





# **GROWTH FOR POSTERITY**

**ANNUAL REPORT 2023** 

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# **BASIS OF THIS REPORT**

## Our Annual Report provides a holistic and material assessment of the THP Group's ability to create long-term and sustainable value for our stakeholders.

As an important communication platform, the report reviews TH Plantations Berhad ("THP Group" or "THP") progress against its strategies, taking into consideration the risks and opportunities present in our operating environment. The report also details our operational, governance and sustainability performance.

The report covers the activities of THP Group and all our operating subsidiaries for the financial year 1 January 2023 to 31 December 2023, with financial and non-financial data presented in a consolidated manner.

#### **REPORTING FRAMEWORKS**

We have prepared our report in adherence to the principles and requirements of the Malaysian Financial Reporting Standards, the Main Market Listing Requirements, the Malaysian Code on Corporate Governance 2021 and the Companies Act 2016.

tements characterised by the use of words or phrases such as "might", "forecast", "anticipate", ect", "continue", "will", "estimate", "target", and other similar expressions. The report may also provements in production or stipulate a certain course of action with regard to our business. tee future operating, financial or other results as these may involve certain risks and uncertainties. atements here do not provide a warranty or guarantee that the anticipated results mentioned by

suring the integrity of this Annual Report 2023. It is in the Board's opinion that this integrated irly presents the holistic performance of THP Group.

#### MOHAMED ZAINURIN BIN MOHAMED ZAIN

Chief Executive Officer

## CORPORATE INFORMATION

AS OF 20 FEBRUARY 2024

#### **BOARD OF DIRECTORS**

Datuk Dr. Ahmad Kushairi bin Din Chairman Independent Non-Executive Director

Syed Hamadah bin Syed Othman Non-Independent Non-Executive Director (Appointed on 5 September 2023)

YM Tengku Dato' Seri Hasmuddin bin Tengku Othman Non-Independent Non-Executive Director

Dr. Shahril bin Simon Non-Independent Non-Executive Director (Appointed on 17 November 2023)

Haji Bakri bin Jamaluddin Independent Non-Executive Director

#### BOARD AUDIT, RISK & **GOVERNANCE COMMITTEE**

Muhammad Ramizu bin Mustaffa Chairman Independent Non-Executive Director

YM Tengku Dato' Seri Hasmuddin bin Tengku Othman Member Non-Independent Non-Executive

Director Haji Bakri bin Jamaluddin

Member Independent Non-Executive Director

Dr. Nurmazilah binti Dato' Mahzan Member Independent Non-Executive Director (Appointed on 15 December 2023)

Muhammad Ramizu bin Mustaffa Independent Non-Executive Director

Dr. Nurmazilah binti Dato' Mahzan Independent Non-Executive Director (Appointed on 11 September 2023)

Kasmuri bin Sukardi Independent Non-Executive Director (Appointed on 8 December 2023)

Fahda Nur binti Ahmad Kamar Independent Non-Executive Director (Appointed on 28 December 2023)

**BOARD NOMINATION &** 

Haji Bakri bin Jamaluddin

Chairman

24 July 2023)

Tengku Othman

Member

Director

Member

Member

**REMUNERATION COMMITTEE** 

(Redesignated as Chairman on

Independent Non-Executive Director

YM Tengku Dato' Seri Hasmuddin bin

Non-Independent Non-Executive

Muhammad Ramizu bin Mustaffa

(Appointed on 24 July 2023)

Kasmuri bin Sukardi

Independent Non-Executive Director

Independent Non-Executive Director

(Appointed on 15 December 2023)

#### **BOARD INVESTMENT** COMMITTEE

Dr. Nurmazilah binti Dato' Mahzan Chairman Independent Non-Executive Director (Redesignated as Chairman on 15 December 2023)

Muhammad Ramizu bin Mustaffa Member Independent Non-Executive Director

Dr. Shahril bin Simon Member Non-Independent Non-Executive Director (Appointed on 28 November 2023)

Fahda Nur binti Ahmad Kamar Member Independent Non-Executive Director (Appointed on 28 December 2023)

CHIEF	EVECUIT	IVE OFFICER
CHIEF	EVECOL	

#### Mohamed Zainurin bin Mohamed Zain

Aliatun binti Mahmud (LS 0008841) (SSM PC No. 201908003467)

(LS 0008555)

11<sup>th</sup> Floor

Tel

Fax

Email

#### **AUDITORS**

KPMG PLT Level 10 KPMG Tower 8 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan

Tel : 03 7721 3388 : 03 7721 3399 Fax Website : www.kpmg.com.my

#### **INVESTOR RELATIONS &** ENQUIRIES

Head, Investor Relations Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur

: 03 2603 4800 Tel : 03 2603 4699 Fax Email : info@thplantations.com

#### PLACE OF INCORPORATION AND DOMICILE

Malaysia

WEBSITE

#### CORPORATE INFORMATION AS OF 20 FEBRUARY 2024

#### **COMPANY SECRETARIES**

Wan Nurul Hidayah binti Wan Yusoff (SSM PC No. 201908003468)

#### SHARE REGISTRAR

#### Boardroom Share Registrars Sdn. Bhd.

Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya

Selangor Darul Ehsan

- : 03 7890 4700
- : 03 7890 4670
- Website : www.boardroomlimited.com
  - : BSR.Helpdesk@
  - boardroomlimited.com

#### PRINCIPAL BANKERS

Bank Islam Malaysia Berhad Maybank Islamic Bank Berhad

#### **REGISTERED OFFICE**

Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur

Tel : 03 2603 4800 : 03 2603 4695 Fax Email : info@thplantations.com

#### PRINCIPAL PLACE OF BUSINESS

Level 17, 18 & 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur

Tel	:	03 2603 4800
Fax	:	03 2603 4695
Email	:	info@thplantations.com

#### STOCK EXCHANGE LISTING

#### Main Market of Bursa Malaysia **Securities Berhad**

Listing Date : 27 April 2006 Stock Name : TH PLANT Stock Code : 5112

www.thplantations.my

# CORPORATE STRUCTURE

AS AT 20 FEBRUARY 2024



#### CORPORATE STRUCTURE AS AT 20 FEBRUARY 2024

# CHAIRMAN'S STATEMENT

التسكم علىكم ومحذ التنوير كاتم

Assalamualaikum Warahmatullahi Wabarakatuh

#### DEAR VALUED SHAREHOLDERS,

It is my honour to present to you TH Plantations Berhad's ("THP Group") Annual Report 2023 for the financial year ended 31 December 2023 ("FY2023").

In our pursuit of excellence to deliver long-term value to our stakeholders, THP Group stayed the course during the year under review and successfully completed the strategies laid out under the Strategic Recovery Plan, comprising the Rationalisation and Transformation phases, that has strengthened our foundation for the future.



DATUK DR. AHMAD KUSHAIRI BIN DIN Chairman

# OGRESSING RWARD, CCEEDING **OGETHER**

THP Group has completed the initiatives under the Rationalisation and Transformation phases.

TH Plantations Berhad is part of **Bursa Malaysia's FTSE4GOOD Bursa Index & FTSE4GOOD** Bursa Malaysia Syariah Index.

The Board approved the **THP 5-year Strategic Business** Plan: AL-Falah 22/22.

#### **OUR MARKETPLACE IN 2023**

For the financial year ended 31 December 2023, THP Group The industry dealt with lower Crude Palm Oil ("CPO") prices in 2023, following the exceptional events of the previous year like recorded a revenue of RM752.03 million, lower than RM881.26 the Russian-Ukraine war and Indonesia curbing exports through million in FY2022, due to lower average realised prices for CPO, its Domestic Market Obligation policy. As the conflict in Ukraine Palm Kernel ("PK") and Fresh Fruit Bunches ("FFB"), which dropped subsided, prices of fertiliser also declined by about 30% during 18.0%, 32.5% and 33.7% respectively. Net Profit After Tax in FY2023 the year under review. The ringgit, meanwhile, has depreciated declined to RM60.10 million compared with RM87.94 million in the significantly against the greenback, as US interest rates reached its previous year. highest in 22 years. While this bodes well for exporters, it has also led to higher operating costs for raw materials. Despite the challenging operating environment, THP Group was

Demand for palm oil products has also returned with China and India, the world's major importers of palm oil, experiencing higher demand for most of the year. However, due to the price weakness of sunflower oil and unexpectedly lower production of soybean and rapeseed in Argentina, all of which are competing vegetable oils, CPO prices were mostly rangebound in 2023.

Weather conditions in the first half of the year were favourable to production, although by August 2023, El Nino hit Indonesia and Brazil. The manpower issue faced earlier by Malaysian planters has The Board approved a dissipated with the gradual return of foreign workers. The prices of total dividend payout of 2.00 sen per share. palm oil products stayed in the range of RM3,640.00 to RM4,217.50 throughout 2023, which was a decline of 25.1% compared to 2022.

Against this backdrop, the country recorded an overall CPO production of 18.55 million tonnes in 2023, slightly higher than 18.45 million tonnes in 2022, but lower than 19.86 million tonnes in 2019.



#### CHAIRMAN'S STATEMENT

**OUR FINANCIAL HIGHLIGHTS** 

able to generate higher FFB production of 787,741 Mt, as evidenced by the improved productivity from 13.21 Mt/Ha in 2022 to 15.18 Mt/Ha in 2023.

In view of this performance, the Board approved a total dividend payout of 2.00 sen per share amounting to RM17.68 million payout on the back of a stable financial position and in appreciation to the unwavering support from the shareholders.

Revenue RM752.0 million

Profit After Tax **RM60.1** million

#### **OUR STRATEGY**

The year 2023 marked the conclusion of the THP Group's Strategic Recovery Plan, a broad-ranging initiative designed to position us on a stronger footing as we move towards our next trajectory. We were able to achieve a firmer capital structure with the completion of our sukuk programme in 2022 which then gave us more flexibility to undertake estate rehabilitation and consolidation programme, a long-term replanting programme while taking advantage of opportunities in the future.

For the year under review, THP Group has completed its rehabilitation and consolidation initiatives of the various estates while continuing improvement programmes at our mills. As a result, we were able to improve efficiency, productivity and cost management. With higher volume of FFB purchased from smallholders, THP Group was able to optimise capacity of the mills and improve its utilisation rates.

#### CHAIRMAN'S STATEMENT

	Components	Objectives	Strategies
Rationalisation Phase	Capital Structure	Restructuring of sukuk	Aim for an optimal capital structure in improving liquidity
Transformation Phase	Operational Efficiency	Improve yields and profitability	Focus on back-to-basic in increasing yields and reducing costs
	Value Creation Initiatives	Broaden income pool and improve business margin	Explore new business opportunities



#### PUTTING OUR SUSTAINABILITY FOOT FORWARD

As part of the industry that has a direct impact on the environment, THP Group remains mindful of our role and responsibility in upholding Environmental, Social and Governance ("ESG") practices.

I am pleased that TH Plantations Berhad is now part of Bursa Malaysia's FTSE4GOOD Bursa Index & FTSE4GOOD Bursa Malaysia Syariah Index, effective 19 December 2022. This is a testament of our positive ESG management, maintaining a respectable overall rating index above 3.3 as per the FTSE Russell ESG Rating Methodology.

THP Group has also increased efforts to improve the efficiency and effectiveness of our energy management in the mills, by replacing boilers and turbines gradually with more energy-efficient units to optimise fuel consumption, while generating biomass-based renewable energy.

In addition, we took proactive steps to reduce our carbon footprint during the year under review. In particular, we set up a joint venture with a third-party to implement biogas capture at our mill in Kluang, Johor. This unit is the first of many to come and will help to reduce greenhouse gas emissions at the operational level. In addition, we are also looking at the possibility of using hybrid generator sets available in the market to further reduce gas emissions.

I am also pleased to inform that THP Group has maintained a record of zero fatal accidents at work for seven consecutive years since 2017 as a result of continuous monitoring, training, and reskilling through commitments by employees and contractors.

On governance, we have reactivated the Board Investment Committee in 2023 to deliberate on investment proposals prior to tabling to the Board for approval. This would help to expedite decision-making and approval process. Board papers have been digitalised for dissemination to Board members in a timely manner.

While much have been achieved in FY2023, we are mindful that ESG can be a complex concept for many. For all our employees from different backgrounds, education and levels of experiences to embrace the various ESG initiatives, we understand the need to continuously communicate in a simple manner to ensure better understanding and commitment at all levels.

The Sustainability Team has continuously been sharing information with employees on related ESG topics through internal online platforms and during the Sustainability Month knowledge sharing sessions. Such measures are envisioned to educate employees at all levels to be more knowledgeable in ESG and how they too can play their part and collectively, through everyone's cooperation, THP Group can make a difference.

The Sustainability Team is tasked with preparing a detailed plan for the Board, outlining the targeted ESG goals and objectives for the next five years, describing how to achieve them, and planning the activities that will take place in the near term.



More on Sustainability can be found in the Sustinability Statement report on page 26



#### CHAIRMAN'S STATEMENT

**OUR VALUES, OUR PRIDE** 

Like the saying goes, "No one has a greater asset for their business than a person's pride in their work." Here at THP Group, we advocate for our employees to take pride in their work.

In FY2023, we made it a point to conduct several training sessions on our core values, across various levels of employees, both in Peninsular Malaysia as well as Sabah and Sarawak. One of the key programmes was "My Job, My Pride", which emphasised being accountable in our work so that we can be proud of what we do.

THP Group also organised development programmes for those who have been promoted, to equip them with the necessary skill sets in managing bigger roles and responsibilities. There were a series of leadership programmes conducted for management level with the focus on becoming effective leaders and role models in the organisation.

THP Group organised a Plantation Managers Conference 2023 with the aim to drive positive change, ensuring strategic alignment with the organisation's goals and direction, enhancement of leadership, communication and decision making skills, as well as knowledge sharing sessions.

We are confident that with such consistent talent development programmes, our employees would be more confident in their respective roles and tasks, and in turn, become more committed in delivering the expected performance.

#### CHAIRMAN'S STATEMENT

#### **OUTLOOK AND PROSPECTS**

According to the International Monetary Fund ("IMF"), the global economy is expected to see modest growth in 2024, as the likelihood of a soft landing is now higher with the fears of widespread recession among the world's leading economies slowly fading. Headline inflation is expected to continue to decline, as well as core inflation, which excludes energy and food prices.

In the plantation sector, CPO prices are expected to remain firm due to the tightness in supply and demand. The impact of the El Nino phenomenon is expected to be felt in 2024, with rain deficits resulting in lower FFB production.

Meanwhile, demand, following from 2023, is anticipated to remain robust in 2024, thanks to the strong demand for food and biodiesel.

Moving forward, I am pleased to inform that the Board has approved the THP Group's 5-year Strategic Business Plan (2024-2028), known as AL-Falah 22/22, which serves as a roadmap in mapping our journey for sustainable growth and profitability. The Arabic term AL-Falah, means 'towards success', and this strategic plan is anticipated to drive our

growth trajectory over the next five years. It clearly outlines the THP Group's vision, mission, and core values, that is to strive for excellence in sustainable business by creating opportunities with positive growth and impact.

The AL-Falah 22/22 has four missions to achieve as follows:

- Delivering optimal returns to Shareholders, Practicing Fair Trade and Conducive Working Environment
- Continuous commitment on Environmental Demands and Social Engagement whilst upholding high standard of Governance and Integrity
- Building a Sustainable Business by Development of Human Capital, Marketing, Technology & Financial Management
- Improving operational efficiency by adopting Good Agriculture Practices & Good Manufacturing Practices in achieving and delivering Best Quality Products



To accomplish the ambitious goals outlined in AL-Falah 22/22, the Management has identified three strategic thrusts:

1	Strengthening Financial, Monitoring & Management
2	Proactive Management & Sustainable Operations
3	Enhancing People Capability

All these are premised on our six core values of teamwork, responsive, innovative, integrity, professionalism and guality. Barring any unforeseen circumstances and compared to 2023, THP Group is expected to perform better in the year ending 2024.

#### ACKNOWLEDGEMENTS

The backbone of any successful organisations is a group of talented and committed workforce, and I would like to express my appreciation to all employees for their hard work and tenacity in driving the business forward.

On behalf of the Board, I would like to thank former Board members Dato' Sri Amrin Awaluddin, Datuk Dr. Kamilia Ibrahim, Ir. Mohamed Ajmel Hafiz Jamaludin and Encik Dzul Effendy Ahmad Hayan for their guidance and contributions during their tenure.

I would also like to take this opportunity to welcome new Board members, namely Tuan Syed Hamadah Syed Othman, Dr. Nurmazilah Dato' Mahzan, Dr. Shahril Simon, Encik Kasmuri Sukardi and Puan Fahda Nur Ahmad Kamar. We look forward to their wisdom, and sharing of knowledge and experiences, which I trust will benefit THP Group in achieving its goals and objectives.

Thank You. Wassalamualaikum Warahmatullahi Wabarakatuh

DATUK DR. AHMAD KUSHAIRI BIN DIN Chairman

#### CHAIRMAN'S STATEMENT



#### DEAR SHAREHOLDERS,

TH Plantations Berhad ("THP Group") navigated through the year with a resilient performance, anchored by steady palm oil product prices. I am pleased to report that we have successfully implemented our Strategic Recovery Plan with the second thrust, the Transformation Phase, producing significant positive results. Our shareholders will be pleased to know that THP Group is now on a much firmer footing operationally and as a result, we are in a stronger position moving forward, which I will elaborate on in this statement.



**MOHAMED ZAINURIN BIN MOHAMED ZAIN** Chief Executive Officer

# ADVANCING AMIDST ADVERSITY

**BUSINESS HIGHLIGHTS** 

13.2% Higher FFB Production

15.18 Mt/Ha Higher Yield

> 14% Lower Direct Cost of CPO Production

1:12 Improved Worker Ratio/Ha

**0.58 times** Improved Debt to Equity Ratio



Malaysia also saw an overall modest increase in production, as the manpower crunch faced in previous years was gradually resolved with the return of foreign workers. While stockpiles increased year-on-year, higher domestic consumption has helped to ease supplies.

#### **OUR TRANSFORMATION SUCCESS**

In 2023, we concluded the Transformation Phase of our Strategic Recovery Plan, turning us into a more efficient plantation company and elevated the ecosystem around us.

The success of our Transformation Phase initiatives was only made possible thanks to the wholehearted commitment of all our employees to the various programmes. They demonstrated adaptability and agility in a fast-changing environment, quickly finding solutions when faced with challenges. As such, we were able to achieve the various positive outcomes as listed below.

TRANSFORMATION PHASE INITIATIVES	
1 Scheduled Replanting Programme	<ul> <li>Completed Sungai Me</li> </ul>
2 Asset Consolidation & Rehabilitation	<ul> <li>Completed and Saraw</li> <li>Moving for efficiency</li> </ul>
3 Increasing FFB Purchase	<ul> <li>A Two-Pro with Local</li> <li>Aggressive Bunches (' transporta</li> <li>Increased</li> <li>Improved</li> </ul>

# CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS



#### OUR MARKETPLACE

The price of crude palm oil ("CPO") experienced a downward trend for most of 2023 due to softer prices of competing edible oils like sunflower oil and soy oil, cautious demand on global recessionary fears and ample supply of edible oils around the world. Sunflower oil prices had declined sharply during the year under review due to high sunflower seed stock in Russia & Ukraine and Indonesia's decision on their Domestic Mandatory Obligation ("DMO").

Although CPO prices were lower from the previous year's historic highs, they remained firm in 2023 due to demand from major importers China, India, EU and Indonesia, coupled with the expected impact of El Nino on production of competing edible oils in the second half of 2023.

#### OUTCOME

ed the replanting exercise according to the yearly replanting programme at engah Estate, Bukit Gold Estate and Bukit Belian Estate.

ed the rehabilitation and consolidation efforts in Peninsular Malaysia, Sabah, wak in three phases.

orward, we will primarily focus on routine tasks, with emphasis on sustained and continuous improvement.

.....

onged Strategy: Optimising Mills Capacity & Strategic Partnership Programme I Smallholders.

re management in outsourcing and purchasing of external Fresh Fruit ("FFB") from Local Smallholders at fair price, cash payment terms and lower ation cost.

the number of local suppliers and quantity of FFB purchased.

I mills capacity and utilisation rate.

TRA	NSFORMATION PHASE INITIATIVES	OUTCOME
4	Improve Agronomic Input and Quality	<ul> <li>Implemented a fertiliser programme to maximise manuring application.</li> <li>Maintain a suitable water-table depth.</li> <li>Retain soft grasses in fields as a natural groundcover.</li> <li>Ensure optimum number of fronds and pruning.</li> <li>Maintain good cover crops in immature and young mature areas.</li> </ul>
5	Effective Manpower Capability & Knowledge	<ul> <li>Upgraded the Performance Management System.</li> <li>Introduced THP Group's One Page Strategy and Management &amp; Monitoring System.</li> <li>Increased training and encouraged knowledge sharing practices.</li> <li>Training Programmes - My Job My Pride &amp; Leadership Programme.</li> <li>Plantation Managers Conference 2023.</li> </ul>
6	Enhance Use of Technology	<ul> <li>Implemented Microsoft Power BI Operation Analytics Dashboard to improve monitoring and tracking.</li> <li>Introduced the Digital Meeting Management software.</li> <li>Implemented the In-field Mobile Application for data collection and analysis.</li> <li>Upgraded the HRMIS e-Claim (HQ) (eClaim).</li> <li>Plantation Inventory and UAV Mapping by drone.</li> </ul>
7	Optimise Utilisation of Mills by- products	<ul> <li>A source for renewable energy.</li> <li>Used bio waste as fuel for steam production and power generation.</li> <li>Substitute for inorganic fertiliser.</li> </ul>
8	Expand Mechanisation Initiatives	<ul> <li>Completed the Motorise Cantas initiative to improve young palm harvesting.</li> <li>Increased usage of lighter pole for old palm harvesting.</li> <li>Enhanced usage of Motorise Infield collection machinery.</li> <li>Increased Grabber machines for loading of FFB into bins.</li> <li>Invested approximately RM3.28 million of capex and RM1.0 million on leasing for mechanisation.</li> </ul>

One of the key initiatives under the Transformation Phase that have boosted our performance was our commitment to increasing the production of FFB through the various Good Agronomic Practices ("GAP"), manuring and consolidation programmes. These efforts will continue to optimise crop growth and support a good harvest.

In FY2022, we started a strategic partnership programme with local smallholders to purchase their FFB. This initiative proved to be effective in improving our mill utilisation rate. During the year under review, we decided to increase the purchase volume, to ensure that we are consistently sweating our assets. Our aim is to eventually reach a ratio of 70:30 over time whilst ensuring that the quality of FFB from third parties remains consistent, through periodic guidance.

In ensuring that the FFB supply remains consistent and is of similar quality to what we produce, THP Group has conducted training for smallholders on how to improve their processes, which is itself a unique kind of corporate social responsibility programme.

The completion of the capital optimisation initiative and consolidation exercise under the Transformation Phase, THP Group now has a stronger foundation for our five-year replanting programme, as well as the ability to secure better quality seedlings that would generate higher yields in the future. The mechanisation programme and adoption of technology, meanwhile, have served the business well and will be sustained going forward.

#### FINANCIAL PERFORMANCE

In 2023, Malaysian CPO prices suffered a 25% decline in comparison to the previous year. Hence, during the year under review, THP Group recorded RM752.03 million in revenue supported by average realised CPO price of RM3,669 per tonne. The FFB production increased by 13.2% resulting in THP Group achieving a higher yield of 15.18 Mt/Ha in 2023. THP Group also managed to lower its direct cost of CPO production by 14%. THP Group's pre-tax profit declined to RM85.91 million due to higher operating expenses in support of the rehabilitation and consolidation exercises undertaken for the year. THP Group improved its Debt-to-Equity ratio to 0.58 times in comparison to 0.60 times in the previous financial year.

#### **OPERATIONAL PERFORMANCE**

THP Group was able to recruit 1,654 foreign workers in 2023, which helped to ease the labour shortage issue. As a pilot project, a total of 40 workers from Bangladesh have been placed in Ladang Gunung Sumalayang and Ladang Sungai Ibok. THP Group also provides skill training and employee wellbeing programmes for the Foreign Workers in our effort to increase efficiency, productivity and employee morale such as Harvesting Training, Compliance and Quality of Work, OutReach and Religious Programmes. Harvesters' ratio improved to 1:24 from 1:27 in the previous year, although still short of the ideal ratio of 1:20, where else the worker ratio improved to 1:12/Ha in 2023 from 1:14/Ha last year.

In the year under review, THP Group's total landbank reduced marginally to 97,781 hectares from 97,809 hectares a year earlier, due to compulsory acquisition by the State Government. The mature area reduced to 51,875 hectares and the planting area increased by 96% to 1,579 hectares due to our aggressive replanting programme in 2023. The rubber and teak planted areas did not change in 2023.

	Oil Palm 2023						
			In course of				
	Mature	Immature	planting	Planted Area	Others	Total	
	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	
Semenanjung	11,637	787	499	12,923	530	13,453	
Sabah	6,847	1,474	750	9,071	859	9,930	
Sarawak	31,576	-	330	31,906	19,850	51,756	
Indonesia	1,815	-	-	1,815	5,114	6,929	
Total	51,875	2,261	1,579	55,715	26,353	82,068	

	Rubber & Teak 2023						
In course of							
	Mature	Immature	planting	Planted Area	Others	Total	
	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	
Sabah	-	10,380	-	10,380	5,333	15,713	
Total	-	10,380	-	10,380	5,333	15,713	

	Total Land Bank 2023					
			In course of			
	Mature	Immature	planting	Planted Area	Others	Total
	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)
Total	51,875	12,641	1,579	66,095	31,686	97,781

# CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

Year		Oil Palm		Rubber/Teak		
			In course of			
	Mature	Immature	planting	Immature	Others	Total
	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)	(Ha)
2023	51,875	2,261	1,579	10,380	31,686	97,781
2022	52,656	3,491	805	10,380	30,477	97,809

#### **Oil Palm Planted Area (Ha)**



The age profile of our trees remained healthy, as more than half are at their prime maturity, hence giving THP Group enough yields for production. In addition, we have a sufficient pipeline of trees that will come into maturity in the next few years, ensuring that we will have consistent input for our mills.

FFB Production (Mt)



THP Group's FFB Production increased by 13.2% to 787,741 Mt from 695,824 Mt last year. Production of FFB increased across all regions resulting in a higher yield of 15.18 Mt/Ha in 2023 compared to 13.21 Mt/Ha in 2022.

#### CONSOLIDATION

During the year under review, THP Group completed its rehabilitation and consolidation programme, with the focus on integrating operations in Peninsular Malaysia, Sabah and Sarawak to streamline organisational processes. Upon the successful integration of infrastructure in all the three regions, we were able to achieve a cohesive operational framework. Also, thanks to the standardisation of processes that ensure uniformity and efficiency across the areas, THP Group was able to achieve our targeted key milestones in FY2023.

The success of the rehabilitation and consolidation programme, and subsequent efforts, will lead to increased operational efficiency, improved resource allocation, reduced redundancies and improved financial management.

As the rehabilitation and consolidation programme concludes, the strategic focus will now shift towards executing routine tasks with precision and consistency. In addition, THP Group will also place emphasis on sustainable practices, to ensure continuous improvement in operational workflows.

In addition, we will strive for continuous improvement by leveraging on advanced technologies to further enhance efficiency; as well as to empower our employees with the skills necessary for evolving tasks through ongoing relevant training programmes.

#### REPLANTING

The scheduled replanting programme is crucial to ensure the availability of optimal aged trees and sustainable crop production We also saw positive results from the palm census pilot trial using and harvests. We continue to invest actively in our replanting Unmanned Aerial Vehicles ("UAVs") in Sungai Arip and Sungai programme with the aim of reaching optimum palm average age Karangan estates, THP Group is now exploring the use of a and yield across all our estates. On the average, THP Group targets Geographic Information System ("GIS") platform, which if proven to replant a maximum of 5% of the matured area upon the palms successful, will serve as the base for future fleet management using reaching above 25 years of age. GPS tracking.

This year we have successfully completed and achieved the intended targets for replanting at Sungai Mengah Estate, Bukit Gold Estate and Bukit Belian Estate

#### **MECHANISATION**

THP Group continued to implement mechanisation efforts at our estates by leveraging on technology for operational efficiencies as For the year under review, the programme received encouraging well as to reduce dependency on manual labour and overcome support from smallholders that contributed 22.1% to the mills labour shortage. total processing volume and 14.0% of the mills utilisation rate. FFB purchased from third parties marginally declined 5.1% to Building on the success of our Mechanical Crawler trials back in 177,377 Mt from 186,864 Mt in 2022. The declined was due to 2022, we acquired an additional 19 Mechanical Crawlers during palm oil mills being out of commission due to upgrading and the year under review to optimise infield collection in peat areas maintenance activities.

within the Sarawak region. THP Group also added 12 Mechanical Buffalos to our existing fleet to strengthen FFB infield evacuation The programme will continue in 2024 in line with our aim to in mineral soil. These machines were optimised for efficient infield eventually reach a ratio of 70:30 over time, whilst ensuring that transportation on both flat and undulating terrains in Peninsular the quality of FFB from third parties remains consistent through Malaysia as well as Sabah. periodic guidance. This is in line with our aspiration to contribute to the local communities where we operate as well as build trust and loyalty to THP Group.

## CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS



In the Sabah region, we integrated 4 additional tractors with Grabbers to further enhance the mainline collection. In addition, THP Group introduced 2 Weeding Sprayers and two Fertiliser Spreaders to enhance the manuring application process. THP Group invested more than RM 3.8 million in acquiring and RM 1.0 million in leasing the various machineries throughout 2023.

