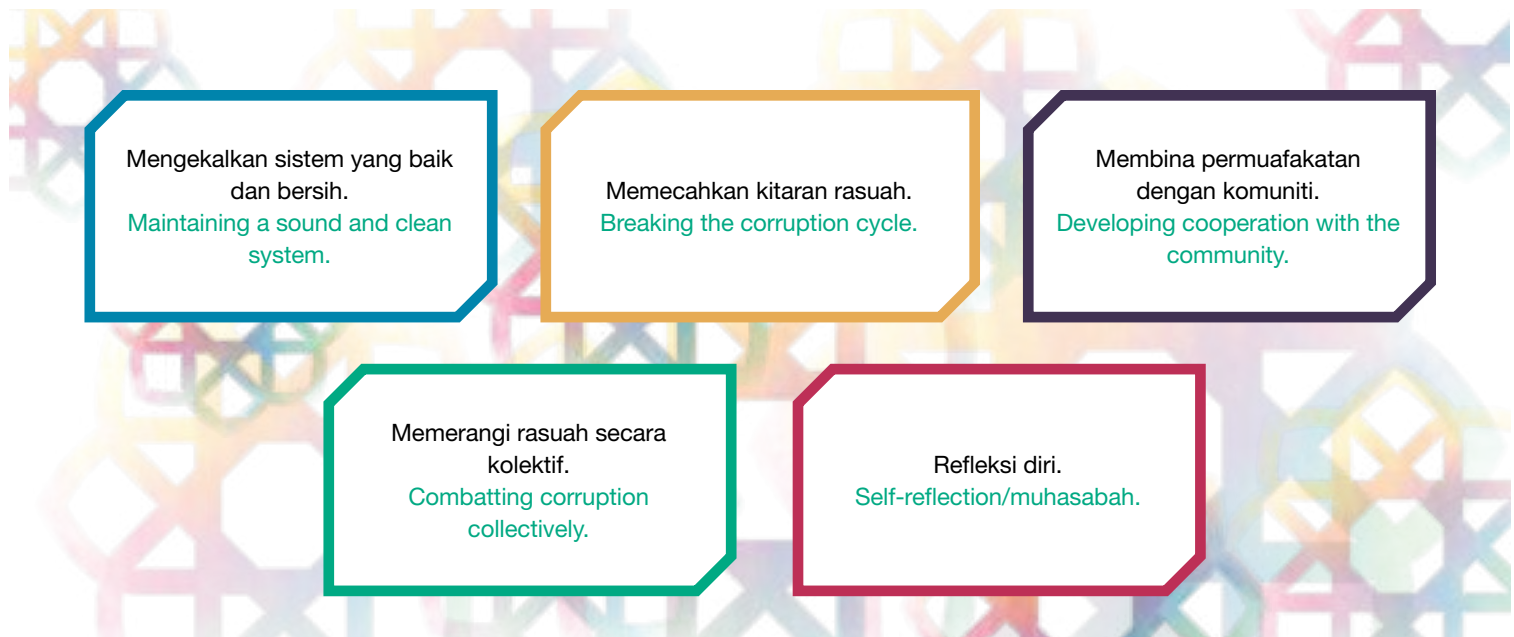
Dalam membina organisasi berintegriti tinggi, **TH** melalui pendekatan pendidikan dan pematuhan melaksanakan tindakan berikut:

Integrity and Compliance

TH builds, plans and implements programmes to enhance knowledge, awareness and skills in integrity management through various communication methods that includes *Bicara Integriti* roadshow, forum, round-table discussion, integrity document and other approaches for **TH** members, Board of Directors, Head of subsidiaries, bidders, tenderers, customers and stakeholders. Through communication programmes, **TH** is able to:

- Establish a business environment which is fair, transparent and with high integrity, free from corruption, malpractice and abuse of power;
- Elevate the effectiveness of good corporate governance and business ethics for the interest of **TH**'s stakeholders and depositors;
- Improving the efficiency in service delivery system and internal control; and
- Instil and acculturate integrity in the organisation.

In building an organization of high integrity, through education and compliance approaches, **TH** had implemented these actions:



Pendekatan komunikasi mengenai integriti menggunakan media berikut:

- **Media Cetak**

Maklumat dan polisi-polisi integriti turut dicetak dalam bentuk brosur dan diedarkan kepada anggota **TH** dan pihak berkepentingan dalam program-program integriti untuk penyebaran maklumat integriti.

Communication approach in relation to integrity is supported using the following medium:

- **Printed Media**

Information and policies on integrity were printed in brochure format and distributed to **TH** members and stakeholders during various integrity programmes in order to spread information on integrity.



- **Media Elektronik**

Pihak Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) telah memberikan satu slot bersiaran secara langsung melalui media elektronik di MACCfm yang merupakan saluran radio internet kendalian SPRM kepada Ketua Pegawai Integriti **TH** pada 13 Oktober 2016 dalam slot “Tokoh”. Topik yang dibincangkan adalah kepentingan Ketua Pegawai Integriti di agensi luar untuk dikongsikan bersama pendengar di dalam dan di luar negara.

- **Electronic Media**

Malaysian Anti-Corruption Commission (MACC) provided a live airtime slot via electronic media on MACCfm, an internet radio channel operated by MACC, to **TH** Chief Integrity Officer on 13 October 2016 through a slot called ‘Tokoh’. The topic that was discussed and shared with the listener in and outside of the country was on the importance of Chief Integrity Officer in external agencies.

Tadbir Urus

Bahagian Integriti **TH** bertanggungjawab untuk melaksanakan enam fungsi teras iaitu tadbir urus; pengukuhan integriti; pemuatan; tata tertib; pengesanan dan pengesahan; dan pengurusan aduan. Melalui tadbir urus, Bahagian Integriti bertanggungjawab melaksanakan peranan berikut:

- Meningkatkan amalan tadbir urus korporat terbaik melalui usaha memastikan pemuatan kepada proses kerja, sistem, kod etika kerja dan piagam pelanggan;
- Melaksanakan kod etika bagi mengawal selia syarikat dan orang perseorangan yang berurusan dengan **TH** melalui perkhidmatan dan pembekalan; dan
- Meningkatkan ketelusan dalam pengurusan dengan cara penambahbaikan sistem, prosedur dan tatacara kerja serta menutup peluang dan ruang rasuah, penyelewengan dan salah guna kuasa.

Kempen Kesedaran dan Pengiktirafan

TH telah melaksanakan Pertandingan Pejabat Paling Berintegriti di peringkat pejabat cawangan dan di ibu pejabat **TH** bagi memupuk semangat integriti, meningkatkan tahap pengetahuan, kesedaran dan kemahiran anggota **TH** mengenai pengurusan integriti. **TH** turut mengadakan pelbagai pertandingan terbuka kepada orang awam dan anggota **TH** seperti Pertandingan Menulis Esei Integriti **TH** dan Pertandingan Lukisan Kartunis yang Melambangkan Integriti bertujuan untuk menyebarkan mesej pembudayaan integriti di **TH**, selain mesej anti-rasuah.

Governance

TH Integrity Division is responsible for implementing six core functions, namely governance; integrity reinforcement; compliance; disciplinary; detection and substantiation; and complaint management. Through governance, the Integrity Division is responsible for carrying out the following roles:

- Improving on the practice of good corporate governance by ensuring compliance with work processes, systems, code of work ethic and customer's charter;
- Implementing code of ethics to regulate companies and individuals that conduct businesses with **TH** through supply and services; and
- Enhancing management transparency by improving work system, procedure and practice and eradicate any openings for bribery, malpractice and abuse of power.

Awareness Campaign

TH had conducted a competition for 'The Highest Integrity Office' at its branches as well as at head office to nurture the spirit of integrity, enhancing the level of knowledge, awareness and skills among **TH** personnel on integrity management. **TH** had also organised various competitions which were opened to the public and **TH** personnel, which include **TH** Integrity Essay Writing Competition and Cartoon Drawing that Symbolises Integrity, which aimed to spread the message on acculturation of integrity in **TH** as well as anti-corruption messages.



Lukisan-Lukisan Yang Memenangi Pertandingan Lukisan Kartunis Integrati TH
Winning Drawings For TH Integrity Cartoon Drawing Competition



Konsep Deposit Tabung Haji

Antara objektif utama penubuhan **TH** adalah untuk menyediakan tabungan bagi membolehkan umat Islam di Malaysia menyimpan wang bagi memenuhi perbelanjaan menunaikan fardhu haji atau untuk pelaburan. Menerusi dana pendeposit yang besar, **TH** berupaya menceburi dunia pelaburan di peringkat tempatan dan antarabangsa, dengan sasaran untuk mengembangkan peranannya dalam memperkasa ekonomi ummah.

Oleh yang demikian, amatlah penting bagi **TH** memastikan akaun deposit **TH** adalah berlandaskan prinsip syariah dan bebas dari sebarang unsur riba. Akaun simpanan **TH** adalah berdasarkan konsep simpanan *wadi'ah yad dhamanah* iaitu konsep simpanan dengan jaminan. Berdasarkan konsep ini, pendeposit menyimpan wang dan memberi keizinan kepada **TH** untuk menggunakan wang tersebut bagi tujuan perniagaan, pelaburan dan sebagainya. **TH** sebagai penjaga bersetuju untuk menjaga wang tersebut dan memberi jaminan ke atas wang di bawah jagaannya.

Secara teori, pengertian *wadi'ah* seperti yang dikemukakan oleh Jumhur ulama' bermaksud "mewakillikan orang lain untuk menjaga harta tertentu dengan cara tertentu". Manakala menurut ulama mazhab Hanafi *wadi'ah* ialah "mengikut sertakan orang lain dalam menjaga harta, sama ada melalui lafaz yang jelas, perbuatan atau isyarat".

Keharusan *Wadi'ah*

Wadi'ah merupakan kontrak yang diharuskan dalam Islam. Keharusannya adalah berdasarkan kepada dalil-dalil berikut:

- **Al-Quran**
Allah S.W.T berfirman:
"Jika sebahagian kamu mempercayai sebahagian yang lain, hendaklah yang dipercayai itu menunaikan amanahnya dan hendaklah dia bertakwa kepada Allah, Tuhannya"
(Al-Baqarah : 283)

"Sungguh Allah menyuruhmu menyampaikan amanah kepada yang berhak menerimanya, dan apabila kamu menetapkan hukum di antara manusia hendaklah kamu menetapkannya dengan adil"
(An-Nisa' : 58)

Deposit Concept Of Tabung Haji

Among the main objectives in the establishment of **TH** is to provide a mean of savings to enable Muslims in Malaysia to save money to fund their pilgrimage or for investments. Through these substantial depositors' funds, **TH** is able to venture into various investments, locally and internationally, with the aim to broaden its role in reinforcing the economy of the ummah.

It is therefore, imperative for **TH** to ensure that all of its deposit accounts are in accordance with shariah principles and completely untainted by any element of *riba*. **TH** savings account is based on *wadi'ah yad dhamanah*, which is a saving concept with guarantee. Based on this concept, depositors who save their money provide their consent to **TH** to use the money for business, investment and other purposes. As custodian, **TH** agrees to safeguard the money and pledges assurance on the money under its custody.

As put forth by the Jumhur Ulama' or majority of Islamic scholars, theoretically, *wadi'ah* means "appointing others to safeguard certain property in certain manner". Meanwhile, according to scholars from Hanafi school of thoughts, *wadi'ah* is "to include involvements of others in safeguarding property, either through clear pronouncement, actions or gestures".

The Permissibility of *Wadi'ah*

Wadi'ah is a contract permissible in Islam. Its permissibility is based on the following evident:

- **Al-Quran**
Allah S.W.T says:
"Then if one of you entrusts the other, let the one who is entrusted discharge his trust, and let him have taqwa of Allah, his Lord"
(Al-Baqarah : 283)

"Verily, Allah commands that you should render back the trusts to those, to whom they are due; and that when you judge between men, you judge with justice"
(An-Nisa' : 58)

- **Hadis Rasulullah S.A.W.:**
“Tunaikanlah amanah kepada orang yang mempercayaimu (untuk menunaikan amanah kepadanya), dan jangan khianati orang yang telah mengkhianatimu”
(Sunan Abi Dawud, 3/290)
- **Ijma’**
Ulama’ juga telah bersepakat akan keharusan wadi’ah kerana transaksi wadi’ah merupakan keperluan dalam kehidupan manusia.

Wadi’ah Yad Dhamanah

Walaupun penjaga di bawah akad wadi’ah pada asasnya tidak bertanggungjawab menjamin harta yang disimpan, terdapat beberapa perkara yang menjadikan penjaga bertanggungjawab menjamin harta tersebut. Dalam istilah kewangan Islam moden, keadaan ini dirujuk sebagai Wadi’ah Yad Dhamanah. Berikut merupakan beberapa contoh keadaan tersebut:

- Apabila penjaga menggunakan harta tersebut dengan izin;
- Apabila penjaga secara sengaja melupuskan harta itu; atau
- Apabila penjaga mencampurkan harta yang dijaganya dengan harta lain yang mana harta tersebut tidak boleh dibezakan.

Apabila berlaku keadaan-keadaan yang dinyatakan di atas, penjaga harta tersebut bertanggungjawab sebagai penjamin (damin) ke atas harta. Antara ciri-ciri penting bagi Wadi’ah Yad Damanah adalah:

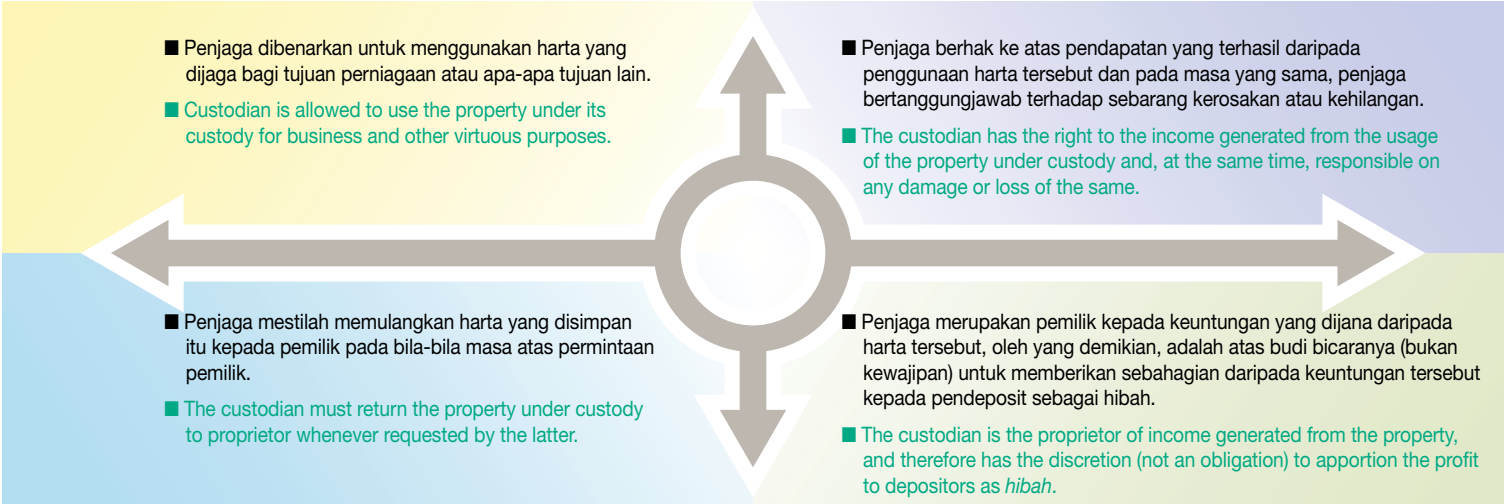
- **Hadith Rasulullah S.A.W.:**
“Discharge the trust bestowed upon you by others (to make good on the trust to them) and do not betray those who have betrayed you”
(Sunan Abi Dawud, 3/290)
- **Ijma’**
Unanimity among Islamic scholars concerning the permissibility of wadi’ah was also achieved due to the needs of wadi’ah transaction in the life of the ummah.

Wadi’ah Yad Dhamanah

Although the custodian under wadi’ah covenant is fundamentally not responsible to guarantee the property under custody, there are still several circumstances that render the custodian liable to guarantee the said property. According to modern Islamic financial terminology, these circumstances are referred to as Wadi’ah Yad Dhamanah. The following are a few instances of the circumstances:

- When the custodian uses the property with consent;
- When the property is purposely disposed by the custodian; or
- When the custodian mixes the property under custody with other properties that cannot be differentiated.

When the abovementioned circumstances transpire, the custodian of the property is responsible as a guarantor (damin) of the said property. The following characteristics delineate salient features of Wadi’ah Yad Damanah:



Berhubung pemberian hibah yang diberikan atas budi bicara penjaga sebagai pemilik keuntungan, hibah yang diberikan tidak boleh dijanjikan dari awal kerana menurut perspektif syariah, implikasi hukum *Wadi'ah Yad Damanah* adalah sama dengan qard (pinjaman). Oleh yang demikian, sebarang manfaat yang dijanjikan dianggap sebagai riba. Sebagaimana mafhum hadith Rasulullah S.A.W:

“Setiap pinjaman yang memberi manfaat kepada pemberi pinjam, maka ia adalah riba”.

Sehubungan itu, konsep *wadi'ah* sesuai diaplikasi sebagai kontrak yang mendasari konsep simpanan pendeposit **TH**. Pengaplikasian konsep ini membolehkan **TH** menggunakan serta melaburkan dana pendeposit bagi mendapatkan keuntungan dengan persetujuan pelanggan yang diperolehi di awal kontrak. Sekiranya dana tersebut sekadar disimpan atas dasar amanah, **TH** tidak berhak menggunakan dana tersebut bagi tujuan perniagaan kerana dana tersebut masih milik pelanggan sedangkan **TH** hanya bertindak sebagai pemegang amanah.

Oleh yang demikian, konsep *Wadi'ah Yad Damanah* ini dilihat dapat memberi ruang dan fleksibiliti kepada **TH** untuk mengembangkan lagi dana sedia ada untuk tujuan perniagaan dan pelaburan strategik yang seterusnya berupaya memperkukuhkan kedudukan ekonomi umat Islam secara keseluruhannya.

In relation to hibah that is given according to the discretion of custodian as the owner of profit, it can never be initially pledged due to the implication of *Wadi'ah Yad Damanah*, which according to shariah's standpoint is the same as *qard* (loan). As such, any pledged benefit is considered as *riba*. This is in line with a *hadith* of Rasulullah S.A.W:

“Every loan that gives benefit to the lender, is indeed riba.”

Therefore, the *wadi'ah* concept is suitable to be applied as the rudimentary contract for **TH** deposits. With the application of this concept as well as initial contractual agreement from depositors, **TH** is able to utilise and invest depositors' funds to generate profit. If the fund is only kept on the basis of trust, **TH** shall have no right to use the fund for business purposes because the fund is still owned by depositors, and **TH** only acts as a trustee.

The concept of *Wadi'ah Yad Damanah* is therefore seemed to provide opportunity and flexibility for **TH** to expand existing fund for business and strategic investment purposes, which shall ultimately strengthen the economy of the ummah as a whole.

CARTA ORGANISASI TH

TH Organisation Chart

PENGARAH URUSAN KUMPULAN DAN KETUA PEGAWAI EKSEKUTIF GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

PEJABAT PENGARAH URUSAN KUMPULAN DAN KETUA PEGAWAI EKSEKUTIF
GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S OFFICE

TIMBALAN KETUA PEGAWAI EKSEKUTIF (Tugas Khas)
DEPUTY CHIEF EXECUTIVE OFFICER (Special Task)

Bahagian Pembangunan Bumiputera
Bumiputera Development Division

JABATAN HAJI HAJJ DEPARTMENT

Bahagian Pengurusan Haji
Hajj Management Division

Bahagian Operasi Domestik
Domestic Operations Division

Bahagian Bimbingan
Guidance Division

Bahagian Penyelidikan dan
Pembangunan Haji
Hajj Research and
Development Division

Bahagian Agensi Haji
Hajj Agency Division

KETUA PEGAWAI OPERASI CHIEF OPERATING OFFICER

JABATAN KHIDMAT
PENDEPOSIT DAN OPERASI
DEPOSITORY SERVICES AND
OPERATIONS DEPARTMENT

Bahagian Operasi Pejabat
Cawangan
Branch Office Operations Division

Bahagian Simpanan dan
Pengeluaran
Savings and Withdrawals Division

Bahagian Khidmat Pelanggan
Customer Service Division

Bahagian Keselamatan
Security Division

Bahagian Penyelenggaraan
Hartanah
Property Maintenance Division

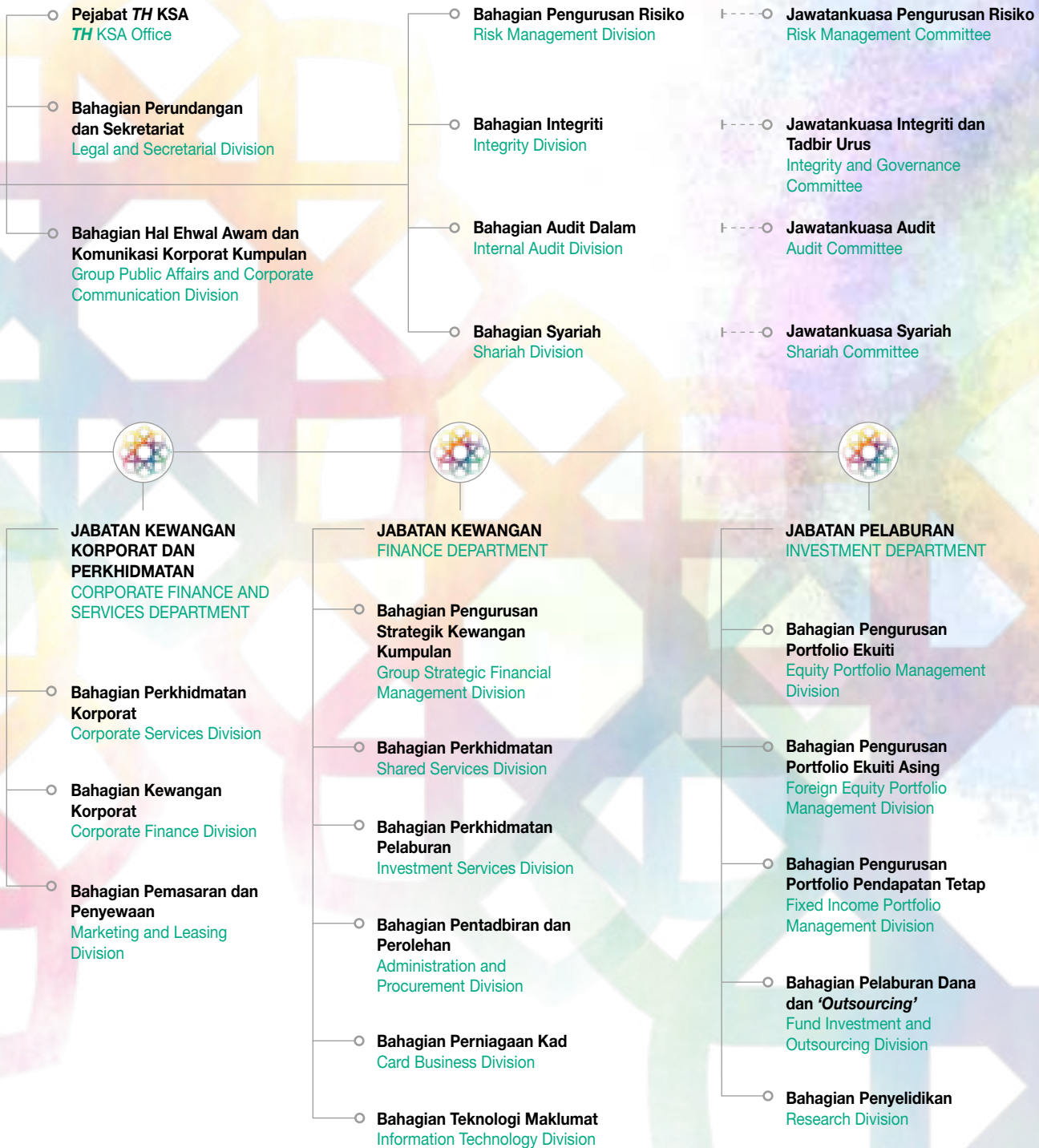
JABATAN SUMBER MANUSIA
HUMAN RESOURCE DEPARTMENT

Bahagian Pengurusan Sumber Manusia
Human Resource Management Division

Bahagian Pembangunan Sumber Manusia
dan Kualiti
Human Resource Development and
Quality Division

Bahagian Perhubungan Industri dan Anggota
Industrial and Employee Relations Division

Yayasan TH
TH Foundation



BARISAN PENGURUSAN KANAN

Senior Management



MOHD HISHAM HARUN

Pengurus Besar Kanan
Sumber Manusia
Senior General Manager
Human Resource

DATO' SYED SALEH SYED ABDUL RAHMAN

Pengurus Besar Kanan Haji
Senior General Manager Haji

DATUK ROZAIDA OMAR

Ketua Pegawai Kewangan Kumpulan
Group Chief Financial Officer

DATUK SERI JOHAN ABDULLAH

Pengarah Urusan Kumpulan dan
Ketua Pegawai Eksekutif
Group Managing Director and
Chief Executive Officer



DATO' BADLISYAH ABDUL GHANI

Timbalan Ketua Pegawai Eksekutif
Deputy Chief Executive Officer

ABD KADIR SAHLAN

Ketua Pegawai Pelaburan
Chief Investment Officer

DATO' ADI AZUAN ABDUL GHANI

Ketua Pegawai Operasi
Chief Operating Officer

RIFINA MD ARIFF

Pengurus Besar Kanan
Kewangan Korporat dan Perkhidmatan
Senior General Manager
Corporate Finance and Services

PEJABAT PENGARAH URUSAN KUMPULAN DAN KETUA PEGAWAI EKSEKUTIF

Group Managing Director and Chief Executive Officer's Office



DATUK SERI JOHAN ABDULLAH ►

Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif
Group Managing Director and Chief Executive Officer



DATIN NORMIMY MOHAMED NOOR ►

Pengurus Besar Pejabat Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif
General Manager Group Managing Director and Chief Executive Officer's Office



◀ **DATO' BADLIYAH ABDUL GHANI**

Timbalan Ketua Pegawai Eksekutif
Deputy Chief Executive Officer

Dilantik pada 1 Julai 2016
Appointed on 1 July 2016

DATO' LATIFAH MD YATIM ▶

Ketua Pegawai Integriti
Chief Integrity Officer

Bersara pada 28 Mac 2017
Retired on 28 March 2017



AZHAR NAYAN ▶

Ketua Audit Dalam
Head of Internal Audit



BADRUL HISHAM MOHD SALLEH ▶

Pengurus Besar Pengurusan Risiko
General Manager Risk Management



◀ **IMRAN MOHAMMAD KHAYAT**

Pengurus Besar Syariah
General Manager Shariah



◀ **HAZLINA MOHD KHALID**

Penasihat Undang-Undang
Legal Advisor



MOHAMMAD SAIMI MAT SOM ▶

Pengarah THKSA
Director THKSA



ANIS ZUHANI AHMAD ▶

Pengurus Besar
Hal Ehwal Awam dan
Komunikasi Korporat
Kumpulan
General Manager
Group Public Affairs and
Corporate Communications



JABATAN KEWANGAN

Finance Department

**MOHAMED AMEEN S.M.A
ABDUL WAHAB** ▶

Pengurus Besar Perniagaan Kad
General Manager Card Business

NOR AIDA AHMAD ▶

Pengurus Besar
Pengurusan Strategik
Kewangan Kumpulan
General Manager
Group Strategic Financial
Management

◀ **DATUK ROZAIDA OMAR**

Ketua Pegawai Kewangan Kumpulan
Group Chief Financial Officer

◀ **NORUL HUDA MOHD SIDEK**

Pengurus Besar
Pentadbiran dan Perolehan
General Manager
Administration and Procurement

◀ **ANISUATI YAHYA**

Ketua Perkhidmatan
Head of Shared Services

AMRAN ABDUL LATIP ▶

Ketua Bahagian
Teknologi Maklumat
Head of Information Technology

◀ **CHE GAYAH SALLEH**

Ketua Bahagian
Perkhidmatan Pelaburan
Head of Investment Services

Bersara pada 1 Februari 2017
Retired on 1 February 2017

JABATAN PELABURAN

Investment Department

Takrifan Semula Cabaran
Redefining Challenges



◀ **MOHD FAZLI ZAINAL**

Ketua Pengurusan Portfolio Ekuiti Asing
Head of Foreign Equity Portfolio Management



◀ **HAMDAN RASID**

Ketua Pengurusan Portfolio Pendapatan Tetap
Head of Fixed Income Portfolio Management



◀ **MUSTAKIM MOHAMAD**

Ketua Pelaburan Dana dan 'Outsourcing'
Head of Fund Investment and Outsourcing

ABD KADIR SAHLAN ▶

Ketua Pegawai Pelaburan
Chief Investment Officer



◀ **MOHAMAD IKHWAN BAKREN**

Ketua Penyelidikan
Head of Research



◀ **AHMAD SUHAIMEE ISMAIL**

Ketua Pengurusan Portfolio Ekuiti
Head of Equity Portfolio Management

Dipinjamkan ke THTS pada 13 Februari 2017
Secondment to THTS on 13 February 2017

JABATAN HAJI

Hajj Department



NURRINANUWAR SHAMSUDDIN ►
Pengurus Besar Pengurusan Haji
General Manager Hajj Management



DATO' AHMAD RUZMAN AHMAD RAZALI ►
Pengurus Besar Operasi Domestik
General Manager Domestic Operations



◀ **DATO' SYED SALEH SYED ABDUL RAHMAN**
Pengurus Besar Kanan Haji
Senior General Manager Hajj

TENGKU AZIZ RAJA ABDULLAH ►
Pengurus Besar Bimbingan
General Manager Guidance



MAT ADMARA ALANG AZIZZIN ►
Pengurus Besar Agensi Haji
General Manager Hajj Agency



◀ **DATO' AHMAD SOHAIMI DATO' ABD RAHIM**
Pengurus Besar Penyelidikan dan Pembangunan Haji
General Manager Hajj Research and Development

JABATAN KHIDMAT PENDEPOSIT DAN OPERASI

Takrifan Semula Cabaran
Redefining Challenges

Depository Services and Operations Department



◀ **MOHD RIDZUAN WAHI**

**Pengurus Besar
Simpanan dan Pengeluaran**
General Manager Savings and
Withdrawals



◀ **TAHAR PILUS**

**Pengurus Besar
Operasi Pejabat Cawangan**
General Manager
Branch Office Operations



DATO' ADI AZUAN ABDUL GHANI ▶

Ketua Pegawai Operasi
Chief Operating Officer

KHAIRUL 'A'ZIHAR RAPAR ▶

**Pegawai Khas Kepada
Ketua Pegawai Operasi**
Special Officer to
Chief Operating Officer



**MOHD NASIR MOHD
YUSOFF** ▶

**Pengurus Besar
Khidmat Pelanggan**
General Manager
Customer Service



◀ **MD. RIDZA MD. ZAIN**

**Pengurus Besar
Penyelenggaraan Hartanah**
General Manager
Property Maintenance



◀ **ZAINI RASHID**

Pengarah Negeri Gantian I
State Director Relief I



◀ **HELENA HASHIM**

Pengarah Negeri Gantian II
State Director Relief II



JABATAN SUMBER MANUSIA

Human Resource Department



ZAINAL ABIDIN OMAR ►
Pengurus Besar
Pengurusan Sumber Manusia
General Manager
Human Resource Management

◀ **MOHD HISHAM HARUN**
Pengurus Besar Kanan Sumber Manusia
Senior General Manager Human Resource

MOHD NORBER KASSIM ►
Pengurus Besar
Pembangunan Sumber Manusia dan Kualiti
General Manager
Human Resource Development and Quality

KHAIRUL BARIAH ABDUL KARIM ►
Pengurus Besar
Perhubungan Industri dan Anggota
General Manager
Industrial and Employee Relations

AISHAH ABDUL SAMAD ►
Pengurus Besar Yayasan TH
General Manager TH Foundation

JABATAN KEWANGAN KORPORAT DAN PERKHIDMATAN

Corporate Finance and Services Department

Takrifan Semula Cabaran
Redefining Challenges

RIFINA MD ARIFF ►

Pengurus Besar Kanan Kewangan Korporat dan Perkhidmatan
Senior General Manager Corporate Finance and Services

◀ NIK ABDUL HAMID SHUKRI NIK ABDULLAH

Pengurus Besar Perkhidmatan Korporat
General Manager Corporate Services

◀ DATO' REDHUAN SABARUDDIN

**Pengurus Besar
Pemasaran dan Penyewaan**
General Manager Marketing and Leasing

◀ HAZZELINA HASSAN

Pengurus Besar Kewangan Korporat
General Manager Corporate Finance

Tamat perkhidmatan pada 2 Januari 2017
Completion of service on 2 January 2017

PENGARAH-PENGARAH NEGERI TH

TH State Directors

AMAT KASSIM PAIT ▶

Pengarah Negeri
State Director
TH Perlis

MUHAMAD HAMDAN OMAR ▶

Pengarah Negeri
State Director
TH Kedah

NAWAWI ISHAK ▶

Pengarah Negeri
State Director
TH Perak

MOHD SAWAL ABONG ▶

Pengarah Negeri
State Director
TH Selangor

◀ MOHAMAD ABAS

Pengarah Negeri
State Director
TH Pulau Pinang

◀ ZAITON MOHD YUSOFF

Pengarah Negeri
State Director
TH Wilayah Persekutuan

◀ KHAIRODDIN AHMAD

Pengarah Negeri
State Director
TH Negeri Sembilan



◀ **ZAKARIAH @ ZAKARIA PUTEH**

Pengarah Negeri
State Director
TH Melaka

Bersara pada 1 April 2017
Retired on 1 April 2017



◀ **DATO' MOHAMMAD @ MOKHZANI MUKHTAR**

Pengarah Negeri
State Director
TH Johor



◀ **MUSALIMAH MUSTAFFA**

Pengarah Negeri
State Director
TH Pahang

DATO' MOHYEN MOSMAN ▶

Pengarah Negeri
State Director
TH Terengganu



◀ **WAHYUDIN TAMAMI**

Pengarah Negeri
State Director
TH Kelantan



DATIN NURLAILA SAID ▶

Pengarah Negeri
State Director
TH Sabah

ROZIMIN AHAMED KAMIL ▶

Pengarah Negeri
State Director
TH Sarawak



TAKRIFAN SEMULA CABARAN

Redefining Challenges



Kecekapan Pengurusan

Management Efficiency



DATUK SERI JOHAN ABDULLAH

SMW, DJMK

Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif |

Group Managing Director & Chief Executive Officer

ULASAN OPERASI

Operational Review

Takrifan Semula Cabaran
Redefining Challenges



Sebagai mukadimah kepada ulasan operasi Laporan Tahunan **TH** 2016, marilah kita terlebih dahulu mengucapkan kesyukuran kepada Allah SWT yang Maha Pengasih lagi Maha Penyayang kerana mengurniakan rahmat dan rezeki yang melimpah, terutamanya sepanjang tempoh mencabar yang dialami pada tahun 2016.

Dengan minda optimistik, **TH** melihat situasi ini sebagai proses pemeraksanaan untuk memasuki fasa pertumbuhan sebagai sebuah entiti korporat yang hebat dalam semua aspek penubuhan, samada dalam pengurusan haji, mahupun penglibatan dalam perniagaan dan pelaburan. Justeru, kesukaran persekitaran operasi kesan penurunan nilai Ringgit, kenaikan kos sara hidup, kelemahan harga komoditi utama dan ketidakstabilan geopolitik yang berpanjangan telah ditangani secara langsung oleh **TH** dengan berhemat.

Laporan Tahunan **TH** 2016 bertema 'Takrifan Semula Cabaran' mendedahkan kejayaan kami mengolah cabaran menjadi prospek peluang. **TH** akan terus menilai cabaran-cabaran yang dihadapi dan melakarkan satu rangka kerja bagi menanganinya mengikut kesesuaian situasi dan keadaan ekonomi semasa. Melalui pelan Alokasi Aset Strategik (SAA), portfolio pelaburan **TH** di pelbagai dan difokus untuk menjana pendapatan berulang yang mempunyai ketahanan risiko yang bersesuaian bagi menghasilkan potensi pertumbuhan dalam jangkamasa panjang.

Keputusan Kewangan Positif

Walaupun landskap kewangan yang mencabar pada tahun 2016, **TH** masih mampu merekodkan keputusan kewangan yang positif.

Alhamdulillah, dengan langkah berhemat yang diambil untuk menangani situasi yang menguji kekuatan organisasi, kami masih berjaya mencatat pendapatan kasar yang memberangsangkan sebanyak RM3.48 bilion dengan keuntungan bersih selepas zakat sebanyak RM2.49 bilion.

To begin with the review of operations for **TH's** 2016 Annual Report, let us first and foremost offer our gratitude to Allah SWT, for His mercy and benevolence in extending us with bountiful sustenance, especially during the challenging times experienced in 2016.

Ingrained with optimistic mind set, we deemed the situation as a solidification passage to our next phase of growth in becoming a superior corporate entity in all aspects of our establishment, be it in the hajj management, business or investment ventures. Hence, the challenging operating environment marked by rapid decrease in the value of Ringgit, rising cost of living, slow recovery in the oil and gas sector, soft prices of major commodities and extended geopolitical instability were steadily managed by **TH** head on.

TH's 2016 Annual Report themed 'Redefining Challenges' reveals our accomplishment in turning challenges into prospect of opportunities. We will continue to reassess the challenges and design a framework to address them based on our current situation and economic conditions. We had in place, our long term Strategic Asset Allocation (SAA) through which our investment portfolios were effectively diversified and focused to generate steady recurring income with reasonable risk resistance that brings potentials for long term growth.

Positive Financial Results

Despite the challenging financial landscape in 2016, **TH** continued to record positive financial results.

Alhamdulillah, with prudent measures undertaken to address the trying situation, we still had successfully achieved a commendable gross income of RM3.48 billion, with net profit after zakat of RM2.49 billion.



Nilai Aset Boleh Direalisasi (RAV) **TH** pada 31 Disember 2016 masih kukuh berjumlah RM67.90 bilion dan Nilai Portfolio Bersih Terlaras (NWA) selepas hibah juga kekal positif berjumlah RM0.20 bilion. Penurunan nilai NWA berbanding tahun 2015 adalah disebabkan oleh pasaran ekuiti yang lemah, pertukaran kadar matawang asing yang tidak menguntungkan dan secara amnya pertumbuhan ekonomi yang lebih perlahan berbanding tahun sebelumnya.



TH Realisable Asset Value (RAV) as at 31 December 2016 remained strong at RM67.90 billion and Net Worth Adjusted (NWA) after hibah also remained positive at RM0.20 billion. The lower NWA as compared to 2015 was mainly due to the bearish equity market, unfavourable foreign exchange position and generally slower economic growth as compared to previous year.

Kedudukan Kewangan (RM Bilion) Financial Position (RM Billion)	Kumpulan Group		TH	
	2016	2015	2016	2015
Nilai Aset Boleh Direalisasi Realisable Asset Value (RAV)	70.33	66.76	67.90	63.99
tolak: less:				
Baki akhir tahun Kumpulan Wang Pendeposit Depositors' Funds as at year end	(64.83)	(59.33)	(64.83)	(59.33)
Nilai Portfolio Bersih Terlaras Net Worth Adjusted (NWA)	5.50	7.43	3.07	4.66
tolak: Hibah less: Hibah	(2.87)	(3.22)	(2.87)	(3.22)
NWA Selepas Hibah NWA After Hibah	2.63	4.21	0.20	1.44



Hibah 2016

Selepas menimbang keperluan memenuhi matlamat jangka panjang dan perlindungan terhadap ketidakpastian ekonomi pada masa depan, **TH** telah memberi ganjaran kepada para pendeposit melalui pemberian hibah sebanyak 4.25% dan tambahan sebanyak 1.50% Hibah Haji kepada pendeposit yang masih belum menunaikan haji, menjadikan jumlah pemberian hibah bagi tahun 2016 adalah sebanyak RM2.87 bilion.

TH menggunakan terminologi 'hibah' berbanding 'bonus' pada pengumuman hibah 2016 kerana menyedari rata-rata masyarakat telah menyalah tafsir konsep simpanan di **TH** yang berlandaskan *Al-Wadiah Yad Dhamanah*. Saya percaya para pendeposit sedar bahawa tujuan asal menyimpan di **TH** adalah untuk menunaikan haji, selain keyakinan terhadap simpanan yang selamat dan patuh syariah.

Saya ingin menasihatkan para pendeposit agar tidak mudah percaya kepada tuduhan tanpa asas dan khabar angin kerana wang simpanan di **TH** dijamin sepenuhnya oleh kerajaan seperti yang termaktub di bawah Akta Tabung Haji.

2016 Hibah

After weighing the need to meet our long-term objectives and insulate against uncertainty in future economic condition, **TH** had rewarded our depositors with a hibah of 4.25% and an additional 1.5% Hajj Hibah for those whom have yet to perform haj, which brings the amount of our hibah distribution for 2016 to RM2.87 billion.

Realising that most people have misinterpreted the concept of savings with **TH** which is based on *Al-Wadiah Yad Dhamanah*, **TH** uses the terminology 'hibah' instead of 'bonus' for 2016 hibah announcement. I believe our depositors realise that the primary purpose for saving in **TH** is to fund their pilgrimage, besides knowing that their savings is secured and shariah-compliant.

I would like to advise our depositors not to be influenced by baseless allegations and rumours because savings in **TH** are fully guaranteed by the government as mandated under the Tabung Haji Act.

Rasionalisasi Perniagaan

Pada tahun ditinjau, kami telah menyelaras Pelan Perniagaan **TH** agar selari dengan Pelan Transformasi Tiga Tahun Menuju 2020, sebagai usaha kami dalam mempertingkatkan pertumbuhan pendapatan jangka panjang.

Pelan Transformasi ini memberi penekanan kepada pelaburan mampan yang menyumbang kepada pendapatan berulang dan patuh syariah dalam beberapa sektor terpilih seperti hartanah, perladangan, konsesi, infrastruktur dan hospitaliti.

Sejajar dengan pelan ini, **TH** telah secara berperingkat mengurangkan bergantung kepada pendapatan ekuiti yang terdedah kepada turun naik harga di pasaran. Sebagai contoh, sepanjang tempoh kejatuhan nilai Ringgit, pelaburan hartanah **TH** di pasaran United Kingdom dan Australia masih mampu menyumbang kepada pendapatan sewa yang stabil.

Ringkasan Operasi

Alhamdulillah, Operasi Haji Musim 1437H/2016M berjalan lancar hasil perancangan teliti dan pembangunan program secara menyeluruh yang dilaksanakan oleh seluruh anggota operasi haji dengan komitmen dan kesungguhan yang tinggi.

Selain daripada pelbagai penambahbaikan yang dilaksanakan oleh **TH**, Kerajaan Arab Saudi turut memperkenalkan beberapa inisiatif seperti pengimbasan 10 imej cap jari jemaah sebelum bertolak ke Tanah Suci dan penggunaan gelang tangan yang mengandungi maklumat daripada Sistem e-haji bagi tujuan keselamatan. Kami bersyukur kerana berjaya melaksanakan semua arahan tersebut tanpa halangan yang besar.

TH komited untuk mengekalkan bayaran haji sebanyak RM9,980 walaupun kos haji bagi setiap jemaah telah meningkat kepada RM18,890 pada tahun 2016. Kami menanggung subsidi sebanyak RM8,910 bagi setiap jemaah dan jumlah keseluruhan subsidi haji telah meningkat kepada RM160 juta daripada RM126 juta pada tahun sebelumnya.

Business Rationalisation

During the year under review, we had realigned **TH's** Business Plan into a Three Year Transformation Plan Roadmap towards 2020, in our effort to boost long term income growth.

The Transformation Plan placed emphasis on sustainable investments that would contribute towards recurring and shariah-compliant income in selected sectors such as property, plantation, concession, infrastructure and hospitality.

In tandem with this plan, **TH** had begun gradually reduce our reliance on equity income which was more vulnerable to market volatility. In the interval of weakening Ringgit, for example, our investments in the United Kingdom and Australia property markets still managed to contribute stable rental income.

Operational Review Summary

Alhamdulillah, the 1437H/2016M Hajj Operations ran smoothly due to careful planning and comprehensive development programmes which were executed by the entire hajj operations personnel with high commitment and dedication.

Besides the improvements carried out by **TH**, the Saudi Arabia Government had also introduced several initiatives such as scanning of 10 fingerprints image of pilgrims before departure to the Holy Land and the use of wrist bands which consisted of information from the e-haji System, for security purposes. We are grateful as we had successfully complied with these instructions without any major obstacles.

TH committed to maintain the hajj payments for pilgrims at RM9,980 despite the rising hajj cost of RM18,890 for each pilgrim in 2016. We had absorbed a subsidy of RM8,910 for every pilgrim and the total amount of hajj subsidy increased to RM160 million compared to RM126 million in the previous year.



Bagi mempertingkatkan lagi kualiti perkhidmatan dan akses para pendeposit kepada perkhidmatan kami, kolaborasi strategik dengan beberapa bank tempatan telah dilakukan bagi menyediakan lebih banyak perkhidmatan elektronik dan mentransformasi perkhidmatan atas talian kami, e-THiJARI supaya lebih mesra pengguna, menyeluruh dan berdaya saing. Selain Maybank2U, kini perkhidmatan **TH** boleh dicapai melalui Perbankan Internet Bank Rakyat (iRakyat) yang dilancarkan pada bulan Disember 2016.

To enhance our service quality and improve depositors' accessibility to our services, we had increased our strategic collaboration with local banks to provide more electronic services and transformed our online service e-THiJARI, to be more user-friendly, comprehensive and competitive. Other than Maybank2u, **TH** services are currently available through Bank Rakyat Internet Banking (iRakyat), which was launched in December 2016.

Perkembangan membanggakan yang dilaksana pada tahun 2016 ialah pengenalan kenderaan perkhidmatan bergerak kami, **TH** Komuniti bagi memenuhi keperluan penduduk luar bandar yang tiada akses kepada pejabat dan perkhidmatan **TH**.

An exciting new development in 2016 was the introduction of our mobile service vehicle, **TH** Community, to fulfil the need of rural population with no convenient access to **TH**'s offices and services.

Di sepanjang tahun juga, **TH** telah melaksanakan pelbagai program Tanggungjawab Sosial Korporat (CSR), selaras dengan aspirasinya untuk meningkatkan kesejahteraan ummah. Bagi memperkukuhkan lagi aktiviti CSR kami, Yayasan **TH** telah ditubuhkan pada 17 Mei 2016 sebagai wadah untuk memperluas aktiviti CSR **TH** secara lebih bersepadu dan sistematik.

TH had during the year, implemented various Corporate Social Responsibility (CSR) programmes in line with our aspiration to elevate the well-being of the ummah. To further strengthen **TH**'s CSR activities, we incorporated Yayasan **TH** on 17 May 2016, as a vehicle to broaden our CSR activities in a more integrated and systematic approach.

Saya dengan sukacitanya membentangkan butiran operasi **TH** secara terperinci bagi tahun kewangan berakhir 31 Disember 2016.

I am pleased to present the information in regards to **TH**'s operations in detail for the financial year ended 31 December 2016.

PERKHIDMATAN PELANGGAN

Customer Service

Pada tahun 2016, jumlah pendeposit terkumpul adalah seramai 9.08 juta orang, menunjukkan peningkatan sebanyak 2.6% berbanding tempoh sama pada tahun 2015 sebanyak 8.85 juta pendeposit.

Selaras dengan jumlah pendeposit yang semakin berkembang, **TH** terus berusaha memberi kemudahan dan keselesaan kepada para pendeposit di seluruh negara.

Inisiatif strategik dengan bank-bank tempatan dan perkhidmatan atas talian dipertingkatkan bagi membolehkan para pendeposit mendapat akses mudah kepada perkhidmatan **TH** tanpa mengira masa dan lokasi mereka.

Pada tahun 2016, jumlah keseluruhan perkhidmatan elektronik hasil kerjasama dengan rakan-rakan strategik adalah seperti berikut:

In year 2016, the cumulative number of depositors amounted to 9.08 million, an increase of 2.6% from 8.85 million depositors in 2015.

The growing number of depositors has driven **TH** to continue focusing on providing facilities and convenience for depositors nationwide.

Strategic initiatives with local banks and additional online services were enhanced to enable depositors to access **TH** services easily at any time, regardless of their location.

In 2016, the total numbers of electronic services as a result of collaboration with strategic partners are as follows:

Perkhidmatan ATM/CDM/CICO ATM/CDM/CICO Services	
Bank	Touchpoint
Bank Islam	1,046
Bank Rakyat	845
Maybank	3,893
Jumlah Total	5,784
*CICO-Cash in Cash out	

Perkhidmatan Uniteller Uniteller Service	
Bank	Touchpoint
Bank Islam	145
Bank Rakyat	173
Jumlah Total	318

Peluasan Perkhidmatan Atas Talian

Selaras dengan peningkatan profil pendeposit yang berusia muda dan bekerjaya, **TH** terus menambahbaik perkhidmatan atas talian, e-THiJARI agar lebih mudah, komprehensif dan berdaya saing.

Online Service Expansion

Consistent with the increase in profile of young careered depositors, **TH** continued to improve its online service, e-THiJARI making it more user-friendly, comprehensive and competitive.



Selain Maybank2u, perkhidmatan **TH** juga boleh dilakukan melalui Perbankan Internet Bank Rakyat (iRakyat) yang telah dilancarkan pada bulan Disember 2016.