#### **FFB PURCHASE**

THP Group continued to implement its two-pronged strategy to aggressively increase the purchase of FFB from third parties and optimise the capacity of our mills which helped to increase our FFB processed and sales volume.

#### **MILLS PERFORMANCE**

The average oil extraction rate ("OER") decreased marginally to 19.17% from 19.19% a year ago, due to unfavourable weather conditions especially in Johor area at the beginning of the year and closure of Gedong Palm Oil Mill ("GPOM") for boiler retubing works. Kernel extraction rate ("KER"), meanwhile, rose to 4.92% from 4.79% previously due to better kernel loss control and higher nuts to fruitlets ratio.

#### FFB Received 2023 (Mt)



FFB Processed 2023 (Mt)



	Peninsular	Sabah	Sarawak	Average 2023	Average 2022
OER (%)	19.46	19.88	18.54	19.17	19.19
KER (%)	4.79	4.36	5.31	4.92	4.79
Mills Utilisation Rate (%)	80.97	57.10	54.68	63.40	63.70

Average mills utilisation rate for THP Group decreased marginally to 63.40% due to the closure of GPOM



The GPOM was out of commission for the second half of 2023 due to retubing of the mill boiler which resulted in the reduction of the processing capacity in Sarawak. However, this was compensated by direct selling of the FFB to external mills, taking advantage of the stable price of FFB. The GPOM will be operational by January 2024.

#### **Operational Efficiency Programme At Mills**

THP Group had embarked on a two-pronged strategy, Optimising Mills Capacity and Strategic Partnership Programme with Local Smallholders in ensuring our mills achieve its optimal productivity. We continue to actively purchase FFB from third-party suppliers to increase mill utilisation.

Following an assessment of the available technology in the market, THP Group also replaced certain equipment to increase mill efficiency. In 2023, we replaced the press and digestor at Kota Bahagia Palm Oil Mill in Pahang to improve the oil extraction process. The former enables efficient oil extraction while the latter ensures the quality of the extracted oil by sterilising the fruits.

Meanwhile, the GPOM underwent boiler retubing where older tubes of its boiler were either replaced or repaired. This will help to improve steam supply, which in turn enhanced the sterilisation and heating process. Regular maintenance as such, is necessary to ensure the reliability and longevity of boiler systems.

THP Group also invested in new nut crackers to reduce kernel loss and improve cracking efficiency. It is an essential piece of equipment that contributes towards the overall efficiency of palm oil production by maximising the yield of both palm oil and palm kernel oil from harvested fruits.

#### **AGRONOMIC BEST PRACTICES**

Our plantation operations are guided by our Standard Operating Procedure ("SOP") on Good Agronomic Practices ("GAP"). Key focus areas of GAP include managing optimum water levels, implementation of site-specific fertiliser programmes, application of integrated pest management (IPM), selection of suitable herbicides for effective weed control and stringent culling exercise to ensure high quality and good vegetative growth seedlings are planted on field.

Research and Development ("R&D") and agronomic advisory are an integral component of the Agronomy Department. The team consists of four talented professionals who are focused on improving elements of operations such as increasing the quality and quantity of yield. Key areas covered by the team include fertiliser recommendations and plantation research. There were several projects for the year, key highlights of which are:

- Utilisation of oil palm mill by-products such as application of Empty Fruit Bunch ("EFB") on field to improve soil structure, retain soil moisture & organic matter and as an additional source of nutrients.
- Collaborative research with product producers on utilisation of specifically formulated bait for supressing rat population through integrated comprehensive approach.
- Providing technical support service to estate operations in areas of planting material selection and acquisition of seeds requirement to cater the company's current year replanting programme.
- Realignment and establishment of the use of Tyto alba, commonly referred to as barn owls, to control rat populations which is in line with the Environmental, Social and Governance initiatives.
- Updating the SOP on the use of Arbuscular Mychorrhizal Fungi in the nursery by adopting the new practice of Enriched with Effective Microbes Organic Fertiliser application prior to transplanting of seedlings from pre-nursery to main nursery.
- Providing technical training to estate operations by collaborating with industry players relevant to the topics of weed control, pests and disease management and fertilisers.

## CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

Technology continues to play a vital role in helping us to monitor

and evaluate our operational performance, as well as identify areas

for improvement and innovation. In 2023, THP Group invested

into several digitalisation tools that have proven track record in

#### DIGITALISATION

#### Microsoft's Power BI

improving operational efficiencies.

Serves as the THP Group's operation analytics dashboard to improve monitoring and tracking of operational performances.

## Indoor Digital Media

The system consists of digital screen HDTV displays and strategically positioned throughout different locations to enhance communication and interaction among various business units and support functions.

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#### In-field mobile applications

The tool is used in Sabah remote office to help field employees collect and analyse data efficiently. It provides real-time access to information, streamlines processes, and ultimately aids in better decisionmaking while employees are on the go.

We are dedicated to investing in technology as a vital part of our plan to transform operations. Embracing technology advancements is crucial for boosting efficiency, fostering innovation, and overall, achieving our strategic goals more effectively.

#### **OUR SUSTAINABILITY PRACTICES**

THP Group continues to uphold its commitment in achieving sustainability objectives, through various Environmental, Social and Governance ("ESG") activities carried out throughout the year under review.

In October 2023, we launched a joint coastal forest and peatlands conservation programme covering 4,300 hectares in Gunung Arong Forest Reserve Mersing, Johor. The project, a collaborative effort between THP Group, Global Environment Centre and the Johor State Forestry Department, was launched by the Director of the Johor Forestry Department, Dato' Hj. Salim bin Aman. THP Group has allocated RM5.0 million in funding for this seven-year conservation project, beginning from 2023 to 2029.

As part of our continuous estate and mill improvement programme, we enhanced the housing conditions and provided the basic needs for our employees. In addition, a series of talks were conducted by external speakers, from Malaysian Anti-Corruption Commission ("MACC"), to increase employee awareness of anti-corruption.

In compliance with the Department of Environment ("DOE"), THP Group installed Continuous Emission Monitoring System ("CEMS") at all our mills to monitor and measure emissions of pollutants and other substances released into the atmosphere. This helped us to align with regulatory requirements as well as our sustainability goals.

As water usage is key in our operations, we are installing the Tertiary Effluent Treatment Plan ("TETP") at our mills in Peninsular Malaysia in stages to improve and refine the discharge of biodegradable organic matter ("BOD"), which in turn, would minimise the environmental impact of discharged water and contribute towards sustainable water management practices.



To further manage our greenhouse gas ("GHG") emissions in operations, THP Group is trialling 2 electric mechanical buffalos ("Badang"), to reduce fuel consumption. The transition from diesel-powered machinery to electric will be gradual, as we determine the reliability of such equipment. In order to reduce greenhouse gas emissions, the company at estates and mills operation level, has also installed solar panels in certain buildings and to power street lightings.

In 2023, we initiated High Conservation Value ("HCV") training in collaboration with the Malaysian Palm Oil Green Conservation Foundation ("MPOGCF"). Held in Sarawak, the training was targeted at FFB suppliers and smallholders to expose them to the importance of preserving biodiversity in their estates as per Malaysian Sustainable Palm Oil's ("MSPO") requirement. This effort is a local commitment to improve their knowledge and understanding of biodiversity management, and similar programmes will also be held at other locations.



As part of Bursa Malaysia's requirements and preparation for the management of greenhouse gas emissions from 2024 onwards, THP Group invited a reputable consultant to conduct an awareness workshop on Climate Change Awareness and Reporting Guidance Workshop for estates and mills.

We are pleased that in 2023, the Kota Bahagia Palm Oil Mill, Pahang had received the International Sustainability and Carbon Certification European Union ("ISCC EU") certification for Point of Origin scope, which is a recognition of the mill's ability to conduct efficient and effective sludge waste management. With this certification, the mill would be able to enter the supply chain in the European market for sustainable palm products.



# CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

In addition, all established units under THP Group have been certified in a timely manner. The Malaysian Sustainable Palm Oil ("MSPO") Certification Audit process was completed by the appointed Certification Body ("CB"), namely Global Gateway Certifications Sdn Bhd, an accredited entity by the Department Standard of Malaysia ("DSM"). Every year, an Annual Surveillance Audit will be conducted for all units involved so as to retain the certificate validation status, which is valid for five years. In 2023, all units in Peninsular Malaysia were in the process of receiving the MSPO re-certification for the next five-year period. Others units in Sabah and Sarawak will undergo MSPO re-certification in 2024.

The sustainability team as well as several employees from the estates and mills have attended seminars or workshops organised by the Malaysian Palm Oil Board ("MPOB"), Malaysian Palm Oil Association ("MPOA"), Wilmar, and Proforest via physical and online platforms to enhance and update knowledge on sustainability matters.

#### **RISKS MITIGATION**

As commodity prices can be volatile in nature, THP Group has taken additional steps to buffer the impact of such volatility. Aside from close monitoring of CPO futures as well as the physical market, we have established and enhanced the Marketing Policy on long-term, spot and forward contracts, as part of the guidelines for trading activities. At the same time, we strive to improve market intelligence through effective management of information, including research, data collection and information processing.

In 2023, the palm oil sector was recovering from major labour shortages seen during the pandemic years. As a mitigation measure, THP Group has intensified mechanisation and automation efforts to reduce the reliance on labour and to support higher yield and productivity, while at the same time improve the social welfare of workers to maintain a high retention rate.

While ESG practices amongst businesses have been gaining traction in the last decade or so, THP Group has always strived to uphold the highest sustainability standards as our operations are closely linked to the environment. We closely monitor GHG emissions on an annual basis while conducting yearly MSPO and Occupational, Safety and Health ("OSH") training for all estate and mill employees to raise awareness. Internally, the Sustainability Department conducts annual internal audit on estates, mills and other functions to ensure compliance with regulatory requirements; while externally, we hold periodic engagements with stakeholders and NGOs on our sustainability practices.



#### OUR PEOPLE

In 2023, THP Group embarked on a comprehensive human capital operational transformation journey, which redefined the way we manage, engage and empower our most important asset that is our people. This was a critical move as it enhanced our workforce to become more efficient, while fostering innovating and cultivating a culture of continuous improvement.

In the first quarter of 2023, THP Group conducted a review of our compensation and remuneration packages through the Salary Benchmarking exercise. Following the analysis, we were able to identify the gaps and develop a competitive salary and benefits programme to ensure we remain as the employer of choice for talents.

Next, THP Group conducted a comprehensive skills assessment across departments to identify current capabilities and future needs. We organised a specific training and skill building programme for all employees such as, "Leadership" for newly promoted employees, "Developing the Excellent Secretary & Office Professional in You!" for secretarial employees, and "Essential of Leadership" for all Head of Divisions ("HODs"), and "My Job My Pride" for all employees at headquarters level. Besides external training, we also conducted webinars for employees on topics like sexual harassment, benefit social security scheme under PERKESO; as well as training schemes offered under HRDCorp. In addition, as part of the effort to encourage ideation and collaboration, we also introduced the Speaker's Corner session for employees to share their ideas freely with their peers.

In the fourth quarter of 2023, we launched an employee satisfaction survey to gather feedback from our people. This exercise will be conducted on a yearly basis to ensure work life balance among employees and to sustain a high morale. Our people's mental wellbeing is of utmost importance and we offer access to counselling services for those who require support.

To further enhance productivity, we revised the Performance Management System ("PMS") for THP Group. The revised system will see a continuous feedback loop to facilitate regular communication between employees and managers, while promoting a culture of ongoing improvement. Ulimately, this would help to recognise high performers and reward them accordingly.





# CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

Moving forward, we are set to enhance our existing Skills Development plans, first by identifying key skills needed for future training programmes, followed by offering various platforms for learning, such as online learning, resources available via "e-latih", open learning and LinkedIn Learning. To foster a culture of continuous learning and development, training hours will be set as a key performance indicator.

In addition, we will also focus on succession planning for C-Suite, HODs and managerial positions to ensure a pipeline of leaders is in place. This would be followed by a comprehensive leadership development programme to nurture high potential individuals and ensure that they have the tools to step up when required. A mentorship programme will also be put in place to facilitate knowledge transfer and skill development.

Our human capital transformation journey in 2023 has ensured our workforce is agile, engaged, and equipped with the skills necessary to drive organisational excellence. Nonetheless, we will continue to adapt our strategies to meet the evolving needs of our workforce and the demands of the market.

#### STRONGER TOGETHER INTO THE FUTURE

While inflationary pressures have somewhat eased for global economies, there remain headwinds that could slow down growth, such as a China slowdown due to stress in the real estate sector. Commodity prices may experience increased volatility again due to climate and geopolitical shocks.

Moreover, the impending impact of the El Nino is expected in 2024 and could weigh down on harvests and production, thus putting supply at risks. As demand is likely to grow 3% to 4% in 2024, similar to 2023, the supply-demand constraints will put CPO prices on a tight rope too.

Against this backdrop and the weak Ringgit against the US dollar, CPO prices are forecast to range between RM3,500 and RM4,000 in 2024, versus the 2023 average price of RM3,809.50. To capitalise on the positive industry outlook, we continue to focus on operational efficiency to enhance yields and profitability further through the rehabilitation of certain plantation assets. Concurrently, we are open to the possibility of unlocking the value of our plantations, as well as continuing our mechanisation initiatives in 2024, including the option of a leasing programme for all infield collection machines.

Upon the conclusion of the transformation phase and to cap off FY2023, THP Group has proceeded to map out the next framework known as THP Group's 5-year Strategic Business Plan (2024-2028), or AL-Falah 22/22, which would reinvent THP Group for the future. It entails three (3) Strategic Thrusts and six (6) Comprehensive Work Plans as depicted in the table below.





TH PLANTATIONS BERHAD



The 6 CWP consists of 22 initiatives and 53 components that My heartfelt gratitude goes to all the employees of THP Group for would be executed over the next five years, premised on the vision their commitment, dedication, and perseverance in ensuring the to strive for operational excellence in a sustainable business by success of the Transformation Plan. creating opportunities with positive growth and impact. THP Group will be exploring new business opportunities to broaden its income Our gratitude and thanks goes to the all our customers, Ministry pool and improve the business margin. The plan will require the of Plantation and Commodities, the Ministry of Human Resources, support of all our employees, Board of Directors as well as others Ministry of Energy, Science, Technology, Environment and Climate stakeholders. We believe THP Group will be on the right track to Change and the Malaysian Palm Oil Board for their valuable support achieve its vision and manage challenges ahead by ensuring the towards the success of various Transformation initiatives. success of all the components under the CWP. Together with our sustainability values and good governance practices, we will be Last but certainly not least, our appreciation to all our shareholders able to unlock the value of the company and secure a brighter especially Lembaga Tabung Haji for the valuable support and trust. future for THP Group and our employees. We aim to deliver greater long-term value and sustainable returns to all our shareholders as we embarked on the THP Group's 5-year **APPRECIATION** Strategic Business Plan.

On behalf of the Management, I would like to express our gratitude to all members of the former and current Board of Directors for their wise counsel, guidance, and contribution during the year under review, especially in the process of developing the THP Group's 5-year Strategic Business Plan.

### CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

MOHAMED ZAINURIN BIN MOHAMED ZAIN

Chief Executive Officer

Thank you

#### ABOUT THIS SUSTAINABILITY STATEMENT

The purpose of this Statement is to communicate to all stakeholders on our commitment and management of sustainability risks across Economic, Environmental and Social ("EES") themes.

Our operations consist of three strategic business units, namely oil palm plantations, forestry (harvesting of latex and rubber wood) and management services. The scope of this Statement covers our operations in oil palm plantations in West and East Malaysia, which include the activities of cultivating palm oil, processing fresh fruit bunches ("FFB") and marketing crude palm oil ("CPO") and palm kernel ("PK"), unless otherwise stated. We emphasise palm oil activities as this is our core business that has contributed almost 100% of our revenue since 2018. The reporting period of our Statement is from 1 January 2023 to 31 December 2023, unless otherwise stated. The content of our Statement is underlined by our commitment to achieving full Malaysian Sustainable Palm Oil ("MSPO") and MSPO Supply Chain Certification Standard ("SCCS") compliance in day-to-day operations for estates and mills. Our main objectives are to ensure business sustainability and mitigate and review environmental challenges, such as complying with the No Deforestation, No Peat and No Exploitation ("NDPE") policy, which is determined by major industry players.

We have referenced Bursa Malaysia's Sustainability Reporting Guide and Toolkits, internationally recognised Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), relevant industry standards and benchmarks, as well as guidance from external consultants in previous years when preparing this Statement.

#### **OUR APPROACH TO SUSTAINABILITY**

#### Sustainability Governance

Our 'tone at the top' is set by the THP Group's Board of Directors ("the Board"), with whom the ultimate responsibility of setting the THP Group's sustainability strategic direction rests. The Board is supported by the Chief Executive Officer ("CEO") and the Sustainability Committee ("SC" or "the Committee"). Our CEO is tasked with reporting to the Board on the THP Group's sustainability performance, as well as reviewing updates from the Committee on THP's sustainability management and preparation of the annual Sustainability Statement.

The Committee, which was reformed on 26 November 2020, comprises various Heads of Departments and chaired by the CEO. Vibrant, competent and effective Committee members are required to steer THP Group into the mainstream supply chain of palm oil products. In addition, the Committee is responsible for monitoring the execution of the Board's strategic sustainability direction and overseeing the preparation of the Sustainability Statement. All suggestions regarding sustainability-related matters are deliberated on in the Committee meetings, based on the direction and recommendations of the Chairman.

BOARD OF DIRECTORS					
CHIEF EXECUTIVE OFFICER (Chairman of the Committee)					
SUSTAINABILITY COMMITTEE ("SC") Sustainability Secretariat					
			<b>\</b>		
Head of Operations (Mem	ber)	Plantation Contr	ollers (Member)		Marketing (Member)
CEO's Office (Member)	Mills and	Engineering (Member)	Estate Department (	Member)	Agronomy (Member)
Legal & Secretarial (Member)		iistration - Foreign ur Unit (Member)	Heads of other Depa By Invitation		LTH Representative By Invitation



In recognition of the ever-changing sustainability agenda, we have made incremental improvements to strengthen our sustainability commitment. A dedicated Sustainability Department ("SD") was formed in November 2020 and reports directly to the CEO. The SD comprises two units, the MSPO Certification/Sustainability Unit and the Occupational Safety and Health ("OSH") Unit. The CEO oversees the overall implementation of the THP Group's sustainability efforts, while the Head of Sustainability directs and monitors the implementation of sustainability initiatives within THP Group.

Meanwhile, the Sustainability Unit ensures our operations are in compliance with MSPO standards, whereas the OSH Unit is responsible for the implementation of OSH management systems that are aligned with policies, acts and regulations.



THP Group also has in place a comprehensive Group Sustainability Policy, which was revised and implemented by the Board since 26 November 2020 in compliance with the buyers' NDPE Policy. Our Group Sustainability Policy is available for public viewing on our corporate website at http://www.thplantations.my/sustainability.php.

We are committed to ensuring our updated Sustainability Policy is fully implemented to make sure that there are no violations that may affect the future of THP Group. Additionally, our policy is in line with MSPO standards and is based on the following three major components:





#### **STAKEHOLDER ENGAGEMENT**

THP Group has a broad range of stakeholder groups that have an effect on, or are affected by THP Group and our activities. Our key stakeholder groups include Shareholders, Directors, Management, Employees, Customers, Local Communities as well as Local Authorities.

We recognise our stakeholders as being key enablers who support our business activities, contribute to our success, and to whom we owe a duty to care for and to share the value created. Our approach to sustainability takes into consideration the long-term impact of our activities for both THP Group and our stakeholders. As such, we proactively engaged with our stakeholders through our approach summarised below, which highlights their main concerns as well as THP Group's response:

#### STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS STAKEHOLDER CONCERNS Shareholders Annual General Meetings • Management Discussion & Analysis from pages 12 to 25 • Product Quality and Operational Efficiency on page 35 • Quarterly announcements • Special meetings • Audited Financial Statements from pages 136 to 253 • Governance and Ethics on page 39 Directors • Quarterly and special Board meetings Corporate Governance Overview Statement from pages 97 to 117 • Quarterly and special Board Committee meetings • Statement of Risk Management and Internal Control from pages 118 to 125 Management • Product Quality and Operational Efficiency on page 35 • Operational meetings and ad hoc meetings • Traceability and Supply Chain Management on page 38 • Effluent and Water Discharge on page 50 • Waste Management on page 45 • Water Management on page 52 • Human Rights on page 57 • Safety and Health on page 54 • Employee Welfare and Development on page 58 • Governance and Ethics on page 39 Employees 'Open-door' policy • Human Rights on page 57 • Company intranet, special briefings and bulletins • Safety and Health on page 54 • Employee Welfare and Development on page 58

• Training • Product Quality and Operational Efficiency from page 35 Customers • Regular emails and in-person correspondence • Traceability and Supply Chain Management on page 38 to discuss issues raised • Governance and Ethics on page 39 • Biodiversity and Conservation from pages 41 to 45 • NDPE Commitment on page 42 • Local Communities / Community Investment on page 64 Local Communities (i.e. towns, villages) • Effluent and Water Discharge on page 50 • Informal grievance channels • Biodiversity and Conservation from pages 41 to 45 • Community programmes • Local Communities / Community Investment on page 64 • Land management schemes Local Authorities (i.e. Malaysian Palm Oil Board • Governance and Ethics on page 39 ("MPOB"), DOSH, DOE, municipal councils, etc.) • Effluent and Water Discharge on page 50 • Monthly, annual and special reporting • Waste Management on page 45 • Forums • Water Management on page 52 • Human Rights on page 57

• Safety and Health on page 54

Throughout the process, we recognised the limitations of our current stakeholder engagement scope. Nevertheless, as part of the process for MSPO certification, we have expanded and formalised additional platforms for engagement with our stakeholders, including formal stakeholder meetings at each complex level as well as the provision of grievance channels for our stakeholders to submit their concerns regarding our operations.

#### **MATERIAL MATTERS**

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As an organisation, we are cognisant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. A full scale materiality assessment was conducted in 2017 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed.

Our material matters influence our business strategy and decision on allocation of resources to material sustainability issues. While we aim to conduct a comprehensive materiality assessment once every three years or when necessary, we undertake an annual review of the relevance of our previously prioritised economic, environment, social impacts arising from our day-to-day activities.

#### 2017 full materiality Conducted а with internal assessment stakeholders (i.e., the Board Directors, management employees) and all key external stakeholder groups (i.e., shareholders, customers, local community and local authorities). Our materiality process referenced Bursa Malaysia's Sustainability Reporting Guide & GRI Standards.

Resulted in identifying 7 key stakeholders and 11 relevant material matters being prioritised. The outcome of the process was reviewed by our Sustainability Steering Committee and endorsed by the Board.

#### 

This year through our limited-scale materiality review, we concluded that all our existing 14 material matters are aligned with the THP Group's strategic priorities and stakeholder expectations. Furthermore, there are no major changes to THP Group's Business model and operation. These were also benchmarked against our local and regional peers as well as considered emerging risks and relevant frameworks which are Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and GRI Standards.

#### **OUR SUSTAINABILITY JOURNEY**

#### 2020

Reviewed 2020 materiality matrix and list of key stakeholders. This was done via focus group sessions with one external stakeholder group (i.e., customer).

Resulted in one new material matter (i.e., NDPE Commitment) being identified and to be added to the existing 11 key material matters which remain relevant.

#### 2021

- Reviewed 2021 materiality matrix and list of key stakeholders. This was done via focus groups sessions with two external stakeholder groups (i.e., management and local communities).
- Resulted in two new material matters, Greenhouse Gases ("GHG") and Land Rights being identified and to be added to the existing 12 key material matters which remain relevant.



The next section provides details on how we manage our identified material sustainability matters, including key practices we undertake and performance indicators that we monitor.

#### Significance of Sustainability Matters to the THP Group's Business

All relevant matters identified above were material to our operations and were managed with prudent planning and execution. We grouped our matters under the following themes:

Economic	Environmental	Social
<ol> <li>Governance and Ethics</li> <li>Traceability and Supply Chain Management</li> <li>Product Quality &amp; Operational Efficiency</li> </ol>	<ol> <li>Biodiversity and Conservation</li> <li>Waste Management</li> <li>Effluent and Water Discharge</li> <li>Water Management</li> <li>NDPE</li> <li>GHG</li> </ol>	<ol> <li>Human Rights</li> <li>Occupational Safety &amp; Health</li> <li>Local Communities</li> <li>Land Rights</li> <li>Employee Welfare and Development</li> </ol>

#### **RISK MANAGEMENT**

THP Group aligns its risk management process, which was prepared in accordance with the Malaysian Code on Corporate Governance ("MCCG"), to build readiness and resilience through the identification and management of potential risks encountered by our organisation. Our Enterprise Risk Management ("ERM") framework has integrated sustainability under the risk categories of environment, strategy and compliance, in addition to our corporate, financial and operational risks. We ensure all identified risks stay within our risk appetite through revision and monitoring by designated risk owners and the Risk and Compliance Department, as well as further deliberation by the Board Audit Risk and Governance Committee and Sustainability Committee.

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For further information on our risk management, please refer to the Statement on Risk Management and Internal Control ("SORMIC") section in our Annual Report 2023 pages 118 to 125.

#### SUSTAINABILITY FRAMEWORK

Governments, organisations and people of all backgrounds are unified in their agreement that the United Nations Sustainable Development Goals ("UN SDGs") will help attain the future and quality of life we want for our communities, our businesses and our nations. In Malaysia, the Twelfth Malaysia Plan ("12MP"), which spans from 2021 to 2025, sets the direction to improve the country's Prosperity, Inclusivity and Sustainability.

Against the backdrop of the above-mentioned agendas, we want to communicate how our matters create value on these global platforms. Therefore, we have connected the way we manage our matters to the various aspects of the UN SDGs and the 12MP, as shown below:



#### PERFORMANCE SCORECARD

Below are our key targets and our progress to date:

Material Matters	Targets	Current progress against targets
ECONOMIC		
Governance and Ethics (Anti-Corruption Practices)	Zero incidents of corruption annually	Zero incidents of corruption across THP's business operations in 2023.
		Refer to page 39
SOCIAL		
Human Rights	Zero substantiated complaints concerning human rights violations annually	Zero complaints concerning human rights violations in 2023.
		Refer to page 57
Safety & Health	Zero fatalities annually	Zero fatalities recorded in 2023.
		A thorough investigation was conducted, and prevention measures were defined to avoid recurrence.
		Refer to page 54
ENVIRONMENTAL		
Waste Management	Reutilise biomass residue up to 90% annually	Reutilised 99% of biomass residue in our operations in 2023.
		Refer to page 45
Water Management	To maintain water consumption rate below 1.5 m³/Mt FFB	Water consumption rate of 1.46m <sup>3</sup> /Mt FFB in 2023.
		Refer to page 52
GHG (Emissions from the Boilers)	To maintain smoke opacity reading below 20% in Johor and Sabah, 40% in Pahang and 40% & 50% in Sarawak.	Smoke opacity readings for all THP mills achieved the targets for 2023.
		Refer to page 49
<ul> <li>Legend: Progress tracking</li> </ul>		
On track to meeting set target.	Falling short on meeting target for one year; review current practices.	Falling short on meeting target for more than two years; review and revise target (if necessary).

#### MANAGEMENT APPROACH FOR TO MATERIAL MATTERS



#### **PRODUCT QUALITY & OPERATIONAL EFFICIENCY**

As an upstream oil plantation business, we understand the importance of quality to meet our customers' requirements and our internal business targets. In doing so, we focus on several areas to manage product quality and uphold a high rate of operational efficiency. In the MD&A section of our Annual Report from pages 12 to 25, we further discuss our operational performance, efforts and significant achievements during the year.

In 2023, we will continuously improve the operational efficiency of our estates by increasing the use of mechanisation in our processes to reduce our dependency on manual labour and increase efficiency and productivity.



#### **Customer Satisfaction**

Our customers are important stakeholders in the sustainable development of our operations. It is our responsibility to produce quality products that are responsibly sourced and produced, which will benefit our customers and drive our business growth. We regularly engage with our customers to understand their needs and develop collaborative relationships to overcome common industrial challenges.

We strive to maintain the quality of our CPO and PK to meet customer requirements. Each batch is measured and monitored against our internal targets, which have been prepared alongside the Standard Quality Grade of the Malaysian Standards, MS814:2007 and MS236:2007, for CPO and PK respectively. The following table highlights our average performance against the targets:

Average quality indicators	Internal target	2021	2022	2023
Free Fatty Acid("FFA") (%)	≤5.00	3.91	3.95	3.79
Deterioration of Bleachability Index ("DOBI")	≥2.30	2.53	2.52	2.52
Moisture & Impurities ("M&I") (%)	<0.25	0.16	0.15	0.16
Moisture (%)	<7.00	6.06	6.19	6.33
Dirt & Shell (%)	<6.00	4.92	4.86	4.80

**ECONOMIC** 

#### **Economic Performance**

THP Group's approach to achieving and sustaining good economic performance is by executing our business strategy, which includes staying abreast of market trends, maintaining a healthy balance sheet, strong cash flow and pursuing technological advancement, as well as mitigating identified risks relevant to our business.