Perkhidmatan atas talian melalui Maybank2u dan e-THiJARI pada tahun 2016 didapati meningkat sebanyak 27% berbanding tahun sebelumnya.

TH secara agresif telah melakukan promosi untuk perkhidmatan atas talian melalui bahan cetak dan media elektronik sebagai cara untuk menarik lebih ramai pendeposit menggunakan kaedah ini untuk mendapatkan perkhidmatan **TH**.

Other than Maybank2u, **TH** services are also available through Bank Rakyat Internet Banking (iRakyat), inaugurated in December 2016.

In 2016, online services through Maybank2u and e-THiJARI saw a 27% increase in the number of transactions as compared to the previous year.

Printed and electronic media were deployed in an aggressive promotion exercise for **TH** online services, aimed to spur interest among depositors to use this medium to gain access to **TH** services.

Perbandingan Transaksi Tahun 2015 dan 2016 | Transaction Comparison Between Year 2015 and 2016

Tahun Year	Kaunter TH TH Counter	Uniteller	ATM & CDM	Agen Kutipan Collection Agent	Perkhidmatan Atas Talian Online Services		
					Maybank2u	e-THiJARI	iRakyat
2015	6,228,448	941,632	6,119,158	454,868	1,050,463	394,094	-
2016	6,693,622	930,974	6,627,292	464,223	1,255,343	707,220	3,226

Merakyatkan Perkhidmatan

Selaras dengan saranan kerajaan untuk “Merakyatkan Perkhidmatan”, **TH** telah melancarkan satu lagi inisiatif terbaharu untuk kemudahan pendeposit **TH** iaitu Perkhidmatan Bergerak **TH** Komuniti. **TH** Komuniti memberi kemudahan untuk pendeposit mendapatkan perkhidmatan **TH**, khususnya masyarakat yang tinggal di kawasan luar bandar atau jauh dari pejabat Cawangan **TH**.

Inisiatif ini juga merupakan tanda sokongan terhadap usaha kerajaan melalui Program Mobile Community Transformation Centre (MOBILE CTC) iaitu perkhidmatan bergerak yang menyediakan kemudahan dan perkhidmatan untuk penduduk luar bandar.

Perkhidmatan bergerak **TH** Komuniti telah dilancarkan pada 16 Jun 2016 oleh Pengerusi **TH**, YB Datuk Seri Panglima Abdul Azeez Abdul Rahim di Sungai Besar, Selangor. Manakala pelancaran kedua dilakukan oleh YB Mejar Jeneral Dato’ Seri Jamil Khir bin Haji Baharom (B), Menteri di Jabatan Perdana Menteri pada 16 Julai 2016 di Guar Chempedak, Kedah.

Antara perkhidmatan yang disediakan oleh **TH** Komuniti:

- Simpanan dan pengeluaran wang tunai
- Pembukaan akaun baru **TH**
- Pendaftaran Haji
- Gantian buku akaun simpanan
- Kemaskini maklumat
- Pertukaran akaun kanak-kanak ke dewasa
- Permohonan *pin mailer* (e-THiJARI)
- Permohonan penyata akaun
- Potongan gaji; dan
- Kelab TaHa dan TaHa@U



Humanising Services

Echoing the government’s recommendation to “Humanise Public Service”, **TH** had launched its latest initiative for **TH** depositors’ comfort, namely **TH** Community Mobile Service. **TH** Community provides convenience and access for depositors, especially those living in rural areas or far from any **TH** branches, to access to **TH** services.

The initiative is also in line with government’s Mobile Community Transformation Centre Programme (MOBILE CTC) a mobile service that offers convenience and assistance to communities in rural areas.

The **TH** Community soft launch was done by **TH** Chairman, YB Datuk Seri Panglima Abdul Azeez Abdul Rahim on 16 June 2016 in Sungai Besar, Selangor, while the second launch by YB Major General Dato’ Seri Jamil Khir bin Haji Baharom (R), Minister in the Prime Minister’s Department was held on 16 July 2016 in Guar Chempedak, Kedah.

Amongst services offered by **TH** Community include:

- Savings and cash withdrawal
- New **TH** account registration
- Hajj registration
- Saving account book replacement
- Information update
- Children to adult account conversion
- Mailer pin application (e-THiJARI)
- Account statement application
- Salary deduction; and
- Kelab TaHa and TaHa@U





Selain itu, **TH** meneruskan pembukaan operasi kaunter di cawangan terpilih pada hari Sabtu minggu pertama setiap bulan. Waktu operasi kaunter bermula 9.00 pagi hingga 12.30 tengah hari. Inisiatif ini memberi peluang kepada pendeposit **TH** yang tidak dapat berurusan pada hari bekerja untuk berurusan di hujung minggu.

Sehingga akhir 31 Disember 2016, sebanyak 39 buah pejabat **TH** cawangan terpilih telah membuka kaunter operasi masing-masing pada hari Sabtu minggu pertama setiap bulan seperti berikut:

Apart from the abovementioned, **TH** continued to open its operation counters on the first Saturday of every month. Operation hours are from 9.00am to 12.30pm. This initiative gave an opportunity for depositors who are unable to come during weekdays to perform their transactions on weekend.

As at 31 December 2016, operation counters at 39 selected **TH** branches were opened on first Saturday of the month as follows:

Negeri State	Cawangan TH Terpilih Selected TH Branches
Perlis	TH Kangar
Kedah	TH Jitra • TH Kulim • TH Sungai Petani • TH Baling • TH Guar Chempedak
Pulau Pinang	TH Bayan Lepas • TH Bukit Mertajam • TH Kepala Batas
Perak	TH Teluk Intan • TH Taiping
Selangor	TH Kelana Jaya • TH Batu Caves • TH Klang • TH Shah Alam • TH Banting • TH Bangi • TH Ampang • TH Tanjong Karang
Wilayah Persekutuan	TH Putrajaya • TH Jalan Tun Razak
Negeri Sembilan	TH Seremban
Melaka	TH Masjid Tanah
Johor	TH Batu Pahat • TH Muar • TH Kota Tinggi • TH Kluang • TH Segamat • TH Pontian
Pahang	TH Temerloh • TH Pekan
Terengganu	TH Kemaman
Kelantan	TH Pasir Mas • TH Pasir Puteh • TH Bachok • TH Machang
Sabah	TH Kota Kinabalu • TH Tawau
Sarawak	TH Miri

Indeks Kepuasan Pelanggan

Bagi memastikan pendeposit **TH** mendapat mutu perkhidmatan dan layanan terbaik, **TH** mengukur tahap kepuasan pelanggan terhadap perkhidmatan **TH** melalui Indeks Kepuasan Pelanggan (IKP).

Skop analisis dibahagikan kepada perkhidmatan kaunter **TH** dan Pusat Panggilan Tabung Haji (THCC).

Pada tahun 2016, perkhidmatan THCC mencatat purata IKP 100% berbanding 99.7% pada tahun 2015 dan purata keseluruhan IKP **TH** adalah sebanyak 99.9% berbanding 99.7% pada tahun 2015.

Customer Satisfaction Index

To ensure **TH** depositors received the best and quality services, **TH** measures the level of customer satisfaction towards **TH** services through Customer Satisfaction Index (CSI).

The scope of analysis was divided into **TH** counter service and Tabung Haji Contact Centre (THCC).

In 2016, THCC service achieved an average CSI of 100% compared to 99.7% recorded in 2015, while the overall average of **TH** CSI stood at 99.9% as compared to 99.7% in 2015.

Bil. No.	Skop Analisis Scope of Analysis	Suku 1-2016 1st Quarter 2016	Suku 2-2016 2nd Quarter 2016	Suku 3-2016 3rd Quarter 2016	Suku 4-2016 4th Quarter 2016	Purata Average
1.	Perkhidmatan Kaunter Counter Service	99.96%	99.96%	99.93%	99.96%	99.95%
2.	THCC	100%	100%	100%	100%	100%
Jumlah Purata Average Total						99.97 %

PERKHIDMATAN HAJI

Haji Service

Selari dengan visi Pengurusan Haji Terbilang, **TH** terus beriltizam untuk memberi perkhidmatan terbaik kepada para jemaah haji negara ke arah mencapai haji yang mabrur.

Alhamdulillah, Operasi Haji Musim 1437H/2016M telah berjalan lancar hasil perancangan teliti, pembangunan program yang komprehensif dan komitmen tinggi pengurusan serta semua petugas haji yang terlibat.

Saban tahun semasa mesyuarat tahunan urusan haji di antara Menteri di Jabatan Perdana Menteri dengan Menteri Haji Saudi, pihak Menteri Haji Arab Saudi sentiasa mengiktiraf **TH** sebagai pengendali urusan haji terbaik dan memuji usaha **TH** dalam memberi bimbingan berkesan berkenaan ibadat haji dan perkhidmatan yang amat baik kepada para bakal jemaah haji.

Keseluruhan Operasi Haji Musim 1437H telah memperlihatkan **TH** berjaya mengekalkan Pensijilan Haji MS ISO 9001:2008 Perkhidmatan Haji di Malaysia dan Arab Saudi. Indeks Prestasi Perkhidmatan Haji (IPPH) kekal 98% seperti Musim Haji 1436H. Manakala Indeks Kepuasan Pelanggan (IKP) melalui respon soal selidik jemaah haji meningkat kepada 88%. Kedua-dua hasil indeks menjangkau sasaran masing-masing pada 95% dan 85%.

Tahun Year	IPPH IPPH	IKP CSI
1436H/2015M	98 %	86 %
1437H/2016M	98 %	88 %

Semua jemaah haji telah selamat berwuquf pada 9 Zulhijjah 1437H bersamaan 10 September 2016 (Sabtu) kecuali lima orang jemaah yang mengalami masalah kesihatan. Manakala seramai 30 jemaah haji telah meninggal dunia di Tanah Suci akibat serangan jantung, radang paru-paru dan lain-lain penyakit.

Persediaan Musim Haji 1437H/2016M

Musim Haji 1437H/2016M bermula dengan sesi pasca-nilai operasi haji musim yang lalu untuk mengenalpasti ruang penambahbaikan bagi meningkatkan mutu perkhidmatan haji. Sesi ini menjadi pemangkin untuk **TH** terus kekal relevan sebagai organisasi pengurusan haji unggul dengan pelaksanaan inovasi berterusan meliputi aspek pengurusan dan bimbingan kepada jemaah.

In tandem with the vision to achieve Excellence in Hajj Management, **TH** stays committed in delivering the best service to the country's pilgrims towards attaining a mabrur hajj.

Alhamdulillah, as a result of meticulous planning, comprehensive programme development and steadfast commitment from the management and hajj personnel involved, the 1437H/2016M Hajj Operation had been implemented smoothly.

Each year, during the annual meeting discussing on hajj affairs between the Minister in the Prime Minister's Department and the Hajj Minister of Saudi, the Saudi's Hajj Minister continue to acknowledge **TH** as the best operator of hajj affairs and applauds **TH's** effort not only able to provide excellent service but also in preparing the prospective pilgrims with proper guidance on hajj ritual.

The overall 1437H Hajj Operation shows that **TH** had successfully maintained the Hajj Certification of MS ISO 9001:2008 Hajj Service in Malaysia and Saudi Arabia. The Hajj Service Performance Index (IPPH) remained at 98% similar to 1436H Hajj Season, while the Customer Satisfaction Index (CSI), through survey responses among pilgrims, increased to 88%. Both index results surpassed their targets of 95% and 85% respectively.

All pilgrims safely performed their wuquf on 9 Zulhijjah 1437H or 10 September 2016 (Saturday) except for five pilgrims, due to health reasons. Meanwhile 30 pilgrims passed away in the Holy Land due to heart attack, lung inflammation and other complications.

Preparation For 1437H/2016M Hajj Season

The 1437H/2016M Hajj Season began with post evaluation of past hajj season's to identify room for improvement to further enhance the quality of hajj service. This session has been the catalyst for **TH** to remain relevant as the exemplary hajj management organisation with continuous innovative implementations that include management and guidance for pilgrims.

Selain itu, beberapa sesi muzakarah serta perkongsian pengalaman bersama negara serantau turut diadakan bagi percambahan idea-idea baru demi pelaksanaan perkhidmatan haji yang lebih efisien selaras dengan ekspektasi jemaah haji masa kini.

Pemantapan pengetahuan ibadah dan latihan sendiri telah diterapkan kepada bakal haji menerusi siri-siri kursus haji di 230 masjid terpilih di seluruh negara. Para petugas haji pula dipersiapkan dengan pelbagai kursus bagi meningkatkan pengetahuan dalam pengurusan, mesra pelanggan dan kefahaman ibadah haji untuk menyantuni jemaah haji di Tanah Suci.

Furthermore, numerous *muzakarah* (discussion) as well as sharing sessions with countries in the region were also conducted to brainstorm for new ideas on improving the efficiency of hajj service operation, in line with the discerning expectations of today's pilgrims.

Pilgrims were equipped with in depth knowledge on *ibadah* and self survival training through series of hajj courses at 230 chosen mosques nationwide. Our hajj personnel, on the other hand, were primed through various courses that enhanced their knowledge in management, customer friendliness and understanding on hajj rituals to assist pilgrims in the Holy Land.





Operasi Haji

Bagi Musim Haji 1437H/2016M, Malaysia masih diperuntukkan dengan 22,320 kuota haji, pengurangan 20% daripada kuota asal sebanyak 27,900. Pengurangan kuota ini telah dikuatkuasakan sejak empat tahun lalu berikutan pelaksanaan projek pembesaran Masjidil Haram.

Pelepasan pertama penerbangan haji ke Tanah Suci dari Lapangan Terbang Antarabangsa Kuala Lumpur ialah pada 4 Ogos 2016 (1 Zulkaedah 1437H) manakala penerbangan pulang terakhir jemaah haji ke Tanah Air ialah pada 15 Oktober 2016 (14 Muharam 1438H).

Bayaran menunaikan fardhu haji bagi Musim Haji 1437H masih kekal pada RM9,980 seorang jemaah berbanding kos haji yang telah meningkat kepada RM18,890 seorang. Berikutan itu, **TH** menanggung subsidi haji sebanyak RM8,910 bagi seorang Jemaah Haji Muassasah (pertama kali) dengan jumlah tanggungan haji keseluruhan berjumlah RM160 juta.



Hajj Operation

For 1437H/2016M Hajj Season, a hajj quota of 22,320 was allocated to Malaysia, which was 20% less than the original quota of 27,900. The quota reduction was enforced four years ago due to the expansion project of Masjidil Haram.

The first hajj flight from Kuala Lumpur International Airport to the Holy Land was on 4 August 2016 (1 Zulkaedah 1437H), while the last inbound flight of pilgrims departed for home was on 15 October 2016 (14 Muharram 1438H).

The hajj payment for 1437H season remained at RM9,980 per pilgrim, compared to the actual cost for hajj which has increased to RM18,890. Following that, **TH** subsidised RM8,910 for each Muassasah pilgrim (first timer), making the total subsidy cost amounting to RM160 million.

Pergerakan Jemaah Sewaktu Kemuncak Haji | The Movement of Pilgrims During Hajj



Operasi Masyair

Operasi Masyair merupakan kemuncak kepada keseluruhan Operasi Haji Tanah Suci yang melibatkan pergerakan kesemua Jemaah Haji Malaysia ke Arafah, Muzdalifah, Mina dan Makkah bagi tempoh lima hari, bermula dari 8 hingga 13 Zulhijjah setiap tahun bagi menyempurnakan ibadah rukun dan wajib haji.

Para jemaah haji dibawa ke Arafah dengan menaiki bas pada hari Jumaat, 8 Zulhijjah 1437H, bersamaan 9 September 2016. Bas pertama bertolak dari Makkah seawal jam 1:30 petang secara tiga pusingan.

Waktu wuquf bermula selepas gelincir matahari pada 9 Zulhijjah hingga terbit fajar pada 10 Zulhijjah. Selesai berwuquf, jemaah dibawa ke Mudzalifah untuk bermabit sehingga 11:45 malam, sebelum dibawa ke Mina. Kesemua jemaah selamat sampai di perkhemahan Mina Muaisim pada jam 6:30 pagi pada 10 Zulhijjah.

Di Mina, jemaah melakukan lontaran Jamratul Aqabah pada 10 Zulhijjah dan ketiga-tiga jamrah pada hari-hari tasyrik iaitu 11, 12 dan 13 Zulhijjah yang diurus oleh Pejabat Perkhidmatan Maktab, berdasarkan jadual melontar yang dikeluarkan oleh Kementerian Haji Arab Saudi. Kemudahan penggunaan terowong sejak Musim Haji 1433H dan laluan pejalan kaki bergerak dari kawasan perkhemahan jemaah ke tempat melontar telah membantu memberi keselesaan kepada jemaah haji.

Masyair Operation

Masyair operation is the pinnacle of the entire Hajj Operation in the Holy Land. It involves the mobilisation of all Malaysian Pilgrims to Arafah, Muzdalifah, Mina and Makkah in the duration of five days to fulfil the tenets and compulsory rituals of hajj, which started from 8 to 13 Zulhijjah every year.

Pilgrims were transported to Arafah by buses on Friday, 8 Zulhijjah 1437H or 9 September 2016. The first bus departed from Makkah at 1:30pm via three trips.

Time for wuquf starts when the sun shifts to the west at noon on 9 Zulhijjah and ends at dawn of 10 Zulhijjah. After wuquf, the congregations were transported to Mudzalifah for mabit, up until 11:45pm, before they were brought to Mina. During the last hajj season, all pilgrims safely arrived at the Mina Muaisim camp site at 6:30am on 10 Zulhijjah.

In Mina, pilgrims perform the pelting of pebbles ritual at Jamratul Aqabah on 10 Zulhijjah and the other three Jamrahs on the Tasyrik days, which are 11, 12 and 13 Zulhijjah. These are managed by Maktab Management Office based on the pelting schedule issued by the Hajj Ministry of Saudi Arabia. Pedestrian tunnels that were first opened in the 1433H Hajj Season and walkalators from the camp area to the pelting sites provide added convenience for pilgrims.



Ketika Operasi Haji 1437H, **TH** telah memperkenalkan 'Safari Wuquf' buat pertama kalinya, di mana pesakit dari Pusat Rawatan **TH** dibawa dengan bas ambulan untuk berada di Arafah buat seketika bagi tujuan berwuquf. Inisiatif **TH** yang baharu ini sudah tentunya memberi lebih keselesaan kepada jemaah haji yang sakit dan uzur.

Perkhidmatan di Tanah Suci

Demi keselesaan para jemaah haji, **TH** menyediakan bas khas untuk membawa jemaah haji ke hotel penginapan setibanya mereka di Lapangan Terbang Madinah atau Jeddah. Bangunan penginapan Jemaah Haji Malaysia jaraknya tidak melebihi 200 meter dari Masjidil Nabawi, Madinah dan 950 meter dari Masjidil Haram, Makkah.



During the 1437H hajj operation, **TH** for the first time implemented 'Safari Wuquf', where patients from **TH** Medical Centre were transported via ambulance bus to stay momentarily at Arafah for wuquf.

Services in The Holy Land

For the convenience of our pilgrims, **TH** provides special buses to transport them to their respective hotels upon their arrival at Madinah or Jeddah Airport. The accommodation for Malaysian Pilgrims was located less than 200 meters from Masjidil Nabawi, Madinah and 950 meters from Masjidil Haram, Makkah.



Selain itu, **TH** juga turut menyediakan pelbagai perkhidmatan lain bagi kemudahan dan keselesaan jemaah sepanjang tempoh mereka berada di Tanah Suci seperti:

TH also provides other services for the convenience and comfort of the pilgrims during their stay in the Holy Land as follows:

Bil No	Jenis Perkhidmatan TH Type of TH Service	Kaedah Method
1	Bimbingan ibadat haji dan kaunseling Hajj ritual guidance and counselling	✓ Ceramah Talks
		✓ Talian Ibadat (TAIB) Hajj Ibadat Helpline (TAIB)
		✓ Talian Kaunseling (PEKA) Counselling Helpline (PEKA)
2	Perkhidmatan kaunter kewangan Financial counter service	✓ Simpanan/pengeluaran wang Deposit/withdrawal
		✓ Bayaran dam dan qurban Dam and qurban payment
3	Katering Catering	✓ Sajian makan 2 kali sehari Meals served twice a day
		✓ Kafeteria dan kiosk Cafeteria and kiosk
4	Perubatan Medical	✓ Rawatan hospital/klinik Hospital/clinic treatment
		✓ Rawatan pergigian Dental treatment

Selain perkhidmatan yang diberikan oleh **TH**, perkhidmatan dan kemudahan lain oleh pihak ketiga atau agen yang dilantik **TH** juga turut disediakan. Antara perkhidmatan pihak ketiga yang disediakan ialah:

TH also provides other services and facilities, which are delivered by appointed third parties or agents. Among the services rendered by third parties include the following:

Bil No	Jenis Perkhidmatan Type of Service	Agen Agents
1	Kiriman bagasi ke Malaysia Baggage delivery to Malaysia	✓ Pos Malaysia Berhad
		✓ Nationwide Express Courier Sdn Bhd
		✓ Shah Kargo Forwarder Sdn Bhd
		✓ Koperasi TH Logistic Sdn Bhd
2	Bagasi 'City Check-In' sebelum keberangkatan pulang ke Tanah Air City Check-in baggage before departing home	✓ Syarikat yang dilantik di Arab Saudi Appointed service providers in Saudi Arabia
3	I-Talk	✓ Telekom Malaysia
4	Kiosk (dobi, buku, cenderahati) Kiosk (laundry, books, souvenirs)	✓ Pihak tempatan Arab Saudi Local service provider in Saudi Arabia
5	Ziarah Makkah/Madinah Visiting Makkah/Madinah	✓ Pihak Muassasah Muassasah

Inovasi / Penambahbaikan:

TH telah berjaya melaksanakan beberapa penambahbaikan pada Musim Haji 1437H di antaranya :

Innovations / Enhancement:

TH has successfully implemented a number of enhancements during the 1437H Hajj Season, which include:

Bil No	Perkara Item
1	Penggunaan pesawat A380 yang lebih selesa dengan kapasiti 489 penumpang dari KLIA bagi membawa jemaah haji. Jemaah haji dari tujuh stesen luar dibawa ke KLIA dengan penerbangan domestik (penerbangan feeder). Flying the pilgrims from KLIA using A380 aircraft which is a more comfortable and can seat 489 passengers. Pilgrims from other seven domestic stations were flown to KLIA on domestic feeder flights.
2	Pengambilan imej 10 cap jari bakal haji sebelum keberangkatan ke Tanah Suci di semua stesen berlepas bagi memenuhi permintaan pihak berkuasa Arab Saudi. Scanning of 10 fingerprints images of every prospective pilgrims before boarding the flights to the Holy Land at all departure stations as requested by the Saudi Arabia's authority.
3	Penggunaan gelang tangan yang mengandungi maklumat dari Sistem e-haji seperti kehendak Kementerian Haji Arab Saudi. The usage of wrist band containing information from e-haji System in accordance with the Hajj Ministry of Saudi Arabia's requirement.
4	Perlaksanaan sistem aplikasi Hajj Mobiliti yang dimuat turun ke telefon pintar bagi memudahkan petugas menjalankan tugas semasa Operasi Haji Tanah Suci seperti carian maklumat jemaah haji dan petugas, laporan pergerakan bas sewaktu Operasi Masyair serta kiraan jemaah. Implementation of Hajj Mobility application system that can be downloaded to smart phones to assist hajj personnel in carrying out their duties during hajj operation in the Holy Land, which include functions that enable information search on the pilgrims and the hajj personnels, reports on movement of the buses during Masyair operation and facilitating head count.





Bil No	Perkara Items
5	Penggunaan Sistem Maklumat Kesihatan (SIHAT) bagi memudahkan pengurusan kesihatan jemaah haji dan memberi akses maklumat jemaah kepada lain-lain unit operasi dengan pantas dan terkini. <i>The application of Health Information System (SIHAT) to facilitate the pilgrims' health management and to allow fast access to the pilgrims' information by other operation units.</i>
6	Penggunaan SMS Blast bagi menyalurkan maklumat penting dan segera kepada petugas haji dan jemaah haji mengikut keperluan. <i>Usage of SMS Blast for important and urgent information to hajj personnel and pilgrims, when needed.</i>
7	Melaksanakan program Safari Wuquf, iaitu membawa jemaah haji sakit dengan kenderaan bas ambulan dari Pusat Rawatan TH Syisyah ke Arafah untuk berwuquf pada 9 Zulhijjah di atas bas (tanpa menurunkan jemaah ke khemah) dan membawa mereka kembali ke pusat rawatan. <i>Implementation of 'Safari Wuquf', in which the ailing pilgrims were carried by ambulance bus from Syisyah TH Medical Centre to Arafah for wuquf on 9 Zulhijjah (without bringing them out from the bus) and afterwards, transported them back to the medical centre.</i>
8	Penggunaan kipas berwap air di khemah penempatan Jemaah Haji Muassasah semasa di Arafah <i>The usage of mist fans in the tents that accommodate Muassasah Pilgrims at Arafah.</i>
9	Penyediaan permaidani sebagai hamparan tempat duduk jemaah haji di Muzdalifah dan kemudahan urinal di Mina untuk mengurangkan tempoh menunggu ke tandas. <i>Providing carpets as sitting mat for the pilgrims at Muzdalifah and urinals in Mina to reduce waiting time for lavatories.</i>
10	Taklimat Pengurusan Bencana kepada jemaah haji semasa ketibaan di Makkah/Madinah. <i>Disaster Management briefing to the pilgrims on their arrival in Makkah/Madinah.</i>
11	Penjenamaan semula Sahabat Maktab TH termasuk menyediakan Panduan Kerja Sukarela untuk rujukan Sahabat Maktab dan Pengurusan Maktab. <i>The re-branding of 'Sahabat Maktab' TH that include providing Volunteer Work Guideline for reference of Sahabat Maktab and the Management of the Maktab.</i>
12	Mewujudkan Pelan Pengurusan Bencana Operasi Haji Tanah Suci yang ditambahbaik dari Pelan Kesyinambungan Operasi Haji. <i>Establishing the Disaster Management Plan for the Holy Land Hajj Operation, which was upgraded from the Hajj Operation Continuity Plan.</i>
13	Menambah bilangan perlaksanaan Badal Haji kepada 3,700 berbanding 2,400 pada Musim Haji 1436H. <i>Increasing the number of Badal Haji to 3,700 from 2,400 in 1436H.</i>

PELABURAN

Investment

Pengurusan Portfolio Ekuiti

Pelaburan dalam ekuiti tercatat patuh syariah domestik merupakan salah satu aktiviti utama dalam memberikan pulangan pendapatan kepada **TH**. Objektif utama pelaburan ekuiti tercatat domestik adalah untuk menjana pulangan yang kompetitif sejajar dengan tahap risiko yang berpatutan.

2016 sekali lagi merupakan tahun yang mencabar bagi pasaran modal. Indeks FBM KLCI menyusut sebanyak 3.0% berbanding tahun sebelumnya dan berakhir pada paras 1,641.7 mata. Ini merupakan tahun ketiga berturut-turut Indeks FBM KLCI ditutup pada paras yang lebih rendah. Penurunan pada tahun 2016 adalah dipengaruhi oleh beberapa faktor utama seperti aliran keluar dana asing yang berterusan berjumlah hampir RM3.1 bilion dari pasaran ekuiti Malaysia, penurunan purata harga minyak mentah Brent sebanyak 15.8% serta peningkatan risiko politik global terutama dengan teretusnya *Referendum* Brexit dan keputusan luar jangkaan pilihanraya Amerika Syarikat (AS). Walaupun nilai matawang RM pulih pada awal tahun, namun nilai RM terus menyusut sebanyak 3.2% berbanding USD daripada tahun sebelumnya. Faktor-faktor ini telah memberikan impak negatif kepada pasaran ekuiti Malaysia pada tahun 2016.

Pemulihan harga purata minyak sawit sebanyak 21.3% kepada RM2,657.9/tan pada tahun 2016 gagal menaikkan sentimen pasaran secara keseluruhannya.

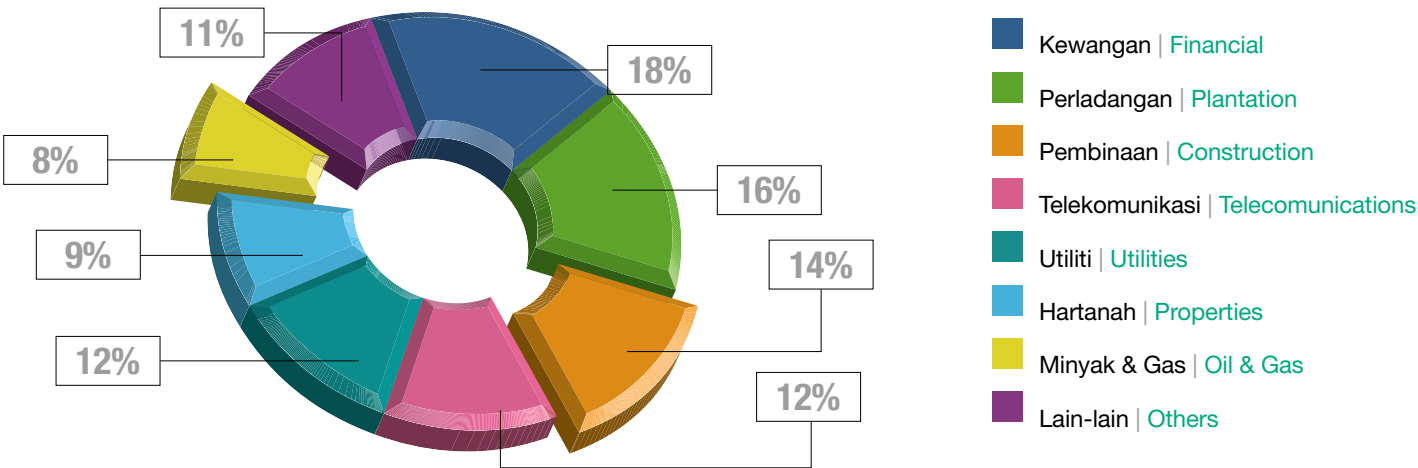
Equity Portfolio Management

Investment in domestic shariah-compliant listed equities is one of the main activities that generate income for **TH**. The main objective of these investments are to generate competitive returns in line with appropriate levels of risks.

2016 was another challenging year for the capital market. Overall, the FBM KLCI Index declined by 3.0% year-on-year to end at 1,641.7 points. This is the third consecutive year that the FBM KLCI index ended the year lower. The decline in 2016 was attributed to several key factors such as the continuous foreign outflow from the Malaysian equity market totalling nearly RM3.1 billion, contraction in average Brent crude oil price by 15.8% as well as heightened global political risks arising from the Brexit Referendum and the unexpected outcome of the US presidential election. Despite the rebound in RM in the early part of the year, RM continued to depreciate against USD by 3.2% year-on-year. These factors have negatively impacted the Malaysian equity market in 2016.

The recovery in average Crude Palm Oil (“CPO”) price by 21.3% year-on-year to RM2,657.9/tonne in 2016 was unable to lift the overall capital market sentiment.

Pelaburan Ekuiti Tercatat Domestik Mengikut Sektor | Sectorial Breakdown of Domestic Listed Equities



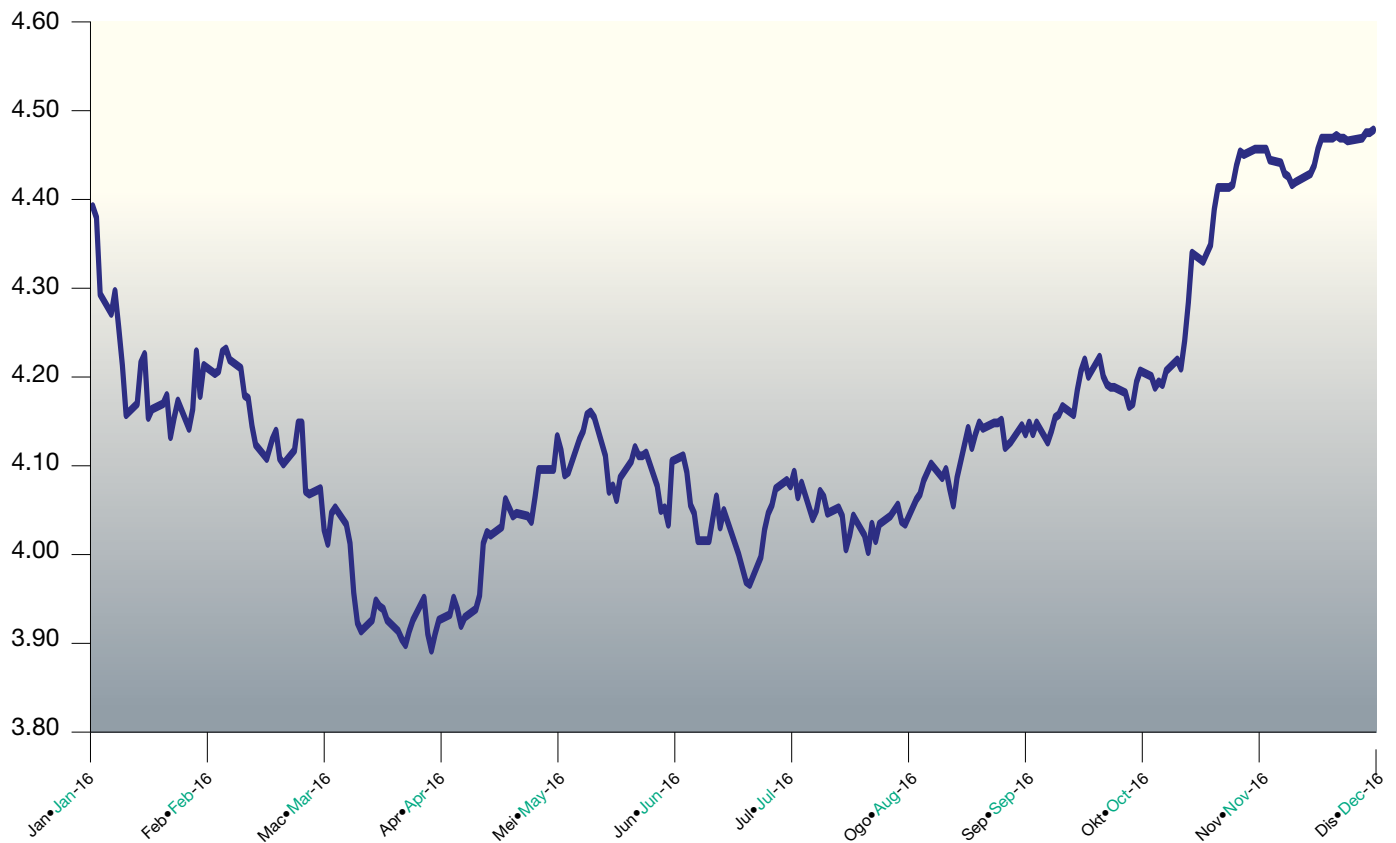


Walaupun dengan prestasi pasaran saham yang lemah pada tahun 2016, pelaburan dalam ekuiti tersenarai domestik telah mencatatkan keuntungan realis sebanyak RM1.24 bilion daripada jumlah pelaburan sebanyak RM19.21 bilion. Ini memberikan kadar pulangan realis sebanyak 6.48%.

Despite the weak performance of the stock market in 2016, **TH's** investments in domestic listed equities managed to record a realised profit of RM1.24 billion from total investment of RM19.21 billion. This gives a realised return of 6.48%.

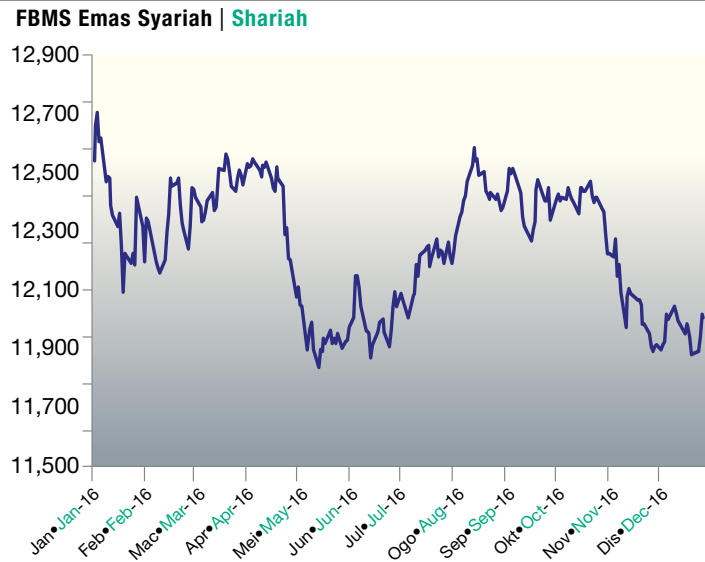
Pergerakan Matawang RM Berbanding USD pada 2016 | RM/USD Movement in 2016

RM | USD



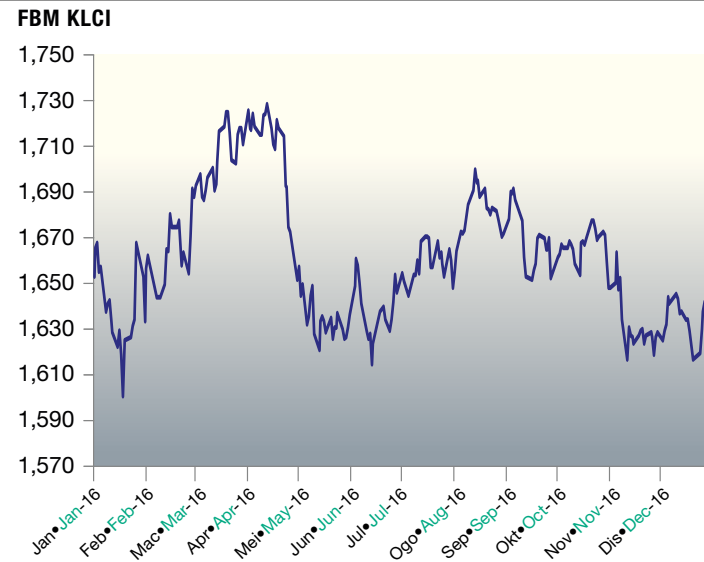
Sumber | Source: Bloomberg

Pergerakan Indeks FBM Emas Syariah pada 2016
FBM Emas Syariah Index Movement in 2016



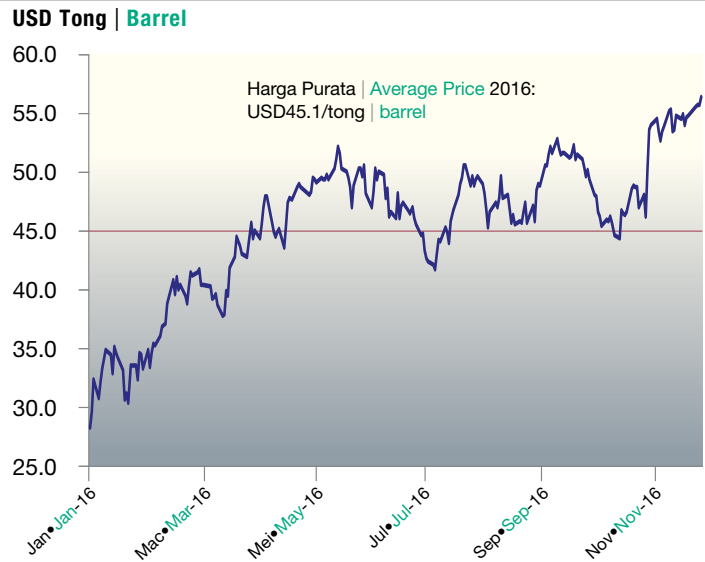
Sumber | Source: Bursa Malaysia

Pergerakan Indeks FBM KLCI pada 2016
FBM KLCI Movement in 2016



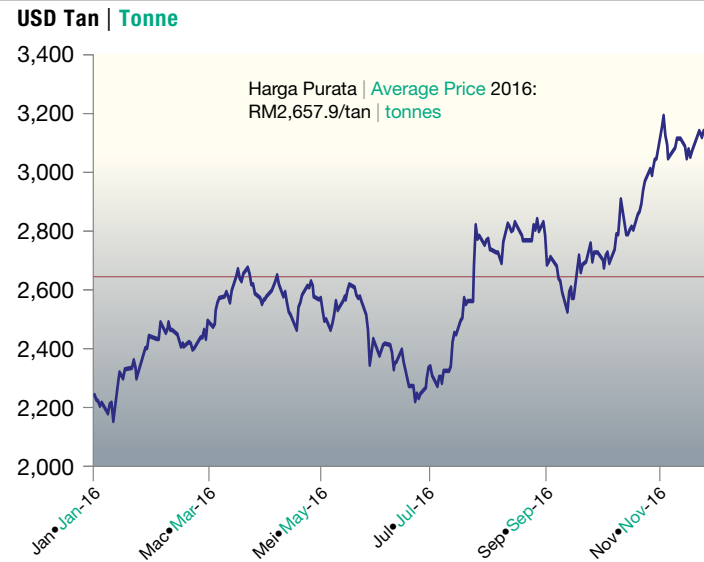
Sumber | Source: Bursa Malaysia

Pergerakan Harga Minyak Mentah pada 2016
Crude Oil Price Movement in 2016



Sumber | Source: Bloomberg

Pergerakan Harga Minyak Kelapa Sawit pada 2016
Crude Palm Oil Price Movement in 2016



Sumber | Source: Bloomberg



Pengurusan Portfolio Ekuiti Asing

Pelaburan portfolio ekuiti asing **TH** telah beroperasi sejak 2014 dengan dana sebanyak USD800 juta merangkumi pelaburan patuh syariah di negara-negara rantau Asia Pasifik iaitu Indonesia, Filipina, Thailand, Singapura, Australia, Korea Selatan, Taiwan, China dan Hong Kong. Pelaburan dibuat di dalam pelbagai sektor seperti sektor telekomunikasi, pengguna, hartanah, teknologi, utiliti, perladangan dan perkhidmatan kesihatan.

Seperti yang dijangkakan, tahun 2016 merupakan satu lagi tahun yang mencabar untuk pasaran ekuiti global, ekoran kebimbangan terhadap pertumbuhan ekonomi global yang lemah dan ketidakpastian dalam perkembangan geopolitik dunia terutamanya Referendum Brexit dan pilihan raya Presiden AS.

Kemenangan luar jangkaan Donald Trump telah menimbulkan kesan negatif terhadap sentimen pelabur di dalam pasaran ekuiti negara membangun. Jangkaan terhadap pertumbuhan ekonomi AS yang lebih mampan didorong oleh perlaksanaan manifesto pilihan raya Donald Trump dan kenaikan berterusan kadar faedah oleh *Federal Reserve* telah menyebabkan aliran dana keluar daripada pasaran negara membangun ini kembali ke pasaran AS.

Walau bagaimanapun, **TH** berjaya merekodkan pulangan pelaburan yang memuaskan pada tahun ini. Berdasarkan purata saiz dana sebanyak RM2.95 bilion bagi tahun 2016, **TH** telah mencatatkan keuntungan realis bersih sebanyak RM187.23 juta iaitu bersamaan dengan kadar pulangan TWRR sebanyak 10.78% berbanding dengan pulangan sebanyak 0.92% yang dicatatkan oleh Indeks Dow Jones Islamic Asia Pasifik tidak termasuk Jepun (indeks penanda aras untuk pelaburan saham tercatat patuh syariah rantau Asia Pasifik).

Foreign Equity Portfolio Management

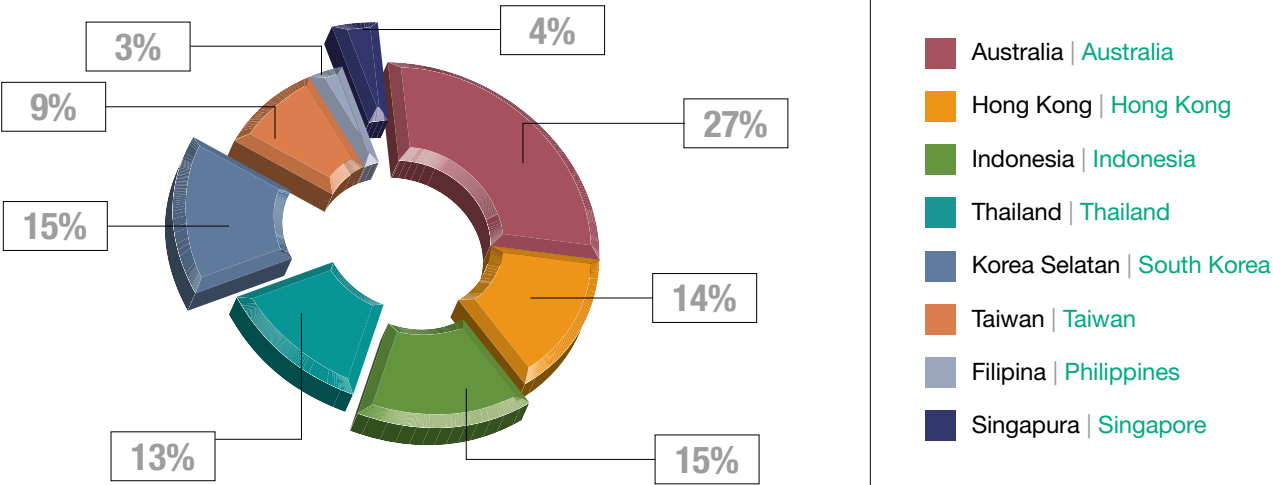
TH's foreign investment portfolio has been operational since 2014 with fund size of USD800 million consists of investment in listed shariah-compliant equities across different countries in the Asia Pacific region, namely Indonesia, Philippines, Thailand, Singapore, Australia, South Korea, Taiwan, China and Hong Kong. **TH's** investment exposure spans across multiple sectors such as telecommunication, consumer, property, technology, utilities, plantation and healthcare.

As expected, 2016 was another challenging year for the global equity market, dragged down by concerns over weak global economy growth coupled with geopolitical uncertainties particularly the Brexit Referendum and the US Presidential Election.

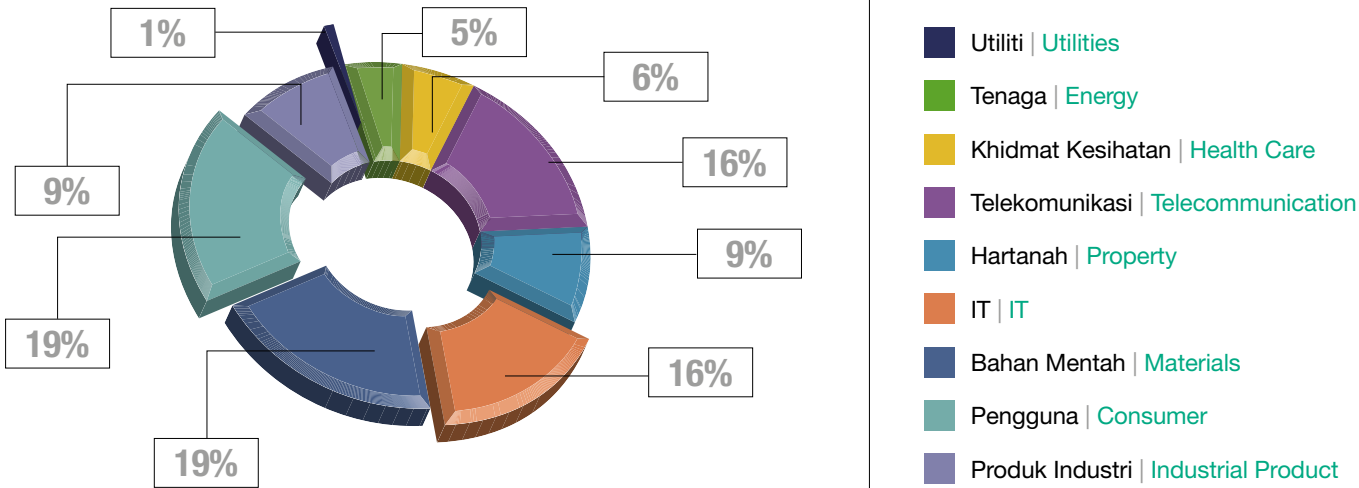
Donald Trump's unexpected victory had resulted in a knee-jerk negative investor sentiment in the emerging equity markets. Expectations of stronger US economic growth to be driven by Donald Trump's execution of his election campaign pledges and for the interest rate hike by the Federal Reserve had caused capital outflow from these markets back into the US market.

Nevertheless, **TH** managed to record a satisfactory return for the year. Based on an average fund size of RM2.95 billion for 2016, **TH** recorded a net realized income of RM187.23 million, which translates to time weighted rate of return (TWRR) of 10.78% as compared to 0.92% return recorded by the Dow Jones Islamic Asia Pacific Ex-Japan Index (**TH's** benchmark index).

Pecahan Portfolio TH Asia Pasifik Mengikut Negara setakat 31 Disember 2016
TH Asia Pacific Portfolio Distribution by Country as at 31 December 2016



Pecahan Portfolio TH Asia Pasifik Mengikut Sektor setakat 31 Disember 2016
TH Asia Pacific Portfolio Distribution by Sector as at 31 December 2016





Pelaburan Dana dan Outsourcing

TH juga menjana pulangan patuh syariah yang kompetitif dan mampan melalui syarikat pengurusan dana luaran. Dana **TH** yang diuruskan oleh pengurus dana luaran terbahagi kepada dua kategori, iaitu mandat ekuiti tersenarai dan mandat ekuiti tidak tersenarai.