This year, THP Group recorded a total revenue of RM752.0 million, which was derived from our principal activities, such as investment holdings, cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB in Malaysia. THP Group continuously generates wealth for our stakeholders, as shown in the table below:

Item	2021 (RM)	2022 (RM)	2023 (RM)
Economic value generated (i.e. revenue and other income)	771,808,000.00	891,550,000.00	773,285,000.00
Economic value distributed:			
- Operating cost	430,133,000.00	569,719,000.00	484,971,000.00
- Employee wages and benefits	- , ,	127,551,000.00	
- Payment to providers of capital (i.e. dividends and financing cost)		84,317,000.00	
- Payment to government (i.e. tax)	39,234,000.00	57,229,000.00	33,470,000.00
- Community Investment	142,000.00	-	119,600.00
Economic value retained	103,610,000.00	52,734,000.00	8,022,400.00

#### **Good Agricultural Practices**

Our plantation operations are guided by our Standard Operating Procedure ("SOP") on Good Agricultural Practices ("GAP"). Key focus areas of GAP include managing optimum water levels, implementation of site-specific fertiliser programmes, application of integrated pest management ("IPM"), selection of suitable herbicides for effective weed control and a stringent culling exercise to ensure no unproductive palms exist on the field



#### **Research and Development**

Research and Development ("R&D") is an integral component of Given our position as a supplier of CPO and PK, it is essential that the Agronomy Department. The team consists of four talented we improve sustainability along the supply chain of the palm oil professionals who are focused on improving elements of industry. operations such as increasing the quality and quantity of yield. Key areas covered by the team include fertiliser recommendations and Under MSPO Standards, we address seven key areas: plantation research. During the year under review, we carried out the following significant projects: 1) Management commitment and responsibility

1	Utilisation of oil palm mill by-products, such as application empty fruit bunches ("EFB") to fields to improve soil struct retain soil moisture $\vartheta$ organic matter, and as an additionation source of nutrients.
2	Collaborative research with product producers on utilis of specifically formulated bait for suppressing rat popula through an integrated comprehensive approach.
3	Providing technical support services to estate operation areas of planting material selection and acquisition of requirements to cater for the THP Group's current replanting programme.
4	Realignment and establishment of the use of Tyto commonly referred to as barn owls, to control rat popula which is in line with ESG.
5	Updating SOPs on the use of arbuscular mycorrhizal ("AMF") in the nursery by adopting the new practic Enriched with Effective Microbes Organic Fertiliser ("EEN application prior to transplanting of seedlings from the nursery to the main nursery.
6	Providing technical training to estate operations collaborating with relevant industry players in the ar- weed control.

Annual budgets are allocated for R&D expenditures to support the team. The table below highlights our R&D expenditure over the years.

RM 'million	2021	2022	
Budget for R&D:			
Annual Expenditure	1.5	1.3	

#### **OUR SUSTAINABILITY JOURNEY**

#### MSPO & MSPO SCCS Certification

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2023 2.0

- 2) Transparency
- 3) Compliance with legal requirements
- 4) Social responsibility, safety and employment conditions
- 5) Environment, natural resources, biodiversity and ecosystem services
- 6) Best practices
- 7) Development and new plantings.



As of December 2023, THP Group estates and mills in the peninsula have undergone the MSPO recertification process for the next five years, while estates and mills in the Sabah and Sarawak region will undergo the recertification process in 2024.

Apart from that, we have also increased our engagement with stakeholders, especially FFB suppliers, to provide them with support in their MSPO certification process. This will further strengthen the relationships we have with our suppliers, as we work towards common goals and the generation of opportunities for future collaborations.

In line with our goal of becoming an integrated and sustainable plantation company, we will continue to invest in R&D and maintain our internal quality controls, as we explore new areas of agricultural practice to improve yields and produce high-quality products.

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**ECONOMIC** 

#### TRACEABILITY AND SUPPLY CHAIN MANAGEMENT

The production of sustainable palm oil is guided by responsible practices along the supply chain. We acknowledge our role in delivering guality products that are made through ethical and sustainable operations. Hence, we pay close attention to the management of our supply chain to ensure that responsible and transparent end-to-end processes and procedures are practised. Our actions enable traceability, which we define below.

As part of our efforts to manage our supply chain, we underline the importance of traceability in our internal procurement and supplier management processes. We are committed to supplying traceable products to our customers. Our efforts are aimed at ensuring:



In ensuring that FFB produced at estates, as well as the CPO and PK produced as part of mill operations, are traceable, we have established procedures under the purview of our Estate and Mill Departments. These operations are closely monitored to enable us to manage the sustainable production of our FFB, CPO and PK. In 2023, 99% of FFB was sourced in accordance with MSPO certification

#### **Fair Procurement Practices**

All potential suppliers are treated equally, including potential participants of our Vendor Development Initiative. Our Procurement Department guides our procurement process by selecting suppliers based on specified criteria, including the extent of vendors' resources & skills and the quality & composition of requested resources. Furthermore, our procurement process is governed by internal controls, such as limits of authority and approval by the Tender Committee, to ensure fair practices.

starting from the registration stage up to the annual supplier performance assessment. In 2023, we introduced a sustainability assessment as part of our pre-gualification process to drive sustainability awareness across our supply chain. All new and existing suppliers are expected to address our set of sustainability requirements, which focuses on suppliers' practices relating to ethical dealings, health and safety, environmental management and human rights principles.

Our procurement process embeds sustainability elements throughout,



Post-assessment, we categorise our suppliers based on their maturity, conduct annual performance reviews, develop internal risk mitigation considerations and aim to implement targeted intervention programmes to support our suppliers in embracing sustainable sourcing principles over a stipulated time frame.

With 2023 being the first year that THP Group rolled out the supplier sustainability assessment, we managed to sample 3% of our major suppliers.

Item	2021	2022	
Suppliars that work			
Suppliers that were			
screened using			
environmental criteria (%)	Nil	Nil	
Number of suppliers			
assessed for			
environmental impacts	Nil	Nil	
Suppliers that were			
screened using			
social criteria (%)	Nil	Nil	
Number of suppliers			
assessed for social impacts	Nil	Nil	

In 2023, out of RM221 million spent on procurement, 29% was awarded to local Bumiputera suppliers.

Bumiputera Suppliers	2021	2022	
Proportion of spending (%)	39	38	

The involvement of Bumiputera contractors or suppliers was observed to have decreased since 2021 due to current economic factors, both domestically and globally, including high inflation rates, rising foreign exchange rates, and the recovery phase of the COVID-19 pandemic outbreak. This resulted in the majority of them having to reduce the size of their operations or switching to other business areas unrelated to THP Group operations.

#### **OUR SUSTAINABILITY JOURNEY**

2023 3

51 3 51



#### **GOVERNANCE AND ETHICS**

#### Good Governance

We are committed to good corporate governance and ethical practices in our workplace. Our governance practices are guided by the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Bursa Malaysia's Listing Requirements.

#### **Anti-Corruption Practices**

At THP Group, we avoid all forms of corruption in the workplace. We have in place mitigation measures such as operational limits of authority and procedures for all Directors and employees to declare any conflicts of interest. In addition, our 'open-door' policy promotes open channels of communication in the workplace. As of 31 December 2023, we have recorded zero incidents of corruption across the THP Group's business operations.

	2021	2022	2023
Number of confirmed			
corruption incidents	0	0	0

As we recognise the importance of formalising our values and workplace practices, our Whistleblowing Policy has been formalised and enforced to further endorse a safe and secure platform to report any incidents. THP Group has made our Whistleblowing Policy available on our corporate website to ensure it is accessible to all stakeholders.

In 2023, a dedicated unit was established, known as the Integrity and Governance Unit ("IGU"), which was part of the Company's move to strengthen integrity and anti-corruption practices among all levels of THP Group employees.

In the first year, activities such as awareness and understanding programmes on integrity and anti-corruption were carried out in the headquarters, estates and mills. Employees at various levels underwent corruption-related training in 2023.

**ECONOMIC** 



Employee Category (2023)	Completion Rate (%)
Management level	79
Executive level	75
Non-executive/Technical	29

The IGU aims to implement the Corruption Risk Assessment ("CRA") in the third quarter of 2024 with initiatives such as workshops and briefings on the CRA framework conducted as early as the first guarter of 2024.

#### Code of Ethics

We have in place the Code of Ethics and Conduct ("the Code") to ensure that we maintain the highest standards of conduct, integrity and professionalism in all our activities and transactions. We strive to ensure that we conduct ourselves ethically, in accordance with applicable laws, rules and regulations, at all times. The Code guides our employees on ethical behaviour, business conduct and includes disciplinary procedures that require the compliance of Management and employees.

#### **Cybersecurity & Data Protection**

THP Group continues to strengthen its cybersecurity measures through strict adherence to our data privacy policy. Our policy, known as the IT Disaster Recovery Plan ("IT DRP"), which was approved by the Board of Directors on 16 December 2020. It was developed in accordance with the Personal Data Protection Act 2010 ("PDPA") and aligned with the General Data Protection Regulation ("GDPR") and Asia Pacific Economic Cooperation ("APEC") Privacy Framework. We maintain a robust cybersecurity framework that is embedded within our operations and processes, adhering to all regulatory requirements in the different regions where we operate.

At THP Group, managing data and security is an integral part of our ERM framework. We conduct regular reviews to ensure that our data privacy and security controls & processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used and secured.

We have also obtained the necessary consent when handling our contractors' and suppliers' data, which is stored on our Contractor Management System ("CMS"), with only authorised personnel being granted access. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority. Additionally, our data retention and destruction policy guides us in keeping data for as long as is necessary and then securely disposing of it when it is no longer needed.

Throughout 2023, we implemented a range of cybersecurity measures, including network penetration tests conducted by external specialists to identify and address any vulnerabilities in our systems and processes. Furthermore, we continue to educate our employees on data protection and privacy. They are required to complete annual mandatory online training that comprehensively covers their responsibility to safeguard data. Additionally, we regularly conduct phishing email simulation exercises to enhance their ability in identifying and responding to such emails.

As of 31 December 2023, there have been zero substantiated complaints concerning breaches in customer privacy or data loss.

	2021	2022	2023
Number of substantaited complaints concerning breaches in customer			
privacy or data loss	0	0	0





#### **BIODIVERSITY AND CONSERVATION**

We recognise that our operations are surrounded by local ecosystems and biodiversity. As a member of the agricultural industry, we understand our role and responsibility in respecting these habitats and supporting the sustainability of surrounding ecosystems. We have therefore implemented practices and controls to minimise our impact on the environment

#### **Riparian Reserves**

Riparian reserves are areas of conservation between land and rivers teeming with life from the habitats of flora and fauna. The importance of identifying these areas for conservation lies in their role of supporting local ecosystems as well as maintaining water and soil quality. As part of our efforts, we have identified and incorporated buffer zones and riparian reserves within our plantations. Since 2019, we have established 335.16 Ha of riparian reserves and buffer zones.

In managing and preserving our riparian reserves, we planted legume cover crops ("LCCs") to prevent soil erosion. In addition, LCCs help to manage the health of our crops by preventing weed growth and increasing the fertility of the soil by supplying organic matters.

#### **OUR SUSTAINABILITY JOURNEY**

#### **Environmental Impact Assessments**

Prior to every replanting exercise, we perform extensive Environmental Impact Assessments ("EIAs") via third-party consultants with the aim of minimising adverse environmental impacts. For this reason, criteria considered in an EIA report include:

1.	Soil erosion/slope stability and soil conditions
2.	Water and noise pollution
3.	Potential loss of flora and fauna and their habitats
4.	Waste disposal
5.	Impact of replanting and abandonment
6.	Socioeconomic and ecological impact
7.	Safety and health
8.	Peat soil subsidence.

The results of the EIAs are then reported to the Department of Environment ("DOE"). Several considerations are taken into account before a replanting exercise is carried out, including the age of the oil palms (palms above 25 years of age would see their yields fall below 15 Mt/Ha), height of palms (palms exceeding 45 feet would prove a challenge to harvest), and areas where soil quality has eroded due to flood or palm root diseases.

## **ENVIRONMENT**

#### NDPE COMMITMENT

We work closely with the widest possible range of industry stakeholders to implement our commitments related to the protection of:

1	2	3
No Deforestation	No New Development on Peat	No Exploitation of People and Local Communities
a) We identify areas with High Conservation Value ("HCV") and High Carbon Stock ("HCS") and	a) No new development on peat land regardless of depth.	To ensure no exploitation issues, we concern ourselves with:
implement relevant national, industry and international best practices to protect these areas.	<ul> <li>b) Best Management Practices in existing plantations for peat will be stringent and aligned with national,</li> </ul>	<ul><li>a) Upholding human rights.</li><li>b) A safe and healthy workplace.</li></ul>
<ul> <li>b) Any plantation development activity must identify HCV areas and HCS forests for protection utilising</li> </ul>	industry and international best practices, which include guidelines provided by the Malaysian Palm Oil Board ("MPOB"). Additionally,	c) Employee welfare and promoting career development.
international best practice guidance. c) Where feasible, we will explore	peatland management shall follow good agricultural practices laid out in our policies, codes and SOPs.	d) Respecting and upholding land rights.
options for natural forest restoration by working with expert stakeholders and communities.	c) Where feasible, we will explore options for peat restoration by working with expert stakeholders and communities.	e) Creating shared value for local and national growth.



#### Peatland Management

At THP Group, we only plant on peat that has been set aside by the Malaysian government for agricultural development. We understand the nature of peatland and over the years, we have managed our peatland via extensive efforts and strict internal processes. Our Agronomy team provides technical and advisory support for the continuous management and care of the peatland.

These include maintaining water at optimum levels and draining excess water to prevent peat degradation. At the end of 2023, THP Group owned 44,749.27 Ha of peatland, of which 14,924.84 Ha was left unplanted and contributed to biodiversity and conservation areas

#### **Integrated Pest Management**

Pest management is an unavoidable practice in cultivating oil palms to ensure healthy yields and to avoid damaging the plantations. As part of our conservation efforts and to reduce use of chemicals, we adopt the practice of integrated pest management, which encourages the use of bio-pesticides and bio-control agents at our estates based on the most suitable pest management plan. Our efforts include:

- Using Tyto alba, commonly referred to as barn owls, to rat populations;
- Shredding felled trunks into chips of acceptable size to su the breeding of rhinoceros beetles;

#### **Towards Biodiversity Conservation**

1

3

4

We have additional efforts in place to conserve the areas of natural flora and fauna around us. Our key efforts include:

#### Canopy cover

We ensure that we do not disrupt jungle canopies. Suitable spacing and density of trees are integral in supporting a range of wildlife, especially arboreal species such as orangutans and gibbons that seldom venture on the ground.

#### 2 Allowing natural decomposition of dead vegetation

Decomposition of dead vegetation feeds the soil with nutrients and supports a natural ecosystem. We do not apply weed killers and pesticides to these areas as this would disrupt the process.

Reducing human-wildlife conflicts

To manage our impact on the environment, we ensure a minimum width of up to 50m between habitats and our operations. Where larger animals are concerned, we collaborate with experts in the field to develop and maintain green fences.

#### Zero-burning policy

We understand the environmental and health risks associated with open burning practices, which is why we observe a strict zero-burning policy across our operations, as stipulated in our SOPs and Environmental Policy. When performing land clearing for plantation development or replanting, trees are felled, chipped and stacked. To date, there have not been any cases of open burning at plantations owned and operated by us.

#### **OUR SUSTAINABILITY JOURNEY**

control	•	Planting beneficial plants that provide shelter and food for predators and parasitoids of the pest; and
uppress	•	Using Bacillus thuringiensis ("Bt."), a soil-dwelling bacterium, against insect pests such as Tirathaba rufivena and bagworm larvae.

#### As of December 2023, all estates have been assessed internally for biodiversity risk, which is a part of MSPO compliance. The operations team in-charge at each estate would carry out the process of identifying, monitoring and planning of biodiversity risk assessment. This assessment is conducted on a yearly basis.



#### 

Based on the assessment, more than 1,500 Ha of the areas, are protected area for habitats of around 40 species of flora and fauna, which were identified and categorised in accordance with the International Union for Conservation of Nature ("IUCN") Red List of Threatened Species. The protected areas within THP Group estates operation, have been classified as wildlife areas and Natural Forest Management areas.

#### **ENVIRONMENT**

		NE	DD	LC	NT			CD	
		NE (Not	DD (Deficient	LC (Least	NT (Near	VU	EN	CR (Critically	со
Ide	ntified Species	Evaluated)	Deficient)	Concern				ed)Endangered)	
Fau									
1	Sumatran Rhinocheros							/	
2	Banteng						/		
3	Asian Elephant						/		
4	Orang Utan						/		
5	Sambar Deer					/			
6	Sun Bear					/			
7	Clouded Leopard					/			
8	Bearded Pig					/			
9	Crocodylus porosus						/		
10	Dogania sublpana						/		
11	Macacafascicularis						/		
12	Amaurornis phoenicurus						/		
13	Copsychus malabaricus						/		
14	Pythyhton reticulatus						/		
	Varanus salvator						/		
16	Ayuthia spectabile						/		
17	Ceyxazureus						/		
18	Acridotheres tristis						/		
19	Cuculidae						/		
20	Paradoxurus hermaphroditus						/		
21	Limnonectes Malesianus						/		
22	Hylarana Erythraea						/		
	Pomponia adusta						/		
24	Hymenopus coronatus						/		
25	Phaenopharos struthioneus						/		
	Coturnix						/		
	Tragulus javanicus						/		
	Ophiophagus						/		
	Malayemys macrocephala						/		
Flo									
	Caryota no			/					
	Cycas				/				
32	Zingiberaceae				/				
33	Nenga spp				/				
34	Nepenthaceae				/				
35	Cymbidium Orchid				/				
36	Bird's nest fern				/				
37	Shores teysmanniana						/		
38	Cengal						/		
39	Belian					/			
40	Keruing					/			
41	Senduduk						/		

In raising awareness on the significance of method management of biodiversity, we conducted HCV training collaboration with subject matter experts for our employee smallholders to provide them with the knowledge nece to identify and analyse HCV areas and manage biodiv ecosystems. Furthermore, we sent our employees for ex HCV training sessions arranged by industry leaders.



#### WASTE MANAGEMENT

The way we manage our waste influences our environmental footprint and our social licence to operate. Hence, we observe strict internal controls in waste management to prevent mishandling and to ensure adherence to relevant laws and regulations.

#### **Biomass Residue**

Biomass residue is a by-product of FFB processing and is an excellent source of natural energy and fertilisers. Highlighted below is our performance data on biomass residue which we utilised more than 99% in 2023, while the balance was sold.

	20	21	20	22	20	23
Types of Biomass Residue	Produced (Mt)	Amount Re-utilised (Mt)	Produced (Mt)	Amount Re-utilised (Mt)	Produced (Mt)	Amount Re-utilised (Mt)
EFBs	177,770.85	159,601.61	162,351.38	157,900.54	121,670.53	120,003.68
Shells	91,024.64	91,024.64	69,395.16	67,225.31	110,836.61	110,836.61
Fibres	122,876.52	122,876.52	116,120.37	111,061.22	123,811.83	123,811.83

## OUR SUSTAINABILITY JOURNEY

hodical ning in	Hazardous and Non-Hazardous Waste Management				
es and cessary iversity external	We constantly monitor and manage our waste, focusing on appropriate disposal method and reducing its waste output. Waste generated on our sites includes scheduled (hazardous) and non- hazardous waste, which constitutes less than 10 Mt/month on average. Third-party contractors are hired to assist in disposing of our waste. Disposal of our scheduled waste is performed as required by the environmental regulations of the DOE, which includes working with third-party contractors who have been endorsed by the DOE. We monitor our collected scheduled waste via collection records provided by our waste contractors upon completion of waste collection from our sites. These are reported to the DOE every month.				
	Waste generated: 354,652.12 Mt				
Total waste diverted from disposal (%) 99					
	Total waste directed to disposal (%) 1				
E.	Waste source: EFB, shells, fibre				
	Our newer mills are equipped with increasingly efficient processing				

quipp plants, which assist us in moving towards reducing our waste output. In terms of our domestic waste, we dispose it appropriately through waste collectors. Moving forward, we seek to report performance indicators of the total domestic waste collected.

#### **ENVIRONMENT**

The production of biomass residue is positively correlated with the production of CPO and PK. At present, we are able to measure some of our biomass residue, as shown in the table. Other forms of biomass residue (trunks and pruned fronds) are reused as organic fertilisers, albeit not measured. As we push forward our sustainability agenda, we will focus on filling the gaps in our reporting disclosures, which will include measurement of other forms of biomass residue.

TYPES OF BIOMASS RESIDUE					
Empty Fruit Bunches	Shells	Fibres			
<ul> <li>Methods of reutilisation:</li> <li>As natural fertilisers in the West Malaysian plantations, also known as mulching</li> <li>Bunch ash created through incineration, which is used to fertilise peatlands</li> </ul>	<ul> <li>Methods of reutilisation:</li> <li>As a source of fuel for boiler systems</li> <li>Sold to other plantations or industries to be reused as sources of fuel</li> </ul>	<ul><li>Methods of reutilisation:</li><li>As a source of fuel for boiler systems</li></ul>			

One of the key uses of our biomass residue is the use of shells and fibres to fuel boilers, which are utilised in processing FFB at our mills. We have practised this over the years, and it has enabled us to save costs and reduce our environmental footprint.

#### **CLIMATE CHANGE**

THP Group acknowledges that our energy consumption and GHG emissions may contribute to climate change impacts. We recognise that as an oil palm plantation company, it is our responsibility to reduce our carbon footprint, whilst embracing opportunities that unfold, at the same time making the transition to a low-carbon economy.

THP Group aims to reduce our environmental footprint and establish operational resilience in delivering long-term value to our business, stakeholders and communities. We are guided by our Environmental Policy, which outlines the THP Group's objectives to effectively manage and minimise the impacts arising from our business operations.

As part of our efforts to mitigate climate change, THP Group is committed to supporting the national pledge to be net zero by 2050. We have developed a Climate Transition Strategy that complements our policy to guide us on this journey. Our Climate Transition Strategy largely focuses on three strategic pillars.



#### Pillar 1

#### Managing our emissions

#### a) Improving energy efficiency at our premises

Key Initiatives	Desc
Biogas On-grid	We h
(Strategic Business Plan: AL-Falah)	Lawia
	GHG
	appro
	2024
Solar Panels	The
(Strategic Business Plan: AL-Falah)	opera
Energy Efficiency	Our g
(Strategic Business Plan: AL-Falah)	with
Biomass Waste Utilisation	We re
	energ

#### b) Integrating sustainable practices into our developments

We have also adopted the Industrialised Building System ("IBS") in the construction of our projects, where feasible, to minimise the environmental impact of our operations. Environmentally friendly electrical systems and building materials are among the energy-efficient features. This programme contributes to the reduction of energy usage by our buildings.

#### Pillar 2

#### Investing in low emissions and green technologies

The solar panel project prioritises guardhouses, nurs workplaces, loading ramps, storage facilities for fertiliser street lighting installations.

#### Task Force on Climate-Related Financial Disclosures ("TCFD")

We have begun developing our internal capabilities to address the Recommendations of the TCFD by appointing subject matter experts in order to manage critical climate-related risks and opportunities within our organisation in a more comprehensive and strategic manner.

## **OUR SUSTAINABILITY JOURNEY**

#### ription

have established a joint venture project with a third party to equip our Bukit iang Mill with a biogas plant, which signifies our commitment to reducing emissions in our day-to-day mill operations. A quota of 1.2 megawatts was oved by the Sustainable Energy Development Authority ("SEDA") on 18 January for the joint venture company.

deployment of solar panels at THP Group has expanded to encompass ational units, including estates and mills across Sabah and Sarawak.

goal is to reduce fuel consumption by gradually replacing boilers and turbines more energy-efficient models.

eutilised more than 99% of our biomass residue in 2023 as part of our renewable gy programme.

	Pillar 3
	Filler J
	Leveraging partnerships and collaborations
eries, rs and	We embarked on a seven-year (2022-2029) conservation and restoration project to rehabilitate the degrading Hutan Simpan Gunung Arong in Mersing, Johor, covering 4,300 Ha, in collaboration with a local non-governmental organisation. Our focus in this project is to conserve the biodiversity and ecosystem of the environment through nature-based solutions that will also increase carbon sinks, allowing us to address climate change issues.

#### **ENVIRONMENT**



#### **Energy Management**

In 2023, the total energy consumption recorded was 213,233.79 GJ. The sources of energy were:

Energy Consumption	
Indicator	GJ
Non-Renewable Energy Fuel	
(Purchased & Consumed)	5,601.55
Non-Renewable Energy Electricity (Purchased)	3,744.14
Renewable Energy Fuel	
(Purchased / Acquired & Consumed)	153,917.28
Total Renewable Energy (Generated)	49,970.81
Total Energy	213,233.79

We have started using renewable energy in recent years by using biofuel in our operations. We are also gradually installing solar panels at estate and mill offices and guardhouses, as well as for street lightings.



#### MANAGING OUR CARBON EMISSIONS

It is our corporate responsibility to reduce our carbon In 2022, we completed the installation of Tertiary Effluent Treatment footprint that may contribute to slowing down climate Plants ("TETPs") in our Sabah and Sarawak mills. Going forward, we will change and preserving our environment. We have in install TETPs in peninsular mills to further reduce Biological Oxygen place strategies to reduce our GHG emissions, including Demand ("BOD") to lower than 20 ppm and equip our mills with biogas plants. In addition, we will utilise palm product waste generated from PK implementing nature-based solutions and executing forest shells, EFB and fibres as fuel for renewable energy and substitute it for rehabilitation and conservation activities, as well as initiatives to minimise our operational emissions. fertiliser application where possible.

In minimising our GHG emissions, our efforts encompass various aspects of our operations at mills and estates. In 2023, we explored the feasibility of rooftop solar panels, We monitor our boiler emissions via the Continuous Emissions Monitoring while continuing to improve the operational efficiency and System ("CEMS"), which was implemented as part of local environmental effectiveness of our processes, including peat management, regulations. The system monitors and concurrently updates the DOE on replacing our boilers and turbines to increase efficiency, the contents of our emissions. Over the years, we have maintained our enhancing our management of waste, yield enhancement, and smoke opacity in line with the regulations, as shown below. strengthening our commitment to zero-burning policy.

Palm Oil Mill



#### **OUR SUSTAINABILITY JOURNEY**

#### Emissions from the Boilers

#### **ENVIRONMENT**



In time to come, we believe that DOE regulations will include reporting requirements on emissions of dust particles and smoke opacity. In response to these upcoming requirements, we will implement additional measures, such as installing Electrostatic Precipitator ("ESP") to reduce dust particles and smoke opacity in our emissions.

Capturing and reusing emissions as biofuel would effectively recycle emissions and reduce costs. Therefore, one of our planned measures is to build a biogas plant at each of our sites. The plant will capture methane and produce biogas as a source of natural fuel at all our mills. These methane-capturing facilities are costly to build and as such, long-term planning and considerations will be necessary prior to their implementation.

We acknowledge current reporting gaps in monitoring domestic waste, other forms of biomass residue, and in monitoring GHG emissions. Our mills are in the process of closing these gaps and have begun monitoring and recording the data based on total average emissions from EFB, Palm Oil Mill Effluent ("POME") and fuel consumption.

#### **GHG Emissions**

(tCO2e/Mt)	2021	2022	2023
Average Total Emissions	1.93	1.85	0.90

We managed to reduce 0.95 Mt or 51% of total GHG emissions for the year 2023.

#### **EFFLUENT AND WATER DISCHARGE**

We understand the importance of managing our environmental impact by appropriately handling our effluent and water discharge.

#### POME and BOD Measurements

POME is a significant by-product of processing FFB and without appropriate treatment, the effluent may be detrimental to the environment. Over years of technological evolution, we have improved our POME processing methods to manage the BOD measurements of our effluent and water discharge. The implementation of TETPs at some of our mills has assisted in maintaining the BOD measurement below the regulatory limit. Meanwhile, our other mills are striving to upgrade effluent treatment plants in anticipation of stricter DOE regulations in time to come.

We have stringent processes and internal controls in place to appropriately treat our effluents and maintain BOD readings within regulatory limits. The primary control is performed by testing a sample of the treated effluent prior to discharge. Existing regulations require a BOD measurement not exceeding 100 mg/L and 20 mg/L in West Malaysia and Sarawak/Sabah's Kinabatangan Basin, respectively. At THP Group, our target is to maintain our BOD measurements below regulatory requirements.

limits.

## Palm Oil Mill



BOD Limits: Peninsular <100 mg/L; Sabah & Sarawak <20 mg/L.

In particular, our Sungai Tenegang palm oil mill achieved the lowest BOD measurement over the last three years. Meanwhile, for the year 2022, the Raja Udang palm oil mill achieved the lowest measurement due to proper scheduled maintenance of the anaerobic pond, which must be desludged approximately once every two to five years.

#### Year

#### Total POME generated (metric tonnes)

Our total POME generated depends on the amount of FFB processed.

2021	2022	2023
510,529	510,073	492,034

## **ENVIRONMENT**

#### WATER MANAGEMENT

Our plantations and mills require a significant amount of water. Thus, managing the efficiency of our water consumption is a high priority for us. In doing so, we reduce operational costs and exercise good agricultural practices. Furthermore, our estates and mills are surrounded by natural water streams. It is our responsibility to prevent our operations from damaging these waterways.

#### Water Consumption

At our plantations, we practise rainwater harvesting by digging weirs and pits to collect rainwater to provide the trees with resources over a longer period of time. Harvested rainwater is also used to manage water tables at peatlands. At the mills, FFB processing requires water of purer quality; hence, our utilisation of natural sources that has been treated. Once treated, the processed water can be reused on site for non-operational purposes such as drip irrigation, washing or gardening around the mills and estates.