Prestasi pengurus dana luaran sentiasa dipantau untuk memastikan mereka sentiasa mematuhi mandat yang ditetapkan dan mencapai sasaran pulangan sebagaimana yang ditetapkan oleh **TH**.

Bagi mandat ekuiti tersenarai, lapan pengurus dana telah dilantik bagi tahun 2016, yang terdiri daripada lima untuk pasaran domestik dan tiga untuk pasaran Asia Pasifik (tidak termasuk Jepun). Jumlah dana yang diuruskan oleh pengurus dana luaran bagi mandat ekuiti tersenarai bagi tahun 2016 bernilai RM1.48 bilion, yang mana 65% daripada dana tersebut dilaburkan di dalam pasaran domestik.

Bagi mandat ekuiti tidak tersenarai, **TH** mempunyai komitmen untuk melabur sebanyak RM1.09 bilion dalam lima dana domestik dan sembilan dana antarabangsa. Portfolio dana ekuiti tidak tersenarai ini mempunyai pelaburan di dalam pelbagai sektor ekonomi dan merentasi geografi.

Fund Investment and Outsourcing

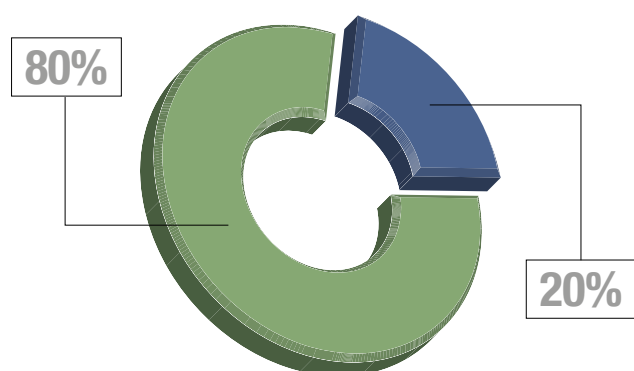
TH also generates competitive and sustainable returns from shariah-compliant investments made through external fund management companies. The funds outsourced by **TH** are divided into two categories i.e. listed equities mandate and private equities mandate.

The external fund managers' performance is constantly monitored and measured to ensure that they are able to comply with the mandate and achieve the target returns set by **TH**.

For listed equities mandate, eight external fund managers were appointed for 2016 of which five were for the domestic market and three for the Asia Pacific (ex-Japan) markets. Total funds outsourced for this mandate in 2016 was valued at RM1.48 billion, of which 65% was invested in the domestic market.

For private equities mandate, **TH** remains committed to cumulatively invest RM1.09 billion in five domestic funds and nine international funds. The investment portfolio of the private equity funds are diversified into various economic sectors and across geographies.

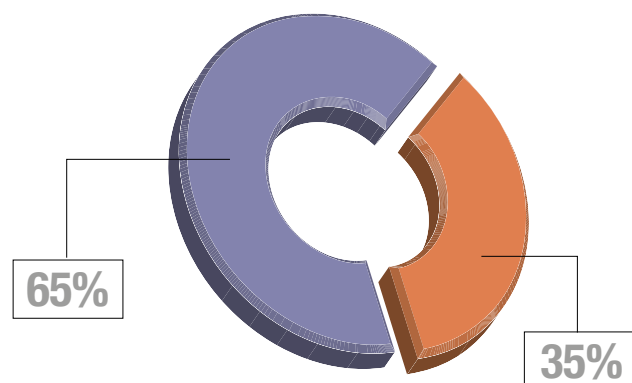
Dana Ekuiti Tidak Tersenarai (Domestik vs Antarabangsa) | Private Equity Fund (Domestic vs International)



■ Dana Ekuiti Tidak Tersenarai Antarabangsa
International Private Equity Fund

■ Dana Ekuiti Tidak Tersenarai Domestik
Domestic Private Equity Fund

Mandat Ekuiti Tersenarai (Domestik vs Asia Pasifik) | Listed Equities Mandate (Domestic vs Asia Pacific)



■ Mandat Ekuiti Tersenarai Domestik
Domestic Listed Equities Mandate

■ Mandat Ekuiti Tersenarai Asia Pasifik
Asia Pacific Listed Equities Mandate

Peratusan komitmen dana ekuiti tidak tersenarai mengikut geografi adalah sebanyak 44% di Asia, 28% di Arab Saudi, 20% di Malaysia, 4% di negara-negara OIC dan 4% di negara-negara MENA (Asia Tengah dan Afrika Utara). Berdasarkan sektor ekonomi pula, 44% daripada dana dilaburkan di dalam sektor pajakan aset, diikuti dengan 23% dalam sektor hartanah, 11% dalam sektor perdagangan/perkhidmatan, 8% dalam sektor pengguna, 8% dalam sektor tenaga dan utiliti, 5% dalam sektor perindustrian, dan 1% dalam sektor kewangan. Sasaran Kadar Pulangan Dalamann (IRR) jangka panjang bagi dana ekuiti tidak tersenarai adalah di antara 12% hingga 20% setahun.

Pada 31 Disember 2016, nilai buku bersih keseluruhan pelaburan dana outsource **TH** adalah berjumlah RM3.25 bilion. Manakala pelaburan dana outsource **TH** telah merekodkan jumlah perolehan kasar berjumlah RM131.32 juta bagi tahun 2016.

Pengurusan Portfolio Pendapatan Tetap

Portfolio pendapatan tetap **TH** menghasilkan perolehan sebanyak RM1.39 bilion pada 2016, iaitu peningkatan sebanyak 12% berbanding RM1.24 bilion yang dihasilkan pada 2015 di sebalik ketidakpastian dan cabaran di dalam pasaran bon global dan tempatan.

Sehingga 31 Disember 2016, nilai buku bersih keseluruhan portfolio pendapatan tetap adalah berjumlah RM27.72 bilion yang bersamaan 44% daripada jumlah keseluruhan nilai aset bersih **TH**.

Saiz pasaran sukuk Malaysia meningkat sebanyak 9% kepada RM617 bilion pada 2016 daripada RM604 bilion pada 2015. Nilai pasaran sukuk korporat Malaysia pula meningkat sebanyak 6% kepada RM226 bilion pada 2016 daripada RM213 bilion pada 2015. (Sumber: Bond Pricing Agency Malaysia). Jumlah pelaburan **TH** di dalam pasaran sukuk tempatan berjumlah RM13.8 bilion pada 2016.

Kadar pulangan bagi sukuk Malaysia terjejas ekoran beberapa faktor polisi dan geopolitik termasuklah penurunan Kadar Faedah Semalaman oleh Bank Negara Malaysia, kenaikan kadar faedah di Amerika Syarikat dan kesan mengejut kemenangan pilihanraya Donald Trump. Walaupun kadar pulangan menunjukkan peningkatan menjelang akhir tahun, namun ianya masih berakhir lebih rendah berbanding 2015.

Kadar pulangan 10-tahun Terbitan Pelaburan Kerajaan (GII), sukuk bertaraf AAA dan AA2 ditutup 15, 18, dan 33 mata asas lebih rendah masing-masing kepada 4.37%, 4.68%, dan 4.98%.

Geographically, 44% of the private equity funds are committed in Asia, 28% in Saudi Arabia, 20% in Malaysia, 4% in OIC countries and 4% in MENA (Middle East and North Africa). By sectors, 44% of the funds are committed in asset leasing, followed by 23% in real estate, 11% in trading/services, 8% in consumer, 5% in energy & utility, 5% in industrial product and 1% in financial sector. The targeted long-term Internal Rate of Returns (IRR) for the private equity funds range from 12% to 20% per annum.

As at 31st December 2016, the total net book value of **TH**'s outsourced funds amounted to RM3.25 billion. Meanwhile **TH**'s outsourced funds recorded gross income of RM131.32 million in 2016.

Fixed Income Portfolio Management

TH's fixed income portfolio generated income of RM1.39 billion in 2016, an increase of 12% from the RM1.24 billion generated in 2015 despite the uncertainties and challenges in the global and domestic bond market.

As at 31 December 2016, the net book value of **TH**'s fixed income portfolio was recorded at RM27.72 billion, accounting for 44% of **TH**'s net asset value.

The size of Malaysia's sukuk market increased by 9% to RM617 billion in 2016 from RM604 billion in 2015. The market value of Malaysia's corporate sukuk increased by 6% to RM 226 billion in 2016 from RM213 billion in 2015. (Source: Bond Pricing Agency Malaysia). **TH**'s total investment in the domestic sukuk amounted to RM13.8 billion in 2016.

Yields for Malaysian sukuk were affected by a slew of policy and geopolitical factors, including the cut in Overnight Policy Rate by Bank Negara Malaysia, the policy rate hike by the Federal Reserve of the United States as well as the knee-jerk effect of Donald Trump's election win. Although the yields recovered towards the end of the year, they still ended the year lower as compared to 2015.

The yield of 10-year Government Investment Issue (GII), AAA and AA2 closed 15 basis points (bps), 18 bps, and 33 bps lower to 4.37%, 4.68%, and 4.98% respectively.



Penyelidikan Pelaburan

Bahagian Penyelidikan yang dianggotai oleh penganalisa-penganalisa ekuiti dan kredit bertanggungjawab menyediakan cadangan pelaburan dalam syarikat-syarikat senaraian awam, syarikat-syarikat persendirian yang menyasarkan senaraian awam dan juga sukuk yang patuh syariah.

Dalam melaksanakan tugas penyelidikan, Bahagian ini memantau perkembangan dan tren ekonomi tempatan dan antarabangsa, industri-industri, pasaran-pasaran saham dan syarikat-syarikat senaraian awam dalam mengenalpasti peluang-peluang pelaburan yang dapat memberikan pulangan pelaburan yang optimum kepada **TH**.

Bahagian ini turut mengekalkan komunikasi dengan pihak pengurusan syarikat-syarikat yang dilabur dan yang berpotensi untuk dilabur serta mengatur lawatan-lawatan ke syarikat untuk memahami dengan lebih lanjut tentang operasi syarikat-syarikat tersebut. Bagi tahun 2016, para penganalisa dan pengurus dana telah melawat sebanyak 282 syarikat, manakala sebanyak 68 syarikat telah hadir ke **TH** untuk membentangkan maklumat terkini serta prospek mereka.

Di samping itu, Bahagian ini memantau perkembangan perniagaan, urus tadbir korporat dan pematuhan syariah syarikat-syarikat tersebut. Pihak Pengurusan Jabatan Pelaburan juga sering memainkan peranan yang proaktif dalam mengutarakan pandangan dan cadangan kepada pihak pengurusan syarikat-syarikat berkaitan untuk tujuan penambahbaikan.

Bahagian ini turut mendapat manfaat sokongan berterusan daripada unit-unit penyelidikan pelaburan panel broker saham **TH**. Panel broker saham terbabit dinilai pada setiap tahun daripada aspek kualiti perkhidmatan penyelidikan pelaburan dan urus niaga saham yang diberikan kepada **TH**. Bagi tahun 2016, **TH** disokong oleh 13 broker saham tempatan dan 2 broker saham asing.

Pelaburan Strategik Melalui Anak Syarikat, Syarikat Bersekutu dan Usahasama

Pelaburan strategik melalui penglibatan secara terus melalui anak syarikat, syarikat bersekutu dan usahasama, samada ekuiti tercatat mahupun tidak tercatat membuktikan kesungguhan **TH** untuk mengembangkan perniagaan dalam sektor patuh syariah yang telah dikenal pasti.

Berikut adalah laporan pencapaian **TH** dalam pelaburan strategik melalui anak-anak syarikat:

Investment Research

The Research Division, which is made up of equity and credit research analysts, is responsible to provide shariah-compliant investment recommendations on public listed companies, private companies aiming for public listing as well as sukuk issuances.

In carrying out its research duties, the Division monitors the developments and trends of domestic and international economies, industries, stock markets and listed companies in identifying investment opportunities which can generate optimum investment returns for **TH**.

The Division also maintains communications with the management team of the investee and potential investee companies and organises site visits to further understand the operations of these companies. In 2016, the analysts and fund managers visited 282 companies, while 68 companies visited **TH** to present their latest updates and outlook.

In addition, the Division monitors these companies' business developments, corporate governance and compliance to shariah requirements. The Management of Investment Department also often plays a proactive role in communicating the Division's views and recommendations to the management of these companies for their improvement.

The Division also capitalises on the continuous support received from the investment research units of **TH's** panel stockbrokers. These stockbrokers are evaluated annually based on the quality of their investment research and stockbroking services provided to **TH**. In 2016, **TH** was supported by 13 local stockbrokers and 2 foreign stockbrokers.

Strategic Investments Through Subsidiaries, Associates and Joint-Ventures

The strategic investments through direct involvement either by subsidiaries, associates and joint-ventures, both in quoted and unquoted shares proved **TH's** determination to develop businesses in identified shariah-compliant sectors.

The following are reports of **TH's** strategic investments via subsidiaries:

SEKTOR KEWANGAN ISLAM

Islamic Finance Sector

BIMB Holdings Berhad

Penglibatan **TH** dalam Sektor Kewangan Islam adalah melalui anak syarikat, BIMB Holdings Berhad. BIMB Holdings Berhad (BHB atau Kumpulan) terus meningkatkan asasnya bagi menyampaikan nilai kepada pemegang berkepentingan. Status Kumpulan sebagai satu-satunya syarikat pegangan kewangan Islam yang tersenarai di Malaysia merupakan salah satu kelebihan utama yang dimiliki oleh BHB yang memberikannya kemampuan unik untuk menawarkan perkhidmatan kewangan patuh syariah lengkap kepada pasaran, daripada perbankan ke takaful dan pembrokeran saham. Penekanan tambahan yang diberikan dalam memanfaatkan kelebihan tersebut pada tahun 2016 telah berjaya membentuk sinergi yang lebih menyeluruh dalam Kumpulan untuk sama-sama membangun sebagai sebuah organisasi yang lebih tersusun.

BHB memfokus kepada aspek-aspek utama termasuk kualiti aset, kos pembiayaan, pengurusan modal secara proaktif dan pengurusan risiko yang diperkukuh.

Dengan sokongan yang lebih menyeluruh daripada Kumpulan, anak-anak syarikat BHB yang terdiri daripada Bank Islam Berhad (Bank Islam atau Bank), Syarikat Takaful Malaysia Berhad (Takaful Malaysia) dan BIMB Securities Berhad (BIMB Securities) telah berjaya mempertingkatkan prestasi masing-masing. Ini terbukti menerusi pencapaian yang amat menggalakkan bagi tahun kewangan 2016.

Antara pencapaian penting tahun ini adalah:

- Pertumbuhan kewangan yang kukuh sebanyak 14.3%, berbanding 5.3% yang dicatat oleh industri;
- Nisbah kemerosotan nilai pembiayaan kasar pada 0.98% berbanding 1.61% nisbah industri; dan
- Pulangan tertinggi atas ekuiti berdasarkan keuntungan sebelum cukai sebanyak 22%.

BIMB Holdings Berhad

TH involvement in the Islamic Finance Sector is through its subsidiary, BIMB Holdings Berhad. BIMB Holdings Berhad (BHB or the Group) continued to build on its fundamentals in order to deliver stakeholder value. One of the Group's key strengths is its status as the only listed Islamic financial holdings company in the country, which lends BHB the unique ability to offer end-to-end shariah-compliant financial services to the market, from banking to takaful and stockbroking. BHB placed additional emphasis on leveraging on this strength in 2016, creating greater Group synergies to grow together as a more cohesive organisation.

BHB focused on key areas including asset quality, cost of funds, proactive capital management and strengthened risk management.

With greater Group support, its subsidiaries, Bank Islam Berhad (Bank Islam or the Bank), Syarikat Takaful Malaysia Berhad (Takaful Malaysia) and BIMB Securities Berhad (BIMB Securities) were able to enhance their performance. This resulted in some very encouraging numbers for the financial year 2016.

Among the key achievements during the year were:

- Strong financing growth of 14.3%, compared with industry's 5.3%;
- Gross impaired financing ratio of 0.98% compared with industry's 1.61%; and
- Highest return on equity based on pre-tax profit of 22%.



Prestasi kewangan BHB turut menggambarkan prestasi kewangan anak-anak syarikatnya. Walaupun menghadapi persekitaran makro yang mencabar, Bank Islam dan Takaful Malaysia terus memfokus kepada kelebihan yang dimiliki untuk mencatat keputusan yang memberangsangkan dengan kedua-duanya berjaya mencapai rekod keuntungan. Bertunjangkan operasi berhemah namun strategik, anak-anak syarikat BHB berjaya mencapai KPI masing-masing, justeru, memastikan prestasi Kumpulan yang teguh. BHB turut mencatat pulangan sebelum cukai atas ekuiti (ROE) yang memuaskankan sebanyak 22.0% dan pulangan sebelum cukai atas aset (ROA) sebanyak 1.4%, manakala pendapatan sesaham (EPS) pula adalah sebanyak 35.25 sen.

Pada tahun ini, BHB bukan sahaja merupakan salah satu kaunter dengan prestasi terbaik di kalangan institusi kewangan di Bursa Malaysia, malah muncul sebagai kaunter terbaik. Harga saham BHB meningkat sebanyak 10.2% dari akhir bulan Disember 2015 hingga akhir Disember 2016. Pencapaian ini adalah jauh lebih baik berbanding FBM Kuala Lumpur Composite Index (FBMKLCI) yang menurun sebanyak 3.0% sepanjang tempoh yang sama. Berbekalkan prestasi kewangan yang memberangsangkan tersebut, BHB telah mengisytiharkan dividen interim sebanyak 13.0 sen sesaham biasa yang berjumlah RM206.53 juta bagi tahun kewangan ini. Kira-kira 89.4% daripada dividen berkenaan telah dilaburkan semula ke dalam 49,061,000 saham biasa baharu dengan nilai RM1.00 sesaham pada harga terbitan RM3.75 se saham, sejajar dengan rancangan pelaburan semula dividen Kumpulan.

BHB's financial performance is a direct reflection of that of its subsidiaries. Despite the challenging macro-environment, Bank Islam and Takaful Malaysia continued to focus on their strengths to deliver robust results, both achieving record profits. Based on their prudent yet strategic operations, the subsidiaries were able to deliver on their KPIs, ensuring healthy Group performance. BHB registered a respectable pre-tax return on equity (ROE) of 22.0% and pre-tax return on assets (ROA) of 1.4%, while an earnings per share (EPS) was 35.25 sen.

This year, BHB is not merely one of the best performing counters among financial institutions on Bursa Malaysia, but the best performer. Its share price appreciated by 10.2% from end December 2015 to end December 2016. This compares very favourably against the FBM Kuala Lumpur Composite Index (FBMKLCI), which decreased by 3.0% over the same period. Along with a healthy financial performance, BHB declared an interim dividend of 13.0 cent per ordinary share amounting to RM206.53 million for the financial year. Approximately 89.4% of the dividend was reinvested into 49,061,000 new ordinary shares of RM1.00 each at an issue price of RM3.75 per share in line with the Group's dividend reinvestment plan.

Perbankan Islam

Pencapaian Penting:

- Melancarkan Akaun Pelaburan Terhad kedua (RIA) di Platform Akaun Pelaburan;
- Dianugerah sebagai Bank Permodalan Sukuk Terbaik oleh The Asset Triple A Islamic Finance Awards 2016;
- Salah sebuah Jenama Majikan Terbaik di Asia, menurut Employer Branding Institute; dan
- Melancarkan Business Credit Card-i (VISA Infinite) yang patuh syariah pertama di Asia Pasifik.

Melalui usahanya untuk terus memfokus kepada pembiayaan bercagar, aset pembiayaan bersih dari tahun ke tahun Bank Islam berkembang pada kadar 14.3%, jauh mengatasi pertumbuhan industri sebanyak 5.3%. Sejajar dengan itu, pendapatan berasaskan dana daripada pembiayaan telah meningkat sebanyak 12.8%, manakala pendapatan bukan berasaskan dana turut bertambah sebanyak 17.3% yang mana sebahagian besarnya dihasilkan oleh keuntungan yang lebih tinggi daripada jualan sekuriti pelaburan.

Pada akhir Disember, peningkatan sebanyak 5.4% juga telah dicatat dalam jumlah deposit pelanggan dan lonjakan sebanyak 463.9% dalam akaun pelaburan. Peningkatan mendadak dalam akaun pelaburan tersebut adalah kerana ia merupakan suatu penawaran yang agak baharu dalam perbankan Islam. Pada kadar 30.8%, CASA (Akaun Semasa, Akaun Simpanan) masih di paras lebih tinggi berbanding nisbah industri perbankan Islam sebanyak 26.5%. Di samping itu, akaun pelaburan transaksi juga mencatat pertambahan berjumlah RM1.1 bilion kepada RM1.5 bilion.

Nisbah kemerosotan nilai pembiayaan kasar Bank pada akhir Disember 2016 telah mencatat angka yang lebih memuaskan kepada 0.98% berbanding 1.09% pada akhir Disember 2015, jauh lebih rendah daripada nisbah sistem perbankan sebanyak 1.61%. Begitu juga dengan nisbah kemerosotan nilai pembiayaan bersih sebanyak -0.75% yang berada pada paras lebih baik berbanding sistem perbankan sebanyak 0.16%.

KPI Bank pada akhir Disember 2016 mencatat pencapaian yang lebih baik berbanding sistem perbankan pada akhir 2015 dengan ROE sebelum cukai sebanyak 17.1% (sistem perbankan: 12.4%) dan pulangan atas aset sebelum cukai sebanyak 1.4% (sistem perbankan: 1.3%). Jumlah aset juga berkembang sebanyak 11.9% dan ini juga mengatasi pertumbuhan industri sebanyak 3.7%.

Islamic Banking

Key Achievements:

- Launched the second Restricted Investment Account (RIA) on Investment Account Platform;
- Awarded the Best Bank Capital Sukuk by The Asset Triple A Islamic Finance Awards 2016;
- One of Asia's Best Employer Brands, according to the Employer Branding Institute; and
- Launched Asia Pacific's first shariah-compliant Business Credit Card-I (VISA Infinite).

Year-on-year net financing assets grew by 14.3%, far exceeding the industry's growth at 5.3%, with a continued focus on secured financing. Accordingly, fund based income from financing increased by 12.8%. Non-fund based income also increased, by 17.3%, mainly due to higher gains from the sale of investment securities.

As at end December, customer deposits and investment accounts had increased by 5.4% and 463.9%. The drastic increase in the latter accounted for by the fact that the investment accounts are a relatively new feature in Islamic banking. CASA (Current Account, Savings Account) at 30.8% was still higher than the Islamic banking industry ratio of 26.5%. Meanwhile, the transactional investment accounts increased by RM1.1 billion to record RM1.5 billion.

Bank Islam's gross impaired financing ratio as at end December 2016 improved to 0.98% compared to 1.09% as at end December 2015, and was markedly lower than the banking system's 1.61% while the net impaired financing ratio was -0.75%, again bettering the banking system at 0.16%.

The Bank's KPIs as at end December 2016 compared favourably against the banking system as at end 2015, with a pre-tax ROE of 17.1% (banking system: 12.4%) and pre-tax return on assets of 1.4% (banking system: 1.3%). Total assets also grew 11.9%, outstripping industry growth of 3.7%.





Industri Takaful

Pencapaian Penting:

- Peneraju di kalangan pengendali takaful dalam segmen pasaran manfaat kakitangan;
- Menawarkan produk dan penyelesaian secara atas talian melalui laman sesawang dan portal atas talian; dan
- Anugerah Prestasi Saham Terbaik oleh The Edge-BRC (Pulangan Tertinggi kepada Pemegang Saham sepanjang Tiga Tahun) dalam sektor kewangan.

Pendapatan dipacu terutamanya oleh pendapatan pelaburan dan jualan Takaful Keluarga dan Takaful Am. Sebahagian besar kutipan kasar produk Takaful Keluarga adalah berkaitan gadai janji. Caruman kasar Takaful Am pula didorong terutamanya oleh kelas-kelas kebakaran dan komersial.

Prestasi kukuh yang dicatat oleh Takaful Malaysia telah membawa kepada perolehan sesaham (EPS) sebanyak 21.52 sen dengan aset sesaham bersih sebanyak RM0.89 dan pulangan atas ekuiti pemegang saham sebanyak 24.9%.

Pembrokeran Saham

BIMB Securities terus mengembangkan asas pelanggan institusinya dan mempromosikan pasaran modal syariah. Usaha ini mendapat dorongan yang besar setelah platform sekuriti Islam bersepadu sepenuhnya, Bursa Malaysia-i dilancarkan pada bulan September.

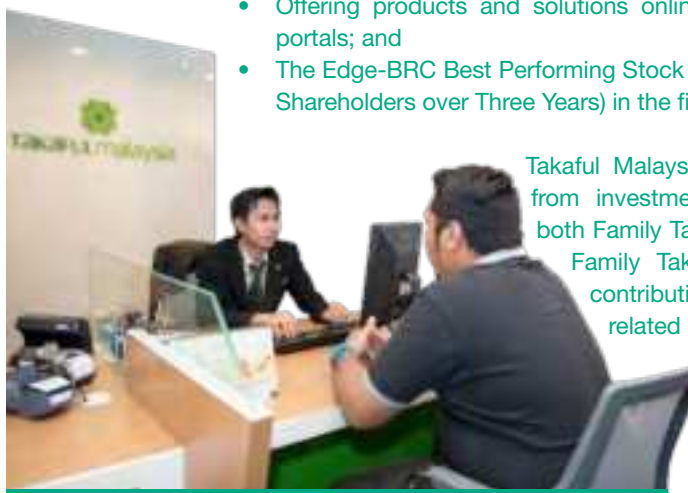
Bahagian sekuriti BHB menjalankan aktiviti pembentangan di pejabat-pejabat pelanggan dari semasa ke semasa dan turut mengatur lawatan syarikat dan lawatan ke syarikat senarai awam untuk pelanggan serta mengelolakan sesi-sesi perkongsian ilmu dan bimbingan. Pada masa yang sama, bahagian tersebut terus berusaha meningkatkan kesedaran terhadap pasaran modal syariah melalui pelbagai aktiviti berunsurkan pendidikan yang disasarkan kepada universiti, politeknik dan Majlis Agama; serta menerusi usaha sama dengan Bursa Malaysia dalam pelbagai program pemasaran.

Bagi memudahkan transaksi oleh pelanggan runcit, sistem eBayaran telah dipertingkatkan untuk perdagangan internet.

Takaful Industry

Key Achievements:

- Leading takaful operator in the employee benefit market segment;
- Offering products and solutions online via website and online portals; and
- The Edge-BRC Best Performing Stock Award (Highest Returns to Shareholders over Three Years) in the finance sector.



Takaful Malaysia's revenue is generated from investment income and sales of both Family Takaful and General Takaful. Family Takaful generated its gross contributions mainly from mortgage-related products. Meanwhile, General Takaful's gross contributions driven primarily by the fire and commercial classes.

Takaful Malaysia healthy performance leads to earning per share (EPS) of 21.52 cent with net assets per share of RM0.89 and 24.9% return on shareholders' equity.

Stockbroking

BIMB Securities continued to build its institutional clientele base and promote the shariah capital market, which received a boost with the launch of a fully integrated Islamic securities exchange platform, Bursa Malaysia-i in September.

Its securities arm engaged in regular presentations at clients' offices, while arranging company and site visits to listed companies for clients as well as organising knowledge sharing sessions. At the same time, it continued to increase awareness of the shariah capital market via educational activities targeting universities, polytechnics and Majlis Agama; as well as by collaborating with Bursa Malaysia on various marketing programmes.

For ease of transaction by retail clients, it enhanced its ePayment system for internet trading.

SEKTOR PERLADANGAN

Plantation Sector

Pembangunan Perladangan

Berbekalkan pengalaman selama 44 tahun, Kumpulan Perladangan milik **TH** terus berdiri teguh sebagai salah sebuah peneraju dalam industri perladangan kelapa sawit di Malaysia dan Indonesia menerusi TH Plantations Berhad (THP) serta rangkaian anak-anak syarikat THP (Kumpulan THP), syarikat pemegang pelaburan iaitu TH Estates (Holdings) Sdn Bhd, TH Indo Industries Sdn Bhd dan TH Indopalms Sdn Bhd serta syarikat usahasama iaitu Trurich Resources Sdn Bhd dan Deru Semangat Sdn Bhd (secara kolektifnya dikenali sebagai Kumpulan Perladangan **TH**). Malah, pelaburan di sektor perladangan merupakan salah satu tunjang kejayaan **TH** dalam menjana keuntungan mampan dan berterusan, sejajar dengan objektif pelan perancangan strategik lima tahun **TH**.

Hingga kini, penglibatan **TH** di dalam sektor perladangan bukan sekadar aktif di dalam aktiviti perladangan dan pengilangan kelapa sawit serta penanaman getah, malah turut giat meneroka perniagaan hiliran di Indonesia di dalam pengeluaran dan pembungkusan minyak masak untuk pasaran luar negara. **TH** telah meletakkan kepercayaan kepada Kumpulan THP untuk mengurus kesemua ladang seluas 165,000 hektar yang terletak di Malaysia dan Indonesia menerusi anak syarikat milik penuhnya iaitu THP Agro Management Sdn Bhd.

Landskap Industri Sawit 2016

Pada tahun 2016, industri kelapa sawit telah menyumbang sebanyak RM64.58 bilion kepada pertumbuhan ekonomi Malaysia. Harga Minyak Sawit Mentah (MSM) telah diniagakan tinggi sebanyak 23.2% atau RM499.50 per tan menjangkau RM2,653.00 per tan pada 2016 berbanding RM2,153.50 per tan pada tahun 2015. Harga urusan MSM yang tertinggi ini diniagakan pada bulan Disember 2016 sebanyak RM3,200.00 per tan manakala harga terendah yang diniagakan adalah pada bulan Januari sebanyak RM2,250.50 per tan. Kenaikan harga MSM ini adalah disebabkan oleh pengurangan pengeluaran MSM akibat fenomena cuaca El-Nino iaitu panas dan kemarau yang tidak menentu serta berjerebu yang telah menjejaskan penghasilan Buah Tandan Segar (BTS).

Ini sekaligus meningkatkan harga MSM, ditambah pula dengan persaingan harga minyak sayur-sayuran yang lebih kukuh seperti minyak kacang soya serta nilai ringgit yang lemah berbanding dolar AS, menjadikan MSM lebih murah berbanding minyak sayuran lain di pasaran dunia. Selain itu, perkembangan yang menggalakkan terhadap industri ini boleh dilihat berdasarkan kepada keteguhan dorongan permintaan terhadap sumber makanan, oleokimia serta bahan api bio, selaras dengan peningkatan bilangan penduduk dan pertumbuhan ekonomi dunia.

Plantation Development

With 44 years of experience, **TH**-owned Plantation Group remains strong as one of the leading players in the oil palm plantation industry; both in Malaysia and Indonesia via TH Plantations Berhad (THP) and a network of THP subsidiaries (THP Group), an investment holding company i.e. TH Estates (Holdings) Sdn Bhd, TH Indo Industries Sdn Bhd and TH Indopalms Sdn Bhd and a joint-venture company, Trurich Resources Sdn Bhd and Deru Semangat Sdn Bhd (collectively known as **TH** Plantation Group). Our investment in the plantation sector is indeed, one of the thrusts of **TH** success in generating sustainable and continuous profit, in line with the objectives of **TH** five-year strategic plan.

To date, **TH**'s involvement in the plantation sector is not merely restricted to active participation in the oil palm plantation and milling activities and rubber plantation, but it is also actively involved in the downstream business in Indonesia, specifically in the production and packaging of cooking oil for export market. **TH** has entrusted THP Group to manage the entire 165,000 hectares of plantations located in Malaysia and Indonesia through its wholly-owned subsidiary, THP Agro Management Sdn Bhd.

2016 Oil Palm Industry Landscape

In 2016, oil palm industry contributed a total of RM64.58 billion towards Malaysia's economic growth. Crude Palm Oil (CPO) price soared by 23.2% or RM499.50 per tonne, to RM2,653.00 per tonne in 2016 from RM2,153.50 per tonne in 2015. The highest CPO price traded was registered in December 2016 at RM3,200.00 per tonne, while the lowest was at RM2,250.50 per tonne in January. The sharp rise in CPO price was attributable to lower CPO production due to El-Nino phenomenon marked by hot weather and prolonged draught followed by haze, which in turn affected Fresh Fruit Bunch (FFB) production.

This had indirectly increased the price of CPO, supported by the price competition of vegetable oils such as the firmer price of soy oil and the weakening Ringgit value compared to US Dollar, making CPO cheaper compared to other vegetable oils in the world market. In addition, the encouraging development of this industry is evidenced by the strong demand drive for food sources, oleochemicals and biofuel, in line with the rapid increase of the world population and economic growth.

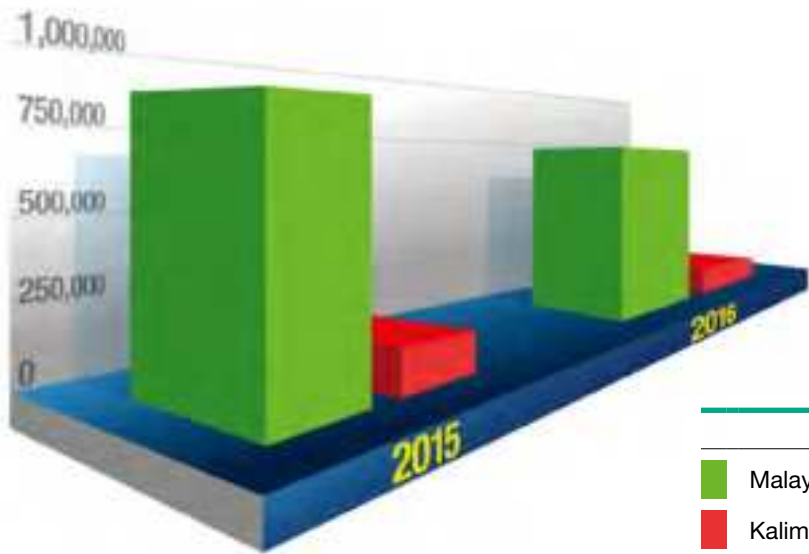


Prestasi Ladang

Pada akhir tahun kewangan 2016, Kumpulan Perladangan **TH** mempunyai kawasan ladang seluas 165,000 hektar berbanding 157,000 hektar pada tahun 2015, iaitu pertambahan keluasan kawasan ladang sebanyak 5% atau 8,000 hektar.

BTS yang dihasilkan oleh ladang Kumpulan Perladangan **TH** di Malaysia mengalami penyusutan sebanyak 7% berbanding pencapaiannya pada tahun 2015. Sebaliknya, Kalimantan pula menghasilkan pertambahan BTS sebanyak 28% pada tahun 2016 berbanding pencapaian pada tahun 2015. Berikut adalah jumlah pengeluaran BTS bagi 2 tahun terkini:

Jumlah Pengeluaran BTS | Total FFB Production:



Kumpulan Perladangan **TH** yakin bahawa pertambahan kawasan baharu matang pada tahun ditinjau dapat memaksimumkan penghasilan BTS pada masa depan. Selain itu, program penanaman semula secara berperingkat yang dilaksanakan bagi menggantikan pokok sawit yang telah mencapai usia lebih 25 tahun telah berjaya memastikan produktiviti BTS meningkat secara berterusan.

Plantation Performance

At the end of financial year 2016, **TH** Plantation Group had 165,000 hectares of plantation area in total compared to 157,000 hectares in 2015, an increase of 5% or 8,000 hectares.

FFB produced by **TH** Plantation Group's plantations in Malaysia decreased by 7% compared to its production in 2015. On the contrary, plantations in Kalimantan, registered an increase of 28% compared to that in 2015. Below is the total FFB harvested for the last 2 years:

TH Plantation Group is confident that an increase in hectare of its matured oil palms during the year under review will help maximise its future FFB production. In addition, the replanting programme to replace oil palms exceeding 25 years of age which was implemented in stages had successfully ensured a continuous enhancement of its FFB productivity.



Prestasi Kilang

Kumpulan Perladangan **TH** juga memiliki tujuh buah kilang di Malaysia dan dua buah kilang di Kalimantan yang telah beroperasi sepenuhnya. Kapasiti pemprosesan sembilan buah kilang ini berbeza antara satu sama lain iaitu antara 10 tan metrik sejam hingga 60 tan metrik sejam. Secara keseluruhan, kapasiti pemprosesan kesemua kilang tersebut berjumlah 360 tan metrik sejam.

Sementara itu, kadar perahan MSM Kumpulan Perladangan **TH** di Malaysia bagi tahun 2016 menunjukkan pertambahan hasil berbanding pencapaiannya pada tahun 2015. Sebaliknya, kadar perahan MSM di Kalimantan pada tahun 2016 pula berkurangan berbanding pada tahun 2015 disebabkan oleh penerimaan BTS yang rendah kadarnya dari kawasan yang baharu matang.

Bagi meningkatkan hasil daripada operasinya, Kumpulan Perladangan **TH** sentiasa berusaha mencari pelbagai inovasi terkini yang boleh membantu meningkatkan kecekapan pemprosesan BTS dan menghasilkan MSM berkualiti tinggi bagi mempertingkatkan daya saing di pasaran.



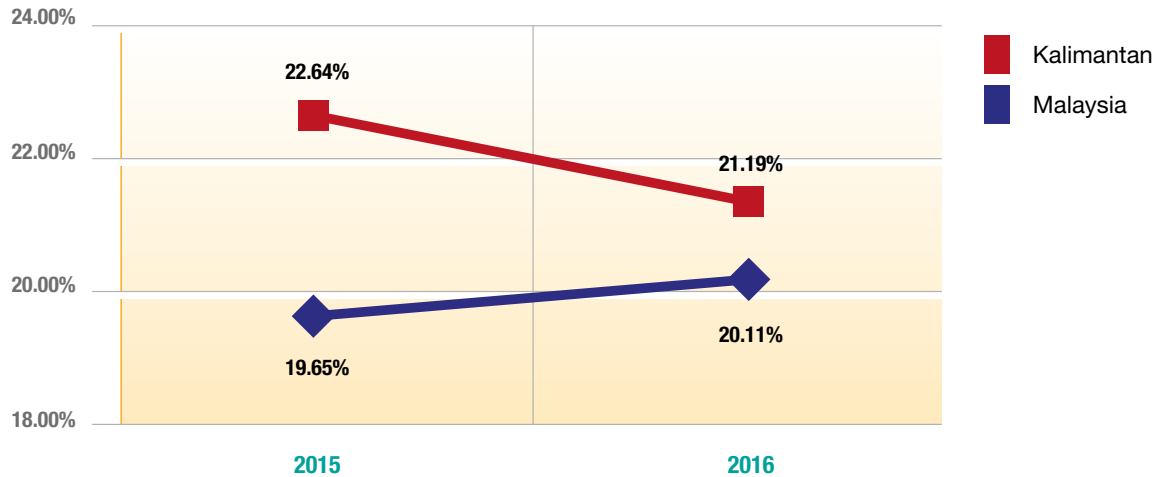
Milling Performance

TH Plantation Group has seven mills in Malaysia and two in Kalimantan which are fully operational. The processing capacity of each of the nine mills varies from 10 metric tonnes an hour to 60 metric tonnes an hour. Overall, the total processing capacity of all the mills is 360 metric tonnes an hour.

CPO extraction rate of **TH** Plantation Group in Malaysia shows an increase in yield during the year compared to its rate in 2015. On the contrary, CPO extraction rate in Kalimantan dropped from its level in 2015 due to low rate of FFB harvested from its newly matured area.

To improve revenue from its operations, **TH** Plantation Group is constantly searching for advanced innovations which can help boost FFB processing efficiency and generate higher quality CPO to enhance its competitiveness in the market.

Kadar Perahan CPO | CPO Extraction Rate:



Inisiatif Pertumbuhan Mampan

Bagi memastikan Kumpulan Perladangan **TH** bersedia menggalas pelbagai cabaran masa depan, inisiatif bagi mencapai pembangunan mampan telah dirangka pada tahun ditinjau sebagai pendekatan jangka panjang untuk memastikan sektor perladangannya mampu menghasilkan pulangan premium daripada pelaburannya. Justeru, Kumpulan THP telah meletakkan sasaran untuk mencapai tahap Penunjuk Utama Prestasi (KPI) yang dikehendaki dalam segenap parameter, antaranya pulangan ke atas ekuiti, pengeluaran BTS setiap hektar serta pembayaran dividen kepada pemegang saham. Bagi merealisasikan matlamat inisiatif ini, Kumpulan Perladangan **TH** telah melaksanakan empat Strategi Pertumbuhan Teras yang meliputi:

- Penambahbaikan Nilai Kawasan Bertanam**
 Produktiviti serta kawalan kos diperkukuhkan menerusi Program Peningkatan Prestasi (PIP) bagi meningkatkan hasil dan kadar perahan minyak sawit (OER) secara mampan. Kaedah 'Back to Basic' diamalkan secara menyeluruh dalam pengurusan ladang dan kilang. Satu pasukan khas iaitu 'Pasukan Petugas OER' telah dipertanggungjawabkan untuk memastikan pengekaln pencapaian OER yang tinggi daripada sembilan kilang sedia ada di Malaysia dan Indonesia.

Sustainable Growth Initiatives

To ensure that **TH** Plantation Group is ever-ready to face future challenges, initiatives to achieve sustainable growth was planned during the year as a long-term approach to ensure that its plantation sector is capable of generating premium returns from its investments. Hence, THP Group had set a target to achieve a desired level of Key Performance Indicators (KPI) in every parameter, amongst them include return on equity, FFB production per hectare and dividend payment to shareholders. To realise the objectives of these initiatives, **TH** Plantation Group had implemented four Key Growth Nodes which include:

- Value Enhancement of the Existing Plantation Platform**
 Productivity and costs controls are strengthened through the Performance Improvement Programme (PIP) to sustainably boost harvest production and palm oil extraction rate (OER). Back to Basic approach is comprehensively applied in plantation and mills management. A special team, known as the OER Task Force was assigned to ensure that production of OER from the nine existing mills in Malaysia and Indonesia remains high at all times.



- **Pembangunan Kawasan Belum Bertanam**

Pada akhir tahun 2016, kira-kira 16% kawasan yang belum ditanam sedang diusahakan dengan penanaman kelapa sawit dan getah secara berperingkat. Kepelbagaian tanaman dan asas pendapatan ini telah dirancang dengan teliti untuk membolehkan Kumpulan Perladangan **TH** mengimbangi aliran pendapatan sekiranya berlaku turun naik harga salah satu atau kedua-dua komoditi tersebut. Langkah jangka panjang ini membolehkan Kumpulan Perladangan **TH** memastikan pencapaian pulangan yang positif secara berterusan kepada para pemegang sahamnya.

- **Peluasan Tanah Perladangan**

Selain berusaha meningkatkan aliran pendapatan melalui inisiatif pembangunan mampan, Kumpulan Perladangan **TH** juga peka untuk memastikan usahaniaganya dapat menyumbang ke arah kemakmuran ekonomi dan sosial setempat sambil memelihara kemampuan alam sekitar. Selaras dengan matlamat tersebut, pada tahun ditinjau, Kumpulan Perladangan **TH** telah meneroka pelbagai peluang untuk mencapai sasaran bagi meluaskan saiz perladangannya kepada 300,000 hektar menjelang tahun 2020. Beberapa kawasan yang sesuai sedang dipertimbangkan untuk tanaman kelapa sawit dan getah yang bukan sahaja akan meningkatkan pengeluaran, malah akan menerbitkan peluang pekerjaan dan memajukan pembangunan sosio-ekonomi setempat sambil mengekalkan kualiti alam sekitar.



- **Development of Greenfield Areas**

At the end of 2016, approximately 16% of our greenfield areas were gradually cultivated with oil palms and rubber. The diversity of plants and income base was carefully planned to enable the **TH** Plantation Group to balance its income flow in the event of price fluctuations of any one or both commodities. The long-term measure has enabled the **TH** Plantation Group to promise its shareholders continuous positive returns.

- **Land Bank Expansion**

Apart from the effort in increasing income flow from its sustainable development initiative, **TH** Plantation Group is also concerned in determining that its business venture is also able to contribute towards the economic and social well-being of the area where it operates and at the same time, maintains its environmental sustainability. In tandem with that objective, **TH** Plantation Group had explored into opportunities during the year to expand its plantation land bank to 300,000 hectares by 2020. Several suitable areas were considered for oil palm and rubber plantations which will not only help boost the production, but will also create employment opportunities and bring in socio-economic development while maintaining its environment.



• Menginsankan Operasi Perniagaan

Persekitaran, komuniti, warga kerja dan pemegang saham merupakan penentu utama yang memastikan kejayaan masa depan Kumpulan Perladangan **TH**. Dalam usaha mencapai pertumbuhan dinamik yang akan menentukan kelangsungan Kumpulan, Kumpulan Perladangan **TH** mengamalkan sistem perladangan mampan serta melaksanakan amalan terbaik dalam urus tadbir korporat. Langkah ini dimulakan dengan memberi latihan dan bimbingan kepada warga kerja supaya mereka memahami dan mampu bertindak balas terhadap keperluan arus pembangunan industri.

Oleh kerana kemajuan komuniti setempat sangat penting kepada kesejahteraan kawasan perladangan, Kumpulan Perladangan **TH** komited untuk menyumbang ke arah mencapai kemajuan tersebut dengan menyediakan prasarana serta kemudahan sosial yang bukan sahaja memanfaatkan warga kerja, malah komuniti setempat dan penduduk kawasan berhampiran. Antara kemudahan itu termasuklah pembinaan infrastruktur fizikal yang meliputi jalan kampung, jalan pertanian, jambatan, surau serta pusat pertumbuhan desa seperti gelanggang sukan dan masjid.

Sebagai ahli Roundtable on Sustainable Palm Oil (RSPO), Kumpulan Perladangan **TH** sentiasa komited untuk mematuhi kriteria ekonomi, sosial dan alam sekitar RSPO dalam setiap aspek operasi. Ini membolehkan Kumpulan Perladangan **TH** meminimumkan impak negatif dalam aktiviti perladangan terhadap alam sekitar dan komuniti berhampiran.

• Humanizing Business Operations

The environment, communities, employees and shareholders are major determinants which will ensure the future success of **TH** Plantation Group. As the Group move to pursue dynamic growth which will in turn ensure the Group's survival, **TH** Plantation Group adopts sustainable plantation system and exercise the best corporate governance practices. This approach is adopted by providing training and guidance to employees, making them understand and able to respond accordingly to the need of the industry's rapid development.

Since local community development is important to the well-being of the plantation area, **TH** Plantation Group is also committed to contribute towards its development by providing infrastructure and social amenities beneficial not only to employees, but also to the local community and the surrounding population. Among the amenities provided are the construction of physical infrastructure that extends over village roads, agriculture roads, bridges, surau and rural growth centres such as sports arena and mosques.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), **TH** Plantation Group is always committed to comply with the set of RSPO economic, social and environmental criteria in all aspects of its operations. This has enabled **TH** Plantation Group to minimise negative impacts from the plantation activity on the environment and the surrounding communities.

SEKTOR PEMBANGUNAN HARTANAH DAN PEMBINAAN

Property Development and Construction Sector

TH bergiat aktif dalam sektor pembangunan hartanah dan pembinaan menerusi anak syarikat milik penuh, TH Properties Sdn Bhd (Kumpulan TH Properties). Pada tahun 2016, kegiatan dan aktiviti Kumpulan TH Properties terus rancak walaupun dalam keadaan ekonomi dan pasaran hartanah yang agak malap.

Pembangunan Hartanah

Dalam Negara

Di Bandar Enstek, Negeri Sembilan, Techpark@enstek terus menjadi tarikan pelabur untuk dijadikan lokasi penempatan industri dan perniagaan. Pada tahun 2016, dua lagi syarikat, iaitu Peresscol Sdn Bhd dan Mighty Bakery Sdn Bhd turut menyertai 32 syarikat yang telah membeli tanah di kawasan perindustrian tersebut. Coca-Cola Malaysia telah pun membeli tapak seluas 10 ekar bersebelahan dengan kilangnya yang sedia ada untuk sebahagian pelan perkembangan bernilai RM500 juta, yang bakal melibatkan pembinaan gudang berteknologi tinggi. Pada bulan Ogos 2016, Institut Kepimpinan dan Pembangunan, iaitu pusat latihan untuk kakitangan Universiti Teknologi Mara, telah dibuka secara rasmi di Bandar Enstek.

Di Warisan Puteri 2, Seremban, Kumpulan TH Properties telah melancarkan Sutera, rumah teres dua tingkat, pada bulan Mei 2016 dan lebih 50% unit telah terjual setakat 31 Disember 2016. Warisan Puteri 2 adalah pembangunan bercampur seluas 105.5 ekar, yang merupakan fasa terakhir di Bandar Warisan Puteri yang pesat membangun. Ianya bakal menempatkan 1,105 unit kediaman dan unit komersial pegangan bebas.

Luar Negara

Prestasi projek-projek luar negara Kumpulan TH Properties di Australia, melalui usahasama dengan pemaju tempatan, Piety Group, terus mencatatkan perkembangan yang memberangsangkan dengan sokongan permintaan yang tinggi. Imperial, Hurstville di Sydney yang mula dibina pada bulan Oktober 2015 kini telah terjual lebih 97%. Pembinaan 227 unit pangsapuri servis dan unit komersil di atas tanah seluas 0.75 ekar ini dijangka siap pada bulan Mac 2018. Fasa pertama One The Waterfront di Sydney yang terdiri daripada 423 unit pangsapuri kediaman pula telah mencatat jualan sebanyak 64% pada akhir tahun 2016 dan pembinaannya dijangka siap pada bulan November 2018.