At our Raja Udang Palm Oil Mill, we use steam traps to reduce our water consumption. Steam traps filter the condensation, which is then reused for dilution. In addition, we reuse water to cool turbines and conduct continuous sterilisation as a method of reducing water consumption. We managed to reduce our water consumption as per the table below:

Water Consumed at Mill Operations ('000 litres)			
Palm Oil Mill	2023		
Bukit Lawiang	267,380.00		
Kota Bahagia	159,473.00		
Sungai Tenegang	170,959.00		
Ladang Mamahat	88,372.00		
Ladang Raja Udang	317,708.00		
Gedong	172,139.70		
Total	1,176,031.70		

Significant differences exist in the water usage data presentation between our 2022 and 2023 annual reports, specifically for 2021 and 2022.

Year	2021	2022	2023
Total Water Consumed at Mill Operations ('000 litres)	1,298,980.90	1,274,074.00	1,176,031.70
Water Consumption			
Rate (m³ / Mt FFB)	1.62	1.56	1.46

In 2023's report, we have adopted a comprehensive approach by including additional data on mill processing, boiler operations and domestic consumption. These changes better showcase our continuous commitment to responsible water management and align with sustainable development principles, emphasising transparency and accountability in our environmental stewardship initiatives.

#### Water Sampling

Our mills and estates share rivers with local communities. Hence, it is our responsibility to prevent contamination of the rivers due to effluent and water discharge from our operations. To do so, water sampling is conducted in these areas by external laboratories and the results are reported to the DOE. To date, there have been no instances of water contamination in rivers surrounding our operations.

Managing water consumption during FFB processing is an ongoing challenge in our industry. However, we have significantly reduced our water footprint due to efforts such as rainwater harvesting, reusing water in other areas of operations and investing in newer technology that reduces water consumption. In the future, we will seek to identify more opportunities to reduce our water consumption.

#### **OUR ENVIRONMENTAL INITIATIVES IN 2023**



Launching ceremony: Rehabilitation of Hutan Simpan Gunung Arong in Mersing, Johor on 28 October 2023.

increase carbon sinks, allowing us to address climate change issues.



The deployment of solar panels at THP Group has expanded to encompass 17 operational units, including estates and mills across Peninsular Malaysia, Sabah and Sarawak. This strategic expansion prioritises key areas such as fertiliser storage facilities, workshops, loading ramps, guardhouses, nurseries and street lighting installations.

#### **OUR SUSTAINABILITY JOURNEY**

We have increased our efforts to conserve the environment and reduce GHG emissions. Our key efforts include:

> We embarked on a seven-year (2022-2029) conservation and restoration project to rehabilitate the degrading Hutan Simpan Gunung Arong in Mersing, Johor, covering 4,300 Ha, in collaboration with a local non-governmental organisation. Our focus in this project is to conserve the biodiversity and ecosystem of the environment through nature-based solutions that will also

We have initiated a joint venture project with a third party to equip our Bukit Lawiang Mill with a biogas plant, which signifies our commitment to reducing GHG emissions in our day-to-day mill operations.

## 👸 👧 SOCIAL



#### SAFETY & HEALTH

Our employees' and workers' safety and health are a top priority for us. Our policies and measures underline Management's strict approach to occupational safety and health. It is our duty to provide the best care to our employees. Safe, healthy and conducive environment will benefit all stakeholders and ensure the sustainability of our business. In 2023, our OSH Unit conducted Compliance Visits to ensure that the practices in our estates and mills were in accordance with the OSH Act 1994, as well as to improve existing systems.

**Our Policies** 

In 2023, we maintained our OSH Policy and OSH for Chemical Substances Policy as per year 2020. Some of the key elements of our policies are highlighted below:

•	Providing a safe and healthy working environment.	•	Complying with the Osh Act 1994 and factories and Machinery Act 196.
•	Communicating information, instruction, training and supervision to all employees.	•	Ensuring all employees have appropriate work equipment as well as personal protective equipment as required for their jobs.
•	Identifying all accidents, diseases, poisoning and dangerous occurrences as well as taking preventive measures.	•	Striving to improve knowledge and sense of responsibility of each employee.

	202:	2021 202		2 2		2023	
	Worker	Contractor	Worker	Contractor	Worker	Contractor	
Total Hours Worked	12,741,372.70	•	12,293,348.35	707,217.00	11,814,152.69	753,855.00	
Number of Fatalities	0	0	0	0	0	0	
Number of Lost Time Injuries	351	0	238	10	377	2	
Lost Time Incident Rate ("LTIR")	5.51	0.00	3.87	2.83	6.38	0.53	

Our unwavering commitment to safety is evident through our zero-fatality record continuing into 2023.

In assessing the key safety metrics, we are concerned about the rise in worker LTIR, which necessitates a detailed analysis. Additionally, the positive trend in contractor LTIR highlights opportunities for best practice dissemination. The LTIR comparison urges proactive measures, reinforcing our commitment to a secure working environment. Based on the possibility that an accident could occur in any activity, THP Group has revised its Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to identify root causes and implement corrective actions. Besides that, we have increased workers' awareness through training and briefings.

#### Safety and Health Training

Our OSH unit regularly reviews the training plans. Workers and employees are assigned to pertinent training schedules and are obligated to attend them, as agreed. Training participation rates are monitored, and more than 90% of all employees have received training.

Our key annual training programmes for the year 2023 are highlighted below.

Name of Training	Content of Training	Frequency of Training	Attended by
Training on Mechanisation	Safe operating procedures on for mechanical handling	Once/year	Tractor drivers and harvesters/ loaders
Emergency Response Action Plan Procedure (Accident, Chemical Spillage, Fire, Flood, Drowning, Animal Attack)	SOPs of Emergency Response Plan ("ERP")	Once/year	All management, employees and workers
Basic First Aider	Basic first aider training sessions	Once/year	OSH Committee
Fire Extinguisher Safety & Fire Drill (Inspection & Training)	Potential sources of fire and fire management procedures	Once/year	All management, employees and workers
Personal Protective Equipment ("PPE") Handling and Replacement Procedure	SOPs of PPE	Five times/year	All management, employees and workers
SOP Training and Best Practices for Estates and Mill Operations	Briefing on THP SOPs based on task/department	Four times/year	All management, employees and workers
Noise Exposure Training	Adequate training, instruction and information regarding noise exposure	Once/year	Employees who are subjected to excessive noise

#### OUR SUSTAINABILITY JOURNEY

## Inspection of Mills' Factories & Machinery According to the Factory & Machinery Act 1967, all of our mills must abide by the Mill's Factory & Machinery Inspection conducted by the Department of Occupational Safety & Health ("DOSH") Malaysia every 15 months. The inspections are conducted on an annual basis as part of our commitment to safety. This includes the Occupational Safety & Health Workplace Assessment ("OSHWA") and assessment of machineries that are used in our operations, on, Risk such as boilers, Unfired Pressure Vessels ("UPVs") and hoisting causes machines.



Basic First Aider training at the THP Group Headquarters on 17 July 2023 (left) and fire drill at TH Selborn Tower on 22 November 2023.

#### Safety and Health Audits

Internal safety and health audits are conducted annually by our OSH unit. The audits cover all our estates and mills.

#### The aims of our audits are to:

- Determine the level of health and safety of our employees in each business unit
- Analyse the risk factors that may negatively affect their health and safety
- Advise on improving the safety and health aspects of the working environment

- Reviewing all records related to OSH
- SOPs of all worksites
- Amenities for emergency response
- PPE provided by estates and mills
- Systematic maintenance of equipment and machineries
- Availability of amenities and infrastructure at the worksites

We monitor the levels of noise around the mills to ensure the 1974. All our mills operate within the permitted noise levels

If employees are required to work in an environment with a DPND or NEL above 100%, earplugs are provided to protect their hearing, as per regular practice and recommendation by DOSH's Noise Risk Assessment.

Our employees and workers are important stakeholders and the cornerstone of our success. The human rights of our workforce are respected and valued as we uphold our obligations to them. Our practices and internal systems are continuously reviewed and updated to mitigate any negative impacts on our stakeholders. We have not faltered in supporting them and ensuring that their rights are protected.

As part of our commitment to becoming an integrated and sustainable plantation company, we see human rights as an essential component of our sustainability mandate. To this end, we uphold, respect and protect the rights of all individuals, as we understand that this forms the foundation of sustainable business growth.

In 2023, we employed 6,777 employees and workers, of whom 45% were local and 55% were foreign. Our commitment is to uphold their human rights by adhering to our Human Capital ("HC") Policies, which outline the basic principles of human rights, as shown below:

Fair wages	No discrimination	No child labour	No compulsory or forced labour	Equal opportunity
Freedom of association	Safety and health at work	Social protection	Employment security	Work-life balance

As of 2023, there have been no substantiated complaints concerning human rights violations from all levels of employees.

Findings are communicated to the respective managers of mills and estates. Their actions are reviewed in the next audit.

hat the levels are below the limit of 65 dB(A) during the day and §	s stipulated by the Environmental Quality Act 55 dB(A) at night.
n Sound Pressure Level ("SPL") than 115 dB(A) at any time	A Peak Sound Pressure Level ("SPL") of more than 140 dB(C)

## SOCIAL

#### Supporting Our Foreign Workforce

All our workers are treated fairly and equally. The hiring process for foreign workers is especially significant as we need to relocate them from their home countries. For that reason, we want to support their transition to the best of our ability. Our hiring process for foreign workers ensures that the workers are not bound by hidden fees or harmful conditions that will violate their rights. All of the foreign workers employed by us are from Indonesia.

The process begins with obtaining quota approval to hire workers from The Ministry of Home Affairs ("MOHA") and The Ministry of Human Resource ("MOHR"). Upon request, our appointed agents will begin the recruitment and immigration process in Indonesia and will make flight arrangements for the workers. Our representatives will pick them up once they arrive in Malaysia. All costs involved, including levy fees payable to the Malaysian government, visa applications and flight tickets, will be borne by the Company.

Upon arriving at our sites, all foreign workers are provided with safe and secure accommodation close to their worksite. In 2023, we continued the initiative to replace and upgrade our employees' living quarters as part of our ongoing commitment to supporting our workers, which is also in compliance with local laws and regulations. Moreover, we constructed welfare and sports facilities for the benefit of our estate and mill employees in line with International Labour Organisation requirements.

We strictly adhere to the national minimum wage regulations in our areas of operation. Effective April/May 2022, the Malaysian government has specified a minimum wage of RM1,500 per month for the work performed in a place of employment, under the Wage Order 2020. The average monthly earnings of our workers in all our estates are highlighted below.

Earnings (RM)	2021	2022	2023
Average monthly earnings			
per worker	1,870.00	1,700.00	1,874.00

#### **EMPLOYEE WELFARE AND DEVELOPMENT**

We care about our people and we are committed to meeting the requirements of our employees and workers in the areas of career development, competitive remuneration and welfare. Without the commitment and drive of our workforce, we would struggle to grow as a business.

#### **Our People**

THP Group's talented and diverse workforce is our strongest resource and the bedrock of our success. We are committed to developing a strong workforce that can drive the THP Group's strategic direction and create a positive impact on our economic, environmental and social dimensions.

	2021		2022		2023	
Total No. of Employees (%)	Men	Women	Men	Women	Men	Women
Management						
(Senior Management)	73	27	83	17	50	50
Employees						
(Management, Executives						
and Non-Executives)	70	30	74	26	73	27
Workers (Local)	79	21	80	20	78	22
Workers (Foreign)	74	26	72	28	77	23

#### Diversity, Equity & Inclusion

Diversity and inclusivity at work give us a competitive edge through the accumulation of, and the ability to tap into, a wide range of knowledge, perspectives and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination by actively encouraging diversity in gender, race, religion, age and nationality.

We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. Guided by our Sustainability Policy, which was refreshed in 2020, we promote a culture that respects and values differences, advocates equality, and encourages growth and development to help individuals reach their full potential.

ale			
emale	 	 	

Total Employees by Gender (including	g workers) (%)	2021	2022	2023
Male		77	76	77
Female		23	24	23
Total Employees by Age Category (%)		2021	2022	2023
	Age under 30	0	0	0
Management	Age 30 - 50	13	8	25
(current Senior Management Team)	Age above 50	87	92	75
Management	Age under 30	11	10	11
(Management, Executives and	Age 30 - 50	68	71	70
Non-Executives)	Age above 50	20	19	19
	Age under 30	31	30	32
Workers	Age 30 - 50	59	58	58
	Age above 50	9	12	10
Composition of the Board by Gender	(%)	2021	2022	2023
Male		100	87	78
Female		0	13	22
Composition of the Board by Age Gro	oup (%)	2021	2022	2023
Age under 30		0	0	0
Age 30 - 50		20	37	33
Age above 50		80	63	67

Total Employees by Gender (includin	g workers) (%)	2021	2022	2023
Male		77	76	77
Female		23	24	23
Total Employees by Age Category (%)		2021	2022	2023
	Age under 30	0	0	C
Management (current Senior Management Team)	Age 30 - 50	13	8	25
(current senior Management ream)	Age above 50	87	92	75
Management	Age under 30	11	10	11
(Management, Executives and	Age 30 - 50	68	71	70
Non-Executives)	Age above 50	20	19	19
	Age under 30	31	30	32
Workers	Age 30 - 50	59	58	58
	Age above 50	9	12	10
	(0/)	2020	2022	2023
Composition of the Board by Gender	(%)	2021	2022	2023
Male		100	87	78
Female		0	13	22
Composition of the Board by Age Gro		2021	2022	2023
composition of the board by Age are		2021		202.
Age under 30		0	0	
Age 30 - 50		20	37	3
Age above 50		80	63	67

### **OUR SUSTAINABILITY JOURNEY**

We are dedicated to maintaining fair employment practices and consistently review our recruitment process to ensure equality from the beginning, in alignment with our Recruitment Policy and procedures. At THP Group, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

SOCIAL

#### **Benefits for Employees and Workers**

We strive to compensate our workforce by providing competitive benefits to support them, due to the ever-changing needs of society.

Besides annual leave and life insurance, employees and workers who work at our mills and estates are provided with free lodging, electricity and water supply. For our foreign workers, we absorb their total recruitment cost, including airfare, transportation cost and annual levy fees.

In support of our employees, we provide a number of benefits, such as allowances for accommodation, transportation and travel and medical and life insurance. Furthermore, we support working parents among our employees, providing them with 98 days of maternity leave and rewarding employees' children for their excellent performance at school. We acknowledge parental leave as an important benefit to support work-life balance among our employees. All permanent employees and workers are entitled to parental leave and all employees who took parental leave returned to work, as shown below.

	2021	2022	2023			
Total No. of Employees Who Took Parental Leave						
Men	3	2	1			
Women	1	3	1			
Total No. of Employees Who Returned to Work in the Reporting Year After Parental Leave						
Men	3	2	1			
Women	1	3	1			

We consider our employees' long-term needs via our contribution to the Employees Provident Fund ("EPF") and Social Security Organisation ("SOCSO") on behalf of our employees. We have also established the Retirement Gratuity Scheme, for which most permanent employees are eligible. The scheme provides our retiring employees with an attractive retirement package.

We believe in a fair and equal workplace. We treat our employees equally and provide competitive remuneration based on their individual performance.

#### **Career Development and Training**

We want THP Group to be a platform for career progression and development for our employees. To realise this, we encourage our employees to broaden their knowledge base and provide them with various career development programmes, such as job rotations and mobility and training programmes, to help them advance in their careers.

A budget is allocated annually for employee training and it is administered by our Human Capital Department, which monitors and organises appropriate training programmes based on employees' skills and designations.





In 2023, we also continuously organised a Sustainability Month Programme to embed understanding among employees on the various aspects of sustainability, including topics that were repeated from the previous year, such as GHG Emissions Mitigation, High Carbon Stock Approach, Benefit of Biogas/Biomass, Scheduled Waste Handling, OSH Matters (Stress Management) and Emergency Response Plan ("ERP"), at our Headquarters. Our estates and mills in Kluang, Kota Bahagia, Terengganu, Sabah and Sarawak also had OSH Compliance Visits conducted to ensure that their practices were in accordance with OSH Act 1994.

During the year, the Sustainability Department attended the International Palm Oil Congress and Exhibition ("PIPOC") 2023 and Carbon Forest Seminar organised by the Sarawak Forestry Department to increase their knowledge on sustainability challenges and opportunities in the Malaysian palm oil industry.





ISP

## 🖁 👸 👧 SOCIAL

#### LOCAL COMMUNITIES / COMMUNITY INVESTMENT

Our operations are located in numerous areas among diverse communities. Utilising this opportunity, we cultivate significant relationships with surrounding communities and contribute to the national economy by providing jobs and charitable aid. In total, our community investment in 2023 was RM119,600.00 which was directed to 705 beneficiaries.

#### Serving the Local Communities and Land Rights

A number of our estates, especially estates located in Sarawak, are part of a land management programme with indigenous communities. We respect the rights of these communities; therefore, we establish a collaborative approach to land management with these communities.

To do so, we participate in Sarawak's Native Customary Rights ("NCR") Land Development Programme, which is managed by the Sarawak Land Custody and Development Authority. The programme enables us to work together with native landowners to develop and manage plantation land in certain areas.

In 2023, 18% of the NCR land was part of the incentive payment programme involving 2,052 landowners. In exchange for their participation in the programme, indigenous landowners received income in the form of incentives and leasehold payments. These incentives are paid twice a year, based on the number of hectares under our management.

Furthermore, the close proximity of our plantations to local communities allows us to provide job opportunities to members of these communities.

	2021	2022	2023
Incentives paid to			
local communities,			
as part of land			
management (RM)	4,234,502.00	4,340,961.00	3,408,437.00
Number of			
beneficiaries	2,346	2,035	2,162

#### Unlocking Entrepreneurial Capabilities

One of the ways in which we help our communities achieve better future prospects is through the Vendor Development Initiative ("VDI"), which promotes entrepreneurship among the locals. Through the VDI, we encourage individuals from our local communities to start a business that will allow them to become our business partners. By giving them the opportunity to earn contracts from THP, we are not only promoting an entrepreneurial culture among the locals, but also helping them earn a living.

In addition to this, we also encourage the participation of Bumiputera contractors in the VDI programme. In 2023, we signed contracts worth RM221.00 million as part of the VDI initiative, with 29% being with Bumiputera businesses with a total contract value of RM65.00 million. We will continue to respect our relationships with our local and indigenous communities and utilise our resources to provide for local development. Additionally, we will play a role in supporting the nation's agenda to assist youths and develop the national economy of the countries we operate in.

#### CONCLUSION

# Our sustainability aspirations and efforts are now focused on sustaining MSPO Certification Programmes and improving our commitment to the NDPE Policy, in line with our position as a major industry player. These efforts will guide us in formalising the sustainability commitments and systems that are presently in place to manage our sustainability matters. We will continue to monitor and manage our material matters and seek to bridge identified reporting gaps. With shifting tides and global trends in the plantation industry, we need to continuously adapt to internal and external changes while closely collaborating with our stakeholders. Our values will ensure that we do not falter in upholding our sustainability commitments as we move towards becoming a sustainable palm oil player.

#### PERFORMANCE DATA TABLE

Indicator	Unit	2021	2022	2023	Targets
Economic Performance					
Economic value generated (i.e., revenue and other income)	MYR	771,808,000.00	891,550,000.00	773,285,000.00	
Economic value distributed:					
- Operating Cost	MYR	430,113,000.00	569,719,000.00	484,971,000.00	
- Employee wages and benefits	MYR	119,695,000.00	127,551,000.00	158,582,000.00	
<ul> <li>Payment to providers of capital (i.e., dividend and financing cost)</li> </ul>	MYR	79,014,000.00	84,317,000.00	88,120,000.00	
- Payment to government (i.e., tax)	MYR	39,234,000.00	57,229,000.00	33,470,000.00	
- Community Investment	MYR	142,000.00	-	119,600.00	
- Economic value retained	MYR	103,610,000.00	52,734,000.00	8,022,400.00	
Customer Satisfaction					
Free Fatty Acid ("FFA")	Percentage	3.91	3.95	3.79	≤5.00
Deterioration of Bleachability Index ("DOBI")	Percentage	2.53	2.52	2.52	≥2.30
Moisture & Impurities ("M&I")	Percentage	0.16	0.15	0.16	<0.25
Moisture	Percentage	6.06	6.19	6.33	<7.00
Dirt & Shell	Percentage	4.92	4.86	4.80	<6.00
Research & Development					
Budget for R&D: Annual Expenditure ('000 000)	MYR	1.5	1.3	2.0	
Fair Procurement Practices					
Suppliers that were screened using environmental criteria	Percentage	Nil	Nil	3%	
Suppliers assessed for environmental impacts	Number	Nil	Nil	51	
Suppliers that were screened using social criteria	Percentage	Nil	Nil	3%	
Suppliers assessed for social impacts	Number	Nil	Nil	51	
Proportion of spending on Bumiputera Suppliers.	Percentage	39	38	29	
Anti-Corruption Practices					
Confirmed Corruption Incidents	Number	0	0	0	
Training completion rate by employee category:					
Management Level	Percentage			79	
Executive	Percentage			75	
Non-executive/Technical	Percentage			29	

Indicator	Unit	2021	2022	2023	Targets
Cybersecurity & Data Protection					
Substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	0	
Biomass Residue					
Produced:					
EFBs	Metric tonnes	177,770.85	162,351.38	121,670.53	
Shells	Metric tonnes	91,024.64	69,395.16	110,836.61	
Fibres	Metric tonnes	122,876.52	116,120.37	123,811.83	
Reutilised:					
EFBs	Metric tonnes	159,601.61	157,900.54	120,003.68	Reutilise
Shells	Metric tonnes	91,024.64	67,225.31	110,836.61	biomass residue up
Fibres	Metric tonnes	122,876.52	111,061.22	123,811.83	to 90%
Emissions from Boilers					
KS Bukit Lawiang	Percentage	17.00	18.00	18.00	<20%
KS Kota Bahagia	Percentage	12.40	12.98	2.05	<40%
KS Sungai Tenegang	Percentage	5.41	3.98	5.92	<20%
KS Ladang Mamahat	Percentage	18.20	17.20	4.54	<20%
KS Ladang Raja Udang	Percentage	25.03	21.90	29.00	<40%
KS Gedong	Percentage	49.81	29.13	25.97	<50%
Energy Consumption					
Non-Renewable Energy Fuel (Purchased & Consumed)	GJ	-	-	5,601.55	
Non-Renewable Energy Electricity (Purchased)	GJ	-	-	3,744.14	
Renewable Energy Fuel (Purchased / Acquired & Consumed)	GJ	-	-	153,917.28	
Total Renewable Energy (Generated)	GJ	-	-	49,970.81	
Total Energy	GJ	-	-	213,233.79	
GHG Emissions					
Average Total Emissions	tCO <sub>2</sub> e/Metric tonne	1.93	1.85	0.90	
Palm Oil Mill Effluent ("POME") and Biological C	) Dxygen Demand (	"BOD") Measuremen	nts		
KS Bukit Lawiang	mg/L	55.00	54.00	54.00	<100 mg/L
KS Kota Bahagia	mg/L	85.00	80.00	70.00	<100 mg/L
KS Sungai Tenegang	mg/L	9.05	9.01	10.07	<20 mg/L
KS Ladang Mamahat	mg/L	12.30	13.68	9.55	<20 mg/L
KS Ladang Raja Udang	mg/L	12.48	6.07	15.38	<20 mg/L
KS Gedong	mg/L	12.42	13.60	18.20	<20 mg/L
Total POME generated	metric tonnes	510,529	510,073	492,034	

Note External Assurance

-

Indicator	Unit	2021	2022	2023	Targets
Water Consumption					
Total Water Consumed at in Mill Operations	('000 litre)	1,298,980.90	1,274,074.00	1,176,031.70	
Water Consumption Rate	(m <sup>3</sup> / Mt FFB)	1.62	1.56	1.46	<1.5 m³/ Mt FFB
Health & Safety					
Workers					
Total Hours Worked	Hours	12,741,372.70	12,293,348.35	11,814,152.69	
Fatalities	Number	0	0	0	Zero fatalities annually
Lost Time Injuries	Number	351	238	377	
Lost Time Incident Rate ("LTIR")	Rate	5.51	3.87	6.38	
Contractors					
Total Hours Worked	Hours	165,336.00	707,217.00	753,855	
Fatalities	Number	0	0	0	Zero fatalities annually
Lost Time Injuries	Number	0	10	2	
Lost Time Incident Rate ("LTIR")	Rate	0	2.83	0.53	
Workers and contractors trained on health and safety standards	Number	5,311	5,754	6,282	
Supporting Our Foreign Workforce					
Average monthly earnings per worker	MYR	1,870	1,700	1,874	
Our People					
Total No. of Employees (%) – <b>Men:</b>					
Management (Senior Management)	Percentage	73	83	50	
Employees (Management, Executives and Non-Executives)	Percentage	70	74	73	
Workers (Local)	Percentage	79	80	78	
Workers (Foreign)	Percentage	74	72	77	
Total No. of Employees (%) – <b>Women:</b>					
Management (Senior Management)	Percentage	27	17	50	
Employees (Management, Executives and Non-Executives)	Percentage	30	26	27	
Workers (Local)	Percentage	21	20	22	
Workers (Foreign)	Percentage	26	28	23	
Diversity, Equity & Inclusion					
Total employees by gender (including workers	s):				
Male	Percentage	77	76	77	
Female	Percentage	23	24	23	

Note External Assurance

Indicator	Unit	2021	2022	2023	Target
Diversity, Equity & Inclusion					
Total percentage of employees by age catego	ory				
Management (current Senior Management Te	eam as per current):				
Age under 30	Percentage	0	0	0	
Age 30 - 50	Percentage	13	8	25	
Age above 50	Percentage	87	92	75	
Employees (Management, Executives and No	n-Executives):				
Age under 30	Percentage	11	10	11	
Age 30 - 50	Percentage	68	71	70	
Age above 50	Percentage	20	19	19	
Workers:					
Age under 30	Percentage	31	30	32	
Age 30 - 50	Percentage	59	58	58	
Age above 50	Percentage	9	12	10	
Percentage of the Board by gender:	5				
Male	Percentage	100	87	78	
Female	Percentage	0	13	22	
Total percentage of BOD the Board by age:	5				
Age under 30	Percentage	0	0	0	
Age 30 - 50	Percentage	20	37	33	
Age above 50	Percentage	80	63	67	
Benefits for Employees and Workers	5				
Total no. of employees who took parental lea	ave:				
Men	Number	3	2	1	
Women	Number	1	3	1	
Total no. of employees who returned to work	( in the reporting ve	ar after parental leav	/e:		
Men	Number	3	2	1	
Women	Number	1	3	1	
Career Development and Training			-		
Total Hours of Training:					
Management	Hours	152.00	352.00	441.00	
Employees	Hours	24.00	40.00	240.00	
Workers	Hours	38,808.00	39,786.00	53,150.00	
Total employee turnover:		,- >0.00			
Management	Number	2	5	3	
Employees	Number	43	32	78	
Workers	Number	1,367	1,191	769	
Serving the Local Communities and Land Rig		1,007	1,131		
Total amount of incentives paid to local	MYR	4,234,502	4,340,961	3,408,437	
communities, as part of land management		1,201,002	1,0 10,001	0,100,107	
Number of beneficiaries	Number	2,346	2,035	2,162	

ļ	Bursa (Anti-corruption)
1	Bursa C1(a) Percentage of employees who have received
•	Management
-	Executive
-	Non-executive/Technical
-	Bursa C1(b) Percentage of operations assessed for corrug
-	Bursa C1(c) Confirmed incidents of corruption and action
	Bursa (Community/Society)
ļ	Bursa C2(a) Total amount invested in the community whe
	external to the listed issuer
	Bursa C2(b) Total number of beneficiaries of the investme
	Bursa (Diversity)
	Bursa C3(a) Percentage of employees by gender and age
	Age Group by Employee Category
	Senior Management Under 30
	Senior Management Between 30-50
	Senior Management Above 50
	Management to Non-Executives Under 30
	Management to Non-Executives Between 30-50
	Management to Non-Executives Above 50
	Workers (Local & Foreign) Under 30
	Workers (Local & Foreign) Between 30-50
	Workers (Local & Foreign) Above 50
	Gender Group by Employee Category
	Senior Management Male
	Senior Management Female
	Management to Non-Executives Male
	Management to Non-Executives Female
	Workers (Local & Foreign) Male
•	Workers (Local & Foreign) Female
	Bursa C3(b) Percentage of directors by gender and age g
•	Male
-	Female
	Under 30
-	Between 30-50
-	Above 50

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# VALIDATED DATA & BASIS -TABLE FOR BURSA

	Measurement Unit	2023
ed training on anti-corruption by emp	oloyee category	
	Percentage	79.00
	Percentage	75.00
	Percentage	29.00
uption-related risks	Percentage	0.00
on taken	Number	0
here the target hereficiaries are	MYR	110 600 00
here the target beneficiaries are	MTR	119,600.00
nent in communities	Number	705
e group, for each employee categor	У	
	Percentage	0.00
	Percentage	25.00
	Percentage	75.00
	Percentage	11.00
	Percentage	70.00
	Percentage	19.00
	Percentage	32.00
	Percentage	58.00
	Percentage	10.00
	Percentage	50.00
	Percentage	50.00
	Percentage	73.00
	Percentage	27.00
	Percentage	77.00
	Percentage	23.00
group		
	Percentage	78.00
	Percentage	22.00
	Percentage	0.00
	Percentage	33.00
	Percentage	67.00
	Megawatt	59,231.61
## VALIDATED DATA & BASIS -TABLE FOR BURSA

Indicator	Measurement Unit	2023
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	6,282
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	441
Employees	Hours	240
Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Employees	Number	78
Workers	Number	769
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	29.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.176000

GRI Star	ndard
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GRI Standard		Disclosure	Page Number
General disclosures			
GRI 2:	2-1	Organizational details	26
General Disclosures 2021	2-2	Entities included in the organization's sustainability reporting	27
	2-3	Reporting period, frequency and contact point	Annual Report 202
	2-4	Restatements of information	N/A
	2-5	External assurance	74-77
	2-6	Activities, value chain and other business relationships	4-5
	2-7	Employees	58-60
	2-8	Workers who are not employees	58-60
	2-9	Governance structure and composition	97
	2-10	Nomination and selection of the highest governance body	98-100
	2-11	Chair of the highest governance body	97
	2-12	Role of the highest governance body in overseeing the management of impacts	26-27
	2-13	Delegation of responsibility for managing impacts	26-27
	2-14	Role of the highest governance body in sustainability reporting	26-27
	2-15	Conflicts of interest	80-96
	2-16	Communication of critical concerns	30
	2-17	Collective knowledge of the highest governance body	26-27
	2-18	Evaluation of the performance of the highest governance body	6-25
	2-19	Remuneration policies	104
	2-20	Process to determine remuneration	104
	2-21	Annual total compensation ratio	N/A
	2-22	Statement on sustainable development strategy	33, 35-64
	2-23	Policy commitments	35-64
	2-24	Embedding policy commitments	35-64
	2-25	Processes to remediate negative impacts	35-64
	2-26	Mechanisms for seeking advice and raising concerns	39-40, 57-58
	2-27	Compliance with laws and regulations	35-64
	2-28	Membership associations	N/A
	2-29	Approach to stakeholder engagement	30-31
	2-30	Collective bargaining agreements	N/A
Material topics	2 30		IN/A
GRI 3:	3-1	Process to determine material topics	31-32
Material Topics 2021	3-2	List of material topics	31-32
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	36
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	36

# **GRI CONTENT INDEX**

## GRI CONTENT INDEX

GRI Standard		Disclosure	Page Number
Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	39-40
GRI 205:	205-1	Operations assessed for risks related to corruption	39-40
Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	39-40
	205-3	Confirmed incidents of corruption and actions taken	39
Health & Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	54
GRI 403: Occupational	403-1	Occupational health and safety management system	54
Safety and Health 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	56-57
	403-5	Worker training on occupational health and safety	55
	403-9	Work-related injuries	54
Cybersecurity & Data Protec	tion		
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	40
Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	46-53
GRI 302:	302-1	Energy consumption within the organization	48
Energy 2016	302-4	Reduction of energy consumption	47
GRI 305:	305-1	Direct (Scope 1) GHG emissions	N/A
Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	N/A
	305-3	Other indirect (Scope 3) GHG emissions	N/A
	305-5	Reduction of GHG emissions	50
Employee Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	58-63
GRI 404:	404-1	Average hours of training per year per employee	61
Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	62

GRI Standard		Disclosure	Page Numb
Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	59
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	59
Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	57
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	57
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-39
GRI 204: Procurement Practices 2016:	204-1	Proportion of spending on local suppliers	39
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	39
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	39
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	45-46
GRI 306:	306-3	Waste generated	45
Waste 2020	306-4	Waste diverted from disposal	45
	306-5	Waste directed to disposal	45
Community Investment			
GRI 3: Material Topics 2021	3-3	Management of material topics	64
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	36 & 64
Water Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	52
GRI 303: Water and Effluents 2018	303-5	Water consumption	52

## **GRI CONTENT INDEX**

# **ASSURANCE STATEMENT**

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to independent assurance in accordance with recognised assurance standards for selected indicators, as approved by the Company's Audit Committee.