TH actively participates in the property development and construction sector through the involvement in wholly-owned subsidiary, TH Properties Sdn Bhd (TH Properties Group). TH Properties Group activities continue to be robust despite the relatively dim economic situation and property market outlook.

Property Development

Domestic

In Bandar Enstek, Negeri Sembilan, Techpark@enstek continues to attract investors looking to set up businesses and industrial premises. In 2016, two more companies, namely Peresscol Sdn Bhd and Mighty Bakery Sdn Bhd, joined the current 32 companies which have already purchased land in the industrial area. Coca-Cola Malaysia acquired a 10-acre parcel of land adjacent to its existing plant for a RM500 million expansion plan, which will involve the development of a state-of-the-art warehouse. In August 2016, the Institute of Leadership & Development, the training centre for Universiti Teknologi Mara staff, was officially opened in Bandar Enstek.

In Warisan Puteri 2, Seremban, TH Properties Group launched the Sutera double-storey terrace houses in May 2016, and more than 50% of its units have been sold as at 31 December 2016. Warisan Puteri 2, a mixed development spanning 105.5 acres, is the final phase of the matured Bandar Warisan Puteri. It will house 1,105 freehold residential and commercial units.

Overseas

The Group's overseas projects in Australia through joint ventures with a local developer, Piety Group, continue to chart promising growth and backed by a healthy demand. The Imperial, Hurstville in Sydney, that began construction in October 2015 is now 97% been sold. This construction of 227 units of service apartments and commercial units on a 0.75 acre-land is expected to be completed in March 2018. Meanwhile, the first phase of One The Waterfront in Sydney, comprising 423 residential apartment units, recorded 64% sales at the end of 2016 and the construction is expected to be completed in November 2018.



Hundred East, Bandar Enstek

Pembinaan dan Pengurusan Projek

Perkembangan pembinaan projek TH Hotel & Pusat Konvensyen berhampiran Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA) memperlihatkan kemajuan yang baik di mana ianya telah 62% siap dan dijangka siap sepenuhnya pada 31 Januari 2018. Kompleks yang akan menawarkan kemudahan hotel berkelas tinggi dengan 333 bilik penginapan, dewan bankuet untuk 1,500 orang dan 11 bilik seminar ini bakal menggantikan hab operasi haji di Kompleks **TH** Kelana Jaya.

Kumpulan TH Properties telah berjaya menyiapkan Kompleks Pentadbiran Islam Putrajaya pada 17 Ogos 2016. Rekabentuk bertaraf anugerah yang merupakan mercu tanda baharu di pusat pentadbiran negara ini menempatkan beberapa agensi hal-ehwal Islam di bawah Jabatan Perdana Menteri. Kompleks ini juga menyediakan auditorium yang mempunyai 880 tempat duduk dan studio penyiaran televisyen.

Kumpulan TH Properties juga membantu dalam pengawasan dan pengurusan pembinaan projek-projek **TH**. TH Hotel & Pusat Konvensyen Kuching, Sarawak yang bakal menyediakan 237 bilik hotel, dewan konvensyen untuk 1,090 orang dan 9 bilik persidangan dijangka siap sepenuhnya pada bulan April 2018. Manakala projek Mydin Hypermarket di Kuching pula dijangka siap pada 15 September 2017.



Imperial, Hurstville Sydney

Construction and Project Management

The construction of the TH Hotel & Convention Centre near the Kuala Lumpur International Airport (KLIA) is showing good progress, with 62% completion and is expected to be fully completed on 31 January 2018. The complex offers the facilities of an upscale hotel with 333 hotel rooms, a banquet hall to accommodate 1,500 persons and 11 seminar rooms. The complex will eventually replace the hajj operation hub at Kompleks **TH** Kelana Jaya.

TH Properties Group successfully completed the Kompleks Pentadbiran Islam Putrajaya on 17 August 2016. With an award-winning design, this new landmark in the nation's administrative capital houses various religious agencies under the Prime Minister's Department. The complex also includes an 880-seat auditorium and television broadcasting studios.

TH Properties Group also assisted in the monitoring and management of construction of several **TH** projects. The TH Hotel & Convention Centre Kuching, Sarawak, which will offer a 237-room hotel, a convention hall accommodating 1,090 persons and 9 meeting rooms, is scheduled for completion in April 2018. The Mydin Hypermarket project in Kuching, Sarawak is expected to be ready on 15 September 2017.



Kompleks Pentadbiran Islam Putrajaya

Pengurusan Fasiliti

Setakat 31 Disember 2016, jumlah keseluruhan keluasan kawasan selenggaraan di bawah Kumpulan TH Properties adalah 4.5 juta kaki persegi. Portfolio bangunan dalam penyeliaan juga telah meningkat dengan penambahan servis perkemasan di ibu pejabat Tenaga Nasional Berhad bermula pada bulan Ogos 2016.

Pada 11 Oktober 2016, Kumpulan TH Properties telah dinobatkan sebagai Johan Anugerah Pengurusan Fasiliti Terbaik (Kategori Bangunan) 2016 bersempena Hari Inovasi JKR Malaysia 2016.

Projek-Projek Masa Depan

Kumpulan TH Properties akan melancarkan Sofea Residensi, projek pembangunan melibatkan 248 unit pangsapuri di Kota Bharu, Kelantan pada bulan Ogos 2017. Projek ini akan menawarkan unit studio, satu hingga tiga unit bilik tidur selain emper dengan keluasan daripada 517 kaki persegi hingga 2,812 kaki persegi. Terdapat juga 21 lot ruang perniagaan runcit untuk disewa dengan laluan yang luas di antaranya untuk mempermudah perniagaan berbentuk kiosk. Projek-projek lain dalam perancangan termasuklah pelancaran fasa-fasa perumahan baharu di Bandar Enstek dan Warisan Puteri serta pembangunan projek-projek kondominium di Kuala Lumpur dan Pulau Pinang.



TH Hotel & Convention Centre KLIA

Facilities Management

As at 31 December 2016, total net lettable area under the maintenance of TH Properties Group was 4.5 million sq. ft. The portfolio of buildings managed has also increased with the addition of housekeeping services at the headquarters of Tenaga Nasional Berhad, commencing in August 2016.

On 11 October 2016, TH Properties Group received the Best Facility Management Award (Building Category) 2016 at the Hari Inovasi JKR Malaysia 2016.

Future Projects

TH Properties Group will be launching Sofea Residensi, a 248-unit apartments project in Kota Bharu, Kelantan in August 2017. The project comprise of studios, one until three-bedroom units as well as penthouses with built-up areas ranging from 517 sq. ft. to 2,812 sq. ft. There are also 21 retail lots for rent with wide passageways facilitating kiosk-type retail businesses. Other projects in the pipeline include the launching of several new residential phases in Bandar Enstek and Warisan Puteri as well as the development of condominium projects in Kuala Lumpur and Penang.



Centrica Global Headquarters, United Kingdom



Hotel Al-Haram, Madinah

Lain-Lain Pelaburan Hartanah

Selain melalui Kumpulan TH Properties, pelaburan hartanah di luar negara dilaksanakan melalui dua syarikat diperbadankan di Jersey, Channel Islands iaitu LTH Property Holdings Limited dan LTH Property Holdings 2 Limited serta di Australia melalui LTH Property Investment (L) Inc. Pada tahun 2016, **TH** telah membeli bangunan Centrica Global Headquarters yang terletak di Royal Windsor, United Kingdom.

TH telah menambah satu lagi pelaburan hartanah di Arab Saudi iaitu Hotel Rawdat Al-Bait di Makkah, menjadikan keseluruhan sebanyak enam hartanah dipajak oleh **TH** di Tanah Suci untuk kegunaan Jemaah Haji Malaysia. Ini menjadikan pelaburan hartanah di bawah pegangan **TH** mencatatkan pendapatan sebanyak RM399.62 juta, meningkat sebanyak 6.4% berbanding RM375.74 pada tahun 2015. Portfolio hartanah di bawah **TH** juga telah meningkat kepada RM6.53 bilion berbanding RM6.11 bilion pada tahun 2015, peningkatan sebanyak 6.9%.

Other Investment Properties

Apart from TH Properties Group, investment properties overseas were undertaken through LTH Property Holdings Limited and LTH Property Holdings 2 Limited, two companies that was incorporated in Jersey, Channel Islands and also by LTH Property Investment (L) Inc in Australia. In year 2016, **TH** purchased Centrica Global Headquarters building located in Royal Windsor, United Kingdom.

TH added one more investment property in Saudi Arabia, the Rawdat Al-Bait Hotel in Makkah, making it a total of six leasehold properties held by **TH** in the Holy Land for Malaysian Hajj Pilgrims. Hence making investment properties under **TH** generating income amounting to RM399.62 million, increase by 6.4% as against RM375.74 in year 2015. Property portfolio direct under **TH** had also increased to RM6.53 billion as compared to RM6.11 billion in 2015, a growth rate of 6.9%.

SEKTOR PERKHIDMATAN LAIN

Other Services Sector

Hospitaliti

TH Hotel & Residence Sdn Bhd (THHR) adalah anak syarikat milik penuh **TH**, yang diamanahkan untuk menerajui penglibatan Kumpulan dalam sektor hospitaliti dan perkhidmatan.

Kini, THHR menguruskan rangkaian lima hotel (TH Hotel) yang meliputi TH Hotel & Convention Centre Alor Setar, TH Hotel & Convention Centre Terengganu, TH Hotel Kota Kinabalu, TH Hotel Penang dan Kompleks Haji Kelana Jaya. THHR juga mengendalikan kafeteria yang dikenali sebagai Kafe Haji di Bangunan Tabung Haji, Jalan Tun Razak, Kuala Lumpur. Setelah lebih tiga tahun beroperasi, keupayaan TH Hotel menyediakan perkhidmatan yang berkualiti terbukti apabila ia diberikan penghargaan dan pengiktirafan oleh beberapa pihak seperti Booking.com, Universal Crescent Standard Centre (UCSC) dan Holiday Check.

TH Hotel komited kepada prinsip 3K yang meliputi Kemudahan, Keselesaan dan Keyakinan dalam menyediakan perkhidmatan perhotelan yang memuaskan kepada para pelanggannya. TH Hotel menyambut kedatangan para pelanggannya dengan layanan mesra dan mereka disediakan bilik yang luas dan selesa supaya pengalaman memuaskan itu akan menyebabkan TH Hotel sentiasa menjadi pilihan mereka. Di samping itu, TH Hotel juga menyediakan dewan bankuet, restoran, bilik mesyuarat dan beberapa perkhidmatan lain seperti penghantaran ke lapangan terbang, kemudahan tempat letak kereta, penghantaran makanan ke bilik, dobi, penyambut tetamu, perkhidmatan ulang-alik berjadual ke pusat bandar dan kemudahan bagi orang kurang upaya.



TH Hotel Kota Kinabalu, Sabah

Hospitality

TH Hotel & Residence Sdn Bhd (THHR), a wholly-owned subsidiary of **TH**, is entrusted to spearhead the Group's business in the hospitality and service industry.

Currently, THHR manages a network of five hotels (TH Hotels), consisting of TH Hotel & Convention Centre Alor Setar, TH Hotel & Convention Centre Terengganu, TH Hotel Kota Kinabalu, TH Hotel Penang and the Hajj Complex in Kelana Jaya. THHR also manages a cafeteria known as Hajj Cafe at Tabung Haji Building, Jalan Tun Razak, Kuala Lumpur. After over three years in business, it has proven its capability in providing quality service when it was presented with awards and recognitions from various parties such as Booking.com, Universal Crescent Standard Centre (UCSC) and Holiday Check.

TH Hotels are committed to their 3Cs' principles namely, Convenience, Comfort and Confidence in providing pleasant hotel services to their customers. TH Hotels welcome their guests with warm hospitality where guests are accommodated in spacious and comfortable rooms in order to ensure that the satisfying experience will entice the guests to choose TH Hotels as their choice of hotel. In addition, TH Hotels also provide other services such as banquet halls, restaurants, meeting rooms and other services such as airport transfer, parking, in-room dining, laundry, reception, scheduled shuttle service to town centre and facilities for the disabled.



TH Hotel Kelana Jaya, Selangor



Bagi memperkukuh prestasi, pelbagai rancangan sedang diusahakan untuk menjadikan TH Hotel sebagai pusat sehenti untuk memenuhi keperluan pelanggan merangkumi jaringan komunikasi, pengurusan perjalanan, pusat jualan barangan tempatan serta pelbagai usaha lain.

Selaras dengan matlamat dan aspirasinya untuk menjadi duta negeri, TH Hotel akan memapar dan mempamerkan sejarah asal usul, barangan kraftangan, makanan tempatan dan identiti negeri berkenaan bagi mempelbagai dan mencipta kelainan pengalaman kepada pengunjung.

Bagi merealisasikan perancangan ini, THHR akan melaksanakan program Rakan Bestari bersama pihak-pihak yang berkaitan merangkumi Kementerian Pelancongan dan Kebudayaan Malaysia, Muzium Negeri, Agensi Pelancongan, Agensi Kerajaan dan Korporat, Pengusaha Industri Kecil dan Sederhana (IKS), masyarakat setempat serta agensi-agensi lain.



To strengthen its performance, multiple efforts are ongoing to make TH Hotels a one-stop centre to fulfill all of the customers' needs; which cover communication network, travel arrangements, local products sale centres and many other programmes.

In line with its objective and aspiration to become the state ambassador, TH Hotels portray and display the origin history, handicraft products, local foodstuff and the identities of the related states at a special section to provide a special and unique visual experience for its customers.

To realise this plan, THHR will execute the 'Rakan Bestari' programme with related parties such as the the Ministry of Tourism and Culture Malaysia, State Museums, Tourism Agencies, Government and Private Agencies, Small and Medium Industries (SMI) operators, local communities and other agencies.



Industri Makanan Halal

TH Global Services Sdn Bhd (THGS) merupakan anak syarikat THHR yang mengendalikan perkhidmatan katering untuk jemaah haji Muassasah Malaysia di Tanah Suci.

THGS bertanggungjawab menyediakan makanan yang bersih serta berkhasiat kepada jemaah haji pada setiap musim haji. Anak syarikat ini juga merupakan syarikat Malaysia pertama merintis kolaborasi dengan syarikat katering di Arab Saudi. Dengan pengalaman selama 18 tahun dalam operasi katering haji, THGS telah membuktikan keupayaannya menyediakan sebanyak lebih 1.5 juta sajian pada Musim Haji 1437H.

Kini THGS sedang mengatur hubungan kerjasama dengan Malaysian Technology Development Corporation (MTDC) dan Lembaga Pemasaran Pertanian Persekutuan (FAMA) untuk memasarkan produk halal Malaysia berasaskan teknologi dan makanan ke pasaran Arab Saudi dan Timur Tengah. Di samping itu, THGS juga sedang merancang untuk mewujudkan dapur berpusat (centralised kitchen), di Arab Saudi untuk pasaran musim haji dan umrah.



Halal Food Industry

TH Global Services Sdn Bhd (THGS) is a subsidiary of THHR which operates catering services for Malaysian Muassasah Pilgrims in the Holy Land.

THGS is responsible in providing clean and nutritious food to pilgrims during hajj seasons. The subsidiary is the first Malaysian company to pioneer a collaboration with a catering company in the Kingdom of Saudi Arabia. With 18 years of experience in catering operations, THGS had proven its capability in providing more than 1.5 million meals during the 1437H Hajj Season.

THGS is currently planning to collaborate with the Malaysian Technology Development Corporation (MTDC) and the Federal Agricultural Marketing Authority (FAMA) to market Malaysian halal products based on technology and food to the markets of Saudi Arabia and the Middle East. THGS is also planning to set up a centralised kitchen in Saudi Arabia for hajj and umrah market.



Perkhidmatan Perjalanan Dan Pelancongan

Tabung Haji Travel & Services Sdn Bhd (THTS), anak syarikat THHR ditubuhkan pada tahun 1972 untuk mengendalikan dan mengurus perkhidmatan haji dan umrah bagi jemaah dari Malaysia. Kini THTS telah berjaya mencipta nama sebagai salah sebuah penyedia perkhidmatan perjalanan ke Tanah Suci terkemuka di dunia kerana kemampuannya menyediakan pakej yang memberi pengalaman kerohanian kepada kembara Islam.

Beroperasi dari ibu pejabatnya di Menara **TH** Selborn, THTS mempunyai sebuah pejabat di Jeddah, tujuh pejabat wilayah dan enam pejabat cawangan di seluruh Malaysia.

Berbekalkan pengalaman lebih 40 tahun dalam menguruskan perjalanan pakej haji dan pakej umrah, THTS memahami kehendak para Jemaah dengan menyediakan pakej-pakej yang sesuai mengikut keperluan dan kemampuan pelbagai golongan. Di samping itu, THTS juga menawarkan pakej-pakej pelancongan di dalam dan luar negara berasaskan gaya hidup Muslim dan telah mendapat pengiktirafan sebagai salah sebuah penyedia pakej perjalanan Islam bertaraf antarabangsa yang terulung.

Travel And Tourism Services

Established in 1972, Tabung Haji Travel & Services Sdn Bhd (THTS) is a subsidiary of THHR which organises and manages Hajj and Umrah services for Malaysian pilgrims. THTS has successfully carved its reputation as one of the world's leading travel service providers to the Holy Land spiritually inspiring experience packages to Muslim travellers.

Operating from its head office at Menara **TH** Selborn, THTS has an office operating in Jeddah, seven regional offices and six branch offices nationwide.

With more than 40 years of experience in managing hajj and umrah packages, THTS understands the needs of the prospective pilgrims by providing them with reasonable and affordable packages depending on their requirements and budget. In addition, THTS also offers domestic and international Muslim tour packages which has earned it recognition as one of the leading international standard Islamic travel service providers.

Teknologi Maklumat

Penglibatan **TH** dalam sektor teknologi maklumat adalah melalui anak syarikat, Theta Edge Berhad (Theta Edge). Theta Edge adalah antara syarikat tempatan terawal menerokai bidang penyediaan perkhidmatan Teknologi Komunikasi Maklumat (ICT). Sebagai sebuah syarikat yang tersenarai di Papan Utama Bursa Malaysia di bawah sektor teknologi, Theta Edge berjaya mengukir reputasi dalam perkhidmatan penyepaduan sistem (SI), perkhidmatan kejuruteraan telekomunikasi & kerja-kerja sivil, penyedia perkhidmatan telekomunikasi dan konsultan tenaga hijau & sistem bersepadu. Theta Edge mempunyai pengalaman lebih 30 tahun di dalam sektor ICT.

Pada tahun 2016, projek mega yang dianugerahkan kepada Theta Edge di dalam bidang SI adalah penyediaan perkakasan, perisian, latihan dan pelaksanaan Sistem Perakaunan Akruan Kerajaan untuk 11 Negeri (1SPEKS) untuk Jabatan Akauntan Negara Malaysia (JANM). Theta Edge telah berjaya menyiapkan projek perintis 1SPEKS berserta dengan semua modul yang lengkap untuk JANM yang telah beroperasi sepenuhnya di Johor dan akan dilancarkan secara berperingkat di negeri-negeri yang lain.

Theta Edge juga telah berkembang secara aktif pada tahun 2016 di dalam segmen perkhidmatan kejuruteraan telekomunikasi & kerja-kerja sivil. Di antara kontrak-kontrak yang telah disempurna dan diserahkan adalah seperti berikut:-

- Sepuluh buah menara telekomunikasi di Sabah untuk Suruhanjaya Multimedia & Komunikasi;
- Penukaran rangkaian kabel gentian Celcom Lambda;
- Kerja mekanikal dan elektrik, pemasangan telekomunikasi, pemeriksaan tapak secara teknikal, penyambungtaratan dan pengentalan gentian untuk Huawei TM; dan
- Kerja operasi dan penyelenggaraan untuk TM Orange ZTE.

Theta Edge juga membangun dan menjalankan penyelidikan teknologi dan aplikasi untuk Pengurusan Haji.

Theta Edge terus komited untuk meluaskan penglibatannya di dalam segmen penyedia perkhidmatan telekomunikasi dan konsultan tenaga hijau memandangkan kedua-dua bidang ini sedang mengalami pertumbuhan dinamik, selari dengan pembangunan negara yang mampan.

Information Technology

TH participation in information technology sector is through our subsidiary, Theta Edge Berhad (Theta Edge). Theta Edge is one of Malaysia's pioneer Information Communication Technology (ICT) Service Providers. Listed on the Main Board of Bursa Malaysia under the technology sector, the company has successfully carved its reputation for systems integration services (SI), telecommunication engineering services & civil works, telecommunication service provider and green energy consultation & system integration. Theta Edge has been in ICT business for more than 30 years.

Theta Edge major SI works in the year 2016 was the provision of hardware, software, training and implementation for The Accruals Accounting System for 11 State Treasuries (1SPEKS) for Jabatan Akauntan Negara Malaysia (JANM). Theta Edge has successfully delivered the 1SPEKS pilot project with all modules for JANM that went live in Johor and it will progressively roll out to other states.

Theta Edge telecommunication engineering services and civil works grow dynamically in 2016. Theta Edge has completed and handed over the following contracts:-

- Ten telecommunication towers in Sabah for Malaysian Communications and Multimedia Commission;
- Network fiberisation for Celcom Lambda;
- Mechanical and electrical, telecom installation, technical site survey, fiber intertie and hardening for Huawei TM; and
- Operation and maintenance for TM Orange ZTE.

Theta Edge is also doing research and development of technologies and applications for Hajj Management.

Theta Edge is committed to expand its venture into the telecommunication service provider and green energy segments as these two areas are experiencing a dynamic growth trend in line with nation's sustainable development.



Perkhidmatan Sokongan Marin

TH menceburi industri sokongan marin melalui anak syarikat, TH Marine Sdn Bhd (TH Marine).

Perniagaan Kapal Sokongan Luar Pesisir (OSV) melalui proses pengukuhan pada tahun 2016 berikutan keadaan pasaran yang sangat mencabar akibat kejatuhan harga minyak dunia.

Penambahbaikan operasi dan pengoptimuman sumber yang dilaksanakan secara berterusan telah membolehkan TH Marine melepasi tempoh yang mencabar ini.

TH Marine juga telah mengambil beberapa langkah proaktif bagi memastikan aset-asetnya sentiasa berada dalam keadaan baik untuk merebut peluang membida kontrak masa depan kerana industri ini telah mula menunjukkan tanda-tanda pemulihan pada suku terakhir 2016.

Marine Support Services

TH involvement in marine support industry is through a wholly-owned subsidiary, TH Marine Sdn Bhd (TH Marine).

The Offshore Support Vessels (OSV) business went through a consolidation process in 2016 in the face of highly challenging market conditions as a result of the downtrend in the global oil price.

TH Marine managed to weather the challenging period through continuous operational improvement efforts and optimisation of resources.

TH Marine is also taking proactive steps to ensure that the assets are in good condition in order to seize the opportunity to bid for future contracts as the industry is beginning to show signs of recovery in the last quarter of 2016.

Prospek Masa Depan Cerah

Beberapa faktor positif seperti langkah Bank Negara Malaysia (BNM) mengekang kejatuhan berterusan nilai Ringgit dengan mensyaratkan pengeksporth menukar pendapatan eksport mereka kepada Ringgit berbanding matawang asing dan mengurangkan rizab berkanun bagi meningkatkan kecairan di pasaran, persetujuan Negara-negara Pengeksport Petroleum (OPEC) untuk mengurangkan pengeluaran minyak yang bertujuan menstabilkan harganya, langkah-langkah kerajaan dalam menjana minat pelabur asing untuk datang melabur dan kenaikan harga minyak sawit mentah merupakan beberapa petunjuk yang membuktikan persekitaran operasi dijangka akan melalui proses pemulihan secara berperingkat pada tahun 2017.

Tahun 2017 juga menjanjikan peluang yang lebih cerah kepada organisasi dan anggota **TH** kerana kami akan terus memanfaatkan keteguhan sedia ada serta menangani kekurangan yang wujud bagi menghadapi sebarang kemungkinan pada masa depan. **TH** telah mengenal pasti tiga bidang utama sebagai sebahagian daripada inisiatif transformasi bagi melonjak **TH** ke fasa pertumbuhan berikutnya, iaitu dengan:

- Mempelbagai dan memperkukuh pelaburan strategik **TH**;
- Memantapkan pengurusan portfolio dan risiko; dan
- Menyelaraskan serta mengoptimum operasi dan kualiti perkhidmatan.

Promising Future Prospects

Positive factors such as Bank Negara Malaysia's (BNM) measure to stem free fall of the Ringgit by stipulating exporters to convert their export income into Ringgit instead of in foreign currencies and the lowering of banks' mandatory statutory reserve to increase liquidity in the market, efforts by OPEC to cut oil output designed to stabilise its price, rapid inflow of measures taken by the government to attract foreign investor to come and invest and the uptrend in crude palm oil price are some credible indicators to show that our operating environment is expected to experience gradual recovery in 2017.

The year 2017 also promises to be exciting for the organisation and staff, as we will continue to leverage on our strengths and address any shortcomings to weather eventualities ahead. We have identified three key areas as part of our transformation initiatives to bring **TH** into the next phase of growth, namely:

- Diversifying and strengthening **TH**'s strategic investments;
- Strengthening the management of portfolio and risks; and
- Streamlining and optimising operations and service quality.





Bagi menggerakkan inisiatif transformasi ini, **TH** akan melabur untuk mendapatkan tenaga kerja berbakat yang berkelayakan dan berkaliber, mempunyai tahap kecekapan serta berkewibawaan tinggi yang akan diletakkan secara langsung di bawah Pejabat Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif.

Di samping itu, **TH** akan mengukuhkan lagi langkah pengurusan risikonya, menerima pakai tadbir urus korporat yang baik dan mematuhi amalan terbaik dalam perniagaan. Langkah ini akan menyediakan landasan sistem yang lebih cekap dan berdaya saing untuk menjana keputusan kewangan yang positif dan mampan.

InshaAllah, dengan kesungguhan serta sokongan daripada seluruh pihak berkepentingan, saya yakin **TH** berada di landasan yang tepat untuk berdepan dengan pelbagai cabaran menuju ke arah sempadan dan wilayah baru bagi memenuhi wawasan kami.

In order to drive these transformation initiatives, **TH** will invest in securing qualified talents of high calibre, competencies and integrity directly under the Group Managing Director and Chief Executive Officer's Office.

In addition, we will further strengthen our risk management measures, embrace good corporate governance and observe best practices in business, laying an efficient and reliable system platform to generate positive and sustainable financial results.

InshaAllah, with dedication and support from all stakeholders, I am confident that we are on the right path to take on the challenges into new borders and territories to fulfil our vision.

Penghargaan

Kejayaan **TH** untuk kekal positif sepanjang tempoh mencabar dan penuh ujian ini tidak akan mampu dicapai tanpa sokongan, naungan dan bantuan berterusan daripada Kerajaan Malaysia. Justeru, saya bagi pihak Pengurusan **TH**, ingin menyampaikan ucapan penghargaan kepada Kerajaan Malaysia di bawah kepimpinan Perdana Menteri, YAB Dato' Sri Mohd Najib bin Tun Abdul Razak serta Menteri di Jabatan Perdana Menteri, YB Mejar Jeneral Dato' Seri Jamil Khir bin Haji Baharom (B) atas sokongan padu yang telah diberikan.

Nasihat serta bimbingan daripada Lembaga Pengarah yang dipengerusikan oleh YB Datuk Seri Panglima Abdul Azeez Abdul Rahim juga telah membantu kami memupuk suasana optimistik dalam organisasi. Terima kasih saya ucapkan atas keakraban serta interaksi yang sedia wujud antara Pengurusan dan Lembaga Pengarah, di mana saya telah dilantik sebagai ahlinya pada tahun ini.

Saya juga ingin merakamkan ucapan setinggi-tinggi penghargaan kepada Kerajaan Arab Saudi dan Kedutaan DiRaja atas bantuan dan sumbangan tidak ternilai yang telah menjayakan Musim Haji 1437H lalu.

Ucapan penghargaan ini juga saya tujukan kepada mantan Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif, YBhg. Tan Sri Ismee Ismail atas kesungguhan serta ketekunan beliau yang telah memperkukuhkan asas **TH** untuk kesinambungan jangkamasa panjang yang akan kami teruskan dengan penuh kesungguhan. Saya juga amat berterima kasih atas kepercayaan serta bimbingan yang diberikan sepanjang tempoh saya menjadi Timbalan beliau.

Saya juga ingin mengucapkan setinggi-tinggi terima kasih kepada semua pendeposit dan pihak berkepentingan di atas sokongan dan kesetiaan yang diberikan bagi membolehkan **TH** terus mencatat keputusan positif. Sesungguhnya, kami terhutang budi kepada mereka kerana terus menunjukkan keyakinan terhadap **TH** walaupun dikritik secara negatif dan beroperasi dalam persekitaran perniagaan yang lemah pada tahun ditinjau. Saya ingin memberi jaminan bahawa kepentingan mereka akan sentiasa diberi keutamaan dalam merangka strategi dan hala tuju masa depan **TH**.

Appreciation

TH's success in staying positive during a trying and challenging period had not been possible without the continuous support, patronage and assistance from the Government of Malaysia. Hence, on behalf of **TH** Management, I would like to extend our appreciation to the Government under the able leadership of our Prime Minister, YAB Dato' Sri Mohd Najib Tun bin Abdul Razak as well as Minister in the Prime Minister's Department, YB Major General Dato' Seri Jamil Khir bin Haji Baharom (R) for their affirmative support.

The inspiring advice and counsel from our Board Members chaired by YB Datuk Seri Panglima Abdul Azeez Abdul Rahim also had assisted us in instilling an optimistic atmosphere within the organisation. I am therefore, very thankful for the warm and beneficial interactions established between the Management and our Board Members where I was appointed as a member during the year.

I would like to record my utmost appreciation to the Saudi Arabian Government and the Royal Embassy for their great assistance and contribution towards the success of 1437H Hajj Season.

My sincere gratitude also goes to former Group Managing Director and Chief Executive Officer, YBhg. Tan Sri Ismee Ismail for his dedication and tireless initiatives, paving a strong footing for **TH** to reap benefits from the long-term strategic plan which we will continue to pursue with enthusiasm. I am especially grateful for his trust and guidance while serving as his Deputy.

My appreciation also goes to all our valued depositors and stakeholders for their immeasurable support and loyalty which have enabled **TH** to continue registering positive results. We are indeed indebted for their optimism despite the negative criticisms and weak business environment which surrounded our operations during the year. I assure them that their best interests will continue to be given the priority in developing our strategies and direction for the future.





Akhir sekali, saya dengan sukacitanya ingin merakamkan ucapan penghargaan setulus ikhlas kepada pihak Pengurusan dan anggota yang menjadi tulang belakang utama ketika saya mengetuai organisasi di sepanjang tempoh mencabar ini di atas ketekunan, kesungguhan dan kesetiaan tidak berbelah bahagi yang ditampilkan.

Berlandaskan tahap komitmen tinggi yang ditampilkan secara menyeluruh di organisasi, saya yakin perjalanan cemerlang **TH** akan berterusan. Oleh itu, marilah kita terus mengamalkan nilai-nilai terpuji dalam usaha membawa **TH** ke tahap yang lebih tinggi, dan kita akan mampu menjayakannya bersama-sama. InshaAllah.

Terima kasih.

Last but not least, to the Management and staff who had been my loyal and reliable backbone while steering the organisation during this trying period, I am pleased to record my sincere appreciation for their hard work, dedication and undivided loyalty.

I am confident of our continued successful journey, given the high level of commitment throughout the organisation. Let's continue practicing commendable values as we strive to bring **TH** to greater heights, and together, we can make it happen, InshaAllah.

Thank you.

Datuk Seri Johan Abdullah

Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif |
Group Managing Director and Chief Executive Officer

TANGGUNGJAWAB SOSIAL KORPORAT

Corporate Social Responsibility

Pada tahun 2016, **TH** terus komited melaksanakan program-program Tanggungjawab Sosial Korporat (CSR) bagi mendekati dan membantu para pemegang berkepentingan di seluruh negara. Ia juga selaras dengan misi **TH** untuk memperkasa ekonomi ummah dengan cara berkongsi kejayaan yang diperolehi bersama-sama.

Pada tahun ini juga, titik tolak penting dalam sejarah perjalanan program CSR **TH** berlaku apabila Yayasan **TH** ditubuhkan bagi memastikan pelaksanaan aktiviti-aktiviti CSR yang lebih terancang dan tadbir urus dana yang lebih sistematik.

Yayasan **TH** telah dilancarkan secara rasmi oleh YAB Perdana Menteri, Dato' Sri Mohd Najib bin Tun Abdul Razak pada 26 Julai 2016 di TH Hotel Kelana Jaya, Selangor.

Aktiviti-aktiviti CSR **TH** sepanjang tahun 2016 menerapkan empat teras utama CSR iaitu Pasaran, Komuniti, Tempat Kerja dan Alam Sekitar

Pasaran

Tanggungan Haji

Tanggungan haji merupakan inisiatif CSR terbesar dan terpenting yang dilaksanakan oleh **TH**. Ia amat bertepatan dengan misi **TH** untuk memudahkan urusan jemaah haji negara memperoleh haji yang mabrur.

Pada tahun 2016, kos haji meningkat kepada RM18,890 bagi setiap jemaah berbanding RM17,270 pada tahun 2015. Peningkatan ini disebabkan oleh kenaikan kos pengangkutan dan penginapan di Tanah Suci serta kos-kos lain yang semakin meningkat setiap tahun. Namun demikian, **TH** masih mengekalkan harga bayaran haji pada RM9,980 bagi setiap jemaah dengan tanggungan sebanyak RM8,910 seorang.

Tahun Year	Kos Haji (RM) Haji Cost (RM)	Tanggungan Haji (RM) Haji Subsidies (RM)	Jumlah Tanggungan (RM) Total Subsidy (RM)
1437H/2016M	18,890	8,910	160 Juta Million
1436H/2015M	17,270	7,290	126 Juta Million

Secara keseluruhan, **TH** telah menanggung subsidi sebanyak RM160 juta pada Musim Haji 1437H. Kos ini meliputi kos Operasi Haji di Tanah Air dan Tanah Suci.

TH continued with commitment to implement Corporate Social Responsibility (CSR) programmes in 2016 to reach out and extend assistance to stakeholders nationwide. This is in line with **TH** mission to empower the economic well-being of the ummah by sharing success together.

In this year, Yayasan **TH** was incorporated as an another important milestone in the history of **TH** CSR programmes, to ensure that CSR activities are properly planned and its funds are systematically governed.

Yayasan **TH** was officially launched by the Prime Minister, YAB Dato' Sri Mohd Najib bin Tun Abdul Razak on 26 July 2016 at TH Hotel in Kelana Jaya, Selangor.

TH CSR activities during 2016 adopted four CSR pillars namely Marketplace, Community, Workplace and Environment.

Marketplace

Haji Subsidy

Haji subsidy is the biggest and most important CSR initiative implemented by **TH**. This is in line with **TH** mission to facilitate the nation's haji pilgrims in obtaining mabrur haji.

In 2016, haji costs increased to RM18,890 for each pilgrim compared to RM17,270 in 2015. The rise was attributed to the escalation of transportation and accommodation costs in the Holy Land and the rising of other miscellaneous costs annually. Despite that, **TH** maintained the haji fees at RM9,980 for each pilgrim by subsidising the remaining of RM8,910 for each pilgrim.

Overall, **TH** subsidised RM160 million in haji cost for 1437H Hajj Season. This included haji operations costs in the domestic as well as in the Holy Land.



Selain tanggungan haji, **TH** juga memperuntukkan sejumlah besar perbelanjaan untuk kursus-kursus haji dan perkhidmatan-perkhidmatan nilai tambah lain secara percuma seperti petugas haji, khidmat kewangan, khidmat kesihatan dan sebagainya untuk kemudahan jemaah.

Hibah Pendeposit 2016

TH membuat pengagihan Hibah Pendeposit 2016 pada kadar 4.25% dan tambahan Hibah Haji sebanyak 1.50% kepada pendeposit yang belum pernah menunaikan fardhu haji. Pembayaran Hibah Haji yang telah diperkenalkan sejak tahun 2013 adalah untuk membantu para pendeposit meningkatkan jumlah simpanan mereka agar dapat segera menunaikan haji apabila tiba giliran nanti.

Hibah **TH** telah mengambil kira pembayaran zakat sebanyak 2.5% di mana para pendeposit tidak perlu lagi mengeluarkan zakat ke atas simpanan atau bimbang tentang status halal simpanan mereka di **TH**.

Dana Bumiputera Al-Ansar **TH**

Sebagai sebuah organisasi prihatin dan selaras dengan Agenda Pemerkasaan Bumiputera, **TH** meneruskan usaha meningkatkan kemahirandan kepakaran usahawan Bumiputera dalam menjalankan bisnes serta pelaburan supaya mampu menjana keuntungan yang memanfaatkan semua.

Besides hajj subsidy, **TH** allocated a significant amount of budget for hajj courses and other free value-added services such hajj personnel, financial services, health service and other services for the convenience of the pilgrims.

Depositors Hibah 2016

TH distributed the 2016 Depositors Hibah at the rate of 4.25% and an additional Hajj Hibah of 1.50% to depositors who have yet to perform their hajj. Hajj Hibah payment was first introduced in 2013 to assist depositors suffice their savings so that they can perform their hajj when their time arrives.

Since **TH** Hibah payment is made after taking into account zakat payment of 2.5%, depositors do not have to pay zakat on their savings or worry about the halal status of their savings with **TH**.

TH Al-Ansar Bumiputera Fund

As a caring organisation and in tandem with the Bumiputera Empowerment Agenda, **TH** continued to enhance Bumiputera entrepreneurs' skills and expertise in conducting their businesses and investments so as to be able to generate profits which will benefit many.

Pada tahun 2016, **TH** mengukuhkan langkah bagi membangunkan perniagaan Bumiputera melalui usaha-usaha berikut:

- Pemberian Lesen Pengelola Jemaah Haji kepada Agensi Pelancongan Bumiputera Muslim bagi mengendalikan jemaah haji swasta. Sebanyak 16 lesen telah dikeluarkan bagi tahun 2016;
- Melalui aktiviti pelaburan di syarikat-syarikat Bumiputera yang berpotensi serta membangunkan usahawan melalui Dana Al-Ansar;
- Melupakan pelaburan semasa kepada syarikat-syarikat Bumiputera yang berpotensi;
- **TH** juga telah melaksanakan aktiviti bagi memperkuat jaringan rantaian pembekalan; dan
- Membangunkan jaringan rangkaian syarikat penerima pelaburan dan menggalakkan kerjasama bersinergi sesama mereka.

Pada bulan Ogos 2016, **TH** telah menandatangani memorandum persefahaman dengan empat usahawan Bumiputera bagi membantu mempertingkatkan pembangunan perniagaan mereka supaya lebih berdaya saing dan berdaya maju.

Keempat-empat syarikat yang terlibat dalam pelbagai industri ini telah menunjukkan kerjasama dan tahap komitmen yang tinggi dalam program pembangunan perniagaan anjuran **TH**.

Program Sahabat Korporat

Program Sahabat Korporat merupakan program CSR yang telah dimulakan sejak tahun 1980-an lagi.

Ia merupakan platform untuk membantu, memudah dan meringankan beban Jemaah Haji Malaysia semasa membuat persediaan kelengkapan barangan keperluan untuk dibawa ke Tanah Suci.

Pada tahun 2016, sebanyak 34 institusi menjayakan program ini dengan sumbangan keseluruhan berjumlah RM7.57 juta.

Seperti tahun-tahun terdahulu, antara barangan sumbangan yang telah diagihkan kepada Jemaah Haji Muassasah ialah beg beroda, beg selempang, sejadah dan multivitamin.

In 2016, **TH** strengthened measures to develop Bumiputera business via the following initiatives:

- Granted Hajj Pilgrim Operation License to Muslim Bumiputera Travel Agencies to conduct operation of private hajj pilgrims. A total of 16 licenses were issued for 2016;
- Through investment in potential Bumiputera companies and develop potential entrepreneur through Al-Ansar Fund;
- Disposal of current investment to potential Bumiputera companies;
- **TH** implemented activities to strengthen supply-chain network; and
- Developed network of investment recipient companies and encouraged synergistic collaborations among them.

In August 2016, a memorandum of understanding was signed by **TH** with four Bumiputera entrepreneurs to help enhance their business development so that they can be more competitive and viable.

These four companies which are involved in diversified industries have displayed cooperation and high level of commitment in the business development programme organised by **TH**.

Sahabat Korporat Programme

The Sahabat Korporat Programme is a CSR programme which was initiated since 1980s.

It is a platform to assist, facilitate and ease the burden of Malaysian Hajj Pilgrims while preparing for items to bring to the Holy Land.

In 2016, 34 institutions participated in the programme with total contributions amounting to RM7.57 million.

As previous years, amongst the items contributed and distributed to Muassasah Hajj Pilgrims were trolley bags, sling bags, prayer mats and multivitamins.



Dana Tabung Warga Tua (Dana TWT)

Pada tahun 2016, Dana TWT telah meneruskan program membantu membiayai jemaah warga tua yang terpilih untuk menunaikan fardhu haji pada musim haji semasa tetapi mengalami kesulitan kewangan untuk membuat bayaran haji mereka. Seramai 43 orang warga tua telah terpilih dengan jumlah pembiayaan berjumlah RM323,000.

Sejak diperkenalkan pada tahun 1999, Dana TWT ini telah membiayai seramai 673 orang warga tua berjumlah RM2.1 juta.

Program Jemaah Haji Warga Emas (JHWE)

TH turut melaksanakan Program Jemaah Haji Warga Emas (JHWE) yang merupakan program khas ketika Operasi Masyair di Tanah Suci untuk jemaah haji yang terpilih. Antara kriteria pemilihan ialah jemaah haji yang berusia 70 tahun dan ke atas, tiada waris/pengikut, tiada penyakit berjangkit atau kritikal, nyanyuk, mudah lupa, gangguan fikiran dan emosi serta kurang pengetahuan tentang ibadat haji.

Jemaah di bawah program ini dibawa ke Arafah, Muzdalifah dan Mina dengan kenderaan khas dan ditempatkan di khemah khusus di bawah pengendalian petugas haji yang terlatih, di mana bantuan pengurusan diri dan bimbingan ibadah diberikan secara berkumpulan. Pada Musim Haji 1437H, seramai 60 orang jemaah telah terpilih menyertai program ini.



Senior Citizen Fund (TWT Fund)

In 2016, the TWT Fund continued with its programme in assisting selected elderly pilgrims to perform hajj during the current hajj season but have financial difficulties to pay for their hajj fees. Altogether in total, 43 senior pilgrims were selected with a total assistance of RM323,000.

Since its introduction in 1999, TWT Fund had helped financially 673 senior citizens amounting of RM2.1 million.

Elderly Pilgrims Programme (JHWE)

TH has implemented the Elderly Pilgrims Programme (JHWE), a special programme for selected pilgrims held during Masyair Operations in the Holy Land. Selection criteria is made based on hajj pilgrims who have reached 70 years and above, have no next-of-kin/chaperons, non-transmittable or critical disease, senility, amnesia, mental or emotional disturbance and have inadequate of knowledge about hajj.

Pilgrims under this program were transported to Arafah, Muzdalifah and Mina with specially assigned vehicles and located at special tents under the supervision of well-trained personnel, where self-management assistance and hajj guidance are given in groups. A total of 60 pilgrims were selected to participate in this programme during 1437H Hajj Season.



Komuniti

Kelab TaHa

Melalui Kelab TaHa, **TH** meneruskan pelbagai aktiviti bermanfaat kepada generasi muda sepanjang tahun 2016.

Lebih daripada 38 aktiviti melibatkan 20,000 pelajar telah dilaksanakan, antaranya Seminar Bimbingan Peperiksaan bersama Berita Harian, Kem Hebat Solat dan Pertandingan Bicara Berirama.

Seperti pada tahun-tahun sebelumnya, Kelab TaHa terus mendapat sambutan baik dengan jumlah keahlian terkumpul seramai 1.19 juta sehingga 31 Disember 2016.

TaHa@U

TaHa@U ditubuhkan bertujuan untuk mendampingi golongan muda yang sedang mengikuti pengajian di Institusi Pengajian Tinggi Awam dan Swasta.

Pada tahun 2016, sebanyak 13 program telah dijalankan untuk ahli TaHa@U yang merangkumi aktiviti pembentukan sahsiah diri, rohani dan meningkatkan kemahiran berfikir secara analitikal.



Community

Kelab TaHa

Through Kelab TaHa, **TH** pursued various beneficial activities for the youths along year 2016.

More than 38 activities which involving 20,000 students were implemented, amongst are Examinations Guidance Seminars in collaboration with Berita Harian, Kem Hebat Solat and Choral Speaking Competition.

Similar to previous years, Kelab TaHa was well accepted with accumulated membership reaching 1.19 million members as at 31 December 2016.

TaHa@U

TaHa@U was established with youngsters who are studying at Public and Private Higher Learning Institutions.

In 2016, 13 programmes were conducted for TaHa@U members which included character building, spiritual development and analytical thinking enhancement.



Program khidmat masyarakat turut dilaksanakan di setiap negeri untuk menyemai sikap prihatin serta penyayang bagi melahirkan mahasiswa yang berkeperibadian tinggi serta berakhlak mulia.

Bilangan ahli terkumpul TaHa@U seramai 737,200 pelajar pada akhir tahun 2016 membuktikan Taha@U mendapat sambutan menggalakkan sejak ditubuhkan pada bulan Mei 2010.

Program Iqra'

Program Iqra' menasaskan para pelajar kurang berkemampuan yang cemerlang dalam pelajaran. Saban tahun, **TH** meneruskan projek ini dengan menyumbang barangan persekolahan dan duit poket berjumlah RM500 seorang.

Pada tahun 2016 **TH** telah menyumbang lebih dari RM2 juta kepada 4,000 pelajar asnaf terpilih daripada 178 sekolah di seluruh negara.

Dalam usaha ke arah pembentukan pelajar yang benar-benar cemerlang, **TH** turut melancarkan empat nilai teras yang dimasukkan ke dalam Program Iqra' pada tahun 2016 iaitu Mendidik Minda – menguasai ilmu; Membentuk Peribadi – penerapan nilai-nilai murni; Menggilap Potensi – mengenalpasti dan menyerlahkan bakat dan Mengukuh Jati Diri – menyemai kesedaran sivik dan tanggungjawab.



Community service programmes were also conducted in each state to instil caring and loving attitude so as to develop strong personality and behaviour amongst graduates.

The TaHa@U membership of 737,200 students as at end of 2016 indicates that it has attracted high number of students since its formation in May 2010.

Iqra' Programme

Iqra' Programme is targeting underprivileged students who are excellent in their studies. Every year, **TH** contributes school items and pocket money amounting to RM500 each student.

In 2016 **TH** contributed more than RM2 million to 4,000 selected *asnaf* students from 178 schools nationwide.

In an effort towards developing exceptionally excellent students, **TH** launched four core values instilled in 2016 Iqra' Programmes, which include Mental Development – enriching knowledge; Personality Development – nurturing good values; Potentials Development – identifying and polishing talents and Identity Development – inculcating civic consciousness and responsibility.



Program Mobiliti TH

Pada tahun 2016, **TH** melancarkan satu inisiatif CSR terbaharu iaitu Program Mobiliti. Melalui program ini, **TH** membuat agihan kenderaan dwi-fungsi yang boleh digunakan sebagai van penumpang atau van jenazah kepada masjid-masjid terpilih di seluruh negara.

Program **TH** Mobiliti ini diperkenalkan bagi membantu masjid-masjid terutama di mukim atau daerah yang daif dan terpencil bagi menjalankan tanggungjawab mereka dalam aspek fardhu kifayah untuk manfaat dan kemaslahatan kariah setempat seperti urusan pengebumian jenazah serta kemudahan pengangkutan kepada ahli kariah untuk menjalankan pelbagai aktiviti keagamaan seperti kelas-kelas fardu ain dan sebagainya.

Dalam fasa pertama program ini, **TH** telah memilih 11 buah masjid dari tujuh negeri di Semenanjung Malaysia untuk menerima kenderaan dwi-fungsi tersebut. Pemilihan telah dilakukan sejak awal tahun mengikut kriteria yang ditetapkan, termasuk bilangan ahli kariah, perbelanjaan bulanan masjid, kekerapan penggunaan kenderaan dan kondisi kenderaan sedia ada.

TH Mobility Programme

In 2016, **TH** launched new CSR programme called **TH** Mobility. Through this programme, **TH** distributed dual-function vehicles to selected mosques nationwide which can be utilised as passenger van or hearse.

TH Mobility programme was introduced to help impoverished mosques, especially those located in poor and isolated areas, to carry out their duties related to *fardhu kifayah* for the benefit and convenience of residents in those localities. These vehicles may be used as hearse to transport the deceased for burial as well as transportation for members of the kariah to conduct various religious activities such as *fardhu ain* classes and others.

In first phase of the programme, **TH** chose 11 mosques from seven states in Peninsular Malaysia to receive the dual-function vehicles. Selection was made early during the year, based on the prescribed criteria, including number of population within the *kariah*, mosque's monthly expenses, frequency of vehicle usage and condition of existing vehicle.

Tahun Year	Zakat kepada Negeri (RM) Zakat to State (RM)	Program Zakat CSR (RM) CSR Zakat Programme (RM) (Ehsan/Baiti/Iqra/Mobiliti/Alfiat)	Derma (RM) Donation (RM)
2016	52.75 Juta Million	5.30 Juta Million	551,331
2015	51.85 Juta Million	8.73 Juta Million	554,150



Program Ehsan

Program Ehsan diteruskan pada tahun 2016 dengan peruntukan sebanyak RM2.20 juta yang disumbangkan kepada lebih 4,400 golongan asnaf di seluruh Malaysia.