The scope, subject matter covered and conclusions (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Independent Limited	Governance and	Anti-Corruption Practices:	Operations	Based on the procedures
Assurance	Ethics	a) Percentage of employees	assessed:	we have performed
		who have received training on	<ul> <li>Malaysia</li> </ul>	conducted and the
		anti-corruption by employee	5	evidence we have
		category.		obtained, nothing has
		b) Percentage of operations		come to our attention
		assessed for corruption-related		that causes us to believe
		risks.		that the Subject Matter
		c) Confirmed incidents of		as presented in TH
		corruption and action taken.		Plantations Berhad's
		Cybersecurity & Data Protection:		Sustainability Statement
		a) Number of substantiated		have has not been
		complaints concerning breaches		prepared and presented
		of customer privacy and loss of		fairly, in all material
		customer data.		respects, in accordance
	Water Management	a) Total volume of water used	-	with the defined criteria
	Employee Welfare and	Diversity, Equity & Inclusion:	-	in ISAE 3000 (Revised).
	Development	a) Percentage of employees by		
	Deretepinent	gender and age group for each		
		employee category.		
		b) Percentage of Directors by		
		gender and age group.		

Please refer to page 75 for the Independent Limited Assurance Statement provided by BSI Sdn Bhd.

We will continue to improve our data accuracy and quality to strengthen our disclosures moving forward by ensuring that all indicators are subjected to independent assurance within the next five years.

# hsi

To the Directors of TH Plantations Bhd

Holds Statement No.: SRA 803024

The British Standards Institution (BSI) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Statement of TH Plantations Bhd Annual Report 2023

## Scope

The scope of engagement agreed upon with TH Plantations Bhd includes the following:

The assurance covers the information of the following subject matters in the TH Plantations Bhd Sustainability Statement for 2023.

- 1. Anti-corruption
- 2. Diversity

  - b) Percentage of directors by gender and age group.
- 3. Data Privacy and Security
  - customer data.
- 4. Water Consumption
  - a) Total volume of water used.

The selected information are reported in accordance with ISAE 3000 (revised)

# INDEPENDENT LIMITED **ASSURANCE STATEMENT**





## INDEPENDENT ASSURANCE **OPINION STATEMENT**

a) Percentage of who have received training on anti-corruption by employee category.b) Percentage of operations assessed for corruption related risks. c) Confirmed accidents of corruption and action taken.

a) Percentage of employees by gender and age group for each employee category.

a) Number of substantiated complaints concerning breaches of customer privacy and losses of

## INDEPENDENT LIMITED ASSURANCE STATEMENT

## **Opinion Statement**

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised).

## Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant TH Plantations Bhd policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on TH Plantations Bhd approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

## Responsibility

TH Plantations Bhd is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

## Independence, Quality Control and Competence

BSI is independent to TH Plantations Bhd and has no financial interest in the operation of TH Plantations Bhd other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of TH Plantations Bhd only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by TH Plantations Bhd. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by TH Plantation Bhd is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

Issue Date: 6 February 2024

For and on behalf of BSI:

Shaiful Rahman, Lead Assurer

BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

## INDEPENDENT LIMITED ASSURANCE STATEMENT

Evelyn Chye, Managing Director BSI Malaysia

# OUR BOARD LEADERSHIP



DR NURMAZILAH BINTI DATO' MAHZAN

Independent Non-Executive Director HAJI BAKRI BIN JAMALUDDIN

Independent Non-Executive Director SYED HAMADAH **BIN SYED OTHMAN** 

Non-Independent Non-Executive Director DATUK DR. AHMAD **KUSHAIRI BIN DIN** 

Chairman, Independent Non-Executive Director YM TENGKU DATO' SERI HASMUDDIN BIN **TENGKU OTHMAN** 

Non-Executive Director

Non-Independent

MUHAMMAD RAMIZU **BIN MUSTAFFA** 

Independent

Non-Executive Director

## OUR BOARD LEADERSHIP



Non-Independent

Non-Executive Director

KASMURI BIN SUKARDI

Independent Non-Executive Director FAHDA NUR BINTI AHMAD KAMAR

Independent Non-Executive Director

## **OUR BOARD LEADERSHIP**

## DATUK DR. AHMAD **KUSHAIRI BIN DIN**

Chairman. Independent Non-Executive Director

Male 65 years old

## **Date of Appointment**

- Chairman 28 June 2022
- Independent Non-Executive Director 18 March 2022

## Interest in Securities of the Company and its Subsidiaries Nil

Membership of Board Committees Nil

## Present Directorship(s) in **Other Public Companies**

Listed Nil

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Non – Listed

• Bank Pertanian Malaysia Berhad (Agrobank)

## Number of Meetings Attended





Datuk Dr. Ahmad Kushairi holds a PhD in Genetics from Universiti Kebangsaan Malaysia, a Master of Science (Genetics) from University Kebangsaan Malaysia, a Master of Science (Agronomy) from Louisiana State University, USA, a Bachelor of Science in Agriculture (Agronomy) and a Diploma in Agriculture, both from Universiti Pertanian Malaysia.

He served the Malaysian Palm Oil Board ("MPOB") from its establishment in 1979 until he retired as the Director-General in 2019. He possesses 40 years of experience, skills and knowledge, which amongst others include organisational management, oil palm breeding, quantitative genetics, seed production, plantation management and research management. He has received numerous awards and honours from MPOB, national and international organisations, including Gold Medal Research Award, Director General's Science Excellence Challenge Trophy, Best Publication Award and Innovation Award.

Currently, he serves as an Independent Non-Executive Director of Bank Pertanian Malaysia Berhad (Agrobank).

Datuk Dr. Ahmad Kushairi does not have any family relationship with any director and/ or major shareholder of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## SYED HAMADAH BIN **SYED OTHMAN**

TH PLANTATIONS BERHAD

Non-Indeper	ndent	
Non-Executiv	ve Director	
Male		52 years old

**Date of Appointment** 5 September 2023

Interest in Securities of the Company and its Subsidiaries Nil

**Membership of Board Committees** Nil

## Present Directorship(s) in **Other Public Companies** Listed

• Bank Islam Malaysia Berhad

Non – Listed

- Yayasan Tabung Haji
- Private Pension Administrator Malaysia

Number of Meetings Attended



Sdn. Bhd.

## OUR BOARD LEADERSHIP



Syed Hamadah is a Fellow of the Faculty and Institute of Actuaries, United Kingdom and a Fellow of the Actuarial Society, Malaysia. He holds a Bachelor of Science in Actuarial Mathematics & Statistics from Heriot-Watt University, Edinburgh, United Kingdom and a Scottish Higher Education Certificate from Clydebank College, United Kingdom.

His past experience includes serving as the Chief Executive Officer of Retirement Fund (Incorporated), consulting actuarist at Mercer Zainal Consulting Sdn. Bhd., technical analyst at Petronas Trading Corporation Sdn. Bhd. and a Director of EDOTCO Sdn. Bhd.

Currently, he serves as the Group Managing Director & Chief Executive Officer of Lembaga Tabung Haji ("TH"), a major shareholder of THP. He is also a Director of the Private Pension Administrator Malaysia and a Director & Senior Partner of Actuarial Partners Consulting

Syed Hamadah does not have any family relationship with any director and/or major shareholder of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## YM TENGKU DATO' SERI **HASMUDDIN BIN TENGKU OTHMAN**

Non-Independent Non-Executive Director



**Date of Appointment** 30 September 2021

## Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

- Member of the Board Audit, Risk & Governance Committee
- Member of the Board Nomination & Remuneration
- Member of the Board Tender Committee

## Present Directorship(s) in **Other Public Companies** Listed

• Theta Edge Berhad

## Non – Listed

- Aliran Ihsan Resources Berhad
- Putrajaya Perdana Berhad

## Number of Meetings Attended





YM Tengku Dato' Seri Hasmuddin holds a Bachelor of Law (Honours) from the University of Malaya. He is a practicing advocate and solicitor, admitted to the Malaysian Bar on 14 July 1987.

In 1990, he joined Messrs. Hisham, Sobri & Kadir, where he is presently the Principal Partner. His main areas of practice are corporate commercial law and Islamic banking and finance. He played a significant role in framing the structural framework for Islamic banking documentation during its early development in Malaysia.

He has been a member of the Association of Chartered Islamic Finance Professionals Malaysia since 2009. He continues to play an active role in the development of this area of law through his involvement in Kuala Lumpur Islamic Finance Forum ("KLIFF"), an annual forum that gathers prominent personalities, practitioners and industry players of Islamic Finance as well as presenting papers on the subject both locally and internationally.

He was the former director of Bank Muamalat Malaysia Berhad ("Bank Muamalat"). He was appointed as a Non-Independent Non-Executive Director of Bank Muamalat on 18 April 2006 and later redesignated to Independent Non-Executive Director by the Bank Negara Malaysia on 16 February 2009 until his retirement on 18 April 2018. He was also the former director of Lembaga Tabung Haji ("TH"), Rangkaian Hotel Seri Malaysia Sdn. Bhd., Amanah Ikhtiar Malaysia and Serba Dinamik Holdings Berhad.

Currently, he sits on the boards of IJN Holdings Sdn. Bhd., Aliran Ihsan Resources Berhad and Putrajaya Perdana Berhad as well as Chairman of Theta Edge Berhad, a subsidiary of TH.

He is also involved in charitable organisations in his capacity as trustee to Tuanku Najihah Foundation, Yayasan Institut Al Quran Kuala Lumpur, Tabung Amanah Pesakit Malaysia, Institut Quran Tuanku Jaafar and Yayasan Munarah.

YM Tengku Dato' Seri Hasmuddin does not have any family relationship with any director and/or major shareholder of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## **DR. SHAHRIL BIN SIMON**

TH PLANTATIONS BERHAD

Non-Indeper	ndent	
Non-Executiv	ve Director	
Male		47 years old

**Date of Appointment** 17 November 2023

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

• Member of the Board Investment Committee

Present Directorship(s) in **Other Public Companies** Listed • Nil

Non – Listed • Nil

Number of Meetings Attended



Currently, he is the Head of Group Investment Management of Lembaga Tabung Haji ("TH"). In this capacity, he undertakes the responsibility of managing and creating value for strategic investee companies spanning diverse sectors such as technology & telecommunication, financial services, plantations, properties, hospitality, marine, transportation, manufacturing, industrial services and consumer goods.

He also sit on the Boards of TH Properties Sdn. Bhd., TH Travel & Services Sdn. Bhd. and Sigma Entity Sdn. Bhd.

Dr. Shahril does not have any family relationship with any director and/or major shareholder(s) of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## OUR BOARD LEADERSHIP



Dr. Shahril holds a PhD in Islamic Finance from the University of Bolton, United Kingdom, a PhD in Financial Mathematics from the University of Malaya and a Master of Quantitative Sciences (Financial Engineering) from the Universiti Teknologi MARA.

He brings a wealth of experience across diverse domains, including investment banking, asset management, private equity, venture capital, real estate, infrastructure, corporate finance, securities services, wealth management and Islamic finance. His market exposure extends across Southeast Asia, Middle East and Europe, complemented by a global presence through numerous speaking engagements in the realms of investments and Islamic Finance. Additionally, he has demonstrated extensive managerial prowess as an executive director and excelling in areas such as corporate strategy, turnaround, transformation, portfolio management & monitoring, deal structuring, strategic asset allocation, finance and business development.

## **OUR BOARD LEADERSHIP**

## HAJI BAKRI BIN JAMALUDDIN

Independent Non-Executive Director



**Date of Appointment** 2 January 2022

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

- Chairman of the Board Tender Committee
- Chairman of the Board Nomination & Remuneration Committee
- Member of the Board Audit, Risk & Governance Committee

Present Directorship(s) in **Other Public Companies** Listed

• Nil

Non – Listed

Nil

## Number of Meetings Attended





Haji Bakri holds a Diploma in Agriculture from Universiti Pertanian Malaysia

He began his career with Kuala Lumpur Kepong Berhad ("KLK") in 1985 as a Cadet Planter and retired as Senior General Manager in 2019. He has nearly 34 years of experience working in the oil palm plantation industry as well as other agro-related fields such as rubber and cocoa in Peninsular Malaysia and Indonesia. He has 19 years of experience in Peninsular Malaysia (Johor, Perak, Pulau Pinang, Kedah and Negeri Sembilan) and 15 years of experience in Indonesia (Riau, Kalimantan Timur and Jakarta) during his employment with KLK.

He was the former Director of Malaysian Palm Oil Board ("MPOB") from June 2020 to September 2021 and the Managing Director of Danum Sinar Sdn. Bhd., a subsidiary of Puncak Niaga Holdings Berhad from January 2022 until October 2022. He was a committee member of the Dispute Resolution Committee of the Malaysia Palm Oil Certificate Council since July 2020 and Gabungan Asosiasi Pengusaha Kelapa Sawit Indonesia (GAPKI Kalimantan Timur) from 2014 to 2016. He was also a member of the Main Committee of the Mechanisation and Automation Research Consortium of Oil Palm from February 2021 until November 2021.

Currently, he is a Member of Parliament for Tangga Batu, Melaka.

Haji Bakri does not have any family relationship with any director and/or major shareholder of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## MUHAMMAD RAMIZU **BIN MUSTAFFA**

Independent Non-Executiv	
Male	46 years old

**Date of Appointment** 5 April 2022

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

- Chairman of the Board Audit, Risk & Governance Committee
- Member of the Board Nomination θ **Remuneration Committee**
- Member of the Board Investment Committee
- Member of the Board Tender Committee

## Present Directorship(s) in **Other Public Companies** Listed

Golden Pharos Berhad

## Non – Listed

• Permodalan Terengganu Berhad

## Number of Meetings Attended



Muhammad Ramizu holds a Bachelor of Science in Finance and Accounting from the University of Salford, Manchester, United Kingdom and an International Baccalaureate Diploma from Mara College, Banting. He is a fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW") and a member of the Malaysian Institute of Accountants ("MIA").

In 2014, he joined Sapura Resources Berhad as the aviation business Chief Financial Officer and subsequently as the Group Head of Finance, Putrajaya Leisures & Services Group Sdn. Bhd.

Muhammad Ramizu does not have any family relationship with any director and/or major shareholder of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## OUR BOARD LEADERSHIP



He started his career as an auditor with Arthur Andersen (which later merged with Ernst  $\vartheta$ Young ("EY"), Malaysia) in 2000. He later joined ECM Libra Berhad before leaving Malaysia in 2004 to join EY, United Kingdom as an Executive, National Audit. His last employment in the United Kingdom was as a Manager, Corporate Finance of BDO Reading, Thames Valley, England before returning to Malaysia to join KLCC Group in 2010 as the Head of Corporate Finance & Account Services. In KLCC Group, he played key roles in various corporate exercises including the establishment of KLCCP Stapled REIT.

In 2019, he joined the State of Terengganu's GLCs, starting as the Group Chief Financial Officer of Terengganu Incorporated Sdn. Bhd. ("TI"). He is now the Financial Advisor of Mentri Besar Trengganu (Incorporated), the holding corporation for TI.

## **OUR BOARD LEADERSHIP**

Independent Non-Executive Director



**Date of Appointment** 11 September 2023

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

- Chairman of the Board Investment Committee
- Member of the Board Audit, Risk & Governance Committee

Present Directorship(s) in

**Other Public Companies** Listed

Nil

Non – Listed

• CIMB Bank Berhad

## Number of Meetings Attended





Dr. Nurmazilah holds a PhD in Accounting from the University of Birmingham, United Kingdom and a Bachelor's Degree in Accountancy from the International Islamic University of Malaysia.

She is a member of the Malaysian Institute of Accountants ("MIA"), Institute of Corporate Directors Malaysia ("ICDM"), Institute of Internal Auditors ("IIA"), Malaysian Institute of Certified Public Accounts ("MICPA"), ASEAN Charted Professional Account ("ASEAN CPA") and a fellow of Charted Global Management Accountant ("CGMA"). She is also a Certified ESG Analyst, a Certified Public Accountant and a Certified Internal Auditor with a Certified Risk Management and Assurance gualification. She is also a member of the Malavsian Accounting Standards Board, Board of Governors for the Institute of Internal Auditors and a Honorary Treasurer with Persatuan Ekonomi Malaysia.

Having more than 30 years of experience in multiple organisations, she was the former Chief Executive Officer of the Malaysian Institute of Accountants. In MIA, she led and implemented the management system transformation, technology adoption, governance enhancement and branding.

She also played active roles at the International Federation of Accountants, the International Integrated Reporting Framework Board and the ASEAN Federation of Accountants. She also participated in the discussion of ESG topics at the global and local levels, which exposed her to various ESG policies. Her corporate experience covers various industries including property development and construction, banking, unit trusts, trading, and manufacturing.

Currently, Dr. Nurmazilah is an Authority Member of the Sustainable Energy Development Authority (SEDA) Malaysia and a Board member of CIMB Bank Berhad.

Dr. Nurmazilah does not have any family relationship with any director and/or major shareholder(s) of THP nor any conflict of interest with THP. She has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## **KASMURI BIN SUKARDI**

Independent		
Non-Executiv	ve Director	
Male		72 years old

**Date of Appointment** 8 December 2023

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

- Member of the Board Nomination & Remuneration Committee
- Member of the Board Tender Committee

Present Directorship(s) in **Other Public Companies** Listed

Nil

Non – Listed Nil

## Number of Meeting Attended





Kasmuri has completed an Advanced Management Program ("AMP") from Harvard Business School in Boston, Massachusetts, United States of America, holds a Master in Management from Asian Institute of Management, Manila, Philippines, an Associate Diploma from Incorporated Society of Planters, Malaysia and a Diploma in Planting Industry Management from University of Technology MARA. He also obtained certification as a Certified Professional Trainer from the Quest Group, Asia and the Institute of Professional Managers Association, United Kingdom and Certified Professional Coach from Quest Group, Asia and the Institute of Business Coaches.

From 2006 to 2008, he served as Director of Special Functions and later as the Consultant and Lead Trainer for Golden Hope. In 2008, he joined Poliplant Group, Indonesia and Clarity Resources Ltd, Hong Kong based in Jakarta, Indonesia as a Director on its Board and Corporate & Operational Director where he served until 2015. During this period, he successfully led the development and management of more than 50,000 hectares of oil palm plantation, primarily from green fields in Ketapang, Kalimantan Barat, Indonesia.

Sdn. Bhd.

## OUR BOARD LEADERSHIP



He has more than 50 years of experience in various capacities involving plantation agribusiness namely oil palms, rubber, cocoa and coconut. He began his career in 1973 as an Estate Assistant/Senior Assistant Manager at Harrisons & Crosfield PLC which later became Harrisons Malaysian Plantations Berhad and Golden Hope Plantations Berhad ("Golden Hope"). In 1982, he was appointed as Estate Manager and was later promoted to various positions as Estate Visiting Agent, General Manager, Director of Estates and Group Director, Plantations Agribusiness until his retirement in 2006.

Currently, he is the Director and Principal Consultant and Trainer of KAZ Corporation

Kasmuri does not have any family relationship with any director and/or major shareholder(s) of THP nor any conflict of interest with THP. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

Independent Non-Executive Director



**Date of Appointment** 28 December 2023

Interest in Securities of the Company and its Subsidiaries Nil

## Membership of Board Committees

 Member of the Board Investment Committee

## Present Directorship(s) in **Other Public Companies** Listed

• Nil

Non – Listed

• Nil

## Number of Meetings Attended





Fahda Nur holds a Master of Laws from University College London, United Kingdom, a Bachelor of Laws and a Diploma in Shariah Law and Legal Practice, both from the International Islamic University Malaysia

Fahda Nur has been an Advocate & Solicitor of the High Court of Malaya since 2001. Previously, she was an associate at Messrs. Zain & Co. and Messrs. Tommy Thomas. For the past fifteen (15) years, she has been the Managing Partner of her law firm, Fahda Nur & Yusmadi, where her key practice is centered in litigation, particularly, civil, corporate and commercial cases. As an experienced court barrister, Fahda Nur has appeared at all levels of the court, i.e. both the Subordinate Courts and Appellate Courts. She has extensive experience handling complex and high-profile cases, involving both private and government-linked corporations. She is also a dual civil-syariah practitioner who is adept in matters relating to Islamic Banking and Finance and is a certified syariah lawyer for three (3) states. Her legal experience spans across borders and she has handled many disputes involving foreign jurisdictions and foreign law firms, having advised clients in Australia, United Arab Emirates, United Kingdom, Singapore, Indonesia, Japan and Germany. She was named Member of the Order of the Crown of Selangor (Ahli Mahkota Selangor) in 2017.

Currently, she is the Managing Partner and founder of the firm, Fahda Nur & Yusmadi.

Fahda Nur does not have any family relationship with any director and/or major shareholder(s) of THP nor any conflict of interest with THP. She has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

## MOHAMED ZAINURIN BIN MOHAMED ZAIN

Chief Executi	ve Officer		
Male		56 years old	
Date of Appointment			
1 October 202	21		

Interest in Securities of the Company and its Subsidiaries Nil

Present Directorship(s) in **Other Public Companies** Listed Companies • Nil

Non – Listed Companies • Nil

New Guinea.

During his tenure in KNB, he was seconded to the Ministry of Agriculture of Malaysia as CEO for the Malaysian Modern Agriculture Project. In 2012, he was appointed as Group Chief Financial Officer of Malaysia Agrifood Corporation Group of Companies as one of the key personnel managing several strategic collaboration initiatives for the integrated premium Vegetables, Fruits and Halal Cold Chain Logistics business with domestic business partners and reputable foreign investors.

He was formerly the Financial Controller of New Britain Palm Oil Limited a wholly owned subsidiary company of Sime Darby Plantation Berhad based in West New Britain of Papua New Guinea before joining THP as the Chief Executive Officer on 1 October 2021.

Mohamed Zainurin does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years and has not been imposed any penalty by the regulatory bodies during the financial year 2023.

# CHIEF EXECUTIVE OFFICER



Mohamed Zainurin holds a Bachelor's Degree of Accountancy (Honours) from the University of Utara Malaysia. He is a Chartered Accountant, a member of the Malaysian Institute of Accountant ("MIA") and a Certified Practicing Accountants ("CPA") of Papua

He has more than 33 years of experience in various capacities in several different industries namely, Integrated Agrifood Plantations, Halal Food Supply Chain and Halal Logistics, Food Manufacturing, Defence Industry and Aerospace sectors. Mohamed Zainurin has been involved in Halal Food Supply Chain and Agriculture Plantation since 2006 with Malaysian Agrifood Corporation Berhad, a Khazanah Nasional Berhad ("KNB") wholly owned subsidiary as Vice President of Finance and was subsequently promoted as Senior Vice President of Infrastructure Development. He then joined KNB as Senior Vice President of Agrifood Unit of Khazanah Research & Investment Division.

MOHD JAFRI ARSHAD Head of Operations



Date of Appointment: 1 March 2023

Mohd Jafri Arshad, 58, male, Malaysian, is the Head of Operations in THP, appointed on 1 March 2023.

Mohd Jafri holds a Bachelor's Degree of Science in Agriculture and a Diploma in Agriculture, both from Universiti Pertanian Malaysia. He began his career with Kuala Lumpur Kepong Berhad as a Cadet Planter in 1990 and was promoted to a Managerial position in 1999 with extensive experience in managing rubber & oil palm estates. He ioined THP on 1 March 2009 as an Estate Manager at Ladang Sungai Tenegang, Sabah and promoted to Estate Senior Manager based in Riau, Indonesia in 2012. Jafri has been entrusted to manage and oversee the operations of several estates and the Estate Department within the Group. In 2021, he was appointed as the Acting Head of Plantation Controller and promoted as the Head of Operations in 2023. In his current capacity, he oversees plantation operations, ensuring estates adhere to the company's policies and procedures accordingly as well as motivating subordinates and the workforce.

Mohd Jafri does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

MARLIYANA OMAR Chief Financial Officer



Date of Appointment: 14 April 2023

Marliyana Omar, 42, female, Malaysian, is the Chief Financial Officer in THP, appointed on 14 April 2023.

Marliyana holds a Bachelor's Degree in Accounting (Honours) from MARA University of Technology Malaysia. She is a Fellow Chartered Accountant of the Association of Chartered Certified Accountants ("ACCA") and a Member of the Malaysian Institute of Accountants ("MIA"). She started her career with Opus International Group PLC and subsequently joined KPMG PLT in 2006. She joined THP in 2009 as an Assistant Manager in the Finance Department. She is currently the Chief Financial Officer, and in her capacity, she is responsible for managing, planning, implementation, and operations of all financial activities of the Group.

Marlivana does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. She has not had a conviction for any offence within the past five (5) years.

ALIATUN MAHMUD Head, Legal & Secretarial and the Company Secretary



Date of Appointment: 1 January 2014

Aliatun Mahmud, 54, female, Malaysian, is the Head of Legal & Secretarial and the Company Secretary in THP, appointed on 1 January 2014.

Aliatun holds a Master's in Business Administration (MBA) and a Bachelor's Degree (Honours) of Laws (LLB), both from the MARA University of Technology Malaysia as well as a Diploma in Syariah Law and Practice from the International Islamic University of Malaysia. She began her career at the Securities Commission of Malavsia in 1994 before moving on to gain more experience in PEREMBA (Malavsia) Sdn Bhd, Messrs Hafidz & Azra (Advocates & Solicitors) and the Malaysian Resources Corporation Berhad. She joined THP on 1 October 2002 and has been with the Group for 20 years. In her current capacity, she manages all legal and secretarial matters for the companies owned as well as those managed by the Group.

Aliatun does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. She has not had a conviction for any offence within the past five (5) years.

## MAIZURA MOHAMED Head, Strategy & Corporate Services



Date of Appointment: 1 January 2014

Maizura Mohamed, 53, female, Malaysian, is the Head of Strategy & Corporate Services in THP, appointed on 1 January 2014.

Maizura holds a Bachelor's Degree (Honours) in Chemistry from the University of Malaya, Malaysia. She began her career with Boustead Holdings Berhad in 1995 and subsequently joined Maju Holdings Sdn Bhd as Manager of Business Development. She joined THP on 1 October 1999 as Manager in Corporate Planning and has been with the Group for more than 20 years. She is currently the Head of Strategy and Corporate Services and is responsible in overseeing strategic and corporate matters, business planning as well as managing special projects.

Maizura does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. She has not had a conviction for any offence within the past five (5) years.

7 February 2020.

Ahmad Anuar does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

## OUR MANAGEMENT TEAM

## AHMAD ANUAR

Head, Agronomy

SAIRI



Date of Appointment: 7 February 2020

Ahmad Anuar Sairi, 58, male, Malavsian, is the Head of Agronomy in THP, appointed on

Ahmad Anuar holds a Bachelor's Degree in Agricultural Science and a Diploma in Agriculture, both from Universiti Pertanian Malaysia. He started his career as an Agronomist with FELDA Research in 1990 and subsequently joined Austral Enterprises in 1993. He joined THP in June 1999 as an Assistant Agronomist. He was seconded to Trurich Resources Sdn Bhd in 2014 and was appointed as Head of Operation & Agronomy based in Indonesia. He returned to THP in March 2019 as a General Manager in the CEO's Office. Ahmad Anuar holds key positions in notable committees in MPOB such as the Task Force Committee on Fruit Set and Pollinating Weevil and Working Committee on Code of Good Nursery Practice for Oil Palm Nurseries (CoPN), and also in Standards Malaysia as a Technical Committee of Oil Palm Planting Material. Ahmad Anuar was conferred the 2014 Best Agronomist Award for his contribution to the industry.

In his current capacity as the Head of Agronomy, he is responsible for providing agronomic advice, fertiliser recommendations, plantation research, as well as innovation and development support for the Group.

## MOHD AZAHAR YASIN

Head, Mill & Engineering



Date of Appointment: 1 March 2023

Mohd Azahar Yasin, 58, male, Malaysian, is the Head of Mill & Engineering in THP, appointed on 1 March 2023.

Mohd Azahar holds a Bachelor's of Science Degree in Mechanical Engineering from University of the Pacific, California and holds a Steam Engineer Certification of Competency from the Department of Occupational Safety and Health. He began his career with TDM Plantation Sdn Bhd in 1989 and subsequently joined THP in February 2004 as the Manager at Ramin and Nyatoh Mill, Pulai, He returned to the HQ in November 2021 as an Assistant General Manager of Mill & Engineering. He has been with THP for the past 20 years and is currently the Head of Mill & Engineering. He provides technical advice on the operation of the mills under THP to ensure that all activities are aligned with good milling practices and the company's standard operating procedures. He is responsible for overseeing engineering projects within THP.

Mohd Azahar does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

## MEGAT RIZAL EZZUDIN ABD MAULUD Head, Risk & Compliance



Date of Appointment: 1 January 2023

Megat Rizal Ezzudin, 48, male, Malaysian, is the Head of Risk & Compliance in THP. appointed on 1 January 2023.

Megat Rizal holds a Bachelor's Degree (Honours) in Accountancy and Financial Analysis from the University of Warwick. He is currently a member of the Malaysian Institute of Accountants ("MIA"), the Association of Chartered Certified Accountants ("ACCA"), United Kingdom and is a Chartered Member of the Institute of Internal Auditors ("IIA"), Malavsia. His experience includes stints in accounting firms in Dublin, Ireland and Birmingham, United Kingdom having completed his ACCA examinations and training in 2002 before returning to Malaysia to work with PricewaterhouseCoopers in 2004. He joined THP's Internal Audit Department on 4 December 2006. In 2020, he was appointed as the General Manager in the CEO's Office. He was then appointed as the Head of Risk & Compliance and is responsible for overseeing the organisation's risk management strategies and compliance.

Megat Rizal does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

ANIS ZUHANI AHMAD Head, Investor Relations



Date of Appointment: 1 November 2019

Anis Zuhani Ahmad, 53, female, Malaysian, is the Head of Investor Relations in THP, appointed on 1 November 2019.

Anis Zuhani holds a Master's in Business Administration from MARA University of Technology Malaysia and a Bachelor's Degree (Honours) in Education (TESL) from Universiti Kebangsaan Malaysia. She started her career with the Education Ministry in 1993 and moved to the private sector as she joined the Malaysia Airports Berhad Group in 1995, the Maju Holding's Group in 2005 and Bank Islam Malaysia Berhad in 2008. Anis was appointed as the General Manager, Corporate Communications of Lembaga Tabung Haji in 2012. She has more than 30 years of working experience holding key positions in several organisations and has extensive exposure in Strategic Planning and Integrated Communication Management. She was seconded to THP on 1 November 2019 as General Manager Corporate Communications and is currently the Head of Investor Relations, responsible for overseeing the Group's Investor Relations and Corporate Communications functions.

Anis Zuhani does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. She has not had a conviction for any offence within the past five (5) years.

ROZALI MD DESA Plantation Controller (Sarawak Region 1)



Date of Appointment: 16 June 2022

Rozali Md Desa, 57, male, Malaysian, is the Plantation Controller (Sarawak Region 1) in THP, appointed on 16 June 2022.

Rozali holds a Diploma in Planting Industry and Management from MARA University of Technology Malaysia and has been with THP since 2007. Prior to joining THP, Rozali had gain vast experience working in Kuala Lumpur Kepong Berhad, United Plantation Berhad, IOI Plantation, Pontian United, and Berjaya City Plantation. In 2022, he was appointed as Plantation Controller (Sarawak Region 1). In his current capacity, he is responsible for the overall operations and activities of the 10 estates in region 1 Sarawak in terms of production, maintenance, and administration ensuring that they are in line with the company's goals, vision, and mission.

Rozali does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

GHAZALI AB TALIB Plantation Controller (Sarawak Region 2)





Ghazali Ab Talib, 51, male, Malaysian, is the Plantation Controller (Sarawak Region 2) in THP, appointed on 16 June 2022.

Date of Appointment: 16 June 2022

Ghazali holds a Diploma in Planting Industry Management from MARA University of Technology Malaysia. He began his career with Austral Enterprises Bhd. as an Assistant Manager before moving to Kumpulan Guthrie Bhd., IOI Corporation Bhd., and Golden Land Berhad as Regional Manager. He joined THP in 2009 as the Estate Manager in Ladang Mamahat, Sabah, He was appointed as the General Manager based in Riau, Indonesia in 2014. Ghazali has been entrusted to manage and oversee the operation of several estates within THP. In 2022, he was appointed as Plantation Controller (Sarawak Region 2). In his current capacity, he is responsible for the overall operations and activities of the 7 estates in Region 2 Sarawak and 3 estates in Kota Bahagia Complex, Pahang in terms of production, maintenance, and administration ensuring that they are in line with the company's goals, vision, and mission.

Ghazali does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

and the workforce.

Abdullah Asya'ari does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

## OUR MANAGEMENT TEAM



Date of Appointment: 1 November 2023

Abdullah Asya'ari Junoh, 48, male, Malaysian, is the Plantation Controller (Sabah) in THP. appointed on 1 November 2023.

Abdullah Asya'ari holds a Bachelor's Degree in Agribusiness from Universiti Putra Malavsia and an Advance Professional Diploma of Associate ("AISP") from The Incorporated Society of Planters. He began his career as an Assistant Manager with Golden Hope Plantation Berhad in 2000 before joining Felda Technoplant in 2005. He joined THP in 2009 as a Senior Assistant Manager at Ladang Pasir Besar, Negeri Sembilan and went on to hold managerial position in several estates within the Group. He returned to HQ in January 2023 as the Head of Estate Department. Abdullah Asya'ari was appointed as the Plantation Controller (Sabah) in November 2023 and currently oversees the plantation operations in Sabah, ensures estates adhere to the company's policies and procedures accordingly as well as motivates subordinates

SAMSHUL BAHRI MUHAMMAD Head, Sustainability



Date of Appointment: 15 November 2020

Samshul Bahri, 51, male, Malaysian, is the Head of Sustainability in THP, appointed on 15 November 2020.

Samshul holds a Bachelor's Degree (Honours) in Agribusiness from Universiti Pertanian Malaysia and a Diploma in Planting Industry Management from the MARA University of Technology. He began his career in THP on 1 July 1999 as an Executive in the Estate Department. In 2010, he was posted to the Sarawak Regional Office as an Operations Manager and rose the ranks within the 8 years to Assistant General Manager before returning to the HQ in 2018. He was appointed as the Head of Sustainability Department in November 2020 and is primarily responsible for sustainability initiatives and innovation within the Group.

Samshul does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

## HAMIDON HASSAN Head, Information Technology



Date of Appointment: 1 January 2010

Hamidon Hassan, 58, male, Malaysian, is the Head of Information Technology in TH Plantations Berhad, appointed on 1 January 2010.

Hamidon holds a Bachelor's Degree in Computer Science from Universiti Kebangsaan Malaysia and a Diploma in Computer Science from Universiti Pertanian Malaysia. He has vast experience in the plantation sector, having spent 20 years in Island & Peninsular Berhad. He joined THP on 1 January 2010 as the Head of Information Technology. In this current capacity, he is responsible in overseeing the entire IT planning and operations for the Group.

Hamidon does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

MOHD BADLI SHAH MOHD SAID Head, Human Capital



Date of Appointment: 1 March 2023

Mohd Badli Shah Mohd Said, 48, male, Malaysian, is the Head of Human Capital in THP, appointed on 1 March 2023.

Badli Shah holds a Master's in Business Administration (MBA) from University of Malaya, Malaysia and a Bachelor's Degree in Accounting & Business from University of Sunderland, United Kingdom. He began his career with Avon Cosmetics (M) Sdn Bhd as an Executive in 2000 before joining Teras Kimia Sdn Bhd in 2009 as an Internal Auditor. He ioined THP's Internal Audit Department in July 2011 as an Assistant Manager. In March 2020, he was appointed as a Senior Manager Internal Audit before assuming the role as Head of Human Capital. In his current capacity, he oversees the activities and operations of the Human Capital Department, which involves, among others, payroll, compensation and benefits, selection and recruitment, training, and development for the Group.

Badli Shah does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

MAZRUL MUHAMMAD Assistant General Manager, Marketing



Date of Appointment: 1 January 2023

Mazrul Muhammad, 46, male, Malaysian, is the Assistant General Manager of Marketing in THP, appointed on 1 January 2023.

Mazrul holds a Bachelor's Degree in Business Administration (Marketing) from the MARA University of Technology Malaysia. He began his career as the Business Development Executive with MM Vitaoils Sdn. Bhd., in 2001 rising the ranks to Head of Marketing and subsequently moved to IOI Plantation Bhd as the Marketing Manager in 2011. He joined THP in 2013 as the Senior Manager, Marketing, He has been with the Group for 10 years and was appointed as Assistant General Manager of Marketing in 2023. In his current capacity, he is responsible for the trading and marketing of the Group's products.

Mazrul does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

TUAN LOKMAN **TUAN ISMAIL** Head, Administration

KHAIRIZAL AB KARIM



Date of Appointment: 1 September 2017

Tuan Lokman Tuan Ismail, 49, male, Malaysian, is the Head of Administration in THP, appointed on 1 September 2017.

Tuan Lokman holds a Diploma in Management from the University of Malaya, Malaysia and he is a certified member of the Malaysian Takaful Association ("MTA"). Tuan Lokman began his career as a support staff in Administration & Human Resource Department in November 1997. He spent 26 years in THP, rising the ranks to the Head of Administration position. In his current capacity, he oversees the administrative services and planning matters, maximising the value of Insurance Coverage and ensuring reliable foreign workers recruitment services for the Group.

Tuan Lokman does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

Head, Procurement

1 January 2023.

(5) years.

## OUR MANAGEMENT TEAM



Date of Appointment: 1 January 2023

Khairizal Ab Karim, 44, male, Malaysian, is the Head of Procurement in THP, appointed on

Khairizal holds a Bachelor of Management (Accounting) from University Technology Malaysia. He is a Certified Integrity Officer ("CelO") from Malaysia Anti-Corruption Academy ("MACA"). He joined THP as an Audit Assistant in 2004. He was appointed as Manager Internal Audit Department in 2017. In 2020, he was transferred to Human Capital Department before he joined Procurement Department in 2022. He was appointed as the Head of Procurement in January 2023, where he is responsible for ensuring a systematic procurement process in adherence to internal controls to obtain cost-effective, efficient, and quality goods and services to support THP's business requirements.

Khairizal does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five

MOHD RIZUAN RAZMAN Head, Estate Department



Date of Appointment: 1 November 2023

Mohd Rizuan Razman, 38, male, Malaysian, is the Head of Estate Department in THP. appointed on 1 November 2023.

Mohd Rizuan holds a Diploma In Planting Industry Management from the MARA University of Technology, Sabah. He began his career in THP in July 2007 as a Cadet Planter in Ladang Sungai Mengah Pahang. He went on to assume various operational position in several estates within the Group and rose through the ranks to Acting Manager in Ladang Bijat, Sarawak, He has been with the Group for more than 15 years and returned to the HQ in December 2020 to spearhead the Mechanisation Unit and subsequently promoted as the Manager in the Head of Operations office in April 2022. He is currently the Head of Estate Department where he oversees the administration of estate operations, quality assurance, the GPS / GIS and mechanisation units as well as supporting the Head of Operations and Plantation Controllers of the Group

Mohd Rizuan does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

MOHD IZRAY IBRAHIM Head, Internal Audit



Date of Appointment: 1 January 2024

Mohd Izray Ibrahim, 44, male, Malaysian, is the Head of Internal Audit Department in THP, appointed on 1 January 2024.

Mohd Izray holds a Bachelor's Degree of Science (Honours) in Plantation Technology Management and a Diploma in Planting Industry Management both from MARA University of Technology Malaysia. He is an Associate Member of the Institute of Internal Auditors ("IIA") and the Associate Member of the Association of Certified Fraud Examiner ("ACFE").

He began his career with the Golden Hope Plantation Berhad as an Internal Audit Executive in 2002 and thereafter joined Felda Technoplant in 2005. He joined Boustead Holdings Bhd in 2010 as Assistant Manager in Group Internal Audit. He is currently the Head of Internal Audit Department. He is responsible to prepare and implement a riskbased audit plan including assessing, reporting and suggesting improvement for the Group's key operational and financial activities and internal controls.

Mohd Izray does not have any family relationship with any director and/or major shareholder(s) of the Company nor any conflict of interest with the Company. He has not had a conviction for any offence within the past five (5) years.

TH PLANTATIONS BERHAD

THE BOARD AFFIRMS THAT IT SHALL CONTINUE TO INTEGRATE GOOD AND EFFECTIVE CORPORATE GOVERNANCE PRACTICES INTO THE OVERALL BUSINESS DIRECTION AND MANAGEMENT OF THP AND ITS SUBSIDIARIES.

This statement is made in accordance with a resolution of the Board of Directors dated 28 February 2024.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Strong and accountable governance remains integral to TH Plantations Berhad and its subsidiaries ("THP Group"). The Board, tasked with ensuring that the Company upholds corporate governance as an firm part of its operations, is driven and dedicated to maximising shareholder value and enhancing investors' interests.

As stewards of corporate governance, the Board is responsible for ensuring that the Company adheres to the enhanced corporate governance disclosures outlined in the Malaysian Code on Corporate Governance 2021 ("the MCCG 2021"), Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements"), and the Corporate Governance Guide issued by Bursa Malaysia Berhad ("CG Guide"). This statement offers a summary of THP Group's corporate governance practices throughout the financial year ended on 31 December 2023 ("FY2023").

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report which is available online at www.thplantations.my.

B BOARD			
Strategy	Gover	nance	Performance
brmulates a strategy aimed at securing ustained long-term growth for the HP Group, prioritising the interests is shareholders and considering esponsibilities to colleagues, customers, the communities where we operate, and other stakeholders. Additionally, the Board ensures the availability of esources necessary for the successful execution of the strategy.	Fosters and upholds on honesty, integrity It oversees the ir maintenance of controls and proces management. Additi an impactful remur sustains constructive shareholders.	y, and transparency. nplementation and robust financial ses for effective risk onally, it establishes neration policy and	Assesses advancements toward strategic and operational objectives and evaluates the performance of the management It also ensures that the composition o the Board and its committees is both suitable and efficient, fully aligning with the stipulations outlined in the MCCC 2021.
CHAIRMAN		CHIEF EXECUTIVE C	OFFICER
The Chairman of the Board plays a critical overseeing the conduct of the Board and shareholders and other stakeholders.		both the Company of the Senior Mana also serves as an Ex	ible for the day-to-day management of and Group, and is an integral member gement team. In many cases, the CEO secutive Director, holding a dual role in irection to the Board while managing the ns on a daily basis.

associations.

## NON-EXECUTIVE DIRECTOR

Non-Executive Directors play a crucial role as a vit between management, shareholders, and other stakeh providing essential oversight to maintain elevated stand corporate governance. Their principal objective is to safe the interests of shareholders and other stakeholders, er the application of rigorous corporate governance sta by THP Group.

Under the Companies Act, 2016 ("the Act"), there exi legal differentiation in the duties imposed on Executiv Non-Executive Directors. All directors, including indepe directors, are mandated to act in the best interests of Group and exercise independent judgment free from e influence.

## 

The roles of Independent Directors are as follows:

- i. Not to be involved in day-to-day operations Company or running of the business; and
- ii. Protects the interests of shareholders and contribu impartial board oversight.

## **BOARD CHARTER**

The Board Charter serves as a compass for corporate governance excellence, encapsulating governance practices, policies, and guidelines inspired by the principles of MCCG 2021. This foundational document serves as a reference for Directors, detailing the Board's role, powers, duties, and functions, along with processes and procedures for effective stewardship by the Board and its committees.

Our commitment to upholding high governance standards is reflected in the annual review and periodic updates of the Board Charter. These efforts ensure its ongoing relevance and accuracy in alignment with current rules and regulations.



The Board Charter is available on the Company's website, www.thplantations.com

Supports the role of the CEO in reporting operational and

iii. Ensures the integrity and effectiveness of the governance

iv. Performs other responsibilities as assigned by the Board

public relations matters;

process; and

from time-to-time.

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

	COMPANY SECRETARY		
ital link nolders, dards of feguard nsuring andards	In a critical support capacity to the Board, the Company Secretary provides impartial advice, assisting in the Board's adherence to the highest corporate governance standards. Beyond offering independent counsel, the Company Secretary ensures effective information flow between the Board and management, shareholders, and other stakeholders.		
xists no ive and pendent of THP external	<ul> <li>The roles of the Company Secretary are as follows:</li> <li>i. Works closely with the Chairman to raise all material compliance and governance issues;</li> <li>ii. Attends all Board, Board Committees and Subsidiaries Board meetings;</li> <li>iii. Ensures accurate records of all meetings and that all</li> </ul>		
of the outes to	decisions made are properly minuted; and iv. Facilitates the communication of key decisions and policies between the Board, Board Committees and Subsidiaries Board.		

## **BOARD RESPONSIBILITIES AND COMPOSITION**

The Board is composed of individuals with extensive expertise in their respective fields. Leveraging their knowledge, backgrounds, and judgments, they play a pivotal role in ensuring that the THP Group attains the highest standards of performance, accountability, and ethical behavior, meeting the expectations of stakeholders.

As of 31 December 2023, the Board consists of nine (9) members, with six (6) serving as Independent Non-Executive Directors and the remaining three (3) as Non-Independent Non-Executive Directors. This configuration aligns with the Listing Requirements, mandating one-third of the Board to be independent.



Detailed profiles of each Board member are available on pages 80 to 88 of this Annual Report.

Considering the Company's current activities and size, the Board believes that the existing number and composition are sufficient and well-balanced. This setup ensures effective discharge of duties and provides assurance against the dominance of any individual or small groups in decision-making.

The Board oversees the entirety of the THP Group's business operations and is tasked with various powers and duties outlined in the Board Charter. These responsibilities include:

- i. Reviewing and adopting strategic plans for the Company, primarily the five (5) year rolling strategic plan for THP Group.
- ii. Overseeing the conduct of the Company's business to ensure that it is being properly managed. Key operational matters are discussed during Board meetings, and expert advice or independent advice is sought where necessary.
- iii. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- iv. Implementing succession planning, including the appointment and recruitment of Senior Management team members.
- v. Developing and implementing an investor relations policy or shareholders' communications policy for the Company.
- vi. Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.
- vii. Developing and implementing a Sustainability Framework for THP Group.

In executing these responsibilities, the Board's functions receive support and reinforcement from various committees established at both the Board and management levels. The Internal Audit Department plays a crucial role in providing a rigorous check and balance, offering reasonable assurance on the adequacy of the Company's internal control system through regular meetings and discussions.

Simultaneously, the Board is dedicated to fostering a dynamic and resilient corporate culture rooted in strong ethical values. Active participation and structured dialogues involving key individuals at all levels are encouraged and conducted. The Board consistently upholds accessibility to information and transparency in all executive actions. The corporate culture is further strengthened through ongoing value-centered programmes for team building and a steadfast commitment to core values.

## SEPARATION OF POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman assumes a primary role in leading the Board, setting its agenda, fostering a culture of openness and debate, and monitoring its effectiveness. Meanwhile, the CEO, supported by senior management, is responsible for proposing the THP Group's strategy, running the business in line with the Board-approved strategy, and implementing Board decisions.

This division of responsibilities is designed to maintain a balance of power and authority between the Chairman and the CEO, preventing unchecked decision-making power in any one individual. It is evident that the roles of the Chairman and the CEO are distinct and clearly defined.

## **BOARD COMMITTEES**

While the Board adheres to a schedule of matters reserved for their decision, some responsibilities are delegated to Board Committees. Each Board Committee operates within well-defined Terms of Reference ("ToR"), primarily designed to support the Board in fulfilling its responsibilities. However, the ultimate responsibility for the final decision rests with the full Board. The Board Committees enhance focus on specific areas, delving deeper to gain a comprehensive understanding of the details.

The Board currently has four (4) main Board Committees as follows:

- 1. Board Nomination & Remuneration Committee ("BNRC");
- 2. Board Audit, Risk & Governance Committee ("BARGC");
- 3. Board Investment Committee ("BIC"); and
- 4. Board Tender Committee.

On 15 December 2023 the Board Tender A Committee and Board Tender B Committee have been merged into one committee and renamed as Board Tender Committee.

The Reports of the BNRC, BARGC and BIC are available on pages 104 to 116 of this Annual Report.

All discussions and decisions made by the Board Committees are documented and endorsed by the respective Board Committees before being tabled to the Board for approval.

The Company Secretary serves as the secretary to these Board Committees, ensuring their adherence to the highest standards of Corporate Governance and the application of provisions and principles outlined in the MCCG 2021.

While only the Board Committee members have the right to attend meetings, other Board members may choose to attend at their discretion. Professional advisers and members of the senior management team participate in these Board Committee meetings upon invitation.

The responsibilities of these committees are set out in the individual TOR, which are available on the Company's website at www.thplantations.my.

## **BOARD MEETINGS**

Board meetings for the upcoming financial year are pre-scheduled before the conclusion of the current financial year, aiding Directors in planning their participation. Special Board Meetings are convened between these scheduled meetings to address urgent proposals or matters requiring prompt decisions or discussion. The Board is ensured full and timely access to all relevant information to effectively fulfill its duties. Each Board member receives a set of Board papers at least five (5) days prior to every meeting.

These Board papers encompass information on THP Group's performance, major operational, financial, and corporate issues. All Board decisions are minuted. The minutes of each meeting are circulated to Directors for review before confirmation, typically at the subsequent Board meeting. Directors have the opportunity to seek clarification or raise comments before the minutes are confirmed as an accurate record of the proceedings. The Company Secretary maintains records of all conclusions from Board meetings.

Senior Management is invited to attend Board meetings to provide additional details or clarification on matters under consideration. Independent advisors and professionals engaged by the Company for various corporate exercises may also be invited to offer explanations or advice for the Directors' benefit. The Chairman of the Board Audit, Risk & Governance Committee updates Directors on salient matters noted by the Committee from audit findings that may require the Board's attention or direction.

In addition to matters pertaining to the Board's duties and responsibilities, specific topics for Board deliberation include THP Group's key financial and operational results, strategic and corporate initiatives, such as corporate plans and budget approvals, proposed acquisitions and disposals of material assets, major investments, and changes to THP Group's management and control structures. These discussions encompass key policies, procedures, and authority limits.

## Meetings of Board of Directors

27 February 2023	Meeting No.01/2023
29 March 2023	Special Meeting No.02/2023
29 May 2023	Meeting No.03/2023
23 June 2023	Special Meeting No.04/2023
24 July 2023	Special Meeting No.05/2023
27 July 2023	Special Meeting No.06/2023
21 August 2023	Special Meeting No.07/2023
28 August 2023	Meeting No.08/2023
13 September 2023	Special Meeting No.09/2023
21 November 2023	Special Meeting No.10/2023
27 November 2023	Meeting No.11/2023
15 December 2023	Special Meeting No.12/2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT



The roles and responsibilities of the Board Committees, along with the activities undertaken during FY2023, are outlined in each of their respective reports which are available on pages 104 to 116 of this Annual Report.

BARGC Meetings of Board Audit, Risk & Governance Committee			
27 February 2023	Meeting No.01/2023		
29 March 2023	Special Meeting No.02/2023		
17 May 2023	Meeting No.03/2023		
25 May 2023	Meeting No.04/2023		
27 July 2023	Special Meeting No.05/2023		
28 August 2023	Meeting No.06/2023		
9 October 2023	Meeting No.07/2023		
10 November 2023	Special Meeting No.08/2023		
23 November 2023	Meeting No.09/2023		
14 December 2023	Special Meeting No.10/2023		

RC	Meetings of Board Nomination & Remuneration Committee		
9 F	ebruary 2023	Meeting No.01/2023	
1 M	larch 2023	Special Meeting No.02/2023	
10	March 2023	Special Meeting No.03/2023	
10	April 2023	Special Meeting No.04/2023	
8 M	1ay 2023	Meeting No.05/2023	
29	May 2023	Special Meeting No.06/2023	
16	August 2023	Meeting No.07/2023	
24	October 2023	Meeting No.08/2023	
14	December 2023	Meeting No.09/2023	

DI O	
BIC	Meetings of Board Investment Committee

10 April 2023	Meeting No. 01/2023
8 May 2023	Meeting No. 02/2023
17 May 2023	Special Meeting No. 03/2023
25 May 2023	Special Meeting No. 04/2023

A total of twelve (12) Board meetings were held in 2023 and all Directors have complied with the minimum fifty per centum (50%) attendance as required under Paragraph 15.05 (3) of the Listing Requirements.

The Directors' attendance at Board meetings for the financial year ended 31 December 2023 is detailed below:

Datuk Dr. Ahmad Kushairi bin Din		Kasmuri bin Sukardi⁴	
Chairman, Independent Non-Executive Director	12/12	Independent Non-Executive Director	1/:
Tuan Syed Hamadah bin Syed Othman <sup>1</sup>		Fahda Nur binti Ahmad Kamar⁵	
Non-Independent Non-Executive Director	3/4	Independent Non-Executive Director	N/#
YM Tengku Dato' Seri Hasmuddin bin Tengku Othma	n	Dato' Sri Amrin bin Awaluddin <sup>6</sup>	
Non-Independent Non-Executive Director	11/12	Non-Independent Non-Executive Director	2/2
Haji Bakri bin Jamaluddin Independent Non-Executive Director	12/12	Ir. Mohamed Ajmel Hafiz bin Jamaludin <sup>7</sup> Independent Non-Executive Director	4/4
Muhammad Ramizu bin Mustaffa		Datuk Dr. Kamilia binti Ibrahim <sup>8</sup>	
Independent Non-Executive Director	10/12	Independent Non-Executive Director	4/4
Dr. Nurmazilah binti Dato' Mahzan²		Dzul Effendy bin Ahmad Hayan <sup>9</sup>	
Independent Non-Executive Director	4/4	Alternate Director to YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	7/2
Dr.Shahril bin Simon <sup>3</sup>			
<b>Dr.Shahril bin Simon<sup>3</sup></b> Non-Independent Non-Executive Director	3/3	Tengku Othman	

## Resigned as Director on 5 May 2023

- Retired as Director on 27 June 2023
- Retired as Director on 27 June 2023
- 9 Resigned as Director on 29 August 2023

## **KEY BOARD DISCUSSION AND ACTIVITIES**

Board activities are structured to develop the THP Group's strategy and to enable the Board to support the management on the delivery of the THP Group's strategy within a transparent governance framework. Key matters considered by the Board in 2023 were as follows:

## Financial

- Financial Statements for the financial year 2023
- Quarterly Report on Consolidated Results
- Re-appointment of External Auditors for the financial year
- Audit fee for THP and Group for the financial year 2023
- Updates on changes in accounting standards and/or police
- THP Group's annual budget, cashflow projections

## Operation, Risk, Strategy, Sustainability

- Updates on the THP Group's estates performance
- Business growth and improving yields
- Improving operational efficiency
- Purchase of FFB from smallholders
- 5 years Replanting Programme of the THP Group
- Land issues in Sarawak
- Updates on Risk Register and THP Group Top 20 Risks
- Updates on THP's Strategy Recovery Plan to stabilise and st THP Group's operations and finances
- Updates on sustainability matters
- Updates on the Recovery Plan Project in Mersing, Johor
- 5 years Business Plan of the THP Group 2024 to 2028
- Improving staff and workers' quarters
- Issues on shortage of labours
- Updates of the mechanisation programme

## Remuneration

- Annual fees for the Board and Board Committees
- Remuneration package of new directors
- Performance bonus for employees of THP Group
- Salary increments for employees of THP Group

## Others

- Reports for inclusion in the Annual Report 2022
- Circular to Shareholders for Recurrent Related Party Trans

## THE GOVERNANCE OF SUSTAINABILITY

The governance of sustainability falls under the ultimate purview of the Board. Assisting the Board in implementing, monitoring, assessing, and refining the THP Group's sustainability policy and initiatives are the CEO and the Sustainability Committee. The CEO keeps the Board abreast of the THP Group's sustainability performance and examines reports from the Committee detailing sustainability management and the creation of the annual Sustainability Statement. The Sustainability Committee, comprising Heads of Departments, takes charge of supervising the realisation of the Board's strategic sustainability direction and overseeing the formulation of the Sustainability Statement.