Program Ehsan yang dijalankan sebelum atau menjelang bulan Ramadhan ini bertujuan untuk membantu meringankan beban golongan asnaf fakir miskin, ibu/bapa tunggal, warga emas dan orang kelainan upaya sempena ketibaan bulan Ramadhan dan Syawal.

Program ini juga merupakan salah satu platform sesuai bagi **TH** mendekati dan mengeratkan lagi ikatan silaturrahim sesama umat Islam.

Program Baiti

Program ini dibangunkan khusus untuk membantu golongan fakir miskin memiliki dan/atau membaik pulih rumah kediaman agar selamat dan selesa didiami. Pada masa yang sama, ia juga bertujuan membantu komuniti Islam setempat yang kurang mampu untuk membaiki, memulihara dan membina surau atau masjid.

Pada tahun 2016, **TH** meluluskan sebanyak RM2.13 juta untuk pembinaan 39 buah rumah baharu, sebuah masjid dan sebuah surau serta membaikpuli empat buah rumah dan dua buah surau di tujuh negeri di Semenanjung Malaysia.



Ehsan Programme

Ehsan Programme was created in 2016 with an allocation of RM2.20 million, which was contributed to more than 4,400 *asnaf* nationwide.

Ehsan Programme implemented prior or during the month of Ramadhan and designed to ease the burden of poor *asnaf*, single parents, senior citizens and the disabled in conjunction with the arrival of the months of Ramadhan and Shawal.

The programme is also one of the most suitable platforms for **TH** to reach out and foster *silaturrahim* amongst Muslims.

Baiti Programme

This programme specially developed to help the poor to own and/or repair their homes for safe and comfortable living. At the same time, the programme also aims to assist needy local Muslim communities to repair, conserve and build their *surau* or mosques.

In 2016, **TH** approved a total of RM2.13 million for the construction of 39 new homes, a mosque and a surau and repaired four homes and two *surau* in seven states throughout Peninsular Malaysia.



Skim Latihan 1 Malaysia (SL1M)

Pada tahun 2016, program SL1M **TH** diteruskan dengan seramai 950 pelatih untuk menjalani latihan amali di **TH**.

Sejak menyertai program ini pada tahun 2011, **TH** telah melatih seramai 1,478 pelatih SL1M. Para pelatih SL1M **TH** diberikan pendedahan serta pengalaman kerja sebenar di jabatan-jabatan bersesuaian.

Sepanjang tempoh setahun latihan, para pelatih turut dilibatkan dengan Operasi Haji Tanah Air (OHTA) yang dijalankan di stesen-stesen berlepas seluruh negara semasa musim haji, selain program-program CSR lain yang membabitkan komuniti dan golongan yang memerlukan.

Tempat Kerja

Kemudahan dan Kebajikan Anggota

Menyedari bahawa anggota adalah aset terpenting sesebuah organisasi, **TH** turut memastikan kebajikan anggota sentiasa dipelihara dalam usaha meningkatkan produktiviti dan kualiti hidup mereka.

Antara manfaat yang disediakan untuk anggota termasuk tanggungan kos hospital, kos pembedahan ketika bersalin, tambahan cuti bersalin untuk anggota wanita, cuti isteri bersalin bagi anggota lelaki, cuti tahunan dan pelan ganjaran persaraan.

1Malaysia Training Scheme (SL1M)

In 2016, **TH** continued the SL1M programme with a total of 950 trainees to undergo practical training with **TH**.

Since its participation in 2011, **TH** had trained 1,478 SL1M trainees. **TH** SL1M trainees are exposed to real life working experience at suitable departments.

During the one year training, trainees are also engaged in the domestic Hajj Operations (OHTA) conducted at departure stations nationwide during hajj season besides in other CSR programmes involving communities and needy groups.

Work Place

Benefits and Welfare of Staffs

Realising that staff are the most important assets of an organisation, **TH** always ensure that their welfare are protected so as to enhance their productivity and quality of life.

Amongst the benefits provided for staff include coverage for hospitalisation cost, the cost for surgery during labour, additional maternity leaves for female staff, paternity leaves for male staff, annual leaves and retirement plan.



Bagi memupuk budaya kerja yang kondusif dan menggembirakan, pelbagai program telah dilaksanakan oleh **TH** bagi mengeratkan hubungan silaturrahim antara anggota, membantu menghilangkan tekanan kerja dan menambah kecerdasan diri seperti senamrobik, berjogging, kempen derma darah, karnival sukan, sambutan hari raya dan majlis makan malam anggota.

Selain itu, **TH** turut menghulur bantuan kepada anggota yang ditimpa bencana, bantuan peralatan khas kepada keluarga anggota yang bermasalah kesihatan dan menganjurkan program ziarah anggota/ ahli keluarga yang meninggal dunia atau menghadapi masalah kesihatan. Sumbangan kepada ahli keluarga anggota disampaikan melalui sumbangan bantuan banjir, sumbangan khairat kematian dan penyediaan khidmat kaunseling.

Latihan dan Pembangunan Anggota

TH telah menyediakan pelbagai pelan latihan dan pembangunan kerjaya dalam usaha meningkatkan tahap kecekapan dan kecemerlangan anggota.

Skim Pengajian Tinggi **TH** merupakan salah satu pelan latihan dan pembangunan anggota **TH** yang dilaksanakan melalui pembiayaan pelajaran, sebagai dorongan dan sokongan kepada anggota yang mahu meningkatkan pencapaian akademik mereka. Di samping itu, **TH** juga melaksanakan kursus-kursus yang bertepatan dengan keperluan Model Kompetensi **TH** dan melibatkan anggota di pelbagai peringkat.

To nurture a conducive and exciting work culture, **TH** implemented various programmes to foster closer relationship amongst staff, assist in reducing work pressure and enhance body fitness through aerobics, jogging, blood donation campaign, participation in sports carnival, hari raya celebration and annual dinner for staff.

In addition, **TH** provides assistance to staff befell with misfortune, offers special equipment for staff's family members with health problem, and organises visits to homes of deceased staff/their family members or those afflicted with health problems. The contributions are delivered in the form of flood relief, bereavement *khairat* contributions, and counselling services.

Staff Training and Development

As an initiative to enhance staff efficiency and excellence, **TH** has provided a number of training and career development plans to achieve that objective.

TH Higher Education Scheme is one of the training and career development plans implemented through education funding as an encouragement and support for staff who intend to improve their academic achievements. In addition, **TH** also implemented courses in line with the requirements of **TH** Competencies Model and the scheme involves staff at all levels.



Keselamatan dan Kesihatan Anggota

TH amat menitikberatkan aspek keselamatan dan kesihatan bagi memastikan anggota dapat melaksanakan tanggungjawab mereka dalam persekitaran yang positif dan kondusif.

Sepanjang tahun 2016, pelbagai program telah dilaksanakan termasuk latihan pengungsian bangunan, kursus bantuan kecemasan, ceramah serta kursus induksi keselamatan dan kesihatan untuk anggota baru, kempen derma darah, karnival sukan dan beberapa aktiviti keselamatan dan kesihatan lain.

Pada tahun 2016, **TH** telah mencapai pematuan Sistem Pengurusan Keselamatan Dan Kesihatan (OSHMS MS1722:2011) dan menerima aduan sifar bagi kemalangan di tempat kerja sehingga tahun berakhir 31 Disember 2016.

Skim Biasiswa untuk Anak Anggota

Menyedari kepentingan pendidikan dan modal insan dalam memacu pembangunan **TH** dan negara, **TH** menyediakan Skim Biasiswa Tabung Haji (SBTH) untuk anak-anak anggota dan pesara **TH** yang cemerlang dalam bidang akademik untuk meneruskan pelajaran ke peringkat lebih tinggi di dalam dan di luar negara.

Pada tahun 2016, **TH** telah memperuntukkan sebanyak RM5 juta di bawah SBTH bagi mereka yang berkecayaan.



Staff Safety and Health

TH is concerned with the aspect of safety and health to ensure that staff is able to execute their responsibilities within a positive and conducive working environment.

Various programmes were implemented throughout 2016, including fire drill, first aid course, safety and health induction course and lecture for new staff, blood donation campaign, sports carnival and other safety and health activities.

In 2016, **TH** has achieved compliance to the Safety and Health Management System (OSHMS MS1722:2011) and received zero complaints for accident at workplace until the year ended 31 December 2016.

Scholarship Scheme for Staff's Children

Realising the importance of education and human capital in driving **TH** and the nation's development, **TH** provides *Skim Biasiswa Tabung Haji (SBTH)* for staff and retirees' children who are academically excellent to pursue their higher studies within the country or abroad.

In 2016, **TH** allocated RM5 million under SBTH for qualified candidates.



Alam Sekitar

Program Penjimatan Tenaga Elektrik

Pada tahun 2016, **TH** telah memulakan projek penjimatan tenaga elektrik yang lebih meluas dengan melaksanakan pemasangan alat penjimatan di bangunan baharu dan bangunan sedia ada **TH**.

TH turut menyokong program Earth Hour 2016 dengan menutup kesemua 'non-essential lights' selama satu jam sebagai komitmen kepada kelestarian alam sekitar.

Selain itu, anggota juga digalakkan untuk menutup lampu yang tidak digunakan ketika waktu rehat atau selepas waktu bekerja.

TH sedang merancang untuk melaksanakan lebih banyak lagi program berkaitan alam sekitar seperti program kitar semula, bertujuan menjaga kestabilan eko-sistem demi kesejahteraan generasi akan datang.

Environment

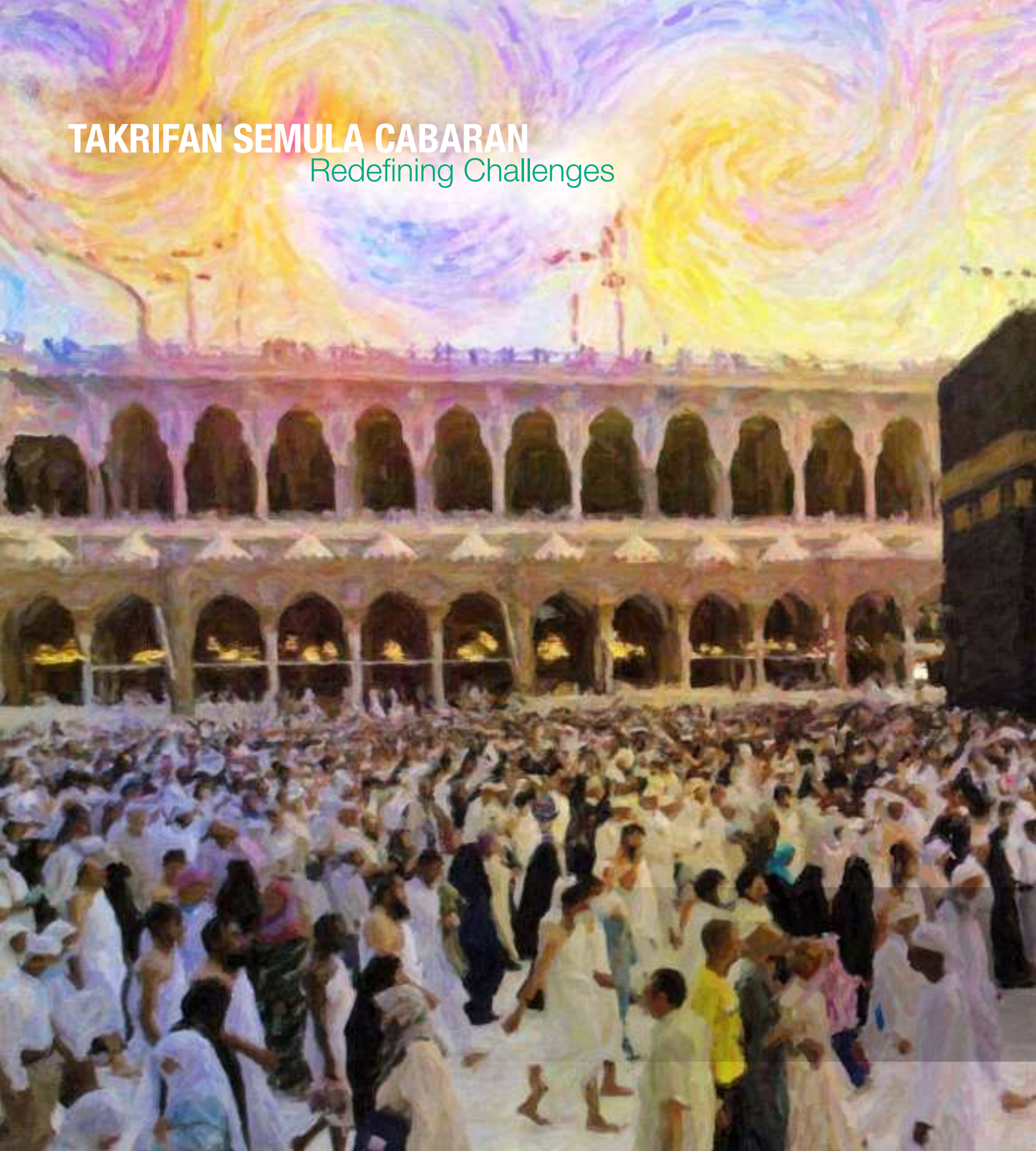
Power Saving Programme

In 2016, **TH** initiated the power saving project in a bigger scale by implementing the installation of power saving gadgets at **TH** new and existing buildings.

TH also supports the Earth Hour 2016 programme by switching off non-essential lights for one hour as a commitment to the sustainability of the environment.

In addition, staff are encouraged to switch off any unutilised lights during breaks or after working hour.

TH is planning to implement more programmes related to the environment such as recycle programme, designed to preserve the stability of eco-system for the well-being of our future generations.



TAKRIFAN SEMULA CABARAN

Redefining Challenges

Memperkasa Masyarakat

Empowering Community

KALENDAR PERISTIWA

Calendar of Events

JANUARI • January

06

Majlis Graduasi SL1M
TH Siri 5 dan Ramah
Mesra SL1M **TH** Siri 6
TH SL1M Series 5
Graduation Ceremony
and **TH** SL1M Series 6
Ice Breaker Event



FEBRUARI • February

02

Lawatan oleh Pengurusan Parti
Islam Se-Malaysia (PAS)
Visit by Parti Islam Se-Malaysia
(PAS) officials



FEBRUARI • February



02

Projek Baiti **TH** di Teluk Intan, Perak
TH Baiti Project at Teluk Intan, Perak



03

Projek Baiti **TH** di Gerik, Perak
TH Baiti Project at Gerik, Perak

FEBRUARI • February



04

Pengumuman Bonus Pendeposit
TH 2015
2015 **TH** Depositors' Bonus
Announcement

20

Program Melestarikan
Integriti **TH** Bersama
Masyarakat Baling, Kedah
“Melestarikan Integriti **TH**”
programme with Baling
Community in Kedah



FEBRUARI • February

23

Kempen Derma Darah dengan Kerjasama
Pusat Darah Negara
Blood Donation Campaign with the
cooperation of the National Blood Centre



Lawatan oleh pelajar dari
Politeknik Sultan Idris Shah
Selangor
Visit from the students
of Sultan Idris Shah
PolyTechnic Selangor

29

MAC • March

07

Majlis Penyerahan Zakat **TH** Johor 2015
 2015 **TH** Johor's Zakat Presentation Ceremony



09

Majlis Penyerahan Zakat **TH** Sabah 2015
 2015 **TH** Sabah's Zakat Presentation Ceremony



24

Majlis Penyerahan Zakat **TH** Negeri Sembilan 2015
 2015 **TH** Negeri Sembilan's Zakat Presentation Ceremony

MAC • March



25

Majlis Penyerahan Zakat **TH** Melaka 2015
2015 **TH** Melaka's Zakat Presentation
Ceremony

28

Majlis Penyerahan Zakat **TH** Pahang 2015
2015 **TH** Pahang's Zakat Presentation
Ceremony



MAC • March



28

Majlis Penyerahan Zakat **TH** Sarawak 2015
 2015 **TH** Sarawak's Zakat Presentation Ceremony



30

Majlis Penyerahan Zakat **TH** Selangor 2015
 2015 **TH** Selangor's Zakat Presentation Ceremony



31

Majlis Penyerahan Zakat **TH** Pulau Pinang 2015
 2015 **TH** Pulau Pinang's Zakat Presentation Ceremony

APRIL • April



03

Pertandingan Golf sempena Karnival Sukan **TH** 2016
Golf Competition in conjunction with **TH** Sports Carnival 2016

04

Majlis Penyerahan Zakat **TH** Perlis 2015
2015 **TH** Perlis' Zakat Presentation Ceremony



APRIL • April

06

Majlis Penyerahan Zakat **TH** Kedah dan Wilayah Persekutuan 2015
 2015 **TH** Kedah and Wilayah Persekutuan's Zakat Presentation Ceremony



08

Karnival Sukan **TH** 2016
 2016 **TH** Sports Carnival



13

Majlis Penyerahan Sijil Pengelola Jemaah Haji (PJH) 1437H
 1437H Hajj Pilgrim Organiser (PJH) License Handover Ceremony

APRIL • April



13

Majlis Penyerahan Zakat **TH**
Terengganu 2015
2015 **TH** Terengganu's Zakat
Presentation Ceremony



16

Majlis Perasmian Pejabat Baru **TH** Pasir Gudang,
Johor
Opening Ceremony of New **TH** Office, Pasir Gudang,
Johor

20

Lawatan dari Delegasi India
Visit from Indian Delegates



APRIL • April



21

Lawatan dari Delegasi
Jordan
Visit from Jordan
Delegates

21

Majlis Penyerahan
Sumbangan **TH** di Malam
Wartawan Anjuran Malaysian
Press Institute
TH Sponsorship Presentation
at 'Malam Wartawan',
organised by the Malaysian
Press Institute



APRIL • April



30

Persidangan Pengarah **TH** Negeri dan Pengurus Cawangan & Konvensyen Inovasi **TH** 2016
TH State Directors and Branch Managers Conference & 2016 **TH** Innovation Convention



27

Lawatan dari Delegasi Qatar
Visit from Qatar Delegates

MEI • May



10

Penyerahan Sijil Audit oleh Ketua Audit Negara
Presentation of the Audit Certificate by Auditor General



11

Majlis Pelancaran Program Pendidikan Kelab TaHa 2016 bersama Berita Harian
The Launching of 2016 Kelab TaHa Education Programme with Berita Harian

MEI • May



15

Majlis Anugerah
Kecemerlangan Kelab TaHa
2015
2015 Kelab TaHa
Excellence Awards
Ceremony

19

Majlis Perhimpunan Anggota
Kali Pertama 2016 dan Majlis
Perpisahan PUK/KPE
First Staff Assembly 2016 and
Farewell Ceremony for GMD/CEO



28

Program 'Bah Boling Kita'
TH Bersama Media Sabah
2016
2016 TH 'Bah Boling Kita'
programme with Sabah's
Media



JUN • June

06

Majlis Penyerahan Hadiah
 Utama (Proton Exora)
 kepada Juara Tilawah
 Al-Quran Peringkat
 Kebangsaan kali Ke-59
 Grand Prize Presentation
 Ceremony (Proton Exora)
 to the 59th National
 Tilawah Al-Quran
 Champions



11

Program Ehsan **TH**, Wilayah Persekutuan
TH Ehsan Programme, Wilayah Persekutuan



15

Program Ehsan **TH**, Negeri Selangor
TH Ehsan Programme, Selangor



JUN • June



16

Majlis Pelancaran
Perkhidmatan Bergerak **TH**
Komuniti oleh Pengerusi **TH**,
di Sg Besar, Selangor
The Launching of **TH**
Community Mobile Services
by **TH** Chairman, in Sg
Besar, Selangor

25

Program Ehsan **TH**, Negeri Perak
TH Ehsan Programme, Perak



30

Majlis Penyerahan Zakat **TH** Perak 2015
2015 **TH** Perak's Zakat Presentation Ceremony

JULAI • July

16

Majlis Pelancaran
Perkhidmatan Bergerak
TH Komuniti oleh YB
Menteri di Jabatan
Perdana Menteri di Guar
Chempedak, Kedah
The Launching of **TH**
Community Mobile
Services by YB Minister
in the Prime Minister's
Department in Guar
Chempedak, Kedah



21

Majlis Amanat PUK/KPE kepada Petugas Haji
1437H/2016M
'Amanat Ceremony' by **TH** GMD/CEO to the
1437H/2016M Hajj Mission



JULAI • July



23

Kursus Perdana Haji 1437H, Negeri Perak
1437H Hajj Prime Course, Perak

23

Kursus Perdana Haji 1437H, Negeri Pahang
1437H Hajj Prime Course, Pahang



26

Majlis Pelancaran Yayasan **TH**, Penghargaan Sahabat Korporat dan Majlis Rumah Terbuka **TH** 2016

The Launching of Yayasan **TH**, 'Sahabat Korporat' Appreciation Ceremony and **TH** Aidilfitri Open House 2016



JULAI • July



28

Taklimat PUK/KPE **TH** kepada anak-anak kapal MAS bagi Musim Haji 1437H
TH's GMD/CEO Briefing to MAS Cabin Crew for 1437H Hajj Season



Kursus Perdana Haji 1437H, Negeri Sembilan
1437H Hajj Prime Course, Negeri Sembilan

31

OGOS • August



04

Pengurusan **TH** Mengucapkan Selamat Jalan kepada Jemaah Haji 1437H/2016M di TH Hotel, Kelana Jaya

TH Management bids farewell to the 1437H/2016M Hajj Pilgrims at TH Hotel, Kelana Jaya

04

YAB Perdana Menteri dan Isteri
Mengucapkan Selamat Jalan
Kepada Jemaah Haji 1437H di
TH Hotel, Kelana Jaya

The Prime Minister and wife bid
farewell to the 1437H/2016M
Hajj Pilgrims at TH Hotel, in
Kelana Jaya



OGOS • August



13

Majlis Anugerah Kecemerlangan Anak Anggota **TH** dan Biasiswa **TH** 2016
2016 **TH** Staff's Children Excellence Awards and **TH** Scholarship Presentation Ceremony

Majlis Pertukaran Memorandum Perjanjian Antara **TH** dan Usahawan-usahawan Bumiputera
Exchange of Memorandum of Agreement Ceremony between **TH** and Bumiputera Entrepreneurs



23



31

Majlis Sambutan Hari Kebangsaan ke- 59 di Tanah Suci Makkah
The 59th National Day Celebration in Makkah

SEPTEMBER • September

05

Pengerusi **TH** menziarah waris-waris Jemaah Haji yang meninggal di Tanah Suci

TH Chairman visits family members of deceased haji pilgrims in the Holy Land



06

Majlis Graduasi SL1M **TH** SIRI 6
TH SL1M Series 6 Graduation Ceremony

SEPTEMBER • September

08

Lawatan YB Menteri di Jabatan Perdana Menteri ke Ibu Pejabat **TH**, Abraj Al Janadriyya, Makkah
 Visit by the YB Minister in the Prime Minister's Department to **TH** Headquarters, Abraj Al Janadriyya, Makkah



09

Lawatan YB Menteri di Jabatan Perdana Menteri ke Hotel Land Premium, Makkah
 Visit by the YB Minister in the Prime Minister's Department to Land Premium Hotel, Makkah



11

YB Menteri di Jabatan Perdana Menteri Melawat khemah Jemaah Haji di Arafah
 YB Minister in the Prime Minister's Department visits pilgrims' tents in Arafah

SEPTEMBER • September



12

YB Menteri di Jabatan Perdana Menteri menziarahi Jemaah Haji yang sakit di Pusat Rawatan **TH** Syisya, Makkah
YB Minister in the Prime Minister's Department visiting ill pilgrims at **TH** Syisya Medical Centre, Makkah

18

Kepulangan Kumpulan Pertama Jemaah Haji Musim 1437H/2016M
Return of the First Group of 1427H/2016M Hajj Pilgrims



SEPTEMBER • September



30

Lawatan Imam-imam Negeri Kelantan dan Pegawai Majlis Agama Islam Kelantan
Visit by the Kelantan Imams and Majlis Agama Islam Kelantan Officials

OKTOBER • October

13

Majlis Penyerahan Zakat TH Kelantan 2015
2015 TH Kelantan's Zakat Presentation Ceremony





OKTOBER • Oktober



15

Kepulangan Kumpulan
Terakhir Jemaah Haji
Musim 1437H/2016M
Return of the Last Group
of the 1437H/2016M Hajj
Pilgrims

27

Majlis Penyerahan
Kenderaan Dwi-Fungsi
Program Mobiliti **TH**
The Handover Ceremony
of Dual-Function
Vehicle for **TH** Mobility
Programme



NOVEMBER • November

01

Hari Inovasi dan
Kecemerlangan Jabatan
Perdana Menteri 2016
2016 Prime Minister's
Department Innovation
and Excellence Day



02

Program Iqra **TH**, Negeri Sembilan
TH Iqra Programme, Negeri
Sembilan



NOVEMBER • November



03

Majlis Perhimpunan
Anggota Kali Ke-2 2016
Second Staff Assembly 2016



08

Hari Terbuka HR **TH** 2016
2016 **TH** HR Open Day



09

Majlis Pelancaran Program Iqra **TH** oleh YB Menteri di
Jabatan Perdana Menteri
The Launching Ceremony of **TH** Iqra' Programme by
YB Minister in the Prime Minister's Department

NOVEMBER • November

10

Program Iqra **TH**, Negeri Johor
TH Iqra Programme, Johor



Pertandingan Bicara Berirama **TH**
dengan kerjasama Utusan Melayu
(Malaysia) Berhad
TH Choral Speaking Competition
with cooperation of Utusan Melayu
(Malaysia) Berhad

12



NOVEMBER • November



16

Program Iqra **TH**, Negeri Terengganu
TH Iqra Programme, Terengganu



16

Program Iqra **TH**, Negeri Pulau Pinang
TH Iqra Programme, Pulau Pinang



17

Program Iqra **TH**, Negeri Sabah
TH Iqra Programme, Sabah

NOVEMBER • November



17

Program Iqra **TH**, Negeri Selangor
 TH Iqra Programme, Selangor



17

Lawatan daripada Majlis Agama Islam Filipina
 Visit from the Phillipines Islamic Council

19

Program Iqra **TH**, Negeri Melaka
 TH Iqra Programme, Melaka



NOVEMBER • November



21

Majlis Kesyukuran
Tamat Operasi Haji
Musim 1437H
'Majlis Kesyukuran'
for the completion of
1437H Hajj Operations



22

Program Iqra **TH**, Negeri Pahang
TH Iqra Programme, Pahang

22

Program Iqra **TH**, Negeri Kedah
TH Iqra Programme, Kedah



NOVEMBER • November



22

Program Iqra **TH**, Negeri Perlis
TH Iqra Programme, Perlis

22

Program Iqra **TH**, Negeri Sarawak
TH Iqra Programme, Sarawak



23

Program Iqra **TH**, Negeri Kelantan
TH Iqra Programme, Kelantan





NOVEMBER • November



24

Program Iqra **TH**, Negeri Perak
TH Iqra Programme, Perak



26

Pelancaran Tabung Rohingya Utusan – **TH**
The Launching of Utusan – **TH** Rohingya Fund

NOVEMBER • November



28

Muzakarah Haji Peringkat Kebangsaan Kali Ke-33, 1438H
The 33rd National Hajj Muzakarah, 1438H

DISEMBER • December

01

Majlis Tilawah Al-Quran dan Haflah
Takrim Tahsin Qiraah
Peringkat TH 2016
2016 TH Tilawah
Al-Quran and Haflah
Takrim Tahsin Qiraah



05

Sesi Penilaian Operasi Haji Musim 1437H
The 1437H Hajj Operations Evaluation Session

DISEMBER • December

11

Majlis Sambutan Maulidul
Rasul 1438H Peringkat
Kebangsaan di Masjid
Putra, Putrajaya
1438H National Maulidur
Rasul Celebrations at the
Putra Mosque, Putrajaya



21

Majlis Pelancaran Tabung Kemanusiaan Aceh
The Launching of the Aceh Humanitarian Fund

14

Majlis Tilawah Al-Quran Peringkat GLCs 2016 di
Masjid Sultan Mizan, Putrajaya
2016 Malaysia GLC's Tilawah Al-Quran at the Sultan
Mizan Mosque, Putrajaya



SOROTAN MEDIA

Media Highlights

TH capai objektif penubuhan



Tabung Haji's new focus

INVESTMENT TWEAKS: Pilgrims fund to shift focus in infrastructure and businesses to secure



Steady income approach

TABUNG Haji plans to invest in local and foreign infrastructure and concession businesses through collaboration with government-linked investment companies.

REPORTS ON B4 & B5

“We have to tweak our investment approach to make it more sustainable, where we can have

Pilgrims fund allocates RM2b for Aussie, UK investments next year

Tabung Haji kebanggaan dunia Islam - Najib



Cadang jalin kerjasama strategik dengan KWAP, KWSP

Tabung Haji untung RM3.53b

Eyeing a global branding via TRX





GDV RM820 JUTA

TH rancang bangun pangrapuri mewah di atas tanah TRU

TH nafi kewangan lemah, sukar bayar pendeposit

TH mampu penuhi kewajipan

TH tambah pelaburan hartanah di UK, Australia

TH tinjau pelaburan infrastruktur, konsesi

Bonus TH 5%+3

Keeping stakeholders' interests at heart

Tabung Haji CEO says the fund will add value to haj packages while keeping them affordable

TH mampu penuhi kewajipan



Tabung Haji tiada tandingan

Tabung Haji tiada tandingan

Aset melebihi liabiliti

TH mampu penuhi kewajipan

TH tambah pelaburan hartanah di UK, Australia

TH tinjau pelaburan infrastruktur, konsesi

Bonus TH 5%+3

Keeping stakeholders' interests at heart

Tabung Haji CEO says the fund will add value to haj packages while keeping them affordable

TH mampu penuhi kewajipan

sudah
pihak
an je-

TABUNG ROHINGYA UTUSAN - TH

AKAUN BANK ISLAM

14283010000572

(Telusan Yayasan Kumpulan Utusan)
1 Disember 2016 - 1 April 2017



Tabung Kemanusiaan Aceh dilancar bantu mangsa gempa bumi di Pidie Jaya

PUTRAJAYA - Menteri di Jabatan Perdana Menteri, Datuk Seri Jaidi Kadir Baharom semalam melancarkan Tabung Kemanusiaan Aceh bagi menyokong keprihatinan rakyat Malaysia terhadap mangsa gempa bumi di Pidie

Jaidi Kadir berkata, kerajaan strategik melalui penubuhan Tabung Kemanusiaan Aceh ini mengedukasi dan memberi bantuan kepada mangsa gempa bumi di Pidie Jaya.

Jaidi Kadir berkata, kerajaan strategik melalui penubuhan Tabung Kemanusiaan Aceh ini mengedukasi dan memberi bantuan kepada mangsa gempa bumi di Pidie Jaya.

dan Yayasan Darul MAJLIS masing-masing menyumbangkan RM50,000, Hospital Pakar Universiti Kebangsaan Malaysia (UMK) dan wang kerja YAFEM (RM10,000).



Zakat Tabung Haji meningkat

MELAKA 27 Mac - Lembaga Tabung Haji (Tabung Haji) mengumumkan peningkatan pembayaran zakat haji berjumlah RM14.74 juta tahun lalu berbanding RM9.74 juta pada tahun sebelumnya.

Tabung Haji berkata, peningkatan itu dilihat positif sejajar dengan kedudukan kewangan Tabung Haji yang kukuh dan baik. Najam berhadapan ketidakpastian ekonomi pada tahun lalu.

Menurutnya, Tabung Haji juga merupakan antara institusi perantara yang tertinggi zakat pemiagaan di negara ini dan melalui program-program tanggungjawab korporatnya, zakat turut diagihkan secara terus kepada golongan asnaf di seluruh negara.

"Sebagai sebuah institusi bilian unggul di negara ini dalam membangunkan ekonomi dan kemakmuran, Tabung Haji menyumbangkan zakat pemiagaan berjumlah RM14.74 juta bagi tahun kewangan 2015, meningkat sebanyak 4.75 peratus berbanding RM14.08 juta pada tahun lalu di negara ini."

Jelajah Varsity TH lahir ramai usahawan

Tabung Haji (TH) mengumumkan bahawa Jelajah Varsity TH telah menghasilkan ramai usahawan. Tabung Haji berkata, Jelajah Varsity TH adalah program yang bertujuan untuk melahirkan usahawan muda di kalangan pelajar universiti.



Tabung Haji serah zakat pemiagaan RM14.74 juta

MELAKA 27 Mac - Lembaga Tabung Haji (Tabung Haji) mengumumkan peningkatan pembayaran zakat haji berjumlah RM14.74 juta tahun lalu berbanding RM9.74 juta pada tahun sebelumnya.



'Boleh beli baju raya'
1000 penerima zakat haji Tabung Haji
Tabung Haji berkata, zakat haji Tabung Haji tahun ini berjumlah RM14.74 juta, meningkat sebanyak 4.75 peratus berbanding RM14.08 juta pada tahun lalu di negara ini.

Tabung Kemanusiaan Aceh bukti kerajaan prihatin

● Rakyat berpeluang hulu bantuan untuk mangsa gempa bumi di negara jiran
Oleh Neer Atiqah Suleman
suleman@harian.com.my
● Putrajaya

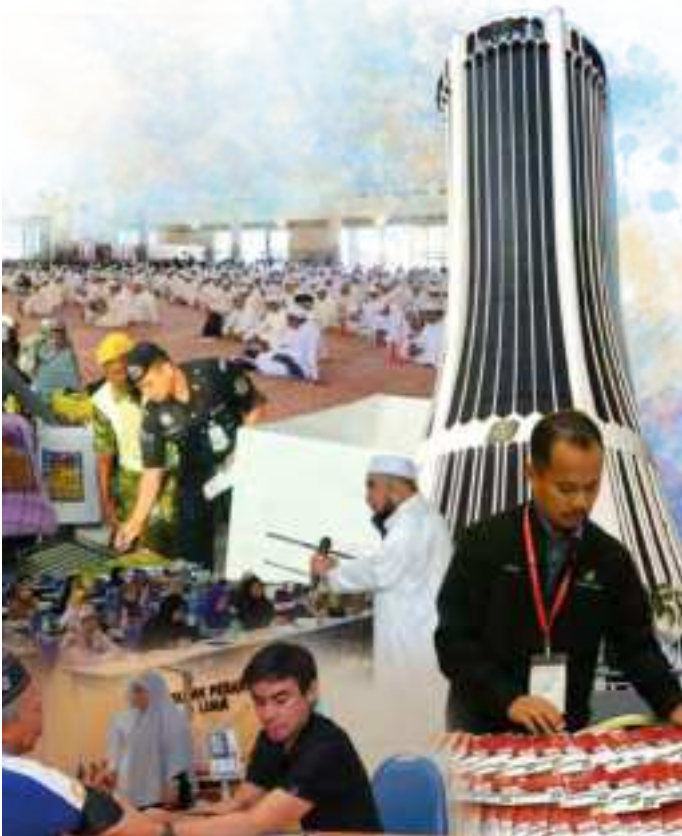


Tabung Kemanusiaan Aceh
Tabung Kemanusiaan Aceh dilancarkan oleh Menteri di Jabatan Perdana Menteri, Datuk Seri Jaidi Kadir Baharom semalam.



CARTA PENGURUSAN HAJI

Hajj Management Chart



Perkhidmatan di Malaysia • Services in Malaysia

Ibu Pejabat | Headquarters • Pejabat Negeri **TH** | **TH** State Offices
Cawangan **TH** | **TH** Branches • 8 Stesen Berlepas | 8 Departure Stations

- | | |
|---|--|
| 1 Pendaftaran
Registration | 5 Urusan Pasport
Passport Handling |
| 2 Pemilihan Kelayakan
Selection of Eligibility | 6 Jadual Penerbangan Haji
Hajj Flight Schedule |
| 3 Bimbingan
Guidance | 7 Urusan Visa
Visa Handling |
| 4 Pemeriksaan Kesihatan
Health Check | 8 Operasi Penerbangan Pergi
Flight Departure Operations |

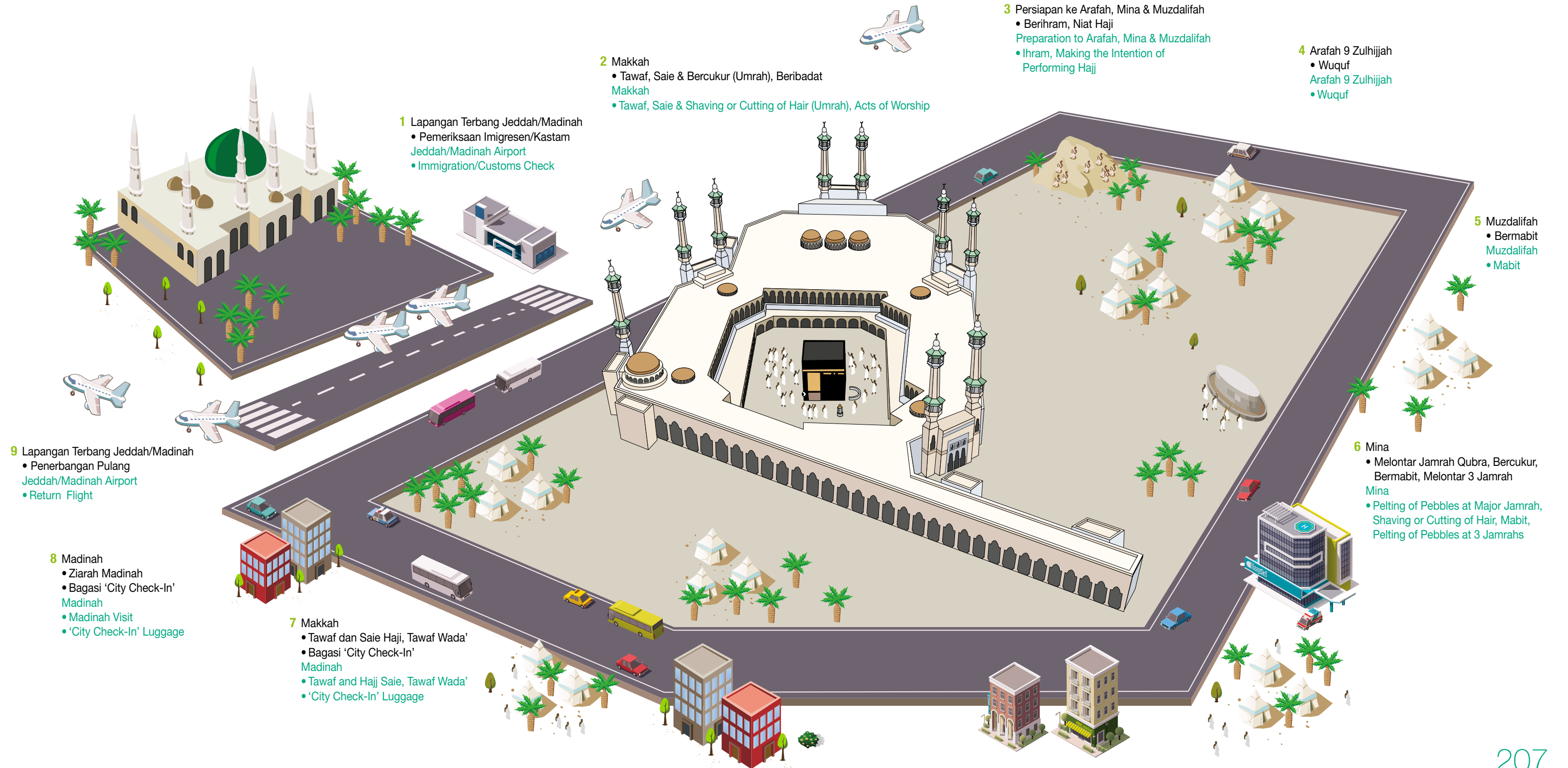
Perkhidmatan di Arab Saudi • Services in Saudi Arabia

Jeddah • Madinah • Makkah • Masya'ir

- | | |
|---|--|
| 1 Sambutan/Ketibaan
Reception/Arrival | 7 Perkhidmatan Kesihatan
Health Services |
| 2 Penyelarasan Pergerakan
Movement Coordination | 8 Penerangan dan Maklum Balas
Information and Feedback |
| 3 Penginapan
Accommodation | 9 Kaunseling
Counselling |
| 4 Sajian
Meals | 10 Pengurusan Kematian
Management of the Deceased |
| 5 Perkhidmatan Nasihat Ibadah
Ibadah Advisory Services | 11 Pelbagai Perkhidmatan Pihak Ketiga
Various Third Party Service |
| 6 Perkhidmatan Kewangan
Financial Services | 12 Operasi Penerbangan Balik
Return Flight Operations |



Aktiviti Jemaah Di Tanah Suci • Pilgrims Activities In The Holy Land



PENCAPAIAN DAN ANUGERAH

Awards and Recognition

- Institusi Paling Cemerlang untuk Sumbangan Terhadap Kewangan Islam pada Forum Kewangan Islam Kuala Lumpur 2016 (KLIFF).
Most Outstanding Institution for Contribution to Islamic Finance during the Kuala Lumpur Islamic Finance Forum 2016 (KLIFF).
- Anugerah Emas, *International Convention On Quality Control Circles (ICQCC)* Bangkok 2016 (MALINJA).
Gold Award, for International Convention On Quality Control Circles (ICQCC) Bangkok 2016 (MALINJA).
- Pensijilan Semula ISO Sistem Pengurusan Kualiti MS ISO 9001:2008 Tahun 2016 – Pengurusan dan Operasi Perkhidmatan Haji di Malaysia dan Arab Saudi.
Re-Certification of ISO Quality Management System MS ISO 9001:2008 for 2016 – Hajj Service Management and Operations in Malaysia and Saudi Arabia.
- Pensijilan Semula ISO Sistem Pengurusan Kualiti MS ISO 9001:2008 Tahun 2016 – Jabatan Khidmat Pendeposit dan Operasi.
Re-Certification of ISO Quality Management System MS ISO 9001:2008 for 2016 - Depositors Service and Operations Department.
- Pensijilan Semula ISO Sistem Pengurusan Kualiti MS ISO 9001:2008 Tahun 2016 – Bahagian Pentadbiran dan Perolehan.
Re-Certification of ISO Quality Management System MS ISO 9001:2008 for 2016 - Administration and Procurement Division.
- Pensijilan MS 1722:2011 Sistem Pengurusan Kesihatan dan Keselamatan Pekerja.
Certification of MS 1722:2011 Occupational Health and Safety Management System.
- Naib Johan Kategori Teknikal, Konvensyen KIK Peringkat JPM 2016 (RODA).
Runner-up for Technical Category, KIK Convention JPM Level 2016 (RODA).
- Anugerah Kumpulan Paling Kreatif (Persembahan), Konvensyen KIK Peringkat JPM 2016 (RODA).
Most Creative Group Award (Performance), KIK Convention JPM Level 2016 (RODA).
- Anugerah Emas 3 Bintang, Konvensyen Team Excellence, Peringkat Kebangsaan MPC 2016 (RODA).
3 Star Gold Award, Team Excellence Convention, National Level MPC 2016 (RODA).
- Anugerah Emas, Mini Konvensyen Team Excellence, Wilayah Pantai Timur MPC 2016 (RODA).
Gold Award, Team Excellence Mini Convention, East Coast Region MPC 2016 (RODA).
- Anugerah Emas, Mini Konvensyen Team Excellence, Wilayah Sabah MPC 2016 (GS'16).
Gold Award, Team Excellence Mini Convention, Sabah Region MPC 2016 (GS'16).



IBU PEJABAT TH

TH Headquarters

MALAYSIA
LEMBAGA TABUNG HAJI
201, Jalan Tun Razak,
50400 Kuala Lumpur

Tel : +603 2054 2000
+603 2054 2233
+603 2054 2400
Faks | Fax : +603 2163 2308

ARAB SAUDI
CONSULATE GENERAL OF MALAYSIA
(HAJJ AFFAIRS)
24, Al-Bab Al-Zahabi Street, Kilo 5, Old Makkah Road
P.O.Box 593, Jeddah 21421, Kingdom of Saudi Arabia

Tel : +9662 6876 715
Faks | Fax : +9662 6873 661

Alamat UTC Tabung Haji | Tabung Haji UTC Address

TH UTC JOHOR | TH UTC JOHOR
L03-UTC-02
Galleria @ Kotaraya
Jalan Trus
80000 JOHOR BHARU
Tel : 07-221 8226
Faks | Fax : 07-221 9226

TH UTC PAHANG | TH UTC PAHANG
Lot 2-16, Aras 2
Bangunan UTC Pahang
Jalan Stadium
25000 KUANTAN
Tel : 09-512 4888
Faks | Fax : 09-512 4777

TH UTC KEDAH | TH UTC KEDAH
Bangunan MBAS
Lot 3-11, Tingkat 3
Jalan Kolam Air
05675 ALOR SETAR
Tel : 04-736 0034
Faks | Fax : 04-736 0035

TH UTC TERENGGANU | TH UTC TERENGGANU
L1- UTC- 02, Tingkat 1,
Kompleks Paya Bunga Square
Jalan Masjid Abidin,
20200 KUALA TERENGGANU
Tel : 09-631 2691
Faks | Fax : 09-625 2363

TH UTC PERAK | TH UTC PERAK
Lot 10 Tingkat 2,
Bangunan Urban Transformasi Centre (UTC)
Jalan Dato' Onn Jaafar
30000 IPOH
Tel : 05-241 3293/3491
Faks | Fax : 05-241 3429

TH UTC KELANTAN | TH UTC KELANTAN
L1, 04, Lot 378,
Seksyen 16, Jalan Hamzah,
15050 KOTA BHARU
Tel : 09-743 8723
Faks | Fax : 09-743 7991

TH UTC MELAKA | TH UTC MELAKA
Lot 1-02, Aras 1, Bangunan UTC
Jalan Tan Chay Yan
Off Jalan Hang Tuah
75300 MELAKA
Tel : 06-281 3218
Faks | Fax : 06-281 0437

TH UTC SARAWAK | TH UTC SARAWAK
Aras 1, Unit 4.03
Lot 218, 337 & 338, Seksyen 47
Kuching Town Land District
Jalan Padungan
93100 KUCHING
Tel : 082-423 922
Faks | Fax : 082-421 923

TABUNG HAJI CONTACT CENTRE (THCC)
Tel : +603 6207 1919
Faks • Fax : +603 7728 4959
SMS : TH<jarak> sebarang pertanyaan dan hantar kepada 33990
TH<space>inquiry and send to 33990

Untuk senarai penuh Pejabat TH Negeri dan Cawangan, sila layari laman web rasmi TH di:
For complete list of TH State Offices and Branches, please visit our TH official website at:

WWW.TABUNGHAJI.GOV.MY

PEJABAT TH NEGERI

TH State Offices

Takrifan Semula Cabaran
Redefining Challenges



PEJABAT TH NEGERI - PERLIS

TH State Office - Perlis

Lot 1483 & 1484
Kompleks Perniagaan Seriab
01000, KANGAR
Tel : 04-976 1290
Faks | Fax : 04-976 4137

PEJABAT TH NEGERI - KUALA LUMPUR

TH State Office - Kuala Lumpur

Tingkat Bawah & Mezzanine
Menara TH Perdana
1001 Jalan Sultan Ismail
50250, KUALA LUMPUR
Tel : 03-2692 9244
Faks | Fax : 03-2691 4413

PEJABAT TH NEGERI - TERENGGANU

TH State Office - Terengganu

Bangunan TH
No.160 Jalan Sultan Ismail
20200, KUALA TERENGGANU
Tel : 09-622 1715
Faks | Fax : 09-622 0811

PEJABAT TH NEGERI - KEDAH

TH State Office - Kedah

No 5, Lot 3860
Jalan Lapangan Terbang Sultan Abdul Halim
06550, ALOR SETAR
Tel : 04-714 1212 /1313 /1515
Faks | Fax : 04-714 1717

PEJABAT TH NEGERI - NEGERI SEMBILAN

TH State Office - Negeri Sembilan

Bangunan TH, Kompleks Terminal 1
Jalan Lintang
70000, SEREMBAN
Tel : 06-767 0052
Faks | Fax : 06-767 0053

PEJABAT TH NEGERI - KELANTAN

TH State Office - Kelantan

Wisma Ilmu, Bangunan TH
Jalan Doktor
15000, KOTA BHARU
Tel : 09-743 4500
Faks | Fax : 09-743 4505

PEJABAT TH NEGERI - PULAU PINANG

TH State Office - Pulau Pinang

Lot 5789 & 5790
Jalan Dato' Ismail Hashim
11900, BAYAN LEPAS
Tel : 04-641 2251
Faks | Fax : 04-641 2268

PEJABAT TH NEGERI - MELAKA

TH State Office - Melaka

Bangunan TH, Lot 250
Jalan Banda Kaba, Peti Surat 205
75740, MELAKA
Tel : 06-283 6303
Faks | Fax : 06-282 0506

PEJABAT TH NEGERI - SABAH

TH State Office - Sabah

Tingkat Bawah
Jalan Sembulan
Peti Surat 12908
88832, KOTA KINABALU
Tel : 088-244 893
Faks | Fax : 088-221 758

PEJABAT TH NEGERI - PERAK

TH State Office - Perak

Aras 1 & 2, Bangunan TH
Jalan Koo Chong Kong
30000, IPOH
Tel : 05-243 5741/42/43
Faks | Fax : 05-243 5739

PEJABAT TH NEGERI - JOHOR

TH State Office - Johor

Lot 20485, Menara TH
Jalan Air Molek, Peti Surat 210
80720, JOHOR BAHRU
Tel : 07-224 0123
Faks | Fax : 07-224 8713

PEJABAT TH NEGERI - SARAWAK

TH State Office - Sarawak

Lot 16, 17 & 18, Jalan Satok
Peti Surat 2603
93752, KUCHING
Tel : 082-424 922
Faks | Fax : 082-419 721

PEJABAT TH NEGERI - SELANGOR

TH State Office - Selangor

Jalan SS 6/1
Kelana Jaya
47301, PETALING JAYA
Tel : 03-7874 1033
Faks | Fax : 03-7874 1140

PEJABAT TH NEGERI - PAHANG

TH State Office - Pahang

Bangunan TH
Lot. 35 Jalan Bukit Ubi
25200, KUANTAN
Tel : 09-516 5535/36
Faks | Fax : 09-516 5534

ANAK SYARIKAT **TH**

TH Subsidiaries

PERLADANGAN **Plantation**

TH PLANTATIONS BERHAD

Tingkat 31-35, Menara **TH** Platinum
No 9, Persiaran KLCC
50088 KUALA LUMPUR
Tel : 03-2603 4800
Faks | Fax : 03-2603 4695
Laman Web | Website :
www.thplantations.com

TH INDO INDUSTRIES SDN BHD

Tingkat 35, Menara **TH** Platinum
No 9, Persiaran KLCC
50088 KUALA LUMPUR
Tel : 03-2603 4800
Faks | Fax : 03-2603 4695

TH INDOPALMS SDN BHD

Tingkat 35, Menara **TH** Platinum
No 9, Persiaran KLCC
50088 KUALA LUMPUR
Tel : 03-2603 4800
Faks | Fax : 03-2603 4695

TH ESTATES (HOLDINGS) SDN BHD

Tingkat 35, Menara **TH** Platinum
No 9, Persiaran KLCC
50088 KUALA LUMPUR
Tel : 03-2603 4800
Faks | Fax : 03-2603 4695

DERU SEMANGAT SDN BHD

Tingkat 35, Menara **TH** Platinum
No 9, Persiaran KLCC
50088 KUALA LUMPUR
Tel : 03-2603 4800
Faks | Fax : 03-2603 4695



PEMBANGUNAN HARTANAH & PEMBINAAN

Property Development & Construction

TH PROPERTIES SDN BHD

Tingkat 20, Bangunan **TH** Selborn
153, Jalan Tun Razak
50400 KUALA LUMPUR
Tel : 03-2687 3333
Faks | Fax : 03-2687 3322
Laman Web | Website :
www.th-properties.com

LTH PROPERTY INVESTMENT (L) INC

Tingkat 13(A), Main Office Tower,
Financial Park Labuan, Jalan Merdeka
87000 Labuan
Malaysia
Tel : 087-451 688
Faks | Fax : 087-453 688

LTH PROPERTY HOLDINGS LIMITED

5 Floor, 37 Esplanade
St Helier Jersey JE1 2TR
Channel Islands

LTH PROPERTY HOLDINGS 2 LIMITED

5 Floor, 37 Esplanade
St Helier Jersey JE1 2TR
Channel Islands



KEWANGAN ISLAM Islamic Finance

BIMB HOLDINGS BERHAD

Tingkat 31, Menara Bank Islam
No. 22 Jalan Perak
50450 KUALA LUMPUR
Tel : 03-2781 2999
Faks | Fax : 03-2781 2998
Laman Web | Website :
www.bimbholdings.com

HOSPITALITI Hospitality

TH HOTEL & RESIDENCE SDN BHD

Tingkat 17, Bangunan Tabung Haji
201 Jalan Tun Razak
50400 KUALA LUMPUR
Tel : 03-2161 1700
Faks | Fax : 03-2162 2700
Laman Web | Website :
www.thhotels.com.my



PERKHIDMATAN LAIN-LAIN Other Services

THETA EDGE BERHAD

A-3A-3A, Block A
Oasis Square Office
Jalan PJU 1A/7A
Ara Damansara
47301 Petaling Jaya
SELANGOR
Tel : 03-7622 1188
Faks | Fax : 03-7666 6968
Laman Web | Website :
www.theta-edge.com

TH MARINE SDN BHD

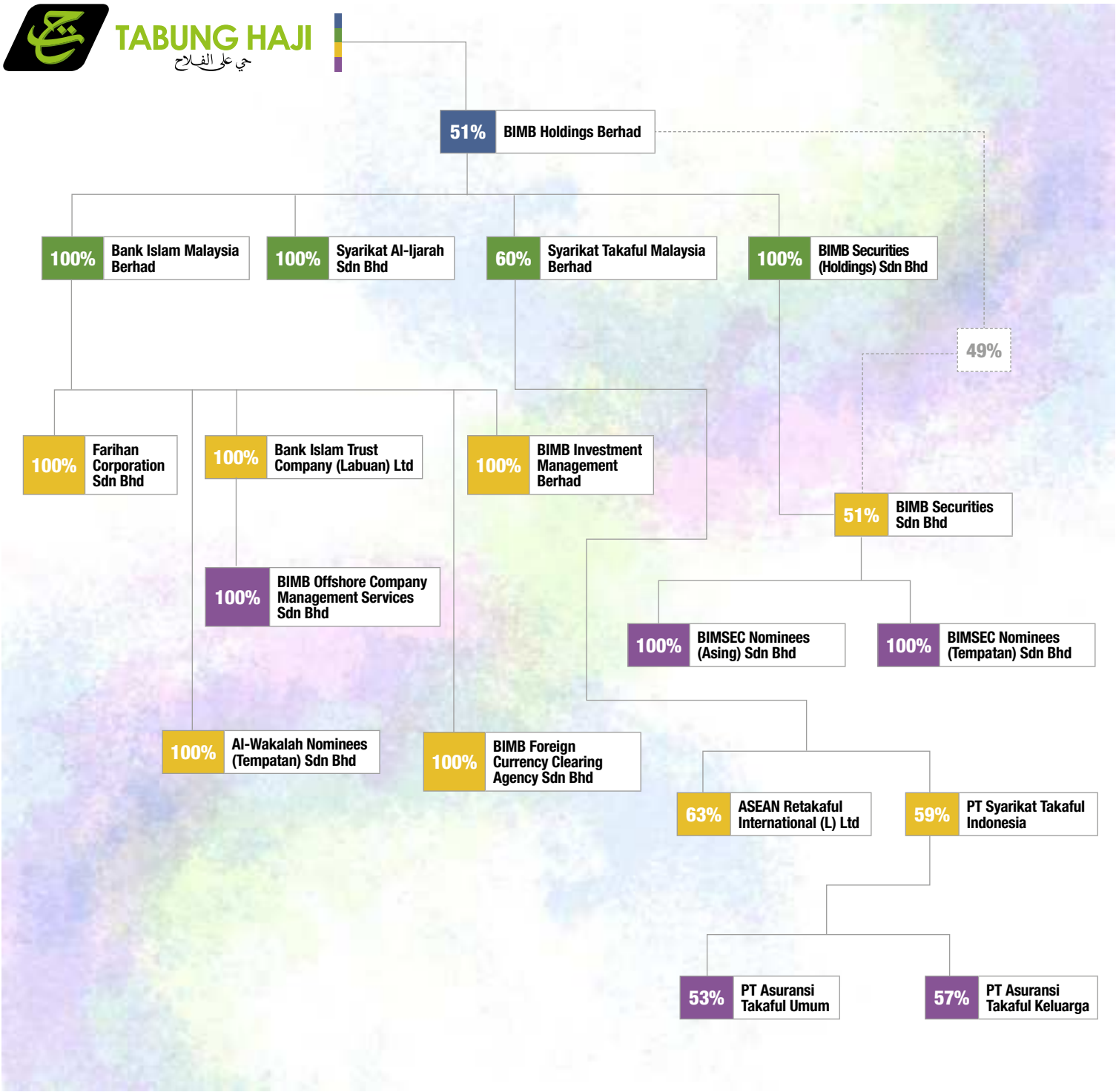
38F, Tingkat 2, Jalan Radin Anum
Bandar Baru Sri Petaling,
57000 KUALA LUMPUR
Tel : 03-9058 2244
Faks | Fax : 03-9059 6845

TH MARINE HOLDING (L) INC

38F, Tingkat 2, Jalan Radin Anum
Bandar Baru Sri Petaling,
57000 KUALA LUMPUR
Tel : 03-9058 2244
Faks | Fax : 03-9059 6845

CARTA SEKTOR KEWANGAN ISLAM

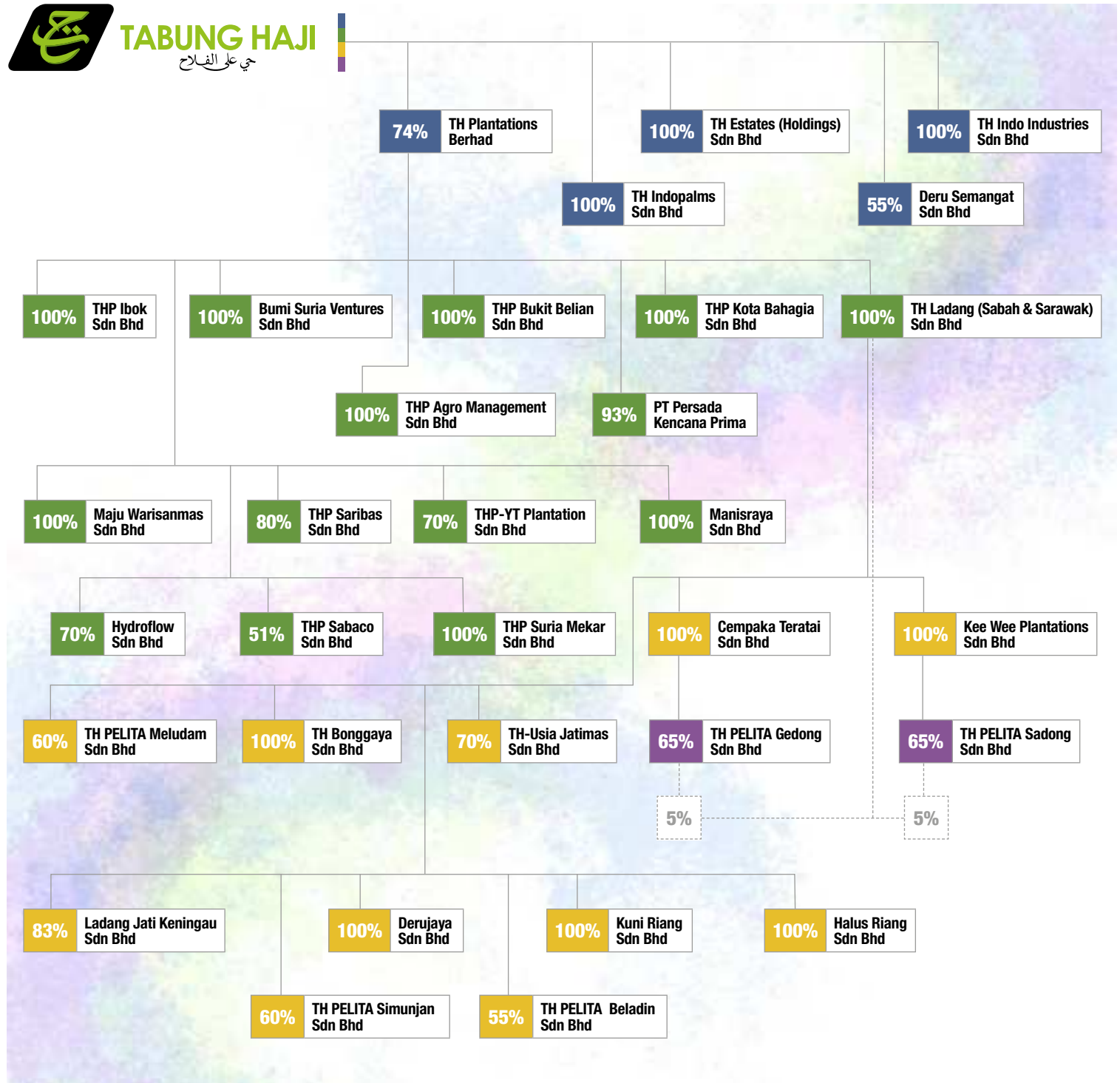
Islamic Finance Sector Chart



CARTA SEKTOR PERLADANGAN

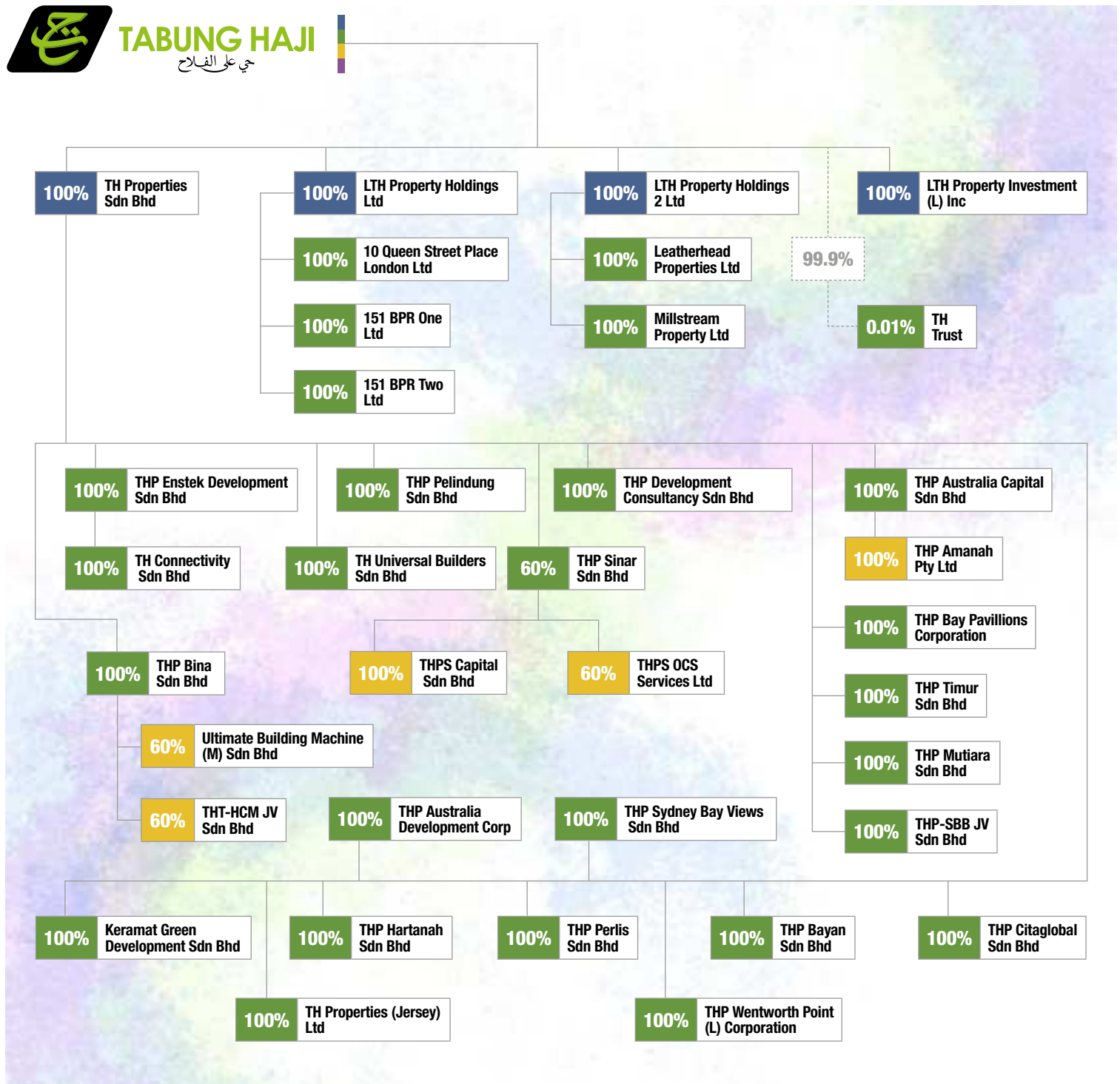
Plantation Sector Chart

Takrifan Semula Cabaran



CARTA SEKTOR PEMBANGUNAN HARTANAH DAN PEMBINAAN

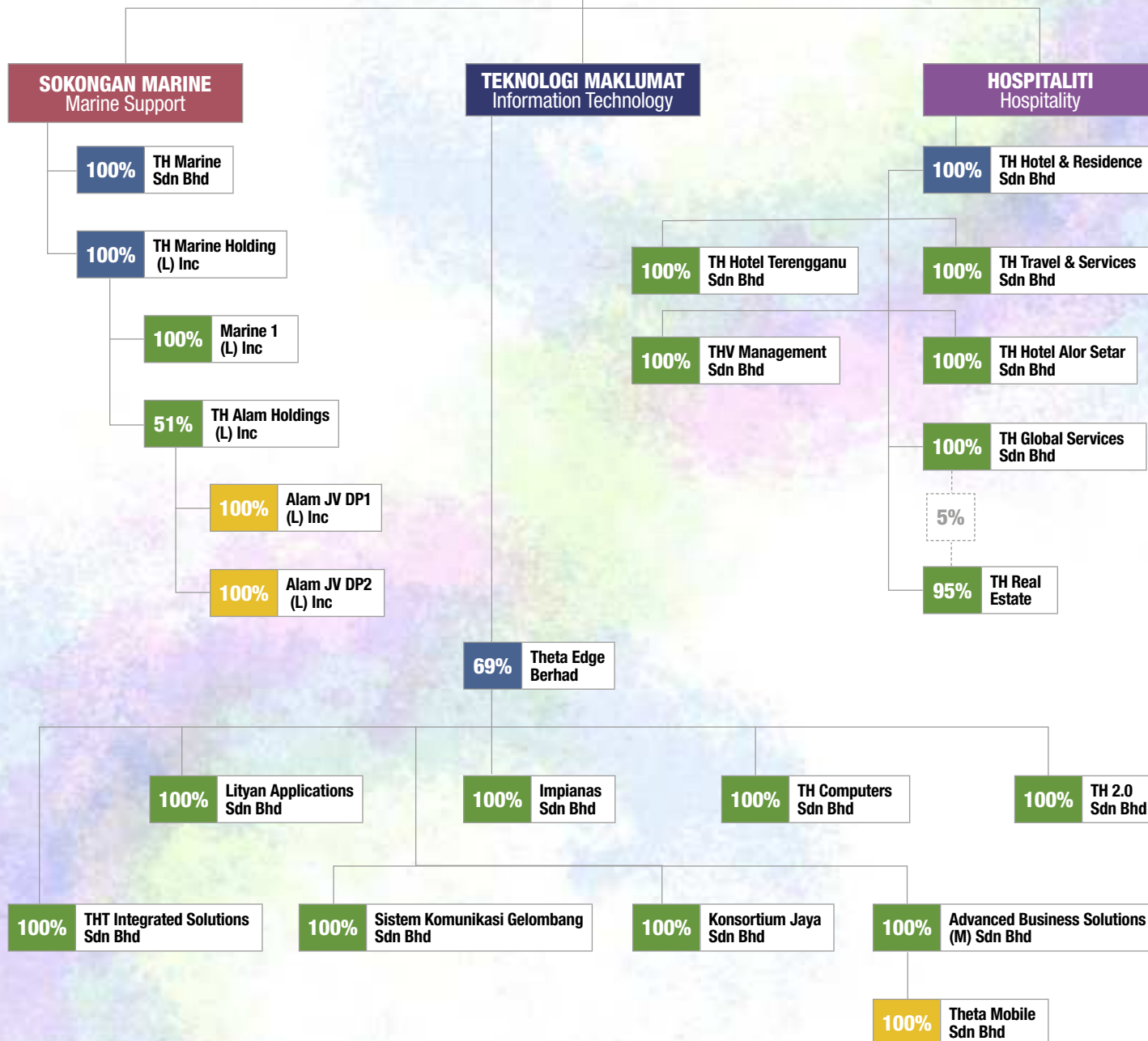
Property Development and Construction Sector Chart



CARTA SEKTOR PERKHIDMATAN LAIN

Other Services Sector Chart

Takrifan Semula Cabaran
Redefining Challenges



TAKRIFAN SEMULA CABARAN

Redefining Challenges

Pengukuhan Pulangan

Strengthening Returns



TABUNG HAJI

حي على الفلاح

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL STATEMENTS (Available in CD version only)

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**REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
LEMBAGA TABUNG HAJI
FOR THE YEAR ENDED 31 DECEMBER 2016**

Report on the Financial Statements

Opinion

I have audited the accompanying Financial Statements of the Lembaga Tabung Haji and of the Group, which comprise the Statements of Financial Position as at 31 December 2016 and Statements of Income, Statements of Comprehensive Income, Statements of Changes in Fund and Statements of Cash Flow for the year then ended, summary of significant accounting policies and other explanatory information as set out on pages 226 to 315.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Lembaga Tabung Haji and of the Group as at 31 December 2016 and of their financial performance and cash flows for the year then ended in accordance with the approved financial reporting standards in Malaysia and Tabung Haji Act 1995 (Act 535).

Basis for Opinion

I conducted the audit in accordance with the Audit Act 1957 and The International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the Lembaga Tabung Haji and of the Group and I have fulfilled the other ethical responsibilities in accordance with the The International Standards of Supreme Audit Institutions (ISSAI).

Information Other than the Financial Statements and Auditors' Report Thereon

The Board is responsible for the other information in the Annual Report. My opinion on the financial statements of Lembaga Tabung Haji and of the Group does not cover the information other than the financial statements and auditors' report thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Board for the Financial Statements

The Board is responsible for the preparation of financial statements of Lembaga Tabung Haji and of the Group that give a true and fair view in accordance with approved financial reporting standards in Malaysia and Tabung Haji Act 1995 (Act 535). The Board is also responsible for such internal control as it is necessary to enable the preparation of the financial statements of Lembaga Tabung Haji and of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of Lembaga Tabung Haji and of the Group, the Board is responsible for assessing Lembaga Tabung Haji and of the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditors' Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements of Lembaga Tabung Haji and of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAI, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lembaga Tabung Haji and of the Group's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- d. Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Lembaga Tabung Haji or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I have to draw attention in my auditors' report to the related disclosures in the financial statements of Lembaga Tabung Haji and of the Group or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditors' report.
- e. Evaluate the overall presentation of the financial statements of Lembaga Tabung Haji and of the Group, including the disclosures that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Tabung Haji Act 1995 (Act 535), I also report the following:

- a. In my opinion, the accounting and other records required to be kept by Lembaga Tabung Haji and its subsidiaries of which I have acted as auditors have been properly kept in accordance with the provision of the Act 535.
- b. I have considered the accounts and the auditors' reports of all the subsidiaries of which I have not acted as auditor, which are indicated in note 22 to the financial statements, being accounts that have been included in the consolidated accounts.
- c. I am satisfied that the accounts of the subsidiaries that have been consolidated with the Lembaga Tabung Haji's financial statements are appropriate and proper in form and content for the purposes of the preparation of the financial statements of the Group and I have received satisfactory information and explanations required by me for those purposes.
- d. The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment.

Other Matters

This report is made solely for the Board and for no other purpose. I do not assume responsibility to any other person for the content of this report.



(TAN SRI DR. MADINAH BINTI MOHAMAD)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
12 MAY 2017



STATEMENT BY CHAIRMAN AND A MEMBER OF THE BOARD OF DIRECTORS

We, DATUK SERI PANGLIMA ABDUL AZEEZ ABDUL RAHIM and DATUK SERI JOHAN ABDULLAH being respectively, the Chairman and a member of the Board of Directors of LEMBAGA TABUNG HAJI, do hereby state that in the opinion of the Board of Directors, the accompanying Financial Statements which consist of Statements of Financial Position, Statements of Income, Statements of Comprehensive Income, Statements of Changes in Fund and Statements of Cash Flow together with the Notes to the Financial Statements, are properly drawn up so as to give a true and fair view of the state of affairs as at 31 December 2016 and of the results and cash flows for the year ended on that date.

On behalf of the Board,



DATUK SERI PANGLIMA ABDUL AZEEZ ABDUL RAHIM
CHAIRMAN

11 May 2017

Bangunan Tabung Haji
201, Jalan Tun Razak
50400 Kuala Lumpur

On behalf of the Board,



DATUK SERI JOHAN ABDULLAH
GROUP MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

11 May 2017

Bangunan Tabung Haji
201, Jalan Tun Razak
50400 Kuala Lumpur

STATUTORY DECLARATION BY THE PRINCIPAL OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF LEMBAGA TABUNG HAJI

I, DATUK ROZAIDA OMAR, being the principal officer primarily responsible for the financial management and accounting records of LEMBAGA TABUNG HAJI, do solemnly and sincerely declare that the Statements of Financial Position, Statements of Income, Statements of Comprehensive Income, Statements of Changes in Fund and Statements of Cash Flow in the following financial position together with the Notes to the Financial Statements, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the above named, DATUK ROZAIDA OMAR

At : Kuala Lumpur

On : 11 May 2017



DATUK ROZAIDA OMAR
GROUP CHIEF FINANCIAL OFFICER

Before me:



Lot 1.08, Tingkat 1,
Bangunan KWSP, Jln Raja Laut,
50350 Kuala Lumpur.
Tel: 019-6630745

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 2016

	Note	Group	31.12.2015	TH	31.12.2015
		31.12.2016		31.12.2016	
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and cash equivalents	4	13,625,636	15,502,837	10,412,703	11,390,436
Deposits and placements with banks and other financial institutions	5	1,153,138	976,830	-	-
Derivative assets	6	278,523	126,527	141,699	60,107
Securities held-for-trading	7	777,610	670,006	-	-
Securities available-for-sale	8	46,635,616	42,959,178	33,069,063	29,240,059
Assets held for sale	9	1,910	8,970	1,910	8,970
Tax recoverable		97,133	131,666	64,204	64,204
Trade and other receivables	10	2,473,953	1,907,051	1,428,544	1,025,470
Inventories	11	53,362	78,588	-	-
Financing	12	39,189,274	34,294,690	1,119,682	1,038,779
Takaful assets	13	638,199	850,848	-	-
Securities held-to-maturity	14	2,979,911	3,460,413	4,720,059	5,134,675
Statutory deposits with Bank Negara Malaysia	15	1,374,876	1,591,460	-	-
Property development costs	16	1,079,767	975,731	-	-
Plantation development expenditure	17	607,574	687,160	-	-
Forestry	18	156,027	145,905	-	-
Deferred tax assets	19	195,018	155,309	-	-
Investment in jointly controlled entities	20	316,960	420,926	295,961	295,961
Investment in associates	21	725,116	927,439	745,454	816,267
Investment in subsidiaries	22	-	-	5,721,489	4,960,679
Investment property	23	7,882,900	7,977,663	6,075,468	5,727,009
Property, plant and equipment	24	4,112,050	3,543,077	524,412	408,997
Intangible assets	25	423,464	442,345	-	24,791
Total assets		124,778,017	117,834,619	64,320,648	60,196,404

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 2016 (cont'd.)

		Group		TH	
	Note	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Liabilities					
Deposits from banking customers	26	43,391,102	42,766,491	-	-
Investment accounts of banking customers	27	3,573,871	676,105	-	-
Deposits and placements of banks and other financial institutions	28	30,000	-	-	-
Derivative liabilities	6	111,089	101,913	-	-
Provision for zakat and tax		130,306	112,415	68,578	67,419
Trade and other payables	29	1,649,463	2,153,411	153,324	221,286
Takaful liabilities	30	6,639,096	6,588,888	-	-
Finance lease	31	10,236	8,003	-	-
Financing	32	2,490,428	2,540,381	-	-
Deferred income	33	9,664	9,975	9,664	9,975
Deferred tax liabilities	19	232,323	209,195	-	-
Provision for retirement benefits	34	516,187	435,534	516,187	435,534
Total liabilities		58,783,765	55,602,311	747,753	734,214
Fund represented by:					
Depositors' savings fund:					
- Balance at year end	35	64,833,572	59,327,388	64,833,572	59,327,388
- Bonus paid after year end	35	2,870,822	3,220,374	2,870,822	3,220,374
Accumulated reserves of TKJHM and TWT		250,214	263,743	250,214	263,743
Retained earnings		(684,975)	714,649	79,190	607,957
Other reserves		(3,387,958)	(2,983,414)	(4,460,903)	(3,957,272)
		63,881,675	60,542,740	63,572,895	59,462,190
Non-controlling interests		2,112,577	1,689,568	-	-
Total fund		65,994,252	62,232,308	63,572,895	59,462,190
Total liabilities and fund		124,778,017	117,834,619	64,320,648	60,196,404

STATEMENTS OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group	2015	TH	2015
		2016		2016	
		RM'000	RM'000	RM'000	RM'000
Revenue	36	7,236,798	6,981,112	3,475,037	4,083,404
Cost of sales		(1,063,098)	(1,064,309)	-	-
Gross profit	36	6,173,700	5,916,803	3,475,037	4,083,404
Other income		222,453	645,571	5,793	383,383
Income attributable to banking depositors	37	(1,048,696)	(907,113)	-	-
Administrative expenses		(1,806,285)	(1,786,861)	(473,269)	(487,855)
Other expenses		(368,671)	(291,081)	(289,998)	(191,116)
Operating profit	38	3,172,501	3,577,319	2,717,563	3,787,816
Financing costs		(95,203)	(83,960)	-	-
Impairment and fair value adjustments	39	(590,022)	25,492	(171,465)	(192,927)
Zakat	40	(78,384)	(73,158)	(60,291)	(59,262)
Share of loss after tax and zakat of associates		(102,331)	(11,863)	-	-
Share of (loss)/profit after tax and zakat of jointly controlled entities		(20,230)	27,584	-	-
Profit before tax		2,286,331	3,461,414	2,485,807	3,535,627
Tax expense	41	(235,260)	(245,063)	-	-
Profit for the year		2,051,071	3,216,351	2,485,807	3,535,627
Profit for the year attributable to:					
TH		1,697,311	2,911,717	2,485,807	3,535,627
Non-controlling interests		353,760	304,634	-	-
		2,051,071	3,216,351	2,485,807	3,535,627

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group	2015	TH	2015
		2016	RM'000	2016	RM'000
Profit for the year		2,051,071	3,216,351	2,485,807	3,535,627
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates		10,241	2,910	-	-
Share of other comprehensive income of jointly controlled entities		7,146	4,054	-	-
Changes in fair value of securities available-for-sale		(593,303)	(3,083,542)	(568,474)	(3,089,739)
Currency translation differences in respect of foreign operations		(58,183)	26,193	-	-
		(634,099)	(3,050,385)	(568,474)	(3,089,739)
Items that may not be reclassified subsequently to profit or loss:					
Share of other comprehensive (loss)/income of associates		(16,440)	237	-	-
Remeasurement of retirement benefit liability		(76,941)	(2,368)	(78,909)	-
Changes in fair value of forestry, net of tax		-	(5,281)	-	-
Deferred income		-	22,139	-	-
Net surplus of TKJHM and TWT	42	1,518	4,277	1,518	4,277
		(91,863)	19,004	(77,391)	4,277
Total other comprehensive loss		(725,962)	(3,031,381)	(645,865)	(3,085,462)
Total comprehensive income for the year		1,325,109	184,970	1,839,942	450,165
Total comprehensive income for the year attributable to:					
TH		992,344	(89,927)	1,839,942	450,165
Non-controlling interests		332,765	274,897	-	-
		1,325,109	184,970	1,839,942	450,165

STATEMENTS OF CHANGES IN FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

Group	Attributable to <i>TH</i>						Non controlling interests RM'000	Total fund RM'000
	Depositors' savings fund RM'000	Non-distributable		Distributable		Total		
		Accumulated reserve of TKJHM and TWT RM'000	Other reserves RM'000	Retained earnings RM'000		RM'000		
At 1 January 2016	62,547,762	263,743	(2,983,414)	714,649	60,542,740	1,689,568		62,232,308
Remeasurement of retirement benefit liability	-	-	-	(94,932)	(94,932)	1,551		(93,381)
Changes in fair value of securities available-for-sale	-	-	(581,948)	-	(581,948)	(11,355)		(593,303)
Currency translation differences in respect of foreign operations	-	-	(29,605)	-	(29,605)	(11,191)		(40,796)
Net surplus of TKJHM and TWT	-	1,518	-	-	1,518	-		1,518
Total other comprehensive income for the year	-	1,518	(611,553)	(94,932)	(704,967)	(20,995)		(725,962)
Profit for the year	-	-	-	1,697,311	1,697,311	353,760		2,051,071
Total comprehensive income for the year	-	1,518	(611,553)	1,602,379	992,344	332,765		1,325,109
Net deposits during the year	2,285,810	-	-	-	2,285,810	-		2,285,810
Reductions during the year	-	(15,047)	-	-	(15,047)	-		(15,047)
Depositors' bonus (Note 43):								
- Annual bonus	2,645,625	-	-	(2,645,625)	-	-		-
- Hajj bonus	225,197	-	-	(225,197)	-	-		-
Dividends paid to non-controlling interests	-	-	-	-	-	(127,732)		(127,732)
Revaluation of assets of an associate	-	-	11,328	-	11,328	52,838		64,166
Issuance of shares pursuant to ESOS of subsidiaries	-	-	(17)	-	(17)	6,560		6,543
Changes in Group structure	-	-	-	-	-	223,095		223,095
Transfers between reserves	-	-	195,698	(131,181)	64,517	(64,517)		-
At 31 December 2016	67,704,394	250,214	(3,387,958)	(684,975)	63,881,675	2,112,577		65,994,252

(Note 44)

STATEMENTS OF CHANGES IN FUND

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

Group	Attributable to <i>TH</i>						Non controlling interests RM'000	Total fund RM'000
	Non-distributable				Distributable			
	Depositors' savings fund RM'000	Accumulated reserve of TKJHM and TWT RM'000	Other reserves RM'000	Retained earnings RM'000	Total			
					RM'000			
At 1 January 2015	54,357,750	223,366	(221,675)	1,147,423	55,506,864	1,530,521	57,037,385	
Remeasurement of retirement benefit liability	-	-	-	(646)	(646)	(1,485)	(2,131)	
Changes in fair value of securities available-for-sale	-	-	(3,085,345)	-	(3,085,345)	1,803	(3,083,542)	
Changes in fair value of forestry	-	-	-	(4,884)	(4,884)	(397)	(5,281)	
Deferred income	-	-	-	16,122	16,122	6,017	22,139	
Currency translation differences in respect of foreign operations	-	-	68,832	-	68,832	(35,675)	33,157	
Net surplus of TKJHM and TWT	-	4,277	-	-	4,277	-	4,277	
Total other comprehensive income for the year	-	4,277	(3,016,513)	10,592	(3,001,644)	(29,737)	(3,031,381)	
Profit for the year	-	-	-	2,911,717	2,911,717	304,634	3,216,351	
Total comprehensive income for the year	-	4,277	(3,016,513)	2,922,309	(89,927)	274,897	184,970	
Net deposits during the year	4,969,638	-	-	-	4,969,638	-	4,969,638	
Additions during the year	-	36,100	-	-	36,100	-	36,100	
Depositors' bonus (Note 43):								
- Annual bonus	2,807,369	-	-	(2,807,369)	-	-	-	
- Hajj bonus	413,005	-	-	(413,005)	-	-	-	
Dividends paid to non-controlling interests	-	-	-	-	-	(117,430)	(117,430)	
Issuance of shares pursuant to ESOS of subsidiaries	-	-	1,467	-	1,467	3,342	4,809	
Changes in Group structure	-	-	(109)	46	(63)	116,899	116,836	
Transfers between reserves	-	-	253,416	(134,755)	118,661	(118,661)	-	
At 31 December 2015	62,547,762	263,743	(2,983,414)	714,649	60,542,740	1,689,568	62,232,308	
	(Note 44)							

(Note 44)

STATEMENTS OF CHANGES IN FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

		Attributable to <i>TH</i>					
		Non-distributable			Distributable		
<i>TH</i>	Note	Depositors' savings fund RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Accumulated reserve of TKJHM and TWT RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2016		62,547,762	-	(3,957,272)	263,743	607,957	59,462,190
Remeasurement of retirement benefit liability		-	-	-	-	(78,909)	(78,909)
Net surplus of TKJHM and TWT		-	-	-	1,518	-	1,518
Changes in fair value of securities available-for-sale		-	-	(568,474)	-	-	(568,474)
Total other comprehensive income for the year		-	-	(568,474)	1,518	(78,909)	(685,918)
Profit for the year		-	-	-	-	2,485,807	2,485,807
Total comprehensive income for the year		-	-	(568,474)	1,518	2,406,898	1,839,942
Net deposits during the year		2,285,810	-	-	-	-	2,285,810
Reductions during the year		-	-	-	(15,047)	-	(15,047)
Transfers between reserves		-	64,843	-	-	(64,843)	-
Depositors' bonus:	43						
- Annual bonus		2,645,625	-	-	-	(2,645,625)	-
- Hajj bonus		225,197	-	-	-	(225,197)	-
		2,870,822	-	-	-	(2,870,822)	-
At 31 December 2016		67,704,394	64,843	(4,525,746)	250,214	79,190	63,572,895
		(Note 45)					
At 1 January 2015		54,357,750	-	(867,533)	223,366	292,704	54,006,287
Net surplus of TKJHM and TWT		-	-	-	4,277	-	4,277
Changes in fair value of securities available-for-sale		-	-	(3,089,739)	-	-	(3,089,739)
Total other comprehensive income for the year		-	-	(3,089,739)	4,277	-	(3,085,462)
Profit for the year		-	-	-	-	3,535,627	3,535,627
Total comprehensive income for the year		-	-	(3,089,739)	4,277	3,535,627	450,165
Net deposits during the year		4,969,638	-	-	-	-	4,969,638
Additions during the year		-	-	-	36,100	-	36,100
Depositors' bonus:	43						
- Annual bonus		2,807,369	-	-	-	(2,807,369)	-
- Hajj bonus		413,005	-	-	-	(413,005)	-
		3,220,374	-	-	-	(3,220,374)	-
At 31 December 2015		62,547,762	-	(3,957,272)	263,743	607,957	59,462,190

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2016

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit before tax	2,286,331	3,461,414	2,485,807	3,535,627
Adjustments for:				
Depreciation of property, plant and equipment	210,214	198,678	30,259	27,155
(Gain)/Loss on disposal of property, plant and equipment	(568)	(3,575)	112	(3,142)
Gain on disposal of assets held for sale	-	(17,674)	-	(17,674)
Gain on sale of investment properties	(15,726)	-	(15,726)	-
Dividends from subsidiaries	-	-	(210,683)	(1,347,006)
Dividends from associates	-	-	(7,758)	(17,581)
Dividends from quoted equities	(463,535)	(440,395)	(463,535)	(440,359)
Dividends from unquoted equities	(49,162)	-	(49,162)	-
Dividends from fund managers	(30,494)	(30,994)	(30,494)	(30,994)
Dividends from unit trusts	(35,188)	-	(46,000)	-
Bonus from fund managers	(8,007)	-	(8,007)	-
Coupons from debt securities	(509,303)	(471,324)	(651,786)	(604,646)
Share of loss after tax and zakat of associates	102,331	11,863	-	-
Share of loss/(profit) after tax and zakat of jointly controlled entities	20,230	(27,584)	-	-
Gain on trading of equities	(254,246)	(460,999)	(254,246)	(460,999)
Gain on disposal of subsidiaries	(112,584)	(1,303)	(604,544)	(85,967)
Loss/(Gain) on disposal of associates	18,044	(247)	11,796	-
Gain on sale of securities	(88,861)	(12,597)	(88,861)	(12,597)
Gain on trading of derivatives	(18,245)	(5,445)	(22,760)	(6,597)
Changes in fair value of derivatives	(4,389)	1,480	7,864	15,264
Profit from financing to subsidiaries	-	-	(45,025)	(71,513)
Gain on negotiable debt certificates	(131,777)	(145,502)	(134,198)	(147,107)
Additions of debt securities	(95,126)	(85,565)	(95,126)	(85,565)
Impairment of equities and debt securities	56,441	17,726	56,441	17,726
Impairment of quoted associates	55,137	28,109	55,137	28,109
Impairment on financing from banking operations	91,752	73,819	-	-
Changes in fair value of investment properties	332,371	(127,025)	51,073	106,011
Changes in fair value of forestry	15,333	(14,461)	-	-
Changes in fair value of government grant	(3,120)	(5,180)	-	-

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment written off	213	(1,692)	31	71
Impairment of property, plant and equipment	45,547	-	-	-
Write back of impairment of investment in equities	-	(2,647)	-	-
Investment in a subsidiary written off	-	-	-	25,777
Derivative financial instruments written off	928	-	928	-
Amortisation of deferred expenditure	(311)	(311)	(311)	(311)
Amortisation of intangible assets	(21,367)	(14,500)	-	-
Dividend income from banking operations	(5,871)	(3,572)	-	-
Fair value of employees share option	(15)	(47)	-	-
Provision for retirement benefit plan	40,755	40,280	40,755	40,280
Gain on foreign exchange	(32,675)	(489,215)	59,274	(358,420)
Zakat	78,384	73,158	60,291	59,262
Financing costs	95,202	83,960	-	-
Operating profit before changes in working capital	1,568,228	1,628,633	131,546	164,804
Changes in working capital:				
Inventories	24,474	(38,277)	-	-
Trade and other receivables	(2,282,708)	2,207,076	(254,047)	(134,737)
Trade and other payables	(136,920)	(138,491)	(91,712)	(176,782)
Statutory deposits with Bank Negara Malaysia	216,584	(256,460)	-	-
Bills payable	(76,299)	(4,947)	-	-
Financing of banking customers	(5,086,913)	(4,973,658)	-	-
Deposits from banking customers	5,270,990	3,116,255	-	-
Deposits and placements of banks and other financial statements	30,000	(300,000)	-	-
Cash (used in)/generated from operations	(472,149)	1,240,131	(214,213)	(146,715)
Bonus paid to depositors	(2,870,822)	(3,220,374)	(2,870,822)	(3,220,374)
Zakat paid	(70,935)	(62,715)	(59,132)	(49,774)
Tax paid	(233,890)	(290,669)	-	-
Tax refund	12,968	11,956	-	-
Retirement benefits paid	(14,221)	(11,417)	(14,221)	(11,361)
Plantation development expenditure	(187,347)	(524,313)	-	-
Forestry	(23,348)	(23,568)	-	-
Property development costs	(66,036)	(3,243)	-	-
Net cash used in operating activities	(3,925,780)	(2,884,212)	(3,158,388)	(3,428,224)

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,108	221,577	416	6,499
Proceeds from disposal of investment properties	20,000	1,629,696	20,000	-
Proceeds from disposal of assets held for sale	-	20,326	-	20,326
Proceeds from disposal of subsidiaries	153,065	16,250	2,072,764	278,899
Proceeds from disposal of associates	13,300	247	3,881	-
Purchase of equities	(4,073,989)	(3,245,462)	(4,073,989)	(3,245,462)
Proceeds from trading of financial derivatives	56,492	6,796	56,492	6,796
(Purchase)/Disposal of debt securities	(63,167)	8,556	(63,167)	8,556
Disposal of other financial assets	906,476	793,961	906,476	793,961
Derivative investments	(170,446)	-	(170,446)	-
Purchase of property, plant and equipment	(249,742)	(562,048)	(122,228)	(57,957)
Acquisition of subsidiaries	-	-	(2,124,404)	(627,209)
Net investment in associates	-	(274,307)	-	(274,307)
Net investment in jointly controlled entities	86,522	(87,516)	-	-
Net proceeds from banking securities	(68,464)	416,931	-	-
Investment properties	(481,884)	(619,387)	(421,807)	(619,377)
Dividends from subsidiaries	-	-	53,303	1,357,321
Dividends from associates	16,854	29,486	9,854	15,486
Dividends from quoted equities	423,509	335,271	423,509	335,271
Dividends from unquoted equities	50,764	-	50,764	-
Dividends from unit trusts	33,357	-	33,357	-
Coupons from debt securities	634,616	616,241	634,616	616,241
Net cash used in investing activities	(2,710,629)	(693,382)	(2,710,609)	(1,384,956)
Cash flows from financing activities				
Proceeds from long term financing	963,772	897,067	-	-
Repayment of financing to subsidiaries	(793,102)	585,007	(137,565)	688,541
Dividends paid to non-controlling interests	(142,993)	(117,430)	-	-
Depositors' savings fund	5,156,632	8,190,012	5,163,426	8,190,012
Net cash generated from financing activities	5,184,309	9,554,656	5,025,861	8,878,553

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

	Note	Group		TH	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net (decrease)/increase in cash and cash equivalents		(1,452,100)	5,977,062	(843,136)	4,065,373
Cash and cash equivalents at 1 January		16,028,632	10,242,686	10,990,864	6,981,887
Net decrease in cash and cash equivalents of TKJHM		(16,116)	(64,448)	(16,116)	(64,448)
Currency translation differences		(70,711)	(126,668)	(1,435)	8,052
Cash and cash equivalents at 31 December		14,489,705	16,028,632	10,130,177	10,990,864
Cash and cash equivalents comprise:					
Cash and cash equivalents	4	13,625,636	15,502,837	10,412,703	11,390,436
Deposits and placements with banks and other financial institutions	5	1,153,138	976,830	-	-
Cash held by external fund managers		(282,526)	(399,572)	(282,526)	(399,572)
Deposits pledged		(6,543)	(51,463)	-	-
		14,489,705	16,028,632	10,130,177	10,990,864

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. Corporate information

Lembaga Tabung Haji ("**TH**") is a statutory body established under the Tabung Haji Act, 1995 (Act 535).

The principal place of business is located at Bangunan Tabung Haji, 201 Jalan Tun Razak, 50400 Kuala Lumpur.

TH is principally engaged in the management of Hajj operations, acceptance and management of deposits from depositors, investment holding and letting of properties. The principal activities of the subsidiaries, associates and jointly controlled entities are stated in Note 22, 21 and 20 respectively to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The consolidated financial statements for the financial year ended 31 December 2016 comprise **TH** and its subsidiaries, associates and jointly controlled entities (together referred to as the Group).

The financial statements were authorised for issue by the Board of Directors on 11 May 2017.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and **TH** have been prepared in accordance with Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") for entities other than private entities, modified to comply with Syariah principles and requirements.

On 19 November 2011, the MASB issued MFRS Framework to replace the FRS Framework. MFRS Framework is a framework that complies with International Financial Reporting Standards that are applicable to all Non-Private Entities for annual periods beginning on or after 1 January 2012, except for Transitioning Entities, are allowed to defer the adoption of MFRS 141- Agriculture and IC Interpretation 15- Agreements for The Construction of Real Estate. Transitioning Entities are entities that fall under the scope of MFRS 141 and IC Interpretation 15, including the parent company, the main investors and the joint venture company which are the substantial investment holders in transitioning entities.

Following the amendments to MFRS 141 and MFRS 15- Revenue from Contracts with Customers on 28 October 2015, MASB announced that Transitioning Entities will adopt MFRS Framework effectively for annual periods beginning on or after 1 January 2018.

The Group and **TH**, of which are Transitioning Entities, will comply to FRS Framework until the adoption of MFRS Framework effectively not later than the financial period beginning 1 January 2018.

The following accounting standards, amendments and interpretations have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and **TH**:

(i) Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- *Amendments to FRS 12, Disclosure of Interests in Other Entities (Annual Improvements 2014- 2016 Cycle)*
- *Amendments to FRS 107, Statement of Cash Flows- Disclosure Initiative*
- *Amendments to FRS 112, Income Taxes- Recognition of Deferred Tax Assets for Unrealised Losses*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (*cont'd.*)

2. Basis of preparation (*cont'd.*)

(a) Statement of compliance (*cont'd.*)

(ii) Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- *Amendments to FRS 1, First Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014- 2016 Cycle)*
- *FRS 9, Financial Instruments (2014)*
- *FRS 15, Revenue from Contracts with Customers*
- *Amendments to FRS 128, Investment in Associates and Joint Ventures (Annual Improvements 2014- 2016 Cycle)*
- *Amendments to FRS 140, Transfers of Investment Property*

(iii) Standards, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- *FRS 16, Leases*

(iv) Standards, Interpretations and amendments effective for a date yet to be confirmed

- *Amendments to FRS 10, Consolidated Financial Statements*
- *Amendments to FRS 128, Investments in Associates and Joint Ventures- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned standards, amendments and interpretations:

- from annual period beginning on 1 January 2017 for standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017, whichever applicable.
- from annual period beginning on 1 January 2018 for standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018, whichever applicable; and
- from annual period beginning on 1 January 2019 for standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2019, whichever applicable.

(b) Basis of measurement

The financial statements of the Group and **TH** have been prepared on the historical cost basis except for investment property and financial assets and liabilities which have been stated at fair value or amortised costs as disclosed in Note 3 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the functional currency of **TH**. All financial information presented in RM has been rounded to the nearest thousands, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by entities within the Group.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by **TH**. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are stated by **TH** at cost less any impairment loss.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as follows:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus follows:
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any differences between the Group's share of net assets before and after the changes, and any consideration received or paid, is adjusted to or against Group reserves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(iv) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed off and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted FRS11, Joint Arrangement in the current financial year. Therefore, the joint venture arrangements are classified as follows:

- A joint arrangement is classified as "joint operation" when the Group or **TH** has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and **TH** account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to **TH**, are presented in the consolidated statement of financial position and statement of changes in fund, separately from fund attributable to **TH**. Non-controlling interests in the results of the Group is presented in the consolidated statement of income and other comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between non-controlling interests and **TH**.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and placements with banks and financial institutions, money at call and interbank placements and highly liquid investments which have an insignificant risk of change in value. For the purpose of the statement of cash flow, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(c) Financial instruments

Recognition

Purchases and sales of financial instruments are recognised on the date that the Group and **TH** commits to purchase or sell the instruments.