Notes

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Appointed as Director on 5 September 2023

Appointed as Director on 11 September 2023

Appointed as Director on 17 November 2023

Appointed as Director on 8 December 2023

Appointed as Director on 28 December 2023

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

	Governance and Policies
r 2023 icies	<ul> <li>Updates on Material litigation cases within the THP Group</li> <li>Schedule of THP Board meetings for the year 2023</li> <li>Status of compliance with MCCG 2021</li> <li>Revision of the Board Charter and the terms of reference of the Board Committees, namely, Board Investment Committee, Board Nomination &amp; Remuneration Committee and Board Tender Committee</li> <li>Revision of THP's Whistleblowing Policy</li> <li>Compulsory Land Acquisition in Sarawak</li> <li>Establishment of the Integrity &amp; Governance Unit and reporting line</li> <li>Establishment of the Management Audit, Risk &amp; Governance Committee</li> </ul>
	Appointment and Resignation
strengthen	<ul> <li>Review Board and Board Committees composition</li> <li>Change of directorship in THP Board</li> <li>Change of directorship in THP Board subsidiaries</li> <li>Change of composition of Board committees</li> <li>Board Evaluation Assessment (assessment of the effectiveness of the Board, Board Committees, Individual Directors and Independent Directors of THP Board)</li> <li>Re-election Directors</li> <li>Change in Key Senior Management</li> <li>Top Management Movements</li> </ul>
	Investment and Divestment
nsactions	<ul> <li>Updates on THP's assets rationalisation plan</li> <li>Assessment of the effectiveness of joint venture performance</li> <li>Proposals on new business ventures in ESG</li> </ul>

## **BOARD NOMINATION & REMUNERATION COMMITTEE REPORT**

The BNRC aids the Board in assessing the Board's size and composition to ensure an optimal blend of skills, experience, and knowledge among directors. It is involved in succession planning, human capital development, and formulating the remuneration framework for Directors, Management, and employees.

concerned

own remuneration.

The level of remuneration should be sufficient to attract and

retain the Directors needed to steer the Company successfully.

responsibilities undertaken by the Non-Executive Directors

The CEO does not participate in discussions pertaining to his

The structure and procedures of the BNRC in remuneration function are as follows:



The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman shall be a matter to be considered by the Board as a whole and thereafter to be put forth to the shareholders for approval.

The TOR of the BNRC are available on the Company's website at www.thplantations.my

## MEMBERS AND ATTENDANCE

The BNRC comprises of Non-Executive Directors with a majority being Independent Directors. The composition of the BNRC complies with the requirements of both the Listing Requirements and the MCCG 2021.

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## Meetings of the BNRC are attended by the CEO. Other members of Senior Management are invited to meetings of the BNRC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

## SUMMARY OF ACTIVITIES OF BNRC

During FY2023, the BNRC performed a number of key activities, summarised amongst others as below:

## Nomination Function

- a) Assessing and recommending to the Board continuation of service of the Directors that seeking re-election at the AGM.
- b) Reviewing and assessing the annual performance effectiveness of the Board.
- c) Assessing and recommending to the Board appointment of new Directors on the Board.
- d) Reviewing and recommending to the Board on composition of the Board of Directors of the THP Gr subsidiaries.
- e) Assessing and recommending to the Board on appointment of new key Senior Management.
- f) Reviewing and recommending to the Board the cha movements, promotions and extension of the contra service of Senior Management personnel in Head O
- g) Reviewing and recommending to the Board or changes to the organisation structure.

## **APPOINTMENTS**

A crucial responsibility of the BNRC is to spearhead the both retired on 27 June 2023. Following thereto, the Board had appointment process for new Directors and key Senior approved the following appointments during the year: Management. When evaluating potential Director candidates, the BNRC considers various criteria, including skills, knowledge, i. Syed Hamadah bin Syed Othman on 5 September 2023 expertise, and experience, as well as factors such as time ii. Dr. Nurmazilah binti Dato' Mahzan on 11 September 2023 commitment, professionalism, integrity, and alignment with the iii. Dr. Shahril bin Simon on 17 November 2023 THP Group's strategy in terms of specialist knowledge or technical iv. Kasmuri bin Sukardi on 8 December 2023 skills. Diversity in age, gender, and background is also taken into v. Fahda Nur binti Ahmad Kamar on 28 December 2023 account.

With respect to the changes in key Senior Management, Upon the appointment of new Directors and key Senior Puan Marliyana binti Omar was appointed as the Chief Financial Management, where applicable, the BNRC seeks third-party Officer on 14 April 2023. feedback on candidates being considered for recommendation to the Board. The Secretary ensures that all appointments are duly made and

During FYE 2023, the composition of the Board underwent changes with the departure of three directors, namely Dato' Sri Amrin bin Awaluddin who retired on 5 May 2023 and Datuk Dr. Kamilia binti Ibrahim as well as Ir. Mohamed Ajmel Hafiz bin Jamaludin,

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

	Remuneration Function
d the ng for	<ul> <li>a) Reviewing and recommending to the Board the annual directors' remuneration.</li> <li>b) Reviewing and recommending to the Board the</li> </ul>
e and d the	employees' salary increments, bonuses, allowances, appointments and promotions.
on the	Others
iroup's	a) Reviewing the disclosure in the Annual Report, in particular
n the	the BNRC Report.
anges, ract of	
Office. on the	

necessary information is obtained from the Directors, both for the Company's records and to fulfill statutory obligations and requirements outlined in the Listing Requirements and the Act.

## **RE-ELECTION OF DIRECTORS**

The process of re-electing Directors serves as a mechanism for shareholders to regularly assess the composition and efficacy of the Board. In accordance with the Company's Constitution, at least one-third (1/3) of the Directors are to retire from office annually, with the provision that all Directors retire at least once every three (3) years and are eligible for re-election at the AGM.

At the upcoming 50<sup>th</sup> AGM of the Company, Haji Bakri bin Jamaluddin is subject to retirement by rotation as per Clause 89 of the Company's Constitution. Accordingly, Haji Bakri bin Jamaluddin, being eligible, has offered himself for re-election at the 50<sup>th</sup> AGM.

The Company's Constitution also stipulates that newly-appointed directors shall hold office until the next AGM and are then eligible for re-election. The following Directors, appointed since the last AGM, will retire in accordance with Clause 94 of the Company's Constitution and, being eligible, have offered themselves for re-election:

- i. Syed Hamadah bin Syed Othman
- ii. Dr. Nurmazilah binti Dato' Mahzan
- iii. Dr. Shahril bin Simon
- iv. Kasmuri bin Sukardi
- v. Fahda Nur binti Ahmad Kamar

## **TENURE FOR INDEPENDENT DIRECTORS**

The tenure of service of Independent Non-Executive Directors will be nine (9) years.

## **INDEPENDENCE DIRECTORS**

The Board places focus on preserving the independence, composition, and equilibrium of its members. In order to sustain the flow of Board processes and optimise personal interactions within the team, the THP Group regularly updates Board and Committee membership. According to the requirements of the MCCG 2021, the Board is confident that it possesses the right combination of skills, experience, independence, and knowledge of the THP Group to effectively fulfill its obligations and responsibilities.

Additionally, Directors are keenly aware of their legal obligations to act in good faith and advance the Company's success for its shareholders, while also taking into account the interests of other stakeholders. The profiles of Directors on pages 78 to 88 showcase a diverse range of skills and experiences, equipping them to provide independent judgment on critical issues such as strategy, performance, risk management, resource allocation, and standards of conduct, all of which are paramount to the THP Group's success.

## BOARD INDUCTION, EFFECTIVENESS AND TRAINING

The Board Effectiveness Review employs an internal evaluation process conducted through a survey and questionnaire format. The specific details of the process are outlined in the table below:

## STAGE 1

**Completion of questionnaire** A comprehensive questionnaire was sent to each Board member and the duly completed questionnaires were returned to the Company Secretary.

## STAGE 2 Evaluation of responses/reporting

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The Company Secretary compiled a report to the Chairman of BNRC based on the feedback provided by Board members, addressing the performance of the Board and each of Board Committees.

## STAGE 3

## Outcome

The Chairman of BNRC concluded the assessments and/ or feedback and shared the pertinent findings and/or outcome with Chairman of the Board.

## **CRITERIA FOR ASSESSMENT**

Board composition together with the utilisation of the experience, skills and expertise, as well as diversity of Board members.	Understanding by the Board of the prevailing culture within the THP Group.	Risk management and the effectiveness of the Board in considering the THP Group's risk management framework and internal controls.
Board dynamics and the interaction between the Chairman, Non-Executive Directors and management to achieve the Board's objectives.	Quality, timeliness of delivery and presentation of Board papers and Board support.	The effectiveness of the Board's strategic and operational oversight.
Leadership and succession planning including the oversight of the THP Group's processes for managing, developing and retaining talent.	Time management and operational performance of Board and Board Committee meetings.	Priorities for change that would enhance Board performance.

The evaluation results were deliberated with the Board, revealing a well-functioning board with identified opportunities for improvement. Deliberations took into account the skills, characteristics, and diversity necessary to support the strategy.

Upon the appointment of a new Director, they undergo specific briefings on the THP Group. These briefings aim to provide an overview of the Company's vision and mission, the nature of business, current issues, and the long-term targets of the THP Group.

In adherence to Listing Requirements, the Company regularly assesses the training needs of its Directors to ensure they possess the necessary knowledge and competencies for effective contribution to the Board's role. Directors are also encouraged to participate in various training programs relevant to enhancing their knowledge and expertise in fulfilling their responsibilities.

During FY2023, the Directors attended conferences, seminars and training programmes, including those listed below:

## Training/Seminar

# Datuk Dr. Ahmad Kushairi bin DinCyber Security AwarenessHybrid Strategic Business Plan: Workshop SessionPlantations Managers' ConferenceTH Group Summit 2023Climate Change 2023: Synthesis Report of the IPCC AR 6ICDM Power Talk – Advancing Cyber Resilience: Board's TBranding for Board Directors – Enhancing Your Profile for10<sup>th</sup> International Planters ConferenceBoard Oversight of Climate Risks and Opportunities

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

	Organiser
	Agrobank
	THP Group
	THP Group
	ТН
5 – Implication for Disaster Risk	Academy of Sciences Malaysia
Top 3 Must-Know	Institute of Corporate Directors Malaysia
or the Board	Institute of Corporate Directors Malaysia
	Incorporated Society of Planters
	ICLIF and Asian School of Business

Training/Seminar	Organiser	Training/Seminar
Syed Hamadah bin Syed Othman		Dr. Nurmazilah binti Dato' Mahzan (cont'd)
Anti-Corruption Pledge and <i>TH</i> Integrity Plan	тн	Climate Finance Summit 2023 – Sasana Kijang BNM
nternational Social Wellbeing Conference 2023	Employees Provident Fund	
<b>'H</b> Nominee Directors' Training Programme: Leadership & Workforce Series	Institute of Corporate Directors Malaysia	36 <sup>th</sup> Asia Pacific Roundtable – The Age of Strategic U
Nandatory Accreditation Programme Part I	Institute of Corporate Directors Malaysia	Achieving Investor-Grade GHG Reporting: The Role c
<b>TH</b> Nominee Directors' Retreat Programme: Shaping Tomorrow Economic & Finance	Institute of Corporate Directors Malaysia	Professionals
Strategy "Re-VITAL-izing Roles of Nominee Directors"		Revised OECD/G20 Governance Principles: What Cor
Naqf and Islamic Capital Market Conference: "Unleashing The Potential of Waqf Through	Securities Commission Malaysia	and Investors Confidence
Islamic Capital Market"		IFAC Sustainability Summit Asia Pacific
3NM iTEKAD Networking Event	Bank Negara Malaysia	COP28 – Climate Finance Summit: Financing Surviva
FoA ASIA CONFERENCE 2023: "Making Actuarial Sense of a Sustainable Future"	Institute & Faculty of Actuaries	Evening Lecture 'Adam Smith and Ibn Khaldun at COF
<b>TH</b> Directors' Training: "Unlocking Waqf Potential for Hajj Cost Management"	ISRA Consultancy	Directors & Officers Liability
Directors & Officers Liability	THP Group	Dr. Shahril bin Simon
'M Tengku Dato' Seri Hasmuddin bin Tengku Othman		TH Nominee Directors Retreat Programme 2023 - Sh
PIPOC 2023	Malaysian Palm Oil Board	Finance Strategy "Re-VITAL-izing Roles of Nominee
<b>FH</b> Nominee Directors Retreat Programme 2023	ТН	Plantation Managers' Conference
Seminar on Pathway for Beginners Series Company Secretary & Getting Started with	Suruhanjaya Syarikat Malaysia	Asian Investors 2 <sup>nd</sup> Malaysia Global Investment Forum
Companies		Kasmuri bin Sukardi
Seminar on Section 17A Malaysian Anti-Corruption Act, 2009 & Adequate Procedures	Suruhanjaya Syarikat Malaysia	Plantation Managers' Conference
laji Bakri bin Jamaluddin		Malaysia's 34 <sup>th</sup> Palm & Lauric Oils Price Outlook Conf
PIPOC 2023	Malaysian Palm Oil Board	Fahda Nur binti Ahmad Kamar
Plantation Managers' Conference	THP Group	Wanita dan Pembentukan Malaysia Madani
Auhammad Ramizu bin Mustaffa		Forum Pembentangan Kajian Penilaian Pelaksanaan Ir
erengganu Inc Group Director Training-Workshop On Strategic Roles of Board of Director	Terengganu Inc	Wanita di Peringkat Pembuat Keputusan dan Forum
2023 SSM National Conference: "Shared Responsibility In Strengthening AML/CFT	Suruhanjaya Syarikat Malaysia	
Compliance: Risks, Challenges And Collaboration"		All Directors have successfully completed the Manda
PIPOC 2023	Malaysian Palm Oil Board	Berhad. The Listing Requirements require newly appoin
<b>TH</b> Nominee Directors Retreat Programme 2023	ТН	months after their appointment.
Plantation Managers' Conference	THP Group	
Directors & Officers Liability	THP Group	
Dr. Nurmazilah binti Dato' Mahzan		
21POC 2023	Malaysian Palm Oil Board	
1andatory Accreditation Programme Part I	Institute of Corporate Directors Malaysia	
${m \mathcal{H}}$ Nominee Directors Retreat Programme 2023	ТН	
AIA International Accountants Conference	Malaysian Institute of Accountants	
AIA Webinar Series Integrating ESG into Organization's Financial Reporting Framework	Malaysian Institute of Accountants	
Bursa 2023 Market Intermediaries and Advocacy Programmes: Understanding Cyber Security	Bursa Malaysia Berhad	
ursa Academy – Bursa 2023 Market Intermediaries and Advocacy Programmes: Governance & Risk Management	Bursa Malaysia Berhad	
FRS1 – General Requirement for Sustainability Related Disclosure. An In-depth Explainer with ISSB	International Financial Reporting Standards Foundation	

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Organiser
Perdana Fellows Alumni Association & Chevening
ISIS Malaysia & ASEAN - ISIS
International Federation of Accountants
International Federation of Accountants
International Federation of Accountants Global Ethical Finance Initiative Global Ethical Finance Initiative THP Group
Institute of Corporate Directors Malaysia
THP Group
Asian Investor's
THP Group
Bursa Malaysia Derivatives
Institut Sosial Malaysia
Institut Sosial Malaysia

pleted the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities quire newly appointed directors of public listed companies to attend the MAP Part I within four (4)

The Board holds the belief that the remuneration provided by the THP Group is adequate to attract and retain Directors of high caliber, possessing sufficient experience and talent to contribute to the Company's performance. In determining a fair remuneration rate, comparisons are drawn with similar positions within the industry and other prominent publicly listed companies. The overarching goal of the remuneration policy and philosophy is to:

Align with THP's strategic thrust and value drivers

Attract and retain Directors of such calibre who are able to provide the necessary skills and experience, commensurating with the responsibilities for the effective management of the THP Group

Support the philosophy of value-based management

The BNRC reviews the policy and framework governing the comprehensive remuneration of Directors, aligning it with prevailing market practices. Following this review, the BNRC presents recommendations to the Board for approval.

Non-Executive Director remuneration encompasses Directors' fees and attendance allowances for each Board and Board Committee meeting attended, along with medical and insurance coverage in Malaysia.

The details of directors' fees and benefits are outlined below:

## A. COMPANY LEVEL

## **Director's Fees**

	Monthly Fees (RM)		
Board/Board Committee	Chairman	Member	
Board	12,000	5,000	
Board Audit, Risk & Governance Committee	2,000	1,000	
Board Nomination & Remuneration Committee	Nil	Nil	
Board Tender Committee	Nil	Nil	
Board Investment Committee	Nil	Nil	

## **Director's Benefits**

Meeting Allowance	Other benefits
Board and Board Committee meetings of RM1,000.00 per seating	Medical and insurance coverage in Malaysia as well as car allowance and telephone bill for Chairman

## **B. GROUP LEVEL**

Director's Fees	Meeting Allowance
The monthly fee of THP's subsidiaries are ranged between RM500 to RM5,000 per month	The meeting allowance of THP's subsidiaries are ranged between RM250 to RM500 per seating

Note: The above Board remuneration are determined based on the performance and size of the respective subsidiaries.

## Details of remuneration (including benefits-in-kind) of each Director for the FY2023 are as follows:

				RM			
		Director's Fe	es				
	Board <sup>1</sup>	Board Committees <sup>1</sup>	Subsidiaries <sup>2</sup>	Salary & Bonus	Meeting Allowances (including subsidiaries)	Benefits- in-kind <sup>1</sup>	Total
Datuk Dr. Ahmad Kushairi bin Din	144,000	-	108,000	-	13,500	32,429 <sup>3</sup>	297,929
Syed Hamadah bin Syed Othman	_4	-	-	-	3,000	1,165	4,165
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	60,000	12,000	180,700	-	63,000	6,711	322,411
Haji Bakri bin Jamaluddin	60,000	12,000	208,500	-	68,500	9,492	358,492
Muhammad Ramizu bin Mustaffa	60,000	24,000	120,995	-	40,500	6,711	252,206
Dr. Nurmazilah binti Dato' Mahzan	18,333	548	4,129	-	4,000	3,421	30,423
Dr. Shahril bin Simon	_4	_	-	-	4,000	1,165	5,165
Kasmuri bin Sukardi	3,871	_	_	-	2,000	1,165	7,036
Fahda Nur binti Ahmad Kamar	645	-	-	-	-	-	645
Dato' Sri Amrin bin Awaluddin	_4	-	-	-	1,000	1,165	2,165
Datuk Dr. Kamilia binti Ibrahim	29,500	_	105,020	-	24,000	1,274	159,794
Ir. Mohamed Ajmel Hafiz bin Jamaludin	29,500	5,900	50,740	-	31,500	7,124	124,764
Dzul Effendy bin Ahmad Hayan	_4	-	-	-	16,000	1,165	17,165
TOTAL	405,850	54,448	778,084	-	271,000	72,978	1,582,360

## Notes:

<sup>1</sup> Paid by THP. <sup>2</sup> Paid by subsidiaries of THP.

<sup>3</sup> Benefits in-kind of the Chairman includes of car allowance of RM4,500 per month.

<sup>4</sup> Monthly Fees of Directors representing Lembaga Tabung Haji ("*TH*") are paid directly to *TH*.

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Number of Directors
Less than RM50,000	7
RM50,001 to RM100,000	-
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
More than RM200,001	4

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

### PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

### BARGC **BOARD AUDIT, RISK & GOVERNANCE COMMITTEE REPORT**

THP has established the BARGC to be in line with the Listing Requirements. Subsequently, on 28 November 2023, the Audit & Risk Management Committee was renamed as the Board Audit, Risk & Governance Committe ("BARGC"). Its principal roles and functions involve overseeing the THP Group's financial reporting and performance, internal and external audit functions, as well as risk management, integrity & governance, and internal control oversight.

The TOR of the BARGC are available on the Company's website at www.thplantations.my.

## MEMBERS AND ATTENDANCE

A total of ten (10) meetings were held during the FY2023. Details of the composition of the BARGC and their attendance were as follows:



The BARGC membership is in line with Paragraph 15.09 & 15.10 of the Listing Requirements and Practice 9.1 & 9.2 of the MCCG 2021, in which:

All four (4) members are Non-Executive Directors and majority of the members are Independent Director	The Chairman of the BARGC is an Independent Director
Muhammad Ramizu bin Mustaffa and Dr. Nurmazilah binti Dato' Mahzan are members of the Malaysian Institute of Accountants (MIA)	5 The Chairman of the BARGC is not the Chairman of the Board
3 No alternate director is appointed as a member of BARGC	None of the BARGC members is a former audit partner of the THP Group's external auditor

## SUMMARY OF ACTIVITIES OF THE BARGC

The main activities undertaken by the BARGC during the FY2023 were as follows:

## **Financial Reporting**

follows;

Date of Meeting	Quarterly Result/ Financia
27 Feb 2023	Unaudited fourth guarter r
29 Mar 2023	Audited Financial Statemer
25 May 2023	Unaudited first quarter res
28 Aug 2023	Unaudited second quarter
23 Nov 2023	Unaudited third quarter res

- and
- Management.

## Internal Audit

- a) Reviewed and approved the scope of the internal along with the annual audit plan, budget, and reso requirements to ensure sufficient coverage of the Group's activities;
- b) Reviewed and analysed significant internal audit fir from the internal audit reports, as well as the fo up outcomes and the status of audit work execut internal auditors:
- c) Evaluated the sufficiency of measures taken by Management in resolving and addressing issues, ens that all significant concerns were adequately tackled timely manner; and
- d) Reviewed the adequacy of internal auditors experie competencies and resources to ensure internal works are carried out effectively.

The BARGC was satisfied with the overall performance the THP Group's internal audit function and its resource perform their function effectively and independently.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

a) Reviewed the quarterly financial results and yearly financial statements, including their corresponding announcement, to ensure compliance with Listing Requirements, applicable and approved accounting standards of the Malaysian Financial Reporting Standards ("MFRS") and other statutory laws and regulations prior to the Board for approval. The details of the activities are as

## al Statement Reviewed

- results for the period ended 31 December 2022
- ent for the financial year ended 31 December 2022
- sults for the period ended 31 March 2023
- r results for the period ended 30 June 2023
- esults for the period ended 30 September 2023

b) Reviewed and assessed the impact on changes of accounting policies, adoption of new accounting standards and treatments, tax review, financial and legal disclosures and significant judgements and estimates applied in the THP Group's financial statements;

c) Reviewed and evaluated the quarterly and yearly operational and financial performances of the THP Group, as presented by

	Risk Management and Internal Control
audit,	a) Conducted a review of the existing risk management
source	and internal control system, and discussed the risks and
e THP	corresponding controls that should be put in place to minimise the identified risks;
ndings	b) Evaluated and analysed the adequacy and efficiency of
ollow-	Management's internal control measures in recognising,
ted by	evaluating, mitigating, and overseeing both financial and non-financial risks:
by the	c) Reviewed the revised and expanded ToR of BARGC prior
5	
isuring	to recommending to the Board for approval;
ed in a	<ul> <li>d) Reviewed and approved the Company's revised risk management framework, policy and procedures;</li> </ul>
ences,	e) Assessed the organisation's corporate risk profile and
audit	provided updated reports on the current risk status, along with recommended action plans to reduce the potential risks; and
nce of	f) Promoted awareness and sound risk management culture
ces to	within the Company.

## **External Audit**

- a) Reviewed the external auditor's scope of works and audit plan for THP Group;
- b) Evaluated the sufficiency, proficiency, and background of the external auditors appointed for the audit engagement, as well as their effectiveness in conducting the audit. Additionally, reviewed the audit fees and potential re-appointment of the auditors to the Board for recommendation;
- c) Evaluated the performance of the external auditors, as well as their suitability, impartiality, and autonomy in performing the audit;
- d) Conducted a review with the external auditors regarding the conformity of the THP Group's yearly financial statements to the Listing Requirements, as well as the relevant accounting standards of the MFRS and other legal and regulatory mandates;
- e) Examined and discussed the external auditor's management letter(s) and the corresponding management response(s); and
- f) Examined and discussed any noteworthy audit discoveries and concerns that surfaced during the interim and final audits, significant financial and accounting problems, as well as any other topics that the external auditors wished to address in the presence of senior management.

The external auditors have assured the BARGC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2023.

Upon due assessment, the BARGC was satisfied with the work performed by the external auditors based on their quality of service, sufficiency of resources, performance, independence and professionalism, as well as their ability to conduct external audit within an agreed timeline fixed by the Management.

## Governance

- a) Reviewed and recommended the revised Terms of Reference for the Board Audit, Risk, and Governance Committee (BARGC) and the Terms of Reference for the Management Audit, Risk and Governance Committee ("MARGC") prior to Board approval.
- b) Assessed and reviewed the effectiveness of Whistleblowing Channel.
- c) Approved the review of the existing Whistleblowing Policy and the appointment of an external consultant for whistleblowing services.
- d) Reviewed and oversaw the submission of key compliance reports to relevant parties. This included the biannual reporting to the Malaysian Anti-Corruption Commission ("MACC") and the status report on compliance with the "Guideline on Adequate Procedures" under Section 17A (5) of the MACC Act 2009, submitted to Lembaga Tabung Haji ("*TH*").
- e) Reviewed internal investigations reports and provided guidance on addressing concerns or wrongdoing within the organisation.

## **Other Duties**

a) Reviewed the related party disclosures and transactions of THP Group in compliance with Listing Requirements, MFRS, the Act and the THP Group's internal guideline to ensure that such transactions are undertaken on commercial terms which are not detrimental to the interests of the minority shareholders of THP Group and to ensure that the related internal control procedures are both sufficient and effective.

## INTERNAL AUDIT FUNCTION AND ACTIVITIES

The THP Group's Internal Audit Department ("IAD") functions independently of the THP Group's business and operating units. Its primary mandate is to assist the BARGC in fulfilling its responsibilities, to which it directly reports.

The IAD's role is to provide the BARGC with regular, impartial, and objective reports on the sufficiency and effectiveness of the THP Group's risk management and internal control systems. This includes assessing the extent to which the THP Group's operating and business units comply with relevant policies, procedures, and statutory laws and regulations. As an independent observer, the IAD also participates in tinderbox opening sessions, price negotiation sessions, and tender committee meetings.

The IAD operates in accordance with the THP Group's Internal Audit Charter and adheres to the internal audit standards set by the Institute of Internal Auditors. Recently, the THP Group's Internal Audit Charter was revised and approved by BARGC in December 2023. Its audits span a broad spectrum of operational areas within THP Group, including estate and mill management, procurement and contract management, accounting and financial controls, and resource management and administration.

During the FY2023, the IAD has:

Prepared the internal audit scope and annual intern plan for approval by BARGC;

Conducted 37 audits on various operating units ba
 the annually approved internal audit plan and Manarequest;

Reviewed and evaluated the adequacy and effectivenes THP Group's risk management and internal control sys

Reviewed and evaluated the state of compliances of t Group's operating and business units with its esta policies and procedures, and its applicable statutory la regulations;

Throughout the year, the THP Group's internal audit functions were carried out internally, and no elements of the internal audit programmes and plans were outsourced. Furthermore, all internal auditors are members of the Institute of Internal Auditors Malaysia.

The IAD also provided in-house audit training for its auditors to develop their skills and abilities, as well as training for the THP Group's operating unit personnel to increase their awareness of internal controls.

The total cost incurred by the IAD of THP Group for the financial year ended 31 December 2023 was approximately RM0.984 million.

This BARGC Report was approved by the THP Board on 28 February 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

nal audit	5	Produced internal audit reports for Management's responses and actions;
ased on agement	6	Performed follow-up audit review on internal audit findings based on previous internal audit reports;
ess of the stem;	7	Reported to the BARGC on periodic basis, the key internal audit findings, status of follow-up audit reviews, status of internal audit works and the adequacy of resources within IAD; and
the THP ablished aws and	8	Undertook ad-hoc reviews and special assignments on matters arising from the audits and/or as and when requested by the BARGC and/or Management and reported the results to the BARGC and/or Management.

**BOARD INVESTMENT COMMITTEE** BIC

## MEMBERS AND ATTENDANCE

A total of four (4) meetings were held during the FY2023. Details of the composition of the BIC and their attendance were as follow:

<b>Dr. Nurmazilah binti Dato' Mahzan<sup>1</sup></b> Chairman, Independent Non-Executive Director	N/A	Ir. Mohamed Ajmel Hafiz bin Jamaludin <sup>4</sup> Chairman, Independent Non-Executive Director	4/4
Muhammad Ramizu bin Mustaffa Member, Independent Non-Executive Director	4/4	Datuk Dr. Kamilia binti Ibrahim⁵ Member, Independent Non-Executive Director	4/4
<b>Dr. Shahril bin Simon<sup>2</sup></b> Member, Non-Independent Non-Executive Director	N/A	Dzul Effendy bin Ahmad Hayan <sup>6</sup> Member, Non-Independent Non-Executive Director	2/2
<b>Fahda Nur binti Ahmad Kamar<sup>3</sup></b> Member, Independent Non-Executive Director	N/A		
<b>Notes:</b> <sup>1</sup> Appointed as Member on 28 November 2023 and redesignat	ed as Chairman	<ul> <li><sup>4</sup> Resigned as Chairman on 27 June 2023</li> <li><sup>5</sup> Resigned as Member on 27 June 2023</li> </ul>	
on 15 December 2023		<ul> <li>Kesigned as Member on 27 June 2023</li> </ul>	

Meetings of the BIC are attended by the CEO. Other members of Senior Management are invited to meetings of the BIC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

## ROLES

The BIC's purpose is to review and propose to the Board the THP Group's Investment Policy, strategic direction, and strategic plan concerning investment and divestment activities, while also overseeing significant matters related to all existing and potential investments of the THP Group.