Initial measurement

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (*cont'd.*)

3. Significant accounting policies (*cont'd.*)

(c) Financial instruments (*cont'd.*)

Financial instrument categories and subsequent measurement

The Group and **TH** categorise financial instruments as follows:

(i) Financing and receivables

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market.

These financial assets are subsequently measured at amortised cost using effective profit rate method, less any impairment loss.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either:

(a) Held-for-trading

Financial assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term or it is part of a portfolio that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

(b) Designated under fair value option

Financial assets meet at least one of the following criteria upon designation:

- it eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial assets, or recognising gains or losses on them, using different bases; or
- the financial asset contains an embedded derivative that would otherwise need to be disclosed separately.

These financial assets are subsequently measured at their fair values and any gain or loss arising from a change in the fair value will be recognised in the profit or loss.

(iii) Financial assets held-to-maturity

Financial assets held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. These financial assets are subsequently measured at amortised cost using effective profit rate method, less any impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(c) Financial instruments (cont'd.)

(iii) Financial assets held-to-maturity (cont'd.)

Any sale or reclassification of more than insignificant amount of financial assets held-to-maturity not close to their maturity would result in the reclassification of all financial assets held-to-maturity to financial assets available-for-sale and the Group would be prevented from classifying any financial assets as financial assets held-to-maturity for the current and following two financial years.

(iv) Financial assets available-for-sale

Financial assets available-for-sale are financial assets that are either designated in this category or not classified in any other category and are measured at fair value.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any impairment loss.

Any gain or loss arising from a change in the fair value is recognised in the fair value reserve through other comprehensive income until the securities are sold, disposed off or impaired, at which time the cumulative gains or losses previously recognised in equity will be transferred to the profit or loss. Profit or loss from sale of the available-for-sale securities is recognised in statement of income.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment as disclosed in Note 3(n) to the financial statements.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and profit rate exposures. Foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at the date of the statement of financial position and the resultant gains and losses for the financial year are recognised in the statements of income.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective profit rate method, except for derivatives that are liabilities, which shall be measured at fair value.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

Financial guarantee contracts (cont'd.)

Financial guarantee is initially recognised in the financial statements at fair value on the date the guarantee was given. Subsequent to initial recognition, each guarantee is measured at the higher of the initial amount less amortisation calculated to recognise the initial measurement in the income statement over the year of the financial guarantee and the best estimate of the amount required to settle the guarantee.

When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

Determination of fair value

The fair values of financial instruments traded in active markets (such as over the-counter securities and derivatives) are based on quoted market prices at the statement of financial position date. For unquoted financial instruments, fair value is determined using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Reclassification of financial assets

A non-derivative financial asset held for trading may be reclassified if the financial asset is no longer held for the purpose of selling in the near term. In addition, a financial asset that meets the definition of financing and receivables may be reclassified out of held-for-trading or available-for-sale categories if the Group has the intention and ability to hold the financial asset for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. The fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective profit rates for financial assets reclassified to financing and receivables and held-to maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective profit rate prospectively.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires.

(d) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of receivables, deposits and prepayments as amount due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the deferred income in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(e) Inventories

(i) Development properties

Completed properties held for sale are measured at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs are appropriate proportions of common costs attributable to developing the properties to completion.

(ii) Palm based products

Inventories are measured at the lower of cost and net realisable value.

The cost of palm based products is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Stores are stated at cost.

(iii) Computer equipments

Inventories are valued at the lower of cost and net realisable value after an adequate allowance has been made for all deteriorated, damaged, obsolete or slow moving inventories. Cost is determined on a weighted average basis and includes import duties, transport and handling costs and any other directly attributable costs.

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

(f) Property development costs

(i) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(f) Property development costs (cont'd.)

(ii) Property development costs (cont'd.)

Costs incurred on development projects where the development activities are expected to be completed within the Group's normal operating cycle of 2 to 3 years are classified as current assets. Common costs allocated to future development projects within the same geographical location as existing development projects are classified as non-current assets.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(g) Plantation development expenditure

All expenditure relating to development of oil palm estate (immature estate) will be capitalised under plantation development expenditure. An estate is declared mature when they are ready for its intended purpose. This cost will be depreciated over useful life when the expenditure is transferred to property, plant and equipment when the estate matures.

Estate overhead expenditure is apportioned to revenue and plantation development expenditure on the basis of the proportion of mature to immature areas.

(h) Forestry

Forestry are measured on initial recognition and at subsequent reporting dates at fair value, with any changes in fair value of forestry during a year recognised in profit or loss. The fair value of forestry is determined independently by professional valuers.

Nurseries fair value are deemed at cost. This cost relates to nursery maintenance costs.

(i) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of services or for administrative purposes. These include land held for a currently undetermined future use and property work-in-progress which is intended for future use as investment property.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. The fair value is based on market values valued by an independent valuation firm.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Reclassifications to/from investment properties

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(j) Property, plant and equipment

Items of property, plant and equipment except for freehold land and work-in-progress are measured at cost or valuation less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised from the financial statements. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of income as incurred.

Items of property, plant and equipment which have been retired from active used are transferred to assets held for sale at the lower of net carrying amount and net realisable value.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income and other expenses respectively in statements of income.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

(i) The estimated useful lives for the current and comparative years are as follows

Buildings	5- 99 years
Building improvement and renovations	5- 10 years
Plant, machinery and equipments	2- 10 years
Computer equipment and software	2- 7 years
Motor vehicles	4- 10 years

(ii) Estates consist of matured plantation development expenditure and are depreciated over 30 years, based on estimated annual production yield table. An estate is declared mature when the palm age has reached 36 months or more at the beginning of the financial year.

Amortisation

Leasehold land and buildings are amortised over a lease period as follows:

Leasehold land	20- 999 years
Leasehold building	50 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(k) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised in the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(l) Takaful Fund

(i) Family Takaful Fund

Included in Family Takaful Fund are funds arising from:

- (i) Family Takaful;
- (ii) Group Family Takaful; and
- (iii) Family retakaful funds.

The Family Takaful Fund is maintained in accordance with the requirements of the Islamic Financial Services Act, 2013 and includes the amounts attributable to participants which represents the participants' share of the underwriting surplus and return on the investments, where applicable and are distributable in accordance with the terms and conditions prescribed by the Group.

The surplus transfer from the Family Takaful Fund to the profit or loss is based on the predetermined profit sharing ratio of the underwriting surplus and return on investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(l) Takaful Fund (cont'd.)

(i) Family Takaful Fund (cont'd.)

Contribution income

Contribution is recognised as soon as the amount of the contribution can be reliably measured. Initial contribution is recognised from inception date and subsequent contribution is recognised when it is due.

At the end of each financial period, all due contributions are accounted for to the extent that they can be reliably measured.

Actuarial reserves

Actuarial reserves comprise the Prospective Actuarial Valuation, Cash Flow Projection Valuation and Unearned Contribution Valuation as explained below:

(i) Prospective actuarial valuation

For credit-related products, the liabilities of Family Takaful Fund shall be valued based on the sum of present value of future benefits and any expected future expenses payable from the takaful funds, less the present value of future gross tabarru' arising from the certificate, discounted at the appropriate risk discount rate as defined in the valuation guidelines.

For a credit-related takaful certificate whose sustainability of tabarru' deductions is dependent on the performance of Participants Investment Fund ("PIF"), the calculation is subject to adjusting the future gross tabarru' cash flow such that it is limited to the period where the PIF can sustain the tabarru' and assuming that the takaful coverage is in force for the full duration of the takaful contract.

(ii) Cash flow projection valuation

For products with PIF other than credit-related products, the liabilities shall be valued by projecting future cash flows to ensure that all future obligations can be met without recourse to additional finance or capital support at any future time during the duration of the certificate. The cash flow projection shall use a basis that is consistent with the requirements of the valuation guidelines.

(iii) Unearned contribution valuation

For yearly renewable products or extensions shall be valued according to the following:

- (a) For a certificate covering death or survival, the liabilities shall be valued on an unexpired risk basis using a prospective estimate of expected future payments arising from future events covered as at the valuation date. These future payments shall include allowance for direct claims related expenses, direct investment-related expenses, cost of retakaful and expected future contribution refunds expected during the unexpired period.
- (b) For a certificate covering contingencies other than death or survival, the net liability is the maximum of unexpired risk reserve or unearned contribution reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (*cont'd.*)

3. Significant accounting policies (*cont'd.*)

(l) Takaful Fund (*cont'd.*)

(i) Family Takaful Fund (*cont'd.*)

Provision for outstanding claims

Claims and provisions for claims arising on family and group family takaful certificates, including settlement costs, are accounted for using the case basis method and for this purpose the benefits payable under a family takaful certificate are recognised as follows:

- (i) Maturity or other policy benefit payments due on specified dates are accounted for as claims payable on the due dates.
- (ii) Death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the participant or occurrence of contingency covered.
- (iii) For individual family, group health and medical business, provision is made for the cost of claims (together with related expenses) and IBNR at the end of the reporting period, using a mathematical method of estimation by a qualified internal actuary where historical claims experience are used to project future claims. The provision includes a risk margin for adverse deviation. As with all projections, there are elements of uncertainty and the projected claims may be different from actual. These uncertainties arise from changes in underlying risk, changes in spread of risks, claim settlement pattern as well as uncertainties in the projection model and underlying assumptions.

(ii) General Takaful Fund

The General Takaful Fund is maintained in accordance with the Islamic Financial Services Act, 2013. Included in General Takaful Fund are funds arising from:

- (i) General Takaful; and
- (ii) General retakaful funds.

The General Takaful underwriting results are determined for each class of takaful business after taking into account retakaful, unearned contributions, claims incurred and administrative fees.

Contribution income

Contributions are recognised in financial period in respect of risk assumed during that particular financial period based on the inception date. Inward treaty retakaful contributions are recognised on the basis of periodic advice received from ceding takaful operators.

Unearned contribution reserves

The Unearned Contribution Reserves ("UCR") represent the portion of the net contributions of takaful certificates written that relate to the unexpired periods of the certificates at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(l) Takaful Fund (cont'd.)

(ii) General Takaful Fund (cont'd.)

Unearned contribution reserves (cont'd.)

In determining the UCR at the end of the reporting period, the method that most accurately reflects the actual unearned contributions is used, as follows:

- (i) 1/365th method for all General Takaful business.
- (ii) 1/8th method for all classes of General Treaty Inward Retakaful business.

Provision for outstanding claims

A liability for outstanding claims is recognised in respect of direct takaful business. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries, if any, to settle the present obligation at the end of the reporting period. Any difference between the current estimated cost and subsequent settlement is dealt with in the takaful statement of comprehensive income of the Group and of the Company in the year in which the settlement takes place.

Provision is also made for the cost of claims (together with related expenses) and Incurred But Not Reported Claims ("IBNR") at the end of the reporting period, using a mathematical method of estimation by a qualified external actuary where historical claims experience are used to project future claims. The provision includes a risk margin for adverse deviation. As with all projections, there are elements of uncertainty and the projected claims may be different from actual. These uncertainties arise from changes in underlying risk, changes in spread of risks, claims settlement pattern as well as uncertainties in the projection model and underlying assumptions.

(m) Intangible assets

(i) Goodwill

Goodwill represents the excess of the acquisition cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is not amortised but is reviewed annually to determine whether impairment exists, or is reviewed more frequently if events or changes in circumstances indicates that it might be impaired. An impairment loss is charged directly to the statement of income and is not reversed in the subsequent period.

(ii) Bancatakaful service fees

Bancatakaful service fees is amortised using the straight-line method over its useful lives of five years. The amortisation methods, useful lives and residual values are reviewed at the end of each reporting and changed, if necessary.

(iii) Other intangible assets

Other intangible assets comprise intangible core deposits, customers' relationship and brands arising from the acquisition of banking and takaful business. It is stated at its fair value on the date of the acquisition and is amortised over the amortisation period of 10 to 12 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(n) Impairment

(i) Financial assets

The Group and the Company assess at each reporting date whether there is objective evidence that financing and receivables, financial assets held-to-maturity or financial assets available-for-sale are impaired as a result of one or more events having an impact on the estimated future cash flows of the asset. A financial asset or a group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets and prior to the statement of financial position date ("a loss event") and that loss event or events has an impact on the estimated future cash flow of the financial asset that can be reliably estimated.

The criteria used by the Group to determine whether there is an objective evidence of impairment to occur for the financial assets include the followings:

- (i) Significant financial problems faced by issuers of financial instruments;
- (ii) Breach of contracts such as default in paying principal and interest according to repayment schedule;
- (iii) Cease business operations, bankruptcy (upon filing of the case), winding up order on business operations or restructuring of financial position; or
- (iv) Decline in investment grade rating in a row up to two levels by external rating agencies.

In addition to the criterias above, the objective evidence of the existence of impairment of an investment in an equity instrument includes information about significant changes that give rise to adverse effects that have been happening to the environment, technology, market, economic or legislative in which the issuers of financial instruments that operate, which gives an indication that the cost of investments in equity instruments are unlikely to be recovered.

For securities available for sale, a prolonged decline in fair value is taken into account in determining whether there is an impairment. If there is evidence of the existence of impairment, losses recognised in equity is recognised in the income statement. For debt securities classified as available for sale, impairment is reviewed based on the same criteria as other financial assets. Reversal of an impairment of debt securities is recognised in other comprehensive income. Reversal of an impairment of equity is not recognised in the income statement. The increase in the fair value of equity less impairment are recognised in equity.

Financing undertaken by banking operation is classified as impaired when the principal or profit or both are past due for three (3) months or more or where a financing is in arrears for less than three (3) months, the financing exhibits indications of credit weakness.

For financing and receivables, the Group first assesses whether objective evidence of impairment exists individually for financing and receivables that are individually significant, and collectively for financing and receivables that are not individually significant. If the Group determines that no objective evidence of impairment exist for an individually assessed financing and receivables, whether significant or not, it includes the assets in a group of financing and receivables with similar credit risk characteristics and collectively assesses them for impairment. Financing and receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment for impairment.

The impairment loss is measured as the difference between the carrying amount compared to the present value of estimated future cash flows discounted at the original effective profit rate. The loss is recognised in the income statement.

When a financing is uncollectible, it is written off against the allowance for diminution in value. This financing is written off after all the necessary procedures have been completed and the loss can be ascertained. If the written off amount is recoverable, the amount is credited to the income statement. If in the subsequent year, the impairment loss decreases, of which can be related objectively to an event occurring after the impairment was recognised, the impairment loss recognised is reversed to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(n) Impairment (cont'd.)

(ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the statements of income.

Impairment losses recognised in prior years are assessed at the end of each reporting year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(p) Finance lease

Property, plant and equipment acquired through a finance lease is capitalised and depreciated on the same basis with other assets of the Group as stated in Note 3(j) and the corresponding obligation relating to the remaining principal payments is accounted for as liability. Financing costs are charged to the statements of income over the lease period so as to produce a constant periodical rate of charges on the remaining balance of the obligations for each accounting period.

(q) Deferred income

Deferred income represents a grant from the Government for the purpose of the constructions of Hajj pilgrims complex. It is stated at cost less accumulated amortisation over a period of 50 years based on the useful life of the Hajj pilgrims complex.

(r) Employees benefit

(i) Short term benefits

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group and **TH**. Short term accumulated compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, whereas short term non-accumulated compensated absences such as sick leave are recognised when absences occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(i) Short term benefits (cont'd.)

(ii) Defined contribution plans

The Group and **TH** contributes to Employment Provident Fund and approved pension scheme for its employees. The contribution constitute a defined contribution plan, whereby it is recognised as an expense in the income statement in the year to which they relate. Once the contribution have been paid, the Group and **TH** have no further payment obligations.

The Group and **TH** adopted FRS 119- Employee Benefits, which is long term employee benefits payable upon retirement recognised on an accrual basis in the statements of income as employee benefits payable and in the statements of financial position as liabilities, described as Provision for Retirement Benefits Plan.

The liability in respect of defined benefit plan is the present value of the defined obligations at the statement of financial position date. The plan is applicable to all permanent employees of **TH** who has been confirmed in service. The benefits payable on retirement are based on the last drawn salary and length of service. The provision for retirement benefits is charged to the statements of income so as to spread the cost over the service lives of employees in accordance with actuarial valuation.

(iii) Long term benefits

The calculation of the defined benefit obligation or amount of liabilities to retirees was performed by qualified actuaries based on the Projected Unit Credit Method. Factors which have been taken into account are the estimated future cash outflows, using market yields of government securities in which the maturity period approximates the terms of related liabilities at the statement of financial position date.

Types of long term retirement benefits recognised on an accrual basis is as follows:

- (i) Medical benefits;
- (ii) Accumulated annual leave reward;
- (iii) Hajj performance; and
- (iv) Gratuity payment.

It is the Group's policy to undertake an actuarial valuation once every three years.

(s) Foreign currency

(i) Transaction and balance in foreign currency

In preparing the financial statements of the individual entities, transactions in foreign currencies are translated into the respective entity's functional currency at the exchange rates prevailing at the dates of the transactions.

Financial assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange closing rate at the date of the statement of financial position.

Foreign currency differences arising from settlement or translation of financial assets or liabilities at the statement of financial position date are recognised in statements of income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(s) Foreign currency (cont'd.)

(i) Transaction and balance in foreign currency (cont'd.)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in statements of income, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising from consolidation are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at average exchange rates for the period. Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity.

(t) Recognition of income

(i) Investment income

Profits from Syariah compliance investments are recognised in the income statement on accrual basis.

Dividend income from investments are recognised when the rights to receive the dividend payment is established.

Gain arising from equity trading, debt securities financial instruments, investment in money market and rental income are accounted for on accrual basis.

Income from non-Syariah sources are not recognised in the statement of income, in accordance with the guidelines issued by Syariah Advisory Council of the Securities Commission. These income are accounted for in the statement of financial position.

(ii) Financing income

Financing income is recognised in the profit or loss using the effective profit rate method. The effective profit rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial instruments. When calculating the effective profit rate, the Group has considered all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees and transaction costs integral to the effective profit rate, as well as premium or discounts.

Once a financial asset or a group of financial assets has been written down as a result of an impairment loss, income is recognised using the profit rate used to discount the future cash flows for the purpose of measuring the impairment loss.

(iii) Goods and services

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(t) Recognition of income (cont'd.)

(iii) Goods and services (cont'd.)

Revenue from services is recognised when the services have been rendered. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iv) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(v) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to 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 property 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 the development units 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 immediately in the statement of income.

Revenue from the land sales are recognised when the significant risks and rewards of ownership have been transferred to the buyer.

(vi) Fee and other income recognition

Financing arrangement, management and participation fees, underwriting commissions and brokerage fees are recognised as income based on contractual arrangements. Fees from advisory and corporate finance activities are recognised net of service taxes and discounts on completion of each stage of the assignment.

(u) Borrowing costs

Borrowing costs are recognised in the statements of income using the effective interest method except for borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is incurred, borrowing costs are incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

3. Significant accounting policies (cont'd.)

(v) Income tax

From year of assesment 2012 to 2016, **TH** is exempted from income tax on all types of income except for statutory dividend income under Section 127(3A) of the Income Tax Act, 1967.

Taxation charged on subsidiaries for the year comprised current tax expense and deferred tax. Current tax expense refers to the expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax assets are recognised for all deductible temporary differences, tax losses and unutilised tax credits to the extent that it is probable that taxable income will arise in the foreseeable future. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

(w) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

This classification can only be done if the sale is highly probable to occur and the asset (or group of assets) can be sold immediately at the existing conditions, subject to the terms and customary use.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal.

A component of the Group is classified as a discontinued operation when the criteria to be classified as assets held for sale have been met or the asset has been disposed off and that component represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

(x) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- a) Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- b) Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- c) Level 3- Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that causes the transfers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

4. Cash and cash equivalents

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Placements with licensed financial institutions	8,254,069	10,825,753	9,874,046	10,709,444
Cash and bank balances	1,616,695	1,795,676	256,131	281,420
Money at call and interbank placements with remaining maturity not exceeding one month	3,472,346	2,481,836	-	-
Cash held by external fund managers	282,526	399,572	282,526	399,572
	13,625,636	15,502,837	10,412,703	11,390,436

Cash and cash equivalents are denominated in the following currencies:

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	13,115,762	14,702,016	10,082,337	10,919,988
Rial Saudi	19,115	64,464	15,210	9,362
Pound Sterling	177,157	257,979	12,974	2,227
U.S Dollar	284,595	455,512	284,176	455,101
Australian Dollar	24,053	19,363	13,052	255
Others	4,954	3,503	4,954	3,503
	13,625,636	15,502,837	10,412,703	11,390,436

Included in placements with licensed financial institutions and cash and bank balances of the Group and TH were short term placements and cash and bank balances of TKJHM and TWT amounting to RM234,663,000 (2015: RM250,779,000).

Included in cash and bank balances of the Group was RM11,476,000 (2015: RM8,178,000) the utilisation of which is subject to the Housing Developers (Control and Licensing) (Amendment) Act 2002.

Placements with licensed financial institutions of the Group and TH registered profit margins ranging between 2.10% and 5.40% (2015: 2.20% and 4.80%).

Included in cash and bank balances of the Group was RM6,543,000 (2015: RM51,463,000) pledged to banks for bank guarantee facilities.

5. Deposits and placements with banks and other financial institutions

	Group	
	2016	2015
	RM'000	RM'000
Licensed banks and financial institutions	1,153,138	976,830

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

6. Derivative assets/(liabilities)

Group 2016	Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Forward contracts	3,117,570	117,445	(107,469)
Warrants	1,082,699	153,951	-
Profit rate swaps	836,027	7,127	(3,620)
	5,036,296	278,523	(111,089)
2015			
Forward contracts	2,322,286	106,402	(98,593)
Warrants	805,710	7,268	-
Profit rate swaps	862,568	12,857	(3,320)
	3,990,564	126,527	(101,913)
TH			
2016			
Warrants	1,082,699	141,699	-
2015			
Warrants	805,710	60,107	-

7. Securities held-for-trading

	Group	
	2016 RM'000	2015 RM'000
At fair value		
Quoted securities		
Shares	121,240	125,650
Unit trusts	19,908	14,647
	141,148	140,297
Unquoted securities		
Malaysian Government Investment Issues	324,500	241,717
Islamic debt securities	311,962	287,992
	636,462	529,709
	777,610	670,006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

8. Securities available-for-sale

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
At fair value				
Shares				
Quoted shares	18,422,114	15,172,289	18,047,550	14,517,842
Less: Impairment during the year	(51,931)	(13,656)	(51,931)	(13,656)
	18,370,183	15,158,633	17,995,619	14,504,186
Fund managers	1,177,590	1,070,551	1,177,590	1,070,551
Less: Impairment during the year	(4,510)	-	(4,510)	-
	1,173,080	1,070,551	1,173,080	1,070,551
Unquoted shares	1,478,090	1,138,169	1,450,044	1,111,274
Less: Impairment during the year	(20,497)	(20,883)	-	(1,555)
	1,457,593	1,117,286	1,450,044	1,109,719
	21,000,856	17,346,470	20,618,743	16,684,456
Debt Securities				
Government debt securities	11,218,065	11,135,498	1,059,369	1,182,245
Corporate debt securities	7,918,519	7,234,646	8,024,284	7,234,646
Less: Impairment during the year	-	(2,515)	-	(2,515)
	7,918,519	7,232,131	8,024,284	7,232,131
	19,136,584	18,367,629	9,083,653	8,414,376
Other Financial Assets				
Unit trusts	1,216,876	918,032	703,165	455,447
Negotiable Islamic Debt Certificate	5,281,300	6,327,047	2,663,502	3,685,780
	6,498,176	7,245,079	3,366,667	4,141,227
	46,635,616	42,959,178	33,069,063	29,240,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

9. Assets held for sale

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	1,910	8,970	1,910	8,970
	1,910	8,970	1,910	8,970

10. Trade and other receivables

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Trade receivables	815,455	562,313	583,051	409,790
Other receivables				
Clients' and dealers' debit balances	63,599	215,265	-	-
Other receivables, deposits and prepayments	892,235	799,785	168,374	171,354
Staff financing	95,698	105,196	13,848	19,628
Amount due from:				
- Subsidiaries	-	-	663,264	422,601
- Associates	3,279	2,095	3	2,095
- Jointly controlled entities	603,687	222,397	4	2
	1,658,498	1,344,738	845,493	615,680
	2,473,953	1,907,051	1,428,544	1,025,470

11. Inventories

	Group	
	2016	2015
	RM'000	RM'000
Stores	3,646	21,367
Finished goods	28,531	38,018
Completed properties	21,185	19,203
	53,362	78,588

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

12. Financing

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash line	1,236,920	1,059,397	-	-
Credit cards	459,392	443,543	-	-
Discounted trade bills	921,047	1,139,827	-	-
Trust receipts	5,169	20,210	-	-
Term financing	37,158,910	32,223,366	-	-
Pawn broking	85,315	73,883	-	-
Investment Account Platform	5,690	-	-	-
Financing to subsidiaries	-	-	1,119,682	1,038,779
	39,872,443	34,960,226	1,119,682	1,038,779
Less: Accumulated impairment				
- Collective assessment	(554,971)	(541,065)	-	-
- Individual assesment	(128,198)	(124,471)	-	-
	(683,169)	(665,536)	-	-
	39,189,274	34,294,690	1,119,682	1,038,779

Financing to local subsidiaries were charged at a profit margin of 5% to 7% (2015: 5% to 7%).

Financing to overseas subsidiaries were charged at a profit margin of 3% to 5% (2015: 5%).

13. Takaful assets

	Group	
	2016	2015
	RM'000	RM'000
Retakaful assets:		
Claims liabilities	261,426	404,205
Contribution liabilities	62,969	55,893
Actuarial liabilities	144,096	242,477
	468,491	702,575
Takaful receivables:		
- Due contributions	136,214	119,350
- Due from retakaful/co-Takaful	42,869	36,440
	179,083	155,790
Less: Allowance for impaired receivables	(9,375)	(7,517)
	169,708	148,273
	638,199	850,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

14. Securities held-to-maturity

	Group		TH	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At amortised cost				
Debt Securities				
Malaysian Government Islamic papers	105,037	145,157	-	-
Corporate Debt Securities	2,881,761	3,322,143	4,720,059	5,134,675
Less: Accumulated impairment	(6,887)	(6,887)	-	-
	2,979,911	3,460,413	4,720,059	5,134,675

15. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits were maintained with Bank Negara Malaysia ("BNM") in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amount of which are determined as set percentages of total eligible liabilities.

16. Property development costs

	Group	
	2016 RM'000	2015 RM'000
Property development costs comprise:		
Land	671,755	618,205
Development costs	1,305,506	1,197,913
	1,977,261	1,816,118
Add: Development costs incurred during the year		
Land	22,500	15,550
Development costs	178,666	107,593
	2,178,427	1,939,261
Less: Development costs recognised as expense in the statement of income		
- Previous years	(963,530)	(843,631)
- Current year	(135,130)	(119,899)
	1,079,767	975,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

17. Plantation development expenditure

	Group 2016 RM'000	2015 RM'000
At 1 January	687,160	681,262
Changes in fair value before tax recognised in other comprehensive income	-	(6,949)
Transfer to forestry (Note 18)	-	(107,105)
	687,160	567,208
Additions	88,077	478,681
Transfer to property, plant and equipment (Note 24)	(167,895)	(362,368)
Write off	(1,625)	-
Disposal of a subsidiary	(3,382)	-
Foreign exchange difference	5,239	3,639
At 31 December	607,574	687,160
Included in additions during the year were:		
Depreciation (Note 24 (a))	5,310	5,322
Personnel expenses:		
- Wages, salaries and others	25,500	25,828

Transfer to forestry

During the board meetings of the subsidiaries of the Group in 2015, the respective Board of the subsidiaries decided to change the intended purpose of the plantation development expenditure from tapping of latex to timber. As a result of the change in the business use, the Boards of the subsidiaries had decided to record the plantation development expenditure at fair value instead of cost. The plantation development expenditure related to rubber was transferred to forestry which was carried at fair value. The plantation development expenditure were revalued at 1 January 2015 before it was transferred to forestry. As a result of the revaluation, the changes in fair value was recognised in statement of income and statement of other comprehensive income.

18. Forestry

	Group 2016 RM'000	2015 RM'000
At 1 January	145,905	-
Additions	25,455	24,339
Transfer from plantation development expenditure (Note 17)	-	107,105
Changes in fair value recognised in statements of income	(15,333)	14,461
At 31 December	156,027	145,905
Included in additions during the year are:		
Depreciation (Note 24 (a))	806	771
Personnel expenses:		
- Wages, salaries and others	1,888	2,033
Finance cost	1,301	3,738

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

19. Deferred tax

Total deferred tax assets and liabilities, after appropriate offsetting are as follows:

	Group 2016 RM'000	2015 RM'000
Deferred tax assets	195,018	155,309
Deferred tax liabilities	(232,323)	(209,195)
	(37,305)	(53,886)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to adjust current tax assets against current tax liabilities and where the deferred taxes relate to the same tax authority.

The recognised deferred tax assets and liabilities after offsetting are as follows:

	Group 2016 RM'000	2015 RM'000
Property, plant and equipment		
- capital allowances	(338,170)	(396,900)
Investment properties	2,320	1,593
Impairment	41,223	49,508
Unabsorbed capital allowances	138,721	217,203
Unutilised tax losses	103,431	94,498
Others	15,170	(19,788)
	(37,305)	(53,886)

20. Investment in jointly controlled entities

	Group 2016 RM'000	2015 RM'000	TH 2016 RM'000	2015 RM'000
At cost				
Unquoted shares	401,802	471,088	295,961	295,961
Add:				
Shares in jointly controlled entities				
- Accumulated losses	(82,539)	(49,070)	-	-
- Other reserves	(5,116)	(5,116)	-	-
- Foreign exchange differences	2,813	4,024	-	-
	(84,842)	(50,162)	-	-
	316,960	420,926	295,961	295,961

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

20. Investment in jointly controlled entities (cont'd.)

The Group's interest in the assets, liabilities, income and expenses of jointly controlled entities are as follows:

Name of company	Principal activities	Effective ownership interest	
		2016	2015
		%	%
Direct holding			
Unquoted and incorporated in Malaysia			
Trurich Resources Sdn. Bhd.	Investment holding	50	50
TH Alam Management Sdn. Bhd.	Ship operating and chartering	50	50
Abraj Sdn. Bhd.	Property investment	50	50
Abraj Management Sdn. Bhd.	Provision of management and administrative services to a diverse portfolio of properties and real estate investments	50	50
Indirect holding			
Theta Edge Berhad and its jointly controlled entity:			
Taha Alam Sdn. Bhd.	Provision of advisory services for Hajj and Umrah	50	50
Unquoted and incorporated in Indonesia			
TH Indo Industries Sdn. Bhd. and its jointly controlled entity:			
PT Synergy Oil Nusantara	Processing of crude palm oil and marketing of refined palm oil products	50	50
Unquoted and incorporated in Australia			
TH Properties Sdn. Bhd. and its jointly controlled entities:			
Piety Capital Pty. Ltd.	Property development	50	50
Piety THP Capital Pty. Ltd.	Property development	50	50
Piety THP Developments Pty. Ltd	Property development management services	50	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

20. Investment in jointly controlled entities (cont'd.)

	Group	
	2016	2015
	RM'000	RM'000
Summarised financial information at 31 December		
Assets	2,659,288	2,838,496
Liabilities	(1,909,318)	(1,885,706)
Net assets	749,970	952,790
Year ended 31 December		
(Loss)/Profit from continuing operations	(40,460)	55,168
Other comprehensive income	14,292	8,108
Total comprehensive (loss)/income	(26,168)	63,276
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	374,985	471,137
Carrying amount in the statement of financial position	316,960	420,926
Group's share of results for the year ended 31 December		
Group's share of (loss)/profit from continuing operations	(20,230)	27,584
Group's share of other comprehensive income	7,146	4,054
	(13,084)	31,638
Dividends received by the Group	181	32,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

21. Investment in associates

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
At cost				
Quoted shares	891,559	891,559	891,559	891,559
Less: Accumulated impairment	(285,627)	(230,490)	(285,627)	(230,490)
	605,932	661,069	605,932	661,069
Unquoted shares	234,342	252,820	234,342	250,019
Less: Accumulated impairment	(94,820)	(94,821)	(94,820)	(94,821)
	139,522	157,999	139,522	155,198
Add:				
Share of results of associates:				
- Accumulated (loss)/profit	(66,673)	82,461	-	-
- Other reserves	46,335	25,910	-	-
	(20,338)	108,371	-	-
	725,116	927,439	745,454	816,267
Market value of quoted shares	406,025	439,726	406,025	439,726

Details of associates, of which all are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Effective ownership interest	
		2016	2015
		%	%
Direct holding			
Quoted and incorporated in Malaysia			
TH Heavy Engineering Berhad	Construction and fabrication of oil and gas offshore structures	30	30
Pelikan International Corporation Berhad	Manufacture and distribution of stationeries	28	28
Unquoted and incorporated in Malaysia			
CCM Fertilizers Sdn. Bhd.	Production and marketing of fertilizers	50	50
Maju-TH Sdn. Bhd.	Property management	49	49
Nihon Canpack (Malaysia) Sdn. Bhd.	Manufacture and sale of canned beverages	40	40
Express Rail Link Sdn. Bhd.	Design, construction, maintenance and management of express railway system	36	36
Perumahan Kinrara Berhad	Property development	25	25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

21. Investment in associates (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Direct holding (cont'd.)			
Unquoted and incorporated in Malaysia (cont'd.)			
I&P Kota BayuEmas Sdn. Bhd.	Property management	23	23
Bata (Malaysia) Sdn. Bhd.	Manufacture and marketing of footwear and allied products	20	20
Consolidated Fertiliser Corporation Sdn. Bhd.	Production and marketing of fertilizers	-	20
Top Priority Sdn. Bhd.*	Property management	30	30
Prizevest Sdn. Bhd.*	Property management	30	30
Victec Enterprise Sdn. Bhd.*	Property management	30	30
Indirect holding			
Unquoted and incorporated in Malaysia			
THP Bina Sdn. Bhd. and its associates:			
HCM-TH Technologies JV Sdn. Bhd.	Dormant	40	40
HCM-TH Technologies Sdn. Bhd.	Dormant	30	30
Roadcare (M) Sdn. Bhd.	Maintenance and upgrading the road	-	28

* **TH** no longer has significant influence towards the financial and operational policies of these companies because these companies had been placed under the supervision of Receivers and Managers, even though **TH** still holds a certain amount of shares. Therefore, these companies were not consolidated and the investments had been fully written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

21. Investment in associates (cont'd.)

Summarised information of the associates are as follows:

2016

	Pelikan International Corporation Berhad RM'000	TH Heavy Engineering Berhad RM'000	Other associates RM'000	Total RM'000
Summarised Statements of Financial Position				
Assets	1,498,693	1,087,717	3,871,485	6,457,895
Liabilities	(1,074,363)	(914,091)	(3,173,201)	(5,161,655)
Net assets	424,330	173,626	698,284	1,296,240
Summarised Statements of Income and Statements of Comprehensive Income				
Revenue	1,321,301	17,775	894,212	2,233,288
Profit/(Loss) for the year	5,251	(365,841)	2,767	(357,823)
Other comprehensive (loss)/income	(45,564)	3,256	-	(42,308)
Total comprehensive (loss)/income	(40,313)	(362,585)	2,767	(400,131)

Comparison of the Group's total net assets with investments in associates are as follows:

	Pelikan International Corporation Berhad RM'000	TH Heavy Engineering Berhad RM'000	Other associates RM'000	Total RM'000
Summarised Statement of Financial Position				
Group's share of net assets in associates	120,552	51,758	254,861	427,171
Total investments in associates	246,264	235,387	243,465	725,116
Summarised Statements of Income and Statements of Comprehensive Income				
Profit/(Loss) for the year	1,636	(109,220)	5,253	(102,331)
Other comprehensive (loss)/income	(11,944)	5,745	-	(6,199)
Total comprehensive (loss)/income	(10,308)	(103,475)	5,253	(108,530)
Dividends	-	-	14,759	14,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

21. Investment in associates (cont'd.)

2015

	Pelikan International Corporation Berhad RM'000	TH Heavy Engineering Berhad RM'000	Other associates RM'000	Total RM'000
Summarised Statements of Financial Position				
Assets	1,544,219	1,386,189	4,367,459	7,297,867
Liabilities	(1,080,582)	(737,119)	(3,603,191)	(5,420,892)
Net assets	463,637	649,070	764,268	1,876,975
Summarised Statements of Income and Statements of Comprehensive Income				
Revenue	1,331,508	100,573	1,639,487	3,071,568
(Loss)/Profit for the year	(49,467)	(44,789)	85,803	(8,453)
Other comprehensive (loss)/income	22,477	(137)	-	22,340
Total comprehensive (loss)/income	(26,990)	(44,926)	85,803	13,887

Comparison of the Group's total net assets with investments in associates are as follows:

	Pelikan International Corporation Berhad RM'000	TH Heavy Engineering Berhad RM'000	Other associates RM'000	Total RM'000
Summarised Statement of Financial Position				
Group's share of net assets in associates	131,719	193,488	139,487	464,694
Total investments in associates	256,571	382,672	288,196	927,439
Summarised Statements of Income and Statements of Comprehensive Income				
(Loss)/Profit for the year	(14,890)	(13,350)	16,377	(11,863)
Other comprehensive (loss)/income	3,167	(41)	21	3,147
Total comprehensive (loss)/income	(11,723)	(13,391)	16,398	(8,716)
Dividends	-	-	31,581	31,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries

	<i>TH</i>	
	2016	2015
	RM'000	RM'000
At cost		
Quoted shares	3,525,128	2,944,030
Less: Accumulated impairment	(47,312)	(47,312)
	3,477,816	2,896,718
Unquoted shares	2,243,673	2,063,961
	5,721,489	4,960,679
Market value of quoted shares	5,849,146	3,908,492

Details of subsidiaries are as follows:

Name of company	Principal activities	Effective ownership interest	
		2016	2015
		%	%
Quoted and incorporated in Malaysia			
BIMB Holdings Berhad and its subsidiaries:	Investment holding	51	53
Bank Islam Malaysia Berhad and its subsidiaries:	Islamic banking business	51	53
BIMB Investment Management Berhad	Management of Unit Trust Funds	51	53
Al-Wakalah Nominees (Tempatan) Sdn. Bhd.	Nominee services	51	53
Farihan Corporation Sdn. Bhd.	Provision of manpower for the provision of Islamic pawn broking services	51	53
Bank Islam Trust Company (Labuan) Ltd. and its subsidiaries:	Provision of services as Labuan registered trust company	51	53
BIMB Offshore Company Management Services Sdn. Bhd.	Resident corporate secretary and director for offshore companies	51	53

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Quoted and incorporated in Malaysia (cont'd.)			
BIMB Foreign Currency Clearing Agency Sdn. Bhd.	Dormant (In the process of members' voluntary liquidation)	-	53
BIMB Securities (Holdings) Sdn. Bhd. and its subsidiary:	Investment holding	51	53
BIMB Securities Sdn. Bhd. and its subsidiaries:	Stockbroking	51	53
BIMSEC Nominees (Tempatan) Sdn. Bhd.	Nominee services	51	53
BIMSEC Nominees(Asing) Sdn. Bhd.	Nominee services	51	53
Syarikat Al-Ijarah Sdn. Bhd.	Leasing of assets	51	53
Syarikat Takaful Malaysia Berhad and its subsidiary:	Family and general takaful business	31	32
ASEAN Retakaful International (L) Ltd.	Family and general retakaful business	-	20
TH Plantations Berhad and its subsidiaries:	Investment holding, cultivation of oil palm, processing and marketing of palm products	74	73
THP Ibok Sdn. Bhd.	Cultivation of oil palm and selling of fresh fruit bunches	74	73
THP Gemas Sdn. Bhd.	Cultivation of oil palm, processing and marketing of palm products	-	73
THP Bukit Belian Sdn. Bhd.	Cultivation of oil palm and selling of fresh fruit bunches	74	73
THP Kota Bahagia Sdn. Bhd.	Cultivation of oil palm, processing and marketing of palm products	74	73
THP Agro Management Sdn. Bhd.	Management services	74	73

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Quoted and incorporated in Malaysia (cont'd.)			
Bumi Suria Ventures Sdn. Bhd.	Cultivation of oil palm and selling of fresh fruit bunches	74	73
Maju Warisanmas Sdn. Bhd.	Letting of investment property	74	73
THP Suria Mekar Sdn. Bhd.	Special services	74	73
Manisraya Sdn. Bhd.	The provision of financing services	74	73
TH Ladang (Sabah & Sarawak) Sdn. Bhd. and its subsidiaries	Investment holding	74	73
Cempaka Teratai Sdn. Bhd. and its subsidiary:	Investment holding	74	73
TH PELITA Gedong Sdn. Bhd.	Cultivation of oil palm, processing and marketing of palm products	52	51
Kee Wee Plantations Sdn. Bhd. and its subsidiary:	Investment holding	74	73
TH PELITA Sadong Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	52	51
TH-Bonggaya Sdn. Bhd.	Rubber plantation	74	73
Ladang Jati Keningau Sdn. Bhd.	Teak plantation	61	61
TH-USIA Jatimas Sdn. Bhd.	Rubber plantation	52	51
TH PELITA Meludam Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	44	44
TH PELITA Simunjan Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	44	44
TH PELITA Beladin Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	41	40
Derujaya Sdn. Bhd.	Dormant	74	73

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Quoted and incorporated in Malaysia (cont'd.)			
Halus Riang Sdn. Bhd.	Dormant	74	73
Kuni Riang Sdn. Bhd.	Dormant	74	73
THP Saribas Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	59	58
THP-YT Plantation Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	52	51
Hydroflow Sdn. Bhd.	Cultivation of oil palm and marketing of fresh fruit bunches	52	51
THP Sabaco Sdn. Bhd.	Cultivation of oil palm, processing and marketing of palm products	38	37
Theta Edge Berhad and its subsidiaries:	Investment holding	69	69
Advanced Business Solutions (M) Sdn. Bhd. and its subsidiary:	Provision of manpower for information technology industry	69	69
Theta Mobile Sdn. Bhd.	Services related to information technology industry	69	69
Impianas Sdn. Bhd.	Public mobile data network operator	69	69
Konsortium Jaya Sdn. Bhd.	Sales and maintenance of computers and telecommunication equipments	69	69
Lityan Applications Sdn. Bhd.	Marketing of computer products and application development services	69	69
Sistem Komunikasi Gelombang Sdn. Bhd.	Supply of telecommunication equipments and system integration services	69	69
THT Integrated Solutions Sdn. Bhd.	Information technology solutions	69	69
TH Computers Sdn. Bhd.	Distributor of computer equipments	69	69
TH2.0 Sdn. Bhd.	Investment holding	69	69

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Unquoted and incorporated in Malaysia			
TH Properties Sdn. Bhd. and its subsidiaries:	Investment holding	100	100
THP Bina Sdn. Bhd. and its subsidiaries:	Infrastructure concessions construction	100	100
THT-HCM JV Sdn. Bhd.	Dormant	60	60
Ultimate Building Machine (Malaysia) Sdn. Bhd	Dormant	60	60
TH Universal Builders Sdn. Bhd.	Construction, implementation and management of construction projects	100	100
THP Development Consultancy Sdn. Bhd.	Property development consultancy and management of construction project	100	100
THP Hartanah Sdn. Bhd.	Property development	100	100
THP Pelindung Sdn. Bhd.	Property development	100	100
THP Enstek Development Sdn. Bhd. and its subsidiary:	Property development	100	100
TH Connectivity Sdn. Bhd.	Dormant	100	100
THP-SBB JV Sdn. Bhd.	Dormant	100	100
THP Timur Sdn. Bhd.	Property development	100	100
THP Mutiara Sdn. Bhd.	Property development	100	100
THP Australia Capital Sdn. Bhd.	Investment holding	100	100
THP Australia Developments Corporation	Investment holding	100	100
THP Bay Pavilions Corporation	Investment holding	100	100
THP Sinar Sdn. Bhd. and its subsidiary:	Provision of building management services	60	60
THPS Capital Sdn. Bhd.	Dormant	60	60

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Unquoted and incorporated in Malaysia (cont'd.)			
THP Perlis Sdn. Bhd.	Property development	100	100
THP Sydney Bay Views Sdn. Bhd.	Dormant	100	100
Keramat Green Development Sdn. Bhd.	Property development	100	100
THP Bayan Sdn. Bhd.	Property development	100	-
THP Wentworth Point Corporation	Property development	100	-
THP Citaglobal Sdn. Bhd.	Property development	100	-
TH Hotel & Residence Sdn. Bhd. and its subsidiaries:	Investment holding	100	100
TH Travel & Services Sdn. Bhd.	Provision of umrah and Hajj services and ticketing	100	100
TH Global Services Sdn. Bhd.	Supply of halal food products	100	100
TH Hotel Alor Setar Sdn. Bhd.	Hospitality services	100	100
TH Hotel Terengganu Sdn. Bhd.	Hospitality services	100	100
THV Management Sdn. Bhd.	Hotel management	100	100
TH Marine Holding (L) Inc. and its subsidiaries:	Investment Holding	100	100
Marine 1 (L) Inc.	Provision of marine service	100	100
TH Alam Holding (L) Inc. and its subsidiaries:	Invesment holding	51	51
Alam JVDP 1 (L) Inc.	Ship owning	51	51
Alam JVDP 2 (L) Inc.	Dormant	51	51
TH Marine Sdn. Bhd.	Provision of marine service	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Unquoted and incorporated in Malaysia (cont'd.)			
TH Estates (Holdings) Sdn. Bhd.	Investment holding	100	100
TH Indo Industries Sdn. Bhd.	Investment holding and leasing of transportation	100	100
TH Indopalms Sdn. Bhd.	Investment holding	100	100
LTH Property Investment (L) Inc.	Rental of property	100	100
Deru Semangat Sdn. Bhd.	Cultivation of oil palm	55	55
Diperbadankan di United Kingdom			
LTH Property Holdings Limited and its subsidiaries:	Investment holding	100	100
10 Queen Street Place London Limited	Rental of property	100	100
151 BPR One Limited	Investment holding	100	100
151 BPR Two Limited	Investment holding	100	100
LTH Property Holdings 2 Limited and its subsidiary:	Investment holding	100	100
Leatherhead Properties Limited and its subsidiaries	Property holding	100	100
LTH Leatherhead Limited	Property holding	100	100
Millstream Property Limited	Rental of property	100	-
THPS Capital Sdn. Bhd. and its subsidiary:			
THPS OCS Services Limited	Property management services	60	60

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Name of company	Principal activities	Effective ownership interest	
		2016 %	2015 %
Incorporated in Australia			
LTH Property Investment (L) Inc. and its trust fund:	Rental of property	100	100
TH Trust * and its trust fund:	Rental of property	100	100
747 CS Melbourne Trust *	Rental of property	100	100
THP Australia Capital Sdn. Bhd. and its subsidiaries:			
THP Amanah Pty. Ltd.	Investment holding	100	100
THP Treasury Pty. Ltd.	Investment holding	100	-
Incorporated in Saudi Arabia			
TH Hotel & Residence Sdn. Bhd. and its subsidiary:			
TH Real Estate Company	Management of property	100	100
Incorporated in Indonesia			
Syarikat Takaful Malaysia Berhad and its subsidiary:			
P.T. Syarikat Takaful Indonesia and its subsidiaries:	Investment holding	17	17
P.T. Asuransi Takaful Keluarga	Family takaful business	13	13
P.T. Asuransi Takaful Umum	General takaful business	11	11
TH Plantations Berhad and its subsidiary:			
P.T. Persada Kencana Prima	Cultivation of oil palm and marketing of fresh fruit bunches	69	69

* Trust funds

All subsidiaries, associates and jointly controlled entities of **TH** are not audited by the Auditor General.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2016

	BIMB Holdings Berhad	TH Plantations Berhad	Other subsidiaries	Total
	%	%	%	
Percentage of ownership and voting interest by non-controlling interest	49	26	31- 49	
	RM'000	RM'000	RM'000	RM'000
Carrying amount of non-controlling interest	1,550,542	444,618	117,417	2,112,577
Total comprehensive income/(loss) attributable to non-controlling interest	321,366	41,844	(30,445)	332,765

Summarised financial information before intra-group elimination:

	BIMB Holdings Berhad	TH Plantations Berhad	Other subsidiaries	Total
	RM'000	RM'000	RM'000	RM'000
Summarised Statements of Financial Position				
Assets	63,145,127	3,609,117	500,583	67,254,827
Liabilities	(58,927,990)	(1,841,622)	(317,233)	(61,086,845)
Net assets	4,217,137	1,767,495	183,350	6,167,982
Summarised Statements of Income and Statements of Comprehensive Income				
Revenue	3,528,198	562,310	217,986	4,308,494
Profit for the year	629,664	150,469	(60,633)	719,500
Total comprehensive income	587,751	150,331	(60,633)	677,449
Cash flows from operating activities	1,615,084	17,168	56,963	1,689,215
Cash flows from investing activities	(105,189)	32,636	(42,085)	(114,638)
Cash flows from financing activities	(116,107)	38,412	(36,519)	(114,214)
Net decrease in cash and cash equivalents	1,393,788	88,216	(21,641)	1,460,363
Dividends paid to non-controlling interest	120,169	6,694	869	127,732

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

22. Investment in subsidiaries (cont'd.)

Non-controlling interests in subsidiaries (cont'd.)

2015

	BIMB Holdings Berhad	TH Plantations Berhad	Other subsidiaries	Total
	%	%	%	
Percentage of ownership and voting interest by non-controlling interest	47	27	31- 49	
	RM'000	RM'000	RM'000	RM'000
Carrying amount of non-controlling interest	1,103,166	479,855	106,547	1,689,568
Total comprehensive income/(loss) attributable to non-controlling interest	286,694	(15,814)	4,017	274,897

Summarised financial information before intra-group elimination:

	BIMB Holdings Berhad	TH Plantations Berhad	Other subsidiaries	Total
	RM'000	RM'000	RM'000	RM'000
Summarised Statements of Financial Position				
Assets	57,363,828	3,459,416	983,403	61,806,647
Liabilities	(53,668,102)	(1,835,543)	(615,620)	(56,119,265)
Net assets	3,695,726	1,623,873	367,783	5,687,382

Summarised Statements of Income and Statements of Comprehensive Income

Revenue	3,310,607	455,304	470,075	4,235,986
Profit for the year	612,947	23,929	19,306	656,182
Total comprehensive income	536,920	40,420	19,306	596,646
Cash flows from operating activities	(1,144,222)	(249,818)	(51,228)	(1,445,268)
Cash flows from investing activities	285,874	(141,200)	(14,207)	130,467
Cash flows from financing activities	600,609	104,236	8,112	712,957
Net decrease in cash and cash equivalents	(257,739)	(286,782)	(57,323)	(601,844)
Dividends paid to non-controlling interest	106,168	9,362	1,900	117,430

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

23. Investment properties

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
At fair value				
At 1 January	7,977,663	8,291,494	5,727,009	5,196,758
Additions	780,940	619,387	421,807	619,376
Disposal	(4,274)	(1,630,566)	(4,274)	-
Transfer from property, plant and equipment (Note 24)	(323,344)	17,894	(23,631)	15,853
Transfer from assets held for sale	5,630	2,729	5,630	1,033
Changes in fair value	(332,371)	127,025	(51,073)	(106,011)
Foreign exchange difference	(221,344)	549,700	-	-
At 31 December	7,882,900	7,977,663	6,075,468	5,727,009

Fair value of the Group's investment properties are categorised as follows:

	Group			TH		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016						
Freehold land and buildings	5,775,692	4,990	5,780,682	5,679,144	-	5,679,144
Leasehold land and buildings	2,087,923	14,295	2,102,218	-	396,324	396,324
	7,863,615	19,285	7,882,900	5,679,144	396,324	6,075,468
2015						
Freehold land and buildings	5,727,009	4,980	5,731,989	5,216,996	-	5,216,996
Leasehold land and buildings	2,231,503	14,171	2,245,674	-	510,013	510,013
	7,958,512	19,151	7,977,663	5,216,996	510,013	5,727,009

Transfer policy between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 2

Level 2 fair values of land and buildings have been generally derived using the sales price comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3

Level 3 fair value is estimated using Group's unobservable inputs for the investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

24. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Estates RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Building renovations RM'000	Plant, machineries, fittings and motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost									
At 1 January 2016	74,635	719,513	1,343,593	523,863	248,963	236,225	2,010,333	63,281	5,220,406
Additions	-	141,377	-	6,442	-	35,213	80,257	111,474	374,763
Disposals	-	-	-	(58)	-	(44)	(13,887)	-	(13,989)
Write off	-	(30)	(7,639)	(845)	(539)	(16,831)	(117,087)	(43)	(143,014)
Transfer from plantation development expenditure (Note 17)	-	(160)	168,055	-	-	-	-	-	167,895
Transfer from/(to) investment property (Note 23)	41	255	-	299,879	22,091	3,219	-	(2,077)	323,408
Transfer from assets held for sale	-	-	-	-	1,430	-	-	-	1,430
Reclassifications	-	-	-	14,318	1	11,208	7,700	(33,227)	-
Disposal of a subsidiary	-	(27,129)	(19,627)	(7,544)	-	-	(17,462)	(2,535)	(74,297)
Foreign exchange difference	-	19	-	30	948	-	1,725	2	2,724
At 31 December 2016	74,676	833,845	1,484,382	836,085	272,894	268,990	1,951,579	136,875	5,859,326

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Estates RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Building renovations RM'000	Plant, machineries, fittings and motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2016	-	57,994	209,160	128,878	116,850	116,224	1,048,223	-	1,677,329
Depreciation for the year (Note 24 (a))	-	10,379	31,826	13,619	5,441	17,670	138,439	-	217,374
Disposals	-	-	-	(58)	-	(10)	(12,513)	-	(12,581)
Write off	-	(30)	(7,639)	(845)	(539)	(16,831)	(116,908)	-	(142,792)
Transfer (to)/from investment property (Note 23)	-	-	-	-	64	-	-	-	64
Disposal of a subsidiary	-	(4,530)	(18,486)	(3,777)	-	-	(13,362)	-	(40,155)
Foreign exchange difference	-	-	-	2	468	-	2,020	-	2,490
At 31 December 2016	-	63,813	214,861	137,819	122,284	117,053	1,045,899	-	1,701,729
Impairment									
At 1 January 2016	-	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	45,547	-	45,547
At 31 December 2016	-	-	-	-	-	-	45,547	-	45,547
Net carrying amount at 31 December 2016	74,676	770,032	1,269,521	698,266	150,610	151,937	860,133	136,875	4,112,050

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Estates RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Building renovations RM'000	Plant, machineries, fittings and motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost									
At 1 January 2015	82,029	567,199	986,085	495,359	279,587	193,290	1,954,616	66,932	4,625,097
Additions	-	151,860	-	7,008	-	19,121	333,853	50,206	562,048
Disposals	(3,210)	-	(482)	(59)	-	-	(266,482)	-	(270,233)
Write off	-	-	(4,378)	(518)	-	(3,530)	(26,105)	(76)	(34,607)
Transfer from plantation development expenditure (Note 17)	-	-	362,368	-	-	-	-	-	362,368
Transfer from/(to) investment property (Note 23)	4,345	(2,156)	-	1,338	(34,666)	(5,372)	-	-	(36,511)
Transfer from assets held for sale	-	147	-	-	2,771	-	-	-	2,918
Reclassifications	-	-	-	12,708	-	34,128	6,951	(53,787)	-
Adjustments	(8,529)	2,439	-	8,007	34	(1,416)	5,994	-	6,529
Foreign exchange difference	-	24	-	20	1,237	4	1,506	6	2,797
At 31 December 2015	74,635	719,513	1,343,593	523,863	248,963	236,225	2,010,333	63,281	5,220,406

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Estates RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Building renovations RM'000	Plant, machineries, fittings and motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2015	-	49,494	190,169	115,362	121,207	116,646	980,682	-	1,573,560
Depreciation for the year (Note 24 (a))	-	9,457	23,523	13,926	5,973	9,912	142,974	-	205,765
Disposals	-	-	(154)	(59)	-	-	(51,968)	-	(52,181)
Write off	-	-	(4,378)	(436)	-	(3,363)	(24,700)	-	(32,877)
Transfer (to)/from investment property (Note 23)	-	(957)	-	85	(10,764)	(6,981)	-	-	(18,617)
Reclassifications	-	-	-	-	-	6	(6)	-	-
Foreign exchange difference	-	-	-	-	434	4	1,241	-	1,679
At 31 December 2015	-	57,994	209,160	128,878	116,850	116,224	1,048,223	-	1,677,329
Net carrying amount at 31 December 2015	74,635	661,519	1,134,433	394,985	132,113	120,001	962,110	63,281	3,543,077

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

<i>TH</i>	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Building renovations RM'000	Plant, machineries, fittings and motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost								
At 1 January 2016	23,745	15,482	130,459	209,889	196,406	203,131	34,497	813,609
Additions	-	-	3,875	-	32,788	10,860	74,705	122,228
Disposals	-	-	-	-	-	(9,513)	-	(9,513)
Write off	-	-	-	-	(16,274)	(83)	(31)	(16,388)
Transfer from/(to) investment property (Note 23)	41	255	103	22,091	3,219	-	(2,077)	23,632
Transfer from assets held for sale	-	-	-	1,430	-	-	-	1,430
Reclassifications	-	-	6,114	-	12,794	11	(18,919)	-
At 31 December 2016	23,786	15,737	140,551	233,410	228,933	204,406	88,175	934,998
Accumulated depreciation								
At 1 January 2016	-	4,245	29,376	108,706	91,335	170,950	-	404,612
Depreciation for the year (Note 24 (a))	-	406	2,469	4,277	14,924	9,227	-	31,303
Disposals	-	-	-	-	-	(8,972)	-	(8,972)
Write off	-	-	-	-	(16,274)	(83)	-	(16,357)
At 31 December 2016	-	4,651	31,845	112,983	89,985	171,122	-	410,586
Net carrying amount at 31 December 2016	23,786	11,086	108,706	120,427	138,948	33,284	88,175	524,412

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

	Freehold land	Leasehold land	Freehold buildings	Leasehold buildings	Building renovations	Plant, machineries, fittings and motor vehicles	Work-in- progress	Total
TH	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 January 2015	26,545	17,491	126,176	237,854	153,328	195,642	40,310	797,346
Additions	-	-	1,470	-	16,766	9,918	29,803	57,957
Disposals	(3,211)	-	-	-	-	(1,854)	-	(5,065)
Write off	-	-	-	-	(3,037)	(575)	(71)	(3,683)
Transfer to investment property (Note 23)	411	(2,156)	1,989	(30,736)	(5,372)	-	-	(35,864)
Transfer from assets held for sale	-	147	-	2,771	-	-	-	2,918
Reclassifications	-	-	824	-	34,721	-	(35,545)	-
At 31 December 2015	23,745	15,482	130,459	209,889	196,406	203,131	34,497	813,609
Accumulated depreciation								
At 1 January 2015	-	5,079	27,883	115,206	94,102	159,524	-	401,794
Depreciation for the year (Note 24 (a))	-	123	2,285	4,781	7,251	13,709	-	28,149
Disposals	-	-	-	-	-	(1,708)	-	(1,708)
Write off	-	-	-	-	(3,037)	(575)	-	(3,612)
Transfer to investment property (Note 23)	-	(957)	(792)	(11,281)	(6,981)	-	-	(20,011)
At 31 December 2015	-	4,245	29,376	108,706	91,335	170,950	-	404,612
Net carrying amount at 31 December 2015	23,745	11,237	101,083	101,183	105,071	32,181	34,497	408,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

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

(a) Depreciation for the year is allocated as follows:

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Statements of income	210,214	198,678	30,259	27,155
Accumulated reserve of TKJHM and TWT (Note 42)	1,044	994	1,044	994
Capitalised in plantation development expenditure (Note 17)	5,310	5,322	-	-
Capitalised in forestry (Note 18)	806	771	-	-
	217,374	205,765	31,303	28,149

(b) Included in property, plant and equipment, were motor vehicles and computers of RM10,266,000 (2015: RM11,800,000) of the Group acquired under hire-purchase.

(c) Marine vessels of a subsidiary with a net carrying value of RM297,424,000 (2015: RM358,466,000) were pledged as security for bank borrowings amounting to RM177,314,000 (2015: RM217,506,000).

(d) Leasehold land of a subsidiary with a net carrying value of RM23,731,000 (2015: RM15,886,000) were pledged as security for bank borrowings amounting to RM129,888,000 (2015: RM95,130,000).

25. Intangible assets

Group

	Goodwill	Bancatakaful services fees	Other intangible assets	Total
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January 2016	317,643	61,321	123,698	502,662
Additions	27,277	-	2,052	29,329
Remeasurement of retirement benefits	-	-	(26,843)	(26,843)
At 31 December 2016	344,920	61,321	98,907	505,148
Accumulated amortisation				
At 1 January 2016	-	5,110	55,207	60,317
Amortisation for the year	-	12,264	9,103	21,367
At 31 December 2016	-	17,374	64,310	81,684
Net carrying amount at 31 December 2016	344,920	43,947	34,597	423,464

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

25. Intangible assets (cont'd.)

Group

	Goodwill RM'000	Bancatakaful services fees RM'000	Other intangible assets RM'000	Total RM'000
Cost				
At 1 January 2015	266,493	-	121,765	388,258
Additions	51,150	61,321	1,933	114,404
At 31 December 2015	317,643	61,321	123,698	502,662
Accumulated amortisation				
At 1 January 2015	-	-	45,817	45,817
Amortisation for the year	-	5,110	9,390	14,500
At 31 December 2015	-	5,110	55,207	60,317
Net carrying amount at 31 December 2015	317,643	56,211	68,491	442,345

TH

	Other intangible assets RM'000	Total RM'000
At 1 January 2016	24,791	24,791
Additions	2,052	2,052
Remeasurement of retirement benefits	(26,843)	(26,843)
At 31 December 2016	-	-
At 1 January 2015	22,859	22,859
Additions	1,932	1,932
At 31 December 2015	24,791	24,791

Bancatakaful services fees refer to a ten-year term service agreement between a subsidiary of the Group with an Islamic banking institution to distribute its products via the banking institution's distribution channel.

26. Deposits from banking customers

	Group 2016 RM'000	2015 RM'000
Mudharabah fund	422,183	504,860
Non-Mudharabah fund	42,968,919	42,261,631
	43,391,102	42,766,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

27. Investment accounts of banking customers

	Group	
	2016	2015
	RM'000	RM'000
Unrestricted Mudharabah investment account	1,516,844	461,312
Unrestricted Wakalah investment account	2,057,027	214,793
	3,573,871	676,105

28. Deposits and placements of banks and other financial institutions

	Group	
	2016	2015
	RM'000	RM'000
Mudharabah fund	30,000	-

29. Trade and other payables

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Trade payables	232,408	253,531	10,315	52,354
Deposits received	41,494	34,321	41,494	34,321
Retention sum	512	511	512	511
Amount due to contract customers (Note 29 (a))	222,725	214,624	-	-
Bill and acceptance payables	46,278	122,577	-	-
	543,417	625,564	52,321	87,186
Other payables				
Other payables and accruals	1,001,522	1,281,349	101,003	134,100
Amount due to jointly controlled entities	41,319	31,920	-	-
Clients' and dealers' credit balances	63,205	214,578	-	-
	1,106,046	1,527,847	101,003	134,100
	1,649,463	2,153,411	153,324	221,286

Note 29 (a)- Amount due to contract customers

	Group	
	2016	2015
	RM'000	RM'000
Development costs	(838,776)	(732,512)
Attributable profits	(38,975)	(40,928)
	(877,751)	(773,440)
Progress billings	1,100,476	988,064
Amount due to contract customers	222,725	214,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

30. Takaful Liabilities

	Group 2016 RM'000	2015 RM'000
Expense reserves	159,310	142,258
Takaful payables		
- Due to retakaful companies	65,610	73,198
- Due to intermediaries/participants	17,801	22,449
Takaful contract liabilities		
- Provision for outstanding claims	582,184	741,069
- Provision for unearned contributions	316,569	297,773
- Participants' fund	5,497,622	5,312,141
	6,639,096	6,588,888

31. Finance lease

	Group 2016 RM'000	2015 RM'000
Payable within:		
Less than one year	6,217	4,138
Between one and five years	4,019	3,865
	10,236	8,003

Finance lease liabilities are payable as follows:

	Payments RM'000	Financing cost RM'000	Principals RM'000
2016			
Less than one year	6,799	582	6,217
Between one and five years	4,406	387	4,019
	11,205	969	10,236
2015			
Less than one year	4,525	387	4,138
Between one and five years	4,317	452	3,865
	8,842	839	8,003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

32. Financing

	Group 2016 RM'000	2015 RM'000
Current:		
<i>Secured</i>		
Term financing	24,384	42,517
Flexi term financing-i	13,000	9,000
Trust receipts	-	41,575
Ijarah term financing-i	7,680	12,000
Murabahah financing	4,800	-
<i>Unsecured</i>		
Islamic trade financing-i	17,671	5,493
Revolving credit	1,900	-
	69,435	110,585
Non-current:		
<i>Secured</i>		
Murabahah financing	1,218,577	1,136,216
Term financing	627,113	520,563
Flexi term financing-i	30,715	43,715
Ijarah term financing-i	-	7,768
<i>Unsecured</i>		
Sukuk Murabahah	523,622	704,380
Term financing	20,966	17,154
	2,420,993	2,429,796
	2,490,428	2,540,381

Leasehold land and marine vessels of subsidiaries with a net carrying amount of RM23,731,000 (2015: RM15,886,000) and RM297,424,000 (2015: RM358,466,000) were pledged as security for term financing.

Three foreign subsidiaries had entered into Murabahah financing and pledged its investment properties at the fair value of RM2,058,004,000 (2015: RM2,231,503,000).

Financing are payable as follows:

	Group 2016 RM'000	2015 RM'000
Less than one year	309,923	110,585
Between one and five years	1,535,006	1,680,102
More than five years	645,499	749,694
	2,490,428	2,540,381

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

33. Deferred income

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Development fund	9,975	10,286	9,975	10,286
Less: Amortised to statement of income during the year	(311)	(311)	(311)	(311)
	<u>9,664</u>	<u>9,975</u>	<u>9,664</u>	<u>9,975</u>

Development fund represents grant from the Government for the construction of Hajj pilgrims complexes at Bayan Lepas, Pulau Pinang and Kota Kinabalu, Sabah.

34. Provision for retirement benefits

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
At 1 January	435,534	406,731	435,534	406,615
Remeasurement of retirement benefit liability	52,066	-	52,066	-
Provision for the year	42,808	40,280	42,808	40,280
Write back of provision	-	(67)	-	-
Payment during the year	(14,221)	(11,417)	(14,221)	(11,361)
Foreign exchange difference	-	7	-	-
At 31 December	<u>516,187</u>	<u>435,534</u>	<u>516,187</u>	<u>435,534</u>

The provisions recognised in the statement of financial position are as follows:

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded retirement benefit plan	<u>516,187</u>	<u>435,534</u>	<u>516,187</u>	<u>435,534</u>

The provisions recognised in the statement of income are as follows:

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current service cost	16,376	15,736	16,376	15,736
Interest cost	26,432	24,544	26,432	24,544
Total	<u>42,808</u>	<u>40,280</u>	<u>42,808</u>	<u>40,280</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

34. Provision for retirement benefits (cont'd.)

The principal assumptions used in the actuarial valuation to determine the amount of the provision in the statements of income are as follows:

	Group		TH	
	2016	2015	2016	2015
	%	%	%	%
Inflation rate	3.0 - 5.0	3.0 - 5.0	3.0 - 5.0	3.0 - 5.0
Discount rate	6.0	6.0	6.0	6.0
Salary increment rate	6.0	6.0	6.0	6.0

TH provides for several retirement plans on an unfunded basis. These plans are briefly described as follows:

Types of retirement benefits

i) Post-employment medical benefits

TH provides post-employment medical benefits for its employees and dependants covering cost of medical treatment at private and/or government hospitals after employees' retirement. The costs of medical treatment at the hospital for retired employees are borne directly by TH.

ii) Accumulated annual leave reward

TH provides a plan that allows its employees to accumulate their annual leave which can be converted into cash upon retirement in accordance with the number of accumulated leave up to a maximum of 120 or 150 days.

iii) Hajj performance

TH provides for employees and a spouse or family member the opportunity to perform Hajj as employees attain retirement age and fulfil the number of years in service that entitles them for this benefit.

iv) Gratuity plan

TH provides a retirement gratuity plan for retiring employees who have achieved a specified period of service subject to certain terms and conditions.

Actuarial assumptions

Actuarial assumptions used to determine defined benefit obligations for retirement benefits as set out in the statement of financial position are as follows:

	31 December 2016	31 December 2015
Discount rate	5.8%	6.0%
Future medical cost inflation rate	4.5%- 5.5%	5.0%
Future salary increase rate	3.0%	6.0%
Hajj cost inflation rate	3.0%	3.0%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

34. Provision for retirement benefits (cont'd.)

Additional disclosure information

i) Description of the Plan characteristics and associated risks

The Plan covers several sub-plans, of which the largest (in terms of the size of the liability) is the post-employment medical plan followed by the local gratuity plan. As such, the valuation results are particularly sensitive to changes in the discount rate, the assumed medical cost inflation rate and the assumed salary increase rate.

ii) Description of funding arrangements and policies

The Plan is unfunded. Benefits are paid out directly by **TH** as and when a Plan member leaves the Plan (upon retirement age or death in services).

iii) Maturity profile of defined benefit obligation

Duration of defined benefit obligation by plan and in aggregate as at valuation date 31 December were as follows:

TH

	Post- Employment Medical	Accumulated Annual Leave	Hajj Performance	Staff Gratuity	Total
31 December 2016					
Obligation (RM'000)	317,776	16,577	26,495	155,339	516,187
(%) of total	61.6	3.2	5.1	30.1	100.0
Duration (Year)	19.9	8.1	5.4	8.2	14.8
31 December 2015					
Obligation (RM'000)	253,009	11,738	20,710	150,077	435,534
(%) of total	58.1	2.7	4.8	34.4	100.0
Duration (Year)	20.9	9.1	6.4	9.2	15.8

iv) Administrative expenses

Administrative expenses of the plan were paid by **TH** and accounted for separately in the statements of income.

v) Curtailment, settlement and plan amendments

There was no events of curtailment or settlement for the financial year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

34. Provision for retirement benefits (cont'd.)

Significant actuarial assumptions and sensitivity analysis

i) Significant actuarial assumptions

The following analysis shows the impact on the defined benefit obligation for the year ended 2016.

Assumptions	Base rate	Sensitivity analysis	Comparison rate	31 December 2016 RM '000
Discount rate	5.8%	1% Increase	14.2%	65,989
Discount rate	5.8%	1% Decrease	(18.2%)	(82,800)
Future medical cost inflation rate	4.5%- 5.5%	1% Increase	13.3%	63,513
Future medical cost inflation rate	4.5%- 5.5%	1% Decrease	(10.3%)	(50,437)
Future salary increment rate	3.0%	1% Increase	4.1%	12,264
Future salary increment rate	3.0%	1% Decrease	(3.6%)	(10,915)

The key assumptions identified such as the discount rate, the medical cost inflation rate and the salary increment rate can have a material effect on the outcome of the valuation.

ii) Methods and assumptions used in sensitivity analysis

Other assumptions are held constant when quantifying the sensitivity of results to a particular assumption.

The sensitivity results above determine their individual impact on the defined benefit obligation plan. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions. The plan's sensitivity to such changes can vary over time.

35. Depositors' savings fund

	Group / TH	
	2016 RM'000	2015 RM'000
At 1 January	62,547,762	54,357,750
Deposits during the year	18,200,953	19,226,698
Less: Withdrawals during the year	(15,915,143)	(14,257,060)
	64,833,572	59,327,388
Bonus to depositors for the year	2,870,822	3,220,374
At 31 December	67,704,394	62,547,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

36. Revenue and gross profit

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Revenue				
Investment	1,453,906	1,413,741	2,267,784	1,798,684
Dividends	582,687	537,669	807,633	1,908,984
Islamic banking	3,528,198	3,310,607	-	-
Plantations	557,412	455,784	-	-
Services	509,884	589,862	3,498	3,310
Properties and construction	600,711	673,449	396,122	372,426
	7,236,798	6,981,112	3,475,037	4,083,404
Less:				
Cost of sales				
Direct expenses attributable to investment of banking depositors' and shareholders' funds	20,387	22,911	-	-
Plantations	453,099	387,254	-	-
Services	493,646	551,962	-	-
Properties and construction	95,966	102,182	-	-
	1,063,098	1,064,309	-	-
Gross profit	6,173,700	5,916,803	3,475,037	4,083,404

37. Income attributable to banking depositors

	Group	
	2016	2015
	RM'000	RM'000
Deposits from customers		
- Mudharabah fund	18,467	62,413
- Non-Mudharabah fund	972,814	835,659
Deposits and placements of banks and other financial institutions		
- Mudharabah fund	-	2,261
- Non-Mudharabah fund	30,640	4,037
Unrestricted investment accounts	26,775	2,743
	1,048,696	907,113

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

38. Operating profit

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Operating profit was arrived at after crediting/ (charging):				
Dividend income				
- quoted subsidiaries	-	-	110,195	117,434
- unquoted subsidiaries	-	-	100,488	1,229,572
- unquoted associates	-	-	7,758	17,581
- jointly controlled entities	-	-	175	1,910
- quoted shares	463,535	440,359	463,535	440,359
- unquoted shares	45,090	32,898	44,615	31,287
- fund managers	30,494	30,994	30,494	30,994
- unit trusts	35,188	31,377	46,001	39,846
Return from fund managers	8,008	5,277	8,008	5,277
Gain/(Loss) on disposals of:				
- quoted subsidiaries	-	-	604,544	59,404
- unquoted subsidiaries	112,584	1,303	-	26,563
- unquoted associates	(18,044)	247	(11,796)	-
Gain on trading of equities:				
- quoted shares	230,590	399,778	230,590	399,778
- unquoted shares	10,546	8,939	10,546	8,939
- fund managers	13,110	52,282	13,110	52,282
Net derivatives gain	18,245	5,445	22,760	6,597
Gain on debt securities	693,290	569,485	835,773	702,807
Profit from financing to subsidiaries	-	-	45,025	71,513
Gain on negotiable debt certificates	131,777	145,502	134,198	147,107
Rental income	480,267	541,490	399,620	375,736
Gain/(Loss) on disposal of property, plant and equipment	568	3,575	(112)	3,142
Gain on disposal of investment properties	15,726	-	15,726	-
Property, plant and equipment written off	(213)	(1,692)	(31)	(71)
Write back of doubtful debts	348	425	8	279
Net gain/(loss) on foreign exchange differences	32,675	489,215	(59,274)	358,420
Amortisation of intangible assets (Note 25)	(21,367)	(14,500)	-	-
Depreciation of property, plant and equipment (Note 24 (a))	(210,214)	(198,678)	(30,259)	(27,155)
Audit fees	(4,996)	(4,604)	(346)	(314)
Rental of premises	(77,191)	(72,565)	(10,405)	(7,315)
Provision for retirement benefits	(42,808)	(40,280)	(42,808)	(40,280)
Staff costs	(1,111,475)	(1,095,298)	(245,401)	(277,776)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

39. Impairment and fair value adjustments

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Impairment:				
- quoted associates	55,137	-	55,137	-
- unquoted associates	-	28,109	-	28,109
- quoted shares	51,931	13,656	51,931	13,656
- unquoted shares	-	1,555	-	1,555
- external fund managers	4,510	-	4,510	-
- debt securities	-	2,515	-	2,515
Allowance for impairment on banking's financing and assets	91,752	73,819	-	-
Impairment of property, plant and equipment	45,547	-	-	-
Write off:				
- derivatives	928	-	928	-
- receivables	22	40	22	40
- subsidiaries	-	-	-	25,777
Changes in fair value of investment properties	332,371	(127,025)	51,073	106,011
Changes in fair value of forestry	15,333	(14,461)	-	-
Changes in fair value of Government grant	(3,120)	(5,180)	-	-
Changes in fair value of derivatives	(4,389)	1,480	7,864	15,264
	590,022	(25,492)	171,465	192,927

40. Zakat

Zakat refers to payment of business zakat mandatorily imposed upon **TH** and its subsidiaries in accordance with the shariah principles. The basis of calculating the business zakat is based on the adjusted working capital method. The basis period for the calculation of zakat is based on the financial year.

41. Tax expense

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	279,306	261,105	-	-
- (Over)/Under provision in prior years	(13,073)	(11,330)	-	-
	266,233	249,775	-	-
Deferred tax				
- Current year	(19,428)	(2,364)	-	-
- Prior year	(11,545)	(3,544)	-	-
- Effect of changes in tax rate	-	1,196	-	-
	235,260	245,063	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

41. Tax expense (cont'd.)

From year of assesment 2012 to 2016, **TH** is exempted from income tax on its income except for statutory dividend income under Section 127(3A) of the Income Tax Act, 1967.

A reconciliation of income tax expense of the Group applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate are as follows:

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit before tax	2,286,331	3,461,414	2,485,807	3,535,627
Income tax using Malaysian tax rate of 24% (2015: 25%)	548,719	865,354	596,594	883,907
Effect of differences in tax rates	10,924	(13,511)	-	-
Non-deductible expenses	172,794	81,062	-	-
Non-assessable income	(247,403)	(328,671)	(400,740)	(476,977)
Tax exempt income	(204,661)	(376,451)	(195,854)	(406,930)
Effects of unrecognised deferred tax	(5,313)	(8)	-	-
Recognition of deferred tax assets previously not recognised	-	(30,149)	-	-
Share of tax of associates	(24,559)	(2,966)	-	-
Share of tax of jointly controlled entities	(4,855)	6,896	-	-
Effects of changes in tax rates	-	2,081	-	-
Others	14,232	56,300	-	-
	259,878	259,937	-	-
Overprovision in prior years				
- Current	(13,073)	(11,330)	-	-
- Deferred tax	(11,545)	(3,544)	-	-
	235,260	245,063	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

42. Net surplus of Tabung Kebajikan Jemaah Haji Malaysia ("TKJHM") and Tabung Warga Tua ("TWT")

	Group / TH 2016 RM'000	2015 RM'000
Surplus for the year		
- TKJHM	1,668	4,422
- TWT	(150)	(145)
	1,518	4,277

Reserve of TKJHM can only be utilised for the purpose of community services, protection, monitoring and general welfare of Hajj pilgrims, in accordance with the guidelines of TKJHM. Reserve of TWT can only be utilised for funding elderly to perform Hajj based on guidelines set by the Committee of TWT.

Statement of income and expenditure of TKJHM is summarised as follows:

	Group / TH 2016 RM'000	2015 RM'000
Receipts and income	22,080	21,276
Less:		
Expenses and welfare contributions	(19,368)	(15,860)
Depreciation (Note 24 (a))	(1,044)	(994)
Net surplus for the year	1,668	4,422

43. Bonus to depositors

For the year ended 31 December 2016, **TH** had announced an annual bonus at the rate of 4.25% (2015: 5.00%) and Hajj bonus at the rate of 1.50% (2015: 3.00%). The annual bonus were paid to all active depositors as at 31 December 2016 while the Hajj bonus is a special bonus to **TH** depositors who have not performed Hajj with an average monthly minimum balances restricted to RM9,980 being Hajj payment for year 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

44. Other reserves

Group	Capital reserve RM'000	Revaluation reserve RM'000	Statutory reserve RM'000	Employees' shares option scheme reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Total RM'000
At 1 January 2016	57,026	9,585	933,100	8,738	(3,960,379)	(31,484)	(2,983,414)
Changes in fair value of securities available-for-sale	-	-	-	-	(581,948)	-	(581,948)
Currency translation differences in respect of foreign operations	-	-	-	-	-	(29,605)	(29,605)
Revaluation of assets of an associate	-	11,328	-	-	-	-	11,328
Issuance of shares pursuant to ESOS of subsidiaries	-	-	-	(17)	-	-	(17)
Transfer between reserves	-	-	197,595	(1,897)	-	-	195,698
At 31 December 2016	57,026	20,913	1,130,695	6,824	(4,542,327)	(61,089)	(3,387,958)
At 1 January 2015	57,038	9,682	679,684	7,271	(875,034)	(100,316)	(221,675)
Changes in fair value of securities available-for-sale	-	-	-	-	(3,085,345)	-	(3,085,345)
Currency translation differences in respect of foreign operations	-	-	-	-	-	68,832	68,832
Issuance of shares pursuant to ESOS of subsidiaries	-	-	-	1,467	-	-	1,467
Changes in Group structure	(12)	(97)	-	-	-	-	(109)
Transfer between reserves	-	-	253,416	-	-	-	253,416
At 31 December 2015	57,026	9,585	933,100	8,738	(3,960,379)	(31,484)	(2,983,414)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

45. Statutory reserves

During the financial year 2016, **TH** has established a statutory reserve in accordance with the provisions of Tabung Haji Act, 1995 (Act 535). Any excess is retained as reserves under accumulated profits.

46. Segment information

2016	Investment RM'000	Banking & Takaful RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
Revenue from external customers	2,402,563	3,528,198	557,887	748,150	-	7,236,798
Inter-segment revenue	1,072,474	-	4,903	382,535	(1,459,912)	-
	3,475,037	3,528,198	562,790	1,130,685	(1,459,912)	7,236,798
Profit for the year						
Operating profit	2,717,563	1,071,462	181,779	228,544	(1,026,847)	3,172,501
Financing costs	-	(110,509)	(49,556)	(99,604)	164,466	(95,203)
Impairment and fair value adjustments	(171,465)	(91,752)	(12,213)	(326,890)	12,298	(590,022)
Zakat	(60,291)	(13,517)	(554)	(4,022)	-	(78,384)
Share of loss after tax and zakat of associates	-	-	-	-	(102,331)	(102,331)
Share of profit/(loss) after tax and zakat of jointly controlled entities	-	-	-	1,173	(21,403)	(20,230)
Tax expense	-	(226,020)	16,657	(18,549)	(7,348)	(235,260)
	2,485,807	629,664	136,113	(219,348)	(981,165)	2,051,071
Segment assets						
Assets by segment	63,575,194	63,074,692	4,840,271	5,772,153	(13,404,427)	123,857,883
Investments in associates	745,454	-	-	-	(20,338)	725,116
Deferred tax assets	-	70,435	117,771	6,812	-	195,018
Total	64,320,648	63,145,127	4,958,042	5,778,965	(13,424,765)	124,778,017
Segment liabilities						
Liabilities by segment	747,753	58,927,990	1,621,707	4,360,218	(7,106,226)	58,551,442
Deferred tax liabilities	-	-	331,787	3,466	(102,930)	232,323
Total	747,753	58,927,990	1,953,494	4,363,684	(7,209,156)	58,783,765

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

46. Segment information (cont'd.)

	Investment RM'000	Banking & Takaful RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
2015						
Revenue						
Revenue from external customers	2,286,103	3,310,607	455,784	928,618	-	6,981,112
Inter-segment revenue	1,797,301	-	-	312,492	(2,109,793)	-
	4,083,404	3,310,607	455,784	1,241,110	(2,109,793)	6,981,112
Profit for the year						
Operating profit	3,787,816	991,650	185,166	284,248	(1,671,561)	3,577,319
Financing costs	-	(83,395)	(23,112)	(140,619)	163,166	(83,960)
Impairment and fair value adjustments	(192,927)	(73,819)	19,641	233,044	39,553	25,492
Zakat	(59,262)	(9,170)	-	(4,726)	-	(73,158)
Share of loss after tax and zakat of associates	-	-	-	9,135	(20,998)	(11,863)
Share of profit/(loss) after tax and zakat of jointly controlled entities	-	-	-	43,092	(15,508)	27,584
Tax expense	-	(212,319)	(1,930)	(23,632)	(7,182)	(245,063)
	3,535,627	612,947	179,765	400,542	(1,512,530)	3,216,351
Segment assets						
Assets by segment	59,380,137	57,299,739	4,692,075	5,940,561	(10,560,641)	116,751,871
Investments in associates	816,267	-	-	18,322	92,850	927,439
Deferred tax assets	-	64,089	85,525	5,695	-	155,309
Total	60,196,404	57,363,828	4,777,600	5,964,578	(10,467,791)	117,834,619
Segment liabilities						
Liabilities by segment	734,214	53,668,102	1,655,188	4,189,117	(4,853,505)	55,393,116
Deferred tax liabilities	-	-	348,012	1,061	(139,878)	209,195
Total	734,214	53,668,102	2,003,200	4,190,178	(4,993,383)	55,602,311

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

47. Capital commitment

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Contracted but not accounted for in the financial statements:				
Property, plant and equipment	98,127	75,110	-	-
Investment properties	344,393	634,074	344,393	634,074
Plantation development expenditure	268	-	-	-
Property development costs	89,360	85,174	-	-
Investments	200,146	194,625	200,146	194,625
	732,294	988,983	544,539	828,699
Authorised but not contracted for:				
Property, plant and equipment	91,161	93,318	-	-
Investment properties	2,238,550	43,560	2,238,550	43,560
Plantation development expenditure	166,778	224,614	-	-
	2,496,489	361,492	2,238,550	43,560

48. Related party transactions

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

The Group has related party relationship with its subsidiaries (Note 22), associates (Note 21), jointly controlled entities (Note 20), Directors and key management personnel (Note 48(b)).

(a) Significant related party transactions

In addition to transactions presented in the financial statements, the aggregate value of transactions and outstanding balances relating to entities over which the Group and **TH** have controls or significant influence are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

48. Related party transactions (cont'd.)

(a) Significant related party transactions (cont'd.)

	Group		TH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Jointly controlled entities				
Charter hire of vessels	23,627	49,054	-	-
Dividend	-	-	175	1,910
Management fees	(3,480)	(2,580)	-	-
Balance at year end	562,368	190,477	4	2
Associates				
Dividend	-	-	7,759	17,581
Income from debt securities	3,795	3,500	3,795	3,500
Balance at year end	3,279	2,095	3	2,095
Subsidiaries				
Dividend	-	-	210,683	1,347,006
Profit from financing	-	-	45,025	71,513
Income from debt securities	-	-	142,483	130,313
Rental	-	-	37,175	34,044
Balance at year end	-	-	663,264	422,601

(b) Remuneration of directors and key management personnel

	TH	
	2016	2015
	RM'000	RM'000
Directors:		
Fees and other emoluments	581	585
Other key management personnel:		
Short term employee benefits	37,822	33,907

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (*cont'd.*)

48. Related party transactions (*cont'd.*)

(b) Remuneration of directors and key management personnel (*cont'd.*)

Directors include Chairman and non-executive and non-independent directors. Other key management personnel comprise Group Managing Director and Chief Executive Officer of **TH** and other personnel having authority and responsibility for planning, directing and controlling the activities of the Group and **TH** either directly or indirectly.

In accordance with Section 7 of **TH** Act (Act 535), the Board of Directors of **TH** shall not be entitled to any remuneration but may be paid such honorarium and travelling and subsistence allowances as the Minister may determine. The Chairman and the Board of Directors of **TH** received monthly allowances of RM18,500 and RM2,500 respectively, and RM1,000 meeting allowance and RM500 meeting allowance for any other committees that the Board represents.

49. Financial risk management policies

The Group has exposure to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Market risk
- iii) Liquidity risk

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its investments in financial instruments, financing and advances undertaken by banking operations and trade receivables.

- **Investments in financial instruments**

Credit risk arising from trade and investment activities are monitored by providing guidelines for the specific limits including counterparty trading limits and investment limits allowed for instruments issued by private entities, subject to the prescribed minimum scoring limits.

Investments are allowed only in highly liquid securities and only with counterparties that have a same credit scoring or better than the Group.

- **Financing**

The management of credit risk for financing activities is principally carried out by using sets of policies and guidelines approved by Board of Directors.

The credit risk management of the banking sector includes the establishment of comprehensive credit risk policies, guidelines and procedures which documents the financing standards, discretionary powers for financing approval, credit risk ratings methodologies and models, acceptable collaterals and valuation, and the review, rehabilitation and restructuring of problematic and delinquent financing of the banking sector.

The banking sector monitors its credit exposures either on a portfolio basis or individual basis by annual reviews. Credit risk is proactively monitored through a set of early warning signals that could trigger immediate reviews of the portfolio. The affected portfolio or financing is placed on a watch list to enforce close monitoring and prevent financing from turning non-performing and to increase chances of full recovery.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

49. Financial risk management policies (cont'd.)

Credit risk (cont'd.)

- Takaful

The takaful sector has takaful and other receivables and investment securities balances that are subject to credit risk. To mitigate the risk of the counterparties not paying the amount due, Takaful has established certain business and financial guidelines for brokers/retakaful approval, incorporating ratings by major agencies where applicable and considering currently available market information. Takaful also periodically review the financial stability of brokers/retakaful companies from public and other sources and the settlement trend of amounts due from these parties.

- Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount and period.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The ageing of trade receivables as at the end of the reporting period were:

	Gross RM'000	Impairment RM'000	Net RM'000
Group			
2016			
Between 1 and 30 days	632,170	-	632,170
Past due 31 to 60 days	6,487	-	6,487
Past due 61 to 90 days	41,479	(1,037)	40,442
Past due more than 90 days	140,361	(4,005)	136,356
	820,497	(5,042)	815,455
2015			
Between 1 and 30 days	449,296	-	449,296
Past due 31 to 60 days	64,127	-	64,127
Past due 61 to 90 days	20,388	(257)	20,131
Past due more than 90 days	34,573	(5,814)	28,759
	568,384	(6,071)	562,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

49. Financial risk management policies (cont'd.)

Market risk

Market risk is the risk that market prices and rates will move, affecting financial position and results of the Group's cash flows. Furthermore, significant or sudden movements in rates could affect the Group's liquidity/funding position. The Group is exposed to the following main market factors:

- **Rate of return or profit rate risk**

The potential impact on the Group's profitability caused by changes in the market rate of return, either due to general market movements or due to issuer/borrower specific causes.

- **Foreign exchange risk**

Changes in exchange rates may have an impact on the Group's foreign currency position. The Group controls the overall foreign exchange risk by limiting the open exposure to non-Ringgit positions on an aggregate basis. Foreign exchange limits are approved by the set up committees and independently monitored daily by the Market Risk Management Department ("MRMD") of the banking sector.

- **Equity investment risk**

The Group's equity positions or investments are exposed to the changes in equity prices or values that may affect the profitability of the Group.

- **Commodity inventory risk**

The risk of loss is due to movements in commodity prices.

- **Displaced commercial risk**

The risk arising from assets managed by the banking sector on behalf of depositors/investors as the banking sector follows the practice of potentially foregoing part or all of its Mudharib share of profit on these assets.

The objective of the Group's market risk management is to manage and control market risk exposures in order to optimise return on risk while maintaining a market risk profile consistent with the Group's approved risk appetite.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due, or might have to fund these obligations at excessive cost. This risk can arise from mismatches in the timing of cash flows. The Group's exposure to liquidity risk arises primarily from trade payables, financing, deposits from banking customers and deposits and placements of banks and other financial institutions.

The management of liquidity and funding of the banking sector is primarily carried out in accordance with the Bank Negara Malaysia Liquidity Framework and practices, and approved limits and triggers. These limits and triggers vary to take account of the depth and liquidity of the local market in which the banking sector operates. The banking sector maintains a strong liquidity position and manages the liquidity profile of its assets, liabilities and commitments to ensure that cash flows are appropriately balanced and all obligations are met when due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

50. Fair value of financial assets and liabilities

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. Fair value is the amount at which the financial assets could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value of financial instruments of the Group and **TH** which comprise cash and cash equivalents, deposits and placements with banks and other financial institutions and short-term financing are not very sensitive to changes in market gains due to the limited maturity of these financial instruments. Therefore, the carrying amount of financial assets and liabilities at the balance sheet date approximated their fair values.

The fair values are based on the following methodologies and assumptions:

Deposits and placements with banks and other financial institutions

For deposits and placements with financial instruments with maturities of less than six months, the carrying value is a reasonable estimate of fair values. For deposits and placements with maturities six months and above, the estimated fair values are based on discounted cash flows using prevailing money market profit rates at which similar deposits and placements would be made with financial instruments of similar credit risk and remaining year to maturity.

Financial assets held-for-trading and financial assets available-for-sale

The estimated fair values are generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been estimated by reference to market indicative yields or net tangible asset backing of the investee.

Financing

Their fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financings with similar credit risks and maturities. The fair values are represented by their carrying value, net of specific allowance, being the recoverable amount.

Deposits from banking customers

The fair values of deposits are deemed to approximate their carrying amounts as rate of returns are determined at the end of their holding periods based on the profit generated from the assets invested.

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than six months approximate the carrying values. For deposits and placements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market profit rates for deposits and placements with similar remaining year to maturities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (*cont'd.*)

50. Fair value of financial assets and liabilities (*cont'd.*)

Bills and acceptance payable

The estimated fair values of bills and acceptance payables with maturity of less than six months approximate their carrying values. For bills and acceptance payable with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for borrowings with similar risks profile.

Fair value hierarchy

FRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques adopted are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's assumptions. The fair value hierarchy is as follows:

- a) Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- b) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This level includes profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia indicative yields or counterparty credit risk.
- c) Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

50. Fair value of financial assets and liabilities (cont'd.)

Fair value information

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total	Total
2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
Financial assets										
Derivative assets	153,951	124,572	-	278,523	-	-	-	-	278,523	278,523
Securities held-for-trading	169,361	608,249	-	777,610	-	-	-	-	777,610	777,610
Securities available-for-sale	21,000,134	24,172,910	1,455,023	46,628,067	-	-	7,125	7,125	46,635,192	46,635,616
Financing	-	-	-	-	-	-	39,233,082	39,233,082	39,233,082	39,189,274
Securities held-to-maturity	-	-	-	-	93,990	2,831,202	57,703	2,982,895	2,982,895	2,979,911
	21,323,446	24,905,731	1,455,023	47,684,200	93,990	2,831,202	39,297,910	42,223,102	89,907,302	89,860,934
Financial liabilities										
Derivative liabilities	-	111,089	-	111,089	-	-	-	-	111,089	111,089
Financing	-	-	-	-	-	-	2,656,861	2,656,861	2,656,861	2,490,428
	-	111,089	-	111,089	-	-	2,656,861	2,656,861	2,767,950	2,601,517
TH										
Financial assets										
Derivative assets	141,699	-	-	141,699	-	-	-	-	141,699	141,699
Securities available-for-sale	20,175,824	11,443,195	1,450,044	33,069,063	-	-	-	-	33,069,063	33,069,063
Securities held-to-maturity	-	-	-	-	-	4,720,059	-	4,720,059	4,720,059	4,720,059
	20,317,523	11,443,195	1,450,044	33,210,762	-	4,720,059	-	4,720,059	37,930,821	37,930,821

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

50. Fair value of financial assets and liabilities (cont'd.)

Fair value information (cont'd.)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair value	Carrying
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total	amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2015										
Group										
Financial assets										
Derivative assets	7,268	119,259	-	126,527	-	-	-	-	126,527	126,527
Securities held-for-trading	220,177	449,829	-	670,006	-	-	-	-	670,006	670,006
Securities available-for-sale	17,321,566	20,917,063	152,641	38,391,270	-	3,450,648	1,116,864	4,567,512	42,958,782	42,959,178
Financing	-	-	-	-	-	-	34,334,821	34,334,821	34,334,821	34,294,690
Securities held-to-maturity	-	-	-	-	61,770	3,339,299	59,352	3,460,421	3,460,421	3,460,413
	17,549,011	21,486,151	152,641	39,187,803	61,770	6,789,947	35,511,037	42,362,754	81,550,557	81,510,814
Financial liabilities										
Derivative liabilities	-	101,913	-	101,913	-	-	-	-	101,913	101,913
Financing	-	-	-	-	-	-	2,548,637	2,548,637	2,548,637	2,540,381
	-	101,913	-	101,913	-	-	2,548,637	2,548,637	2,650,550	2,642,294
TH										
Financial assets										
Derivative assets	60,107	-	-	60,107	-	-	-	-	60,107	60,107
Securities available-for-sale	16,287,305	8,157,254	-	24,444,559	-	3,685,780	1,109,720	4,795,500	29,240,059	29,240,059
Securities held-to-maturity	-	-	-	-	-	5,134,675	-	5,134,675	5,134,675	5,134,675
	16,347,412	8,157,254	-	24,504,666	-	8,820,455	1,109,720	9,930,175	34,434,841	34,434,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

51. Contingent liabilities

	Group	
	2016	2015
	RM'000	RM'000
Guarantees		
i) Bank guarantee issued to trade customers	7,049	9,479
ii) Corporate guarantee issued for banking facilities extended to subsidiary companies	51,947	95,147

Litigation

A minority shareholder of a former subsidiary in Indonesia had taken legal action against two subsidiary companies of **TH** at District Court of South Jakarta. Based on the decision of the District Court dated 16 January 2014, the District Court had decided that the Extraordinary Shareholders' General Meeting held on 26 November 2006 was invalid. The subsidiary companies of **TH** filed an appeal at the High Court on 24 January 2014 and the High Court, on 11 December 2014, had decided in favour of the subsidiary companies. The decision of the High Court was presented to the Plaintiff on 6 January 2015. The Plaintiff filed an appeal at the Supreme Court of the Republic of Indonesia against the decision of the High Court. On 28 August 2015, the Supreme Court rejected the appeal that was made by the Plaintiff and the full judgement of the Supreme Court was issued on 17 March 2016. The Board of Directors of the two subsidiary companies are of the opinion that there is no significant financial impact on their financial position for the year ended 31 December 2016 as the decision by the Supreme Court of the Republic of Indonesia is in favor of **TH**.

On 21 July 2016, the Plaintiff filed for Judicial Review in relation to the judgment of the Supreme Court of the Republic of Indonesia. Subsequently, on 25 October 2016, **TH** filed counter Memorandum of Judicial Review against the Memorandum of Judicial Review submitted by the Plaintiff to the Supreme Court of the Republic of Indonesia via District Court of South Jakarta. The Judicial Review submitted by the Plaintiff could take up a period of up to three years to be decided by panel of judges.

52. Comparative figures

Statements of financial position of the Group and **TH** as at 31 December 2015 have been restated in accordance with reclassifications of certain assets. Effects of the reclassification on the statements of financial position of the Group and **TH** are as follows:

	At 31.12.2015			
	Group		TH	
Statements of Financial Position	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Assets				
Cash and cash equivalents	15,502,837	15,103,265	11,390,436	10,990,864
Securities available-for-sale	42,959,178	43,465,824	29,240,059	29,901,837
Trade and other receivables	1,907,051	1,799,977	1,025,470	918,396
Investment in subsidiaries	-	-	4,960,679	4,805,547