The functions and responsibilities of the BIC are to evaluate proposals on new investments and disposals of significant value to ensure consistency with the Strategic Plan and returns in excess of a hurdle rate adjusted for risk and performance premium, to recommend investments of a prescribed amount as determined by the Board from time to time. This includes and is not limited to investments, divestments and large capital expenditures together with the required project financing.

The TOR of the BIC are available on the Company's website at www.thplantations.mv

During FYE 2023, the BIC undertook several significant activities, summarised among others as follows:

Reviewing the strategic direction and strategic plan of THP Group.

Reviewing the existing investment portfolios i.e. the joint venture subsidiaries.

Reviewing and recommending the proposed investments and divestments, including their funding requirements.

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

## COMMUNICATION WITH STAKEHOLDERS

The Company observes the Corporate Disclosure Guide issued by Bursa Securities as well as the disclosure requirements of the Listing Requirements. The Company also acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public.

Meetings and briefings are held periodically with investors, research analysts, bankers and the media to explain the THP Group's latest performance results, current developments and future direction. While these forms of communications are important, the Company takes full cognisance of its responsibility not to disclose price-sensitive information

## LEVERAGING ON INFORMATION TECHNOLOGY FOR EFFECTIVE **DISSEMINATION OF INFORMATION**

The Company maintains a corporate website at www.thplantations.com. my which provides all other public corporate and financial information, such as THP Group's guarterly announcements of its financial results, announcements and disclosures made pursuant to disclosures required by the Listing Requirements and other corporate information on THP Group. Shareholders and the public can also direct their gueries through the email contacts provided in the corporate website.

## CONDUCT OF GENERAL MEETINGS

The Company's AGM is a useful forum for shareholders to engage directly with the Board. The Board will consider using the most feasible voting method for polling to facilitate shareholders' voting process by taking into account its practicability, efficiency and reliability.

Notification in writing to shareholders via hardcopy or electronic means of the publication of the Notice of AGM and the Annual Report on the Company's website, will be dispatched to shareholders at least 28 days prior to the AGM. The Notification will provide a designated website link where a copy of the Notice of AGM and the Annual Report may be downloaded. Shareholders have the right to request a hardcopy of the THP Group's Annual Report through the designated channel.

The 49<sup>th</sup> AGM of the Company held on 27 June 2023 was conducted standards in Malaysia. on a fully virtual basis via live streaming and through the Remote Participation and Electronic Voting ("RPEV") facilities. Shareholders The Directors are also responsible for taking such steps that are who attended the 49<sup>th</sup> AGM via RPEV could also submit their questions necessary to safeguard the assets of the THP Group and to prevent during the meeting for the Company to respond. fraud and other irregularities.

## CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Chairman of the Board chaired the 49<sup>th</sup> AGM of the Company. Majority of all Directors and Key Senior Management were present at the 49<sup>th</sup> AGM to respond to the questions raised by the shareholders or proxies.

At the 49<sup>th</sup> AGM, the CEO presented the Company's operational and financial performance for the financial under review as well as the Company's strategic recovery plan. The presentation is supported by visual and graphical presentation of key financial figures and key operational highlights to facilitate shareholders' understanding and analyses of the Company's performance.

The proceedings at the 49<sup>th</sup> AGM were recorded in the minutes of meeting which is made available at www.thplantations.my the Company's website.

## DIRECTORS' RESPONSIBILITY STATEMENT IN THE PREPARATION OF AUDITED FINANCIAL STATEMENTS

The Board of Directors is required under the Listing Requirements to issue a statement explaining its responsibilities in the preparation of the audited financial statements. The Directors are required by the Act, to prepare audited financial statements for each financial year which provide a true and fair view of the state of affairs of the THP Group at the end of the financial year and of the profit and loss of the Company and the THP Group for the financial year under review. In preparing these audited financial statements, the Directors have:

- Used appropriate accounting policies and consistently applied them;
- Made judgments and estimates that are reasonable and prudent; and
- Stated whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the audited financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of THP Group and to enable them to ensure that the financial statements comply with the alongside applicable approved accounting

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the Board is pleased to present herewith the Statement on Risk Management and Internal Control of the THP Group for the financial year under review, which was prepared in accordance with the Malaysian Code on Corporate Governance ("MCCG") and guided by the "Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers".

## **BOARD RESPONSIBILITY**

The Board affirms its overall responsibility in maintaining a sound system of risk management and internal control of THP Group to safeguard the interest of its shareholders and assets. The Board's focus on effective risk oversight by setting the tone and culture towards effective risk management and internal control system. The primary responsibilities of the Board for the governance of risks and controls include:

- i. Embedding risk management process and capability in all aspects of the THP Group's activities;
- ii. Identify and manage risks within the acceptable level of risk appetite;
- iii. Reviewing the effectiveness and adequacy of the risk management and internal control system; and
- iv. Establishing reporting and monitoring mechanism.

The Board's committee that is assigned to perform the responsibility and oversight function of the Board in evaluating the performance of the THP Group's risk management and internal control effectiveness is the Board Audit, Risk & Governance Committee ("BARGC"). The broader roles of the BARGC is clearly guided by its Terms of Reference ("ToR") and supported by the Risk Management Committee ("RMC").

Risk & Compliance Department ("RCD") assists the Management and Board in reviewing, monitoring, and reporting the THP Group's risk management and compliance and to oversee the process of risk management efforts and activities within the THP Group. In addition, the RCD is responsible for revising, updating, and implementing an improved the THP Group's Enterprise Risk Management Policy ("ERMP"), Risk Management Framework ("RMF"), and Risk Management Report ("RMR") for THP Group to enhance their adequacy and effectiveness.

In view of the inherent limitations in risk management and internal control system, the Board recognises that such system is designed to manage, rather than eliminate, the risks identified to an acceptable level of risk appetite set and approved by the Board. As a result, the system by its nature, can only provide reasonable but not an absolute assurance against material misstatements, financial losses, operational failures, fraud, and breaches of laws or regulations.

## MANAGEMENT RESPONSIBILITY

## **Risk Management Committee**

The Board delegates to the RMC the responsibility for reviewing and monitoring the vital enterprise risks. The RMC has a broad mandate to ensure the effective implementation of the objectives outlined in ERMP and compliance throughout the THP Group.

The RMC is chaired by the Chief Executive Officer and supported by key Senior Management of various divisions/departments. The RMC is responsible for periodic reporting of higher risk exposures to the Board and will closely monitor the vital enterprise-level risks that are identified.



## Risk & Compliance Department ("RCD")

The RCD reports directly to the RMC which in turn reports to BARGC on the risk management framework, guidelines and timeline for submitting the risk report to the BARGC.

The RCD and the RMC would identify new risks or revise existing risks based on approved risk appetite in terms of the magnitude of the financial or non-financial impact against the likelihood of the risk occurrence and report the risk to the BARGC.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Its primary roles and responsibilities as outlined in the ERMP, amongst others, are as follows:-

	8	Provide information to the Board through quarterly risk management report;
	9	Prepare quarterly risk management reports for submission to the Board;
risks;	10	Ensure finalised risk profile incorporate comments from the Board;
ncluding opment)	11	Champion risk awareness and training efforts across THP Group;
tlined in	12	Ensure the management is available to update the BARGC on risk profile and action plans; and
ting risk	13	Report to the BARGC on any major changes to the risk profile requiring immediate attention/notification.
status of		

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## The following is the Risk Management oversight structure for the THP Group:-



## **RISK MANAGEMENT FRAMEWORK**

The review, monitoring and reporting process in the THP Group's Risk Management Framework ("RMF") involves the following key processes:



These processes allow THP Group to identify, evaluate and track the status of the risk profile and changes in the risk context and ensure that the risk treatment and control measures are adequate in design and operations and effective in its implementation.

## **Risk Assessment Process**

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation. Risk assessment should be conducted systematically, iteratively, and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary.

Our risk assessment process is illustrated in the following diagram:



## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Risk Owners are required to identify key business risks, both actual risks that have happened and potential risks, associated with the processes within their business area under one of the following categories:



The key elements of the THP Group's internal control system are as follows:



## **Risk Communication**

Communication and consultation are important considerations at each step of the risk management process. It is important to develop a communication plan for both internal and external stakeholders at the earliest stage of the process.

Any urgent and material issues regarding risk management are to be reported and discussed at either the Management level, Board level or both, varying depending on the significance of the risk and the business area.

## **Risk Action Plan and Monitoring**

Monitoring and review step takes place in all stages of risk management process. Ongoing risk monitoring and periodic review provide reasonable assurance that risks are being managed effectively.

The monitoring of the implementation on risk treatment and control measures and the review of the risk management strategies and action plans are done accordingly and reported as and when necessary or required by the Board.

## **INTERNAL CONTROL SYSTEM**

The internal control system is designed to protect integrity of assets, promote accountability, and increase the efficiency of operations within the THP Group's risk management framework. The system has been developed and maintained based on industry's best practices and guidelines and relevant laws, rules, and regulations to control and mitigate risks according to risks appetite set and approved by the Board. The RMC and RCD would continuously review, monitor and update the existing risks, including identifying new emerging risks faced by the THP Group and report them to the BARGC accordingly.

Thus, THP Group has designed and implemented a sound system of internal control that enables the business to be operated effectively and efficiently to achieve the THP Group's business objectives and to safeguard its interests.

## **Board's Oversight Function**

The Board has an oversight function in evaluating the business performance of THP Group and the effectiveness and compliance of its internal control system. This function is carried out by periodically reviewing the operational and financial reports such as Progress Reports and Quarterly Financial Report prepared by Management and audit reports from the external and internal auditors. Any significant or material issues are brought to the attention of the BARGC for deliberation, which, in turn, will report these matters to the Board.

## **Policies and Procedures**

The Board and Management acknowledge the importance of documented policies and Standard Operating Procedures ("SOP") in managing the business operations of THP Group. This is to ensure that an effective and adequate internal control system is designed, implemented and adhered or complied accordingly to manage the operational and financial risks and the risk of fraud and material misstatements.

The established policies and SOPs are reviewed and updated, as and when necessary, to reflect changes in business environment and needs to ensure its relevancies and effectiveness. Any changes, update or enhancement of policies and SOPs would be presented to the Board for their approval.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## Structure and Authority

THP Group maintains a formal organisational structure that organises the business operations into functional operation and support units. The structure provides clear reporting lines with welldefined roles and responsibilities, accountability and ownership with proper segregation of duties. The structure is designed to ensure effective internal control and good corporate governance practices within THP Group.

Formal authorisation policy and procedures are also in place to define lines of accountabilities and delegation of authority in approving, planning, executing, controlling, and monitoring business operations and risks. The organisational structure and authorisation policy and procedures are reviewed, as and when necessary, to incorporate any emerging business and operational needs.

## Human Capital Management

THP Group recognised human capital as an important element of a successful business organisation. As such, the THP Group's Human Resources Committee ("HRC") with the support from Human Capital Department ("HCD") has been entrusted in managing the THP Group's human capital management through developing and maintaining human resource policies and procedures, reviewing employees' service scheme, compensation and benefits and designing training and development programmes. The HCD is also responsible for handling employees and industrial relations, especially involving trade unions at estates and mills.

## Performance Review and Monitoring

The THP Group's business performances are reviewed and discussed in Management meetings on monthly basis or as and when required by the Chief Executive Officer ("CEO"). The meeting would focus on the operational and financial matters. Any significant and urgent issues would be discussed and corrective actions would be taken accordingly.

Estates and mills performances are directly monitored by the Head of Operation and supported by Plantation Controllers (for estates) and Head - Mill & Engineering (for mills). A Monthly Progress Report will be prepared and submitted by the Managers of estates and mill to report their current operational status and performance on productivity, efficiency, quality and cost control.

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## **Tender and Procurement**

THP Group has Board Tender Committee responsible for reviewing, deliberating and approving the tender award of contracts or procurement of goods and services. The members of the committee and their authorisation limits are clearly defined in the policy of "Peraturan Pembelian, Tender Dan Kontrak Tahun 2019" that was approved by the Board and used for the tender and procurement process. The Management also has the authority to approve tender award of contract or procurement of goods and services with a value below the set limit for Board Tender Committee, which is also stated in the above-said policy.

By complying with the policies and procedures on tender and procurement, the Management could perform the process of awarding the tender, contract and procuring goods and services in the best interest of THP Group and ensure good corporate governance practice is maintained within the organisation.

## **Anti-Bribery And Corruption**

THP Group adopts a zero tolerance approach against all forms of bribery and corruption in its daily operations. With the implementation of Section 17A, the Malaysian Anti-Corruption Commission ("MACC") Act come into force in June 2020, the THP Group communicates its codes of ethics and conduct policy, along with disciplinary procedures, to all employees. The Code reinforces the THP Group's core value of integrity by providing guidance on moral and ethical behaviour expected from all employees in **REVIEW OF EFFECTIVENESS** adhering the laws, policies, standards and procedures.

In demonstrating top level commitment, the Integrity and Governance Unit ("IGU") which reports directly to the Board Audit, Risk & Governance Committee ("BARGC") is entrusted with fostering the principle of abhorring corruption, abuse of power and malpractices. Furthermore, the establishment of a dedicated Management Audit, Risk and Governance Committee ("MARGC") at the management level emphasises our proactive stance in implementing the 'Adequate Procedures' Guidelines.

A series of Integrity Talk sessions were conducted across our operational regions to enhance awareness and understanding of anti-bribery and corruption principles among our employees. These sessions featured guest speakers, including MACC officers and external experts. On 11 May 2023, the IGU launched the Employee Integrity Pledge, reinforcing the shared commitment of every employee to adhere to the highest standards of integrity in all professional endeavours.

Recognising the importance of an effective whistleblowing mechanism, on 9 October 2023, the BARGC approved for the comprehensive review of the existing Whistleblowing Policy to enhance its effectiveness and align with industry best practices. The policy revisions will be subject to further approval by the Board once the review is completed.

## INTERNAL AUDIT FUNCTION

The Internal Audit Department's ("IAD") function is to provide the BARGC, and the Board, with independent assurance in regard to the effectiveness of risk management, internal control and governance processes of the THP Group.

The IAD assists in discharging the BARGC's duties and responsibilities by implementing a systematic and disciplined approach to review the business processes using a risk-based methodology in planning and performing audit assignments. A comprehensive audit report is produced to highlight audit findings and provide recommendations for Management to comments and take actions. A follow-up audit would be carried out periodically to monitor the status of completion and compliance with the agreed action plans. Any significant audit findings that require the Board's attention are presented to and deliberated by the BARGC periodically as appropriate.

The processes adopted to review and monitor the effectiveness of the THP Group's risk management and internal control system are:

- Reporting of higher risk exposures to the Board, via Management, if any;
- Reviewing the financial and operational information regularly received from various reports with respect to risk management and internal control issues; and
- Reviewing the financial and operational activities, risk management and internal control system by the IAD based on the annual audit plan as approved by the BARGC during the financial year under review.

## **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

The external auditors have reviewed the THP Group's Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the THP Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of THP Group, in all material respects:

- i. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- ii. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the THP Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## CONCLUSION

the THP Group's assets.

internal control system of THP Group. This statement is made in compliance with Paragraph 15.26(b) of the MMLR of Bursa Malaysia Securities Berhad and Principle B of the MCCG 2021 issued by Securities Commission Malaysia and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

This statement is made in accordance with a resolution of the Board dated 28 February 2024.

For the financial year under review and up to the date of approval

of this statement, the Board is satisfied with the adequacy and

effectiveness of the THP Group's risk management and internal

control system in safeguarding the shareholders' investments and

The Board has received reasonable assurance from the Chief Executive Officer that the THP Group's risk management and

internal control system is operating adequately and effectively,

in all material aspects, based on the risk management and

# ADDITIONAL COMPLIANCE INFORMATION

## a. Utilisation of Proceeds from Corporate Proposals

There is no proceed from Corporate Proposals during the financial year ended 31 December 2023.

## b. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year by the Company's auditors, or a firm or corporation affiliated to the Auditor's firm amounted to RM730,000.00 and RM222,000.00 respectively.

## c. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interests which were still subsisting at the end of the financial year ended 31 December 2023 or which were entered into since the end of the previous financial period.

## d. Recurrent Related Party Transactions

The aggregate value of the Recurrent Related Party Transactions of a revenue or trading nature conducted in pursuant to the shareholders' mandate during the financial year ended 31 December 2023 between the THP and/or its subsidiary companies with related parties are set out below:-

THP and/or Subsidia Transacting with Related Parties	ries Related Parties	Relationship with THP	Type of Transaction	Aggregate Value of Transaction RM'000
	тн		Lease of land	3,320,800
	ТН	Holding Company	Lease of office space	1,015,358
ТНР	Syarikat Takaful Malaysia Keluarga Berhad		Durchara dia	2,281,176
	Syarikat Takaful Malaysia Am Berhad	Related Company	Purchase of insurance	1,454,625
ТНРАМ	TH Travel Services Sdn. Bhd.		Purchase of flight tickets	709,107

## **FFB PRODUCED (Mt)**



## FFB PROCESSED (Mt)



# PERFORMANCE STATISTICS

## **CPO PRODUCTION (Mt)**



## **PK PRODUCTION (Mt)**



SECTION 05 FINANCIAL STATEMENTS

## PERFORMANCE STATISTICS

## **GROUP 5-YEAR PLANTATION STATISTICS**

	2023	2022	2021	2020	2019
Production (metric tonnes)					
FFB produced - total	787,741	695,824	701,251	836,739	917,072
FFB processed - total	801,085	804,902	779,436	868,696	937,815
FFB Purchased	177,377	186,864	171,823	155,135	180,723
Yield and Extraction Rates					
FFB yield ( tonnes per mature hectare)	15.18	13.21	13.36	16.11	18.18
OER (%)	19.17	19.19	19.71	19.54	20.05
KER (%)	4.92	4.79	4.72	4.53	4.50
Average Selling Prices (RM per tonne)					
Crude palm oil	3,669	4,476	3,762	2,538	1,968
Palm kernel	1,948	2,884	2,768	1,536	1,172
FFB	678	1,023	842	516	377
Area Statement (Hectares)					
Oil Palm					
- mature	51,875	52,656	52,470	50,843	50,457
- immature	2,261	3,491	4,411	4,964	9,054
Planted Area	54,136	56,147	56,881	55,807	59,51
Other crops					
- mature	-	-	-	-	
- immature	10,380	10,380	10,380	10,380	10,380
Planted Area	10,380	10,380	10,380	10,380	10,380
Total Planted Area	64,516	66,527	67,261	66,187	69,89
In Course of Planting	1,579	805	500	956	74
Reserve land, building sites etc	31,686	30,477	30,460	30,146	30,338
Titled Area	97,781	97,809	98,221	97,289	100,976









## PERFORMANCE STATISTICS

Net Assets Per Share (RM)

## PERFORMANCE STATISTICS

## Net Debt to Equity Ratio (times)



## **GROUP 5-YEAR KEY FINANCIAL INDICATORS**

	2023	2022	2021	2020	2019
Profitability and Returns					
Gross profit margin (%)	21.47	28.56	33.23	31.92	9.54
Profit/(loss) before tax (%)	11.42	14.28	18.12	9.81	(49.63)
Profit/(loss) after tax and minority interest margin (%)	6.20	7.80	9.22	2.52	(45.88)
Return on average shareholders' equity (%)	6.60	10.20	11.42	2.44	(33.39)
Return on capital employed (%)	8.73	12.36	11.13	6.43	(8.22)
Net assets per share (RM)	0.81	0.79	0.73	0.66	0.64
Solvency and Liquidity					
Debt to equity ratio (times)	0.58	0.60	1.22	1.36	1.57
Interest cover (times)	2.56	2.69	2.67	1.76	(2.26)
Current ratio (times)	4.21	3.86	1.66	1.97	2.35
Financial Market					
EPS (sen)					
- basic	3.29	6.75	7.94	1.58	(25.63)
- diluted	3.29	6.75	7.94	1.58	(25.63)
Gross dividend payout per share (sen)	2.00	3.00	-	-	-
Gross dividend rate (%)	2.05	3.07	-	-	-
Gross dividend yield (%)	4.12	5.71	-	-	-
Net dividend payout rate (%)	2.05	3.07	-	-	-
Price-to-earnings ratio (times)	14.75	7.78	7.56	36.01	(2.54)

## **GROUP 5-YEAR KEY FINANCIAL INDICATORS**

## STATEMENT OF INCOME STATEMENT HIGHLIGHTS (RM'000)

	2023	2022	2021	2020	2019
Revenue	752,027	881,259	760,804	555,097	493,650
Results from operating activities	135,054	194,618	215,421	124,412	(170,361)
Profit margin income from short term					
investments and receivables	3,647	3,432	3,120	939	648
Finance cost	(52,794)	(72,242)	(80,672)	(70,889)	(75,296)
Profit/(loss) before tax	85,907	125,808	137,869	54,462	(245,009)
Tax expense	(25,811)	(37,872)	(36,300)	(27,002)	(28,125)
Profit/(loss) for the year	60,096	87,936	101,569	27,460	(273,134)
Attributable to :					
Owners of the Company	46,618	68,771	70,166	13,991	(226,498)
Non-controlling interests	13,478	19,165	31,403	13,469	(46,636)
Net profit/(loss) for the year	60,096	87,936	101,569	27,460	(273,134)

## **GROUP 5-YEAR PROFIT VS AVERAGE CPO PRICE**



## PERFORMANCE STATISTICS

## GROUP 5-YEAR KEY FINANCIAL INDICATORS

## STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (RM'000)

	2023	2022	2021	2020	2019
ASSETS					
Other non-current assets	1,622,581	1,654,818	1,691,145	1,720,265	1,562,060
Total non-current assets	1,622,581	1,654,818	1,691,145	1,720,265	1,562,060
Other current assets	921,272	909,429	910,542	860,471	1,105,589
Cash and cash equivalents	82,465	116,200	260,219	84,481	68,953
Total current assets	1,003,737	1,025,629	1,170,761	944,952	1,174,542
Total assets	2,626,318	2,680,447	2,861,906	2,665,217	2,736,602
EQUITY					
Share capital	862,752	862,752	862,752	862,752	862,752
Other reserves	(80,663)	(80,663)	(80,658)	(80,658)	(80,935)
Translation reserve	(10,105)	(9,664)	(13,054)	(11,662)	(13,246)
Accumulated losses	(57,753)	(73,566)	(119,986)	(190,152)	(204,143)
Total equity attributable to owners of the					
Company	714,231	698,859	649,054	580,280	564,428
Perpetual sukuk	300,000	300,000	-	-	-
Non-controlling interests	298,932	308,249	295,832	269,813	253,376
Total equity	1,313,163	1,307,108	944,886	850,093	817,804
LIABILITIES					
Long term borrowings	791,323	824,358	925,131	1,054,467	1,139,644
Other long term liabilities	283,414	283,402	285,975	281,627	278,779
Total non-current liabilities	1,074,737	1,107,760	1,211,106	1,336,094	1,418,423
Other current liabilities	202,418	233,579	259,350	374,030	360,604
Loans and borrowings	36,000	32,000	446,564	105,000	139,771
Total current liabilities	238,418	265,579	705,914	479,030	500,375
Total liabilities	1,313,155	1,373,339	1,917,020	1,815,124	1,918,798
Total equity and liabilities	2,626,318	2,680,447	2,861,906	2,665,217	2,736,602

## **GROUP 5-YEAR KEY FINANCIAL INDICATORS**

## STATEMENT OF CASH FLOW HIGHLIGHTS (RM'000)

	2023	2022	2021	2020	2019
Profit/(Loss) before tax	85,907	125,808	137,869	54,462	(245,009)
Adjustment for non-cash items	108,989	159,968	160,266	131,124	377,118
Changes in working capital	5,756	(8,321)	(117,824)	25,824	90,050
Cash generated from operations	200,652	277,455	180,311	211,410	222,159
Profit margin income from short term investments and receivables	3,647	3,432	3,120	939	648
Profit margin expenses on payables, borrowing cost , tax and zakat paid	(86,264)	(129,471)	(119,906)	(87,775)	(88,784)
Net cash generated from operating activities	118,035	151,416	63,525	124,574	134,023
Acquisition of property, plant and equipment	(26,779)	(21,115)	(18,824)	(5,133)	(7,859)
Acquisition of right-of-use assets	(536)	(3,787)	-	-	-
Plantation development expenditure	(19,725)	(20,279)	(25,568)	(36,576)	(49,065)
Forestry	-	-	-	-	(11,698)
Proceeds from disposal of property, plant and equipment	896	-	6	1,579	145
Proceeds from disposal of right-of-use- assets	3,563	-	306	75	-
Proceeds from disposal of subsidiary	-	-	-	69,147	-
(Increase)/Decrease in other investment	(31,972)	10,412	(35,634)	(1,462)	649
Dividend received	109	456	182	-	-
Net cash (used in)/generated from investing activities	(74,444)	(34,313)	(79,532)	27,630	(67,828)
Proceeds from drawdown of loans and borrowings	-	708,345	317,476	66,909	187,700
Proceeds from drawdown of perpetual sukuk	-	300,000	-	-	-
Repayments of loans and borrowings	(31,500)	(1,226,067)	(111,750)	(188,180)	(165,046)
Dividends paid to owners of the Company	(13,204)	(13,144)	-	-	(155)
Dividends paid to non-controlling interests	(22,434)	(9,683)	(5,279)	(10,300)	(4,314)
(Decrease)/Increase in amount due to holding corporation	-	(11,948)	(6,293)	6,149	(1,094)
(Decrease)/Increase in amount due to related companies	-	(1,728)	122	(7,113)	(59,997)
Payment of lease liabilities	(8,586)	(7,455)	(2,305)	(4,071)	(4,874)
Net cash (used in)/generated from financing activities	(75,724)	(261,680)	191,971	(136,606)	(47,780)
Net (decrease)/increase in cash and cash equivalents	(32,133)	(144,577)	175,964	15,598	18,415

## PERFORMANCE STATISTICS

SECTION 05 FINANCIAL STATEMENTS

## PERFORMANCE STATISTICS

## **GROUP QUARTERLY PERFORMANCE**

## FINANCIAL PERFORMANCE (RM'000)

		2023			
	Q4	Q3	Q2	Q1	
Revenue	216,503	216,639	172,514	146,371	
Results from operating activities	36,609	40,921	25,517	32,007	
Profit margin income from short term investments and					
receivables	1,099	820	846	882	
Finance cost	(12,748)	(13,193)	(13,373)	(13,480)	
Profit before tax	24,960	28,548	12,990	19,409	
Taxation	(4,685)	(7,493)	(7,928)	(5,705)	
Net profit for the quarter	20,275	21,055	5,062	13,704	
Attributable to :					
Owners of the Company	12,279	17,553	5,310	11,476	
Non-controlling interests	7,996	3,502	(248)	2,228	
Net profit for the quarter	20,275	21,055	5,062	13,704	
Earnings per share (sen)					
- basic	0.92	1.48	0.09	0.80	
- diluted	0.92	1.48	0.09	0.80	

	2022				
	Q4	Q3	Q2	Q1	
Revenue	219,312	213,392	250,445	198,110	
Results from operating activities	62,528	37,043	36,427	58,620	
Profit margin income from short term investments and					
receivables	816	778	740	1,098	
Finance cost	(18,930)	(13,940)	(19,345)	(20,027)	
Profit before tax	44,414	23,881	17,822	39,691	
Taxation	(9,162)	(7,737)	(8,101)	(12,872)	
Net profit for the quarter	35,252	16,144	9,721	26,819	
Attributable to :					
Owners of the Company	23,050	14,367	9,763	21,591	
Non-controlling interests	12,202	1,777	(42)	5,228	
Net profit for the quarter	35,252	16,144	9,721	26,819	
Earnings per share (sen)					
- basic	2.07	1.13	1.10	2.44	
- diluted	2.07	1.13	1.10	2.44	

# FINANCIAL STATEMENTS

## Directors' Report

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# DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

TH PLANTATIONS BERHAD

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## **Principal activities**

The Company is principally engaged in investment holding, cultivation of oil palm, processing of fresh fruit bunches ("FFB"), marketing of crude palm oil ("CPO"), palm kernel ("PK") and FFB, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## Ultimate holding company

The Company is a subsidiary of Lembaga Tabung Haji, a statutory body established under the Tabung Haji Act 1995 (Act 535) of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding corporation, during the financial year and until the date of this report.

## **Subsidiaries**

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

## Results

	Group RM′000	Company RM'000
Profit/(loss) for the year attributable to:		
Owners of the Company	46,618	56,768
Non-controlling interests	13,478	-
	60,096	56,768

## **Reserves and provisions**

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

## Dividends

Since the end of the previous financial year, the amount of dividend paid by the Company in respect of the financial year ended 31 December 2022 as reported in the Directors report of that year was the final ordinary dividend of 1.50 sen per ordinary share totaling RM13,258,000 declared on 27 February 2023 and paid on 9 June 2023.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2023 is 2.00 sen per ordinary share, tax exempt under the single-tier tax system, totaling RM17,677,000.

## **Directors of the Company**

Directors who served during the financial year until the date of this report are:

## Director

Datuk Dr. Ahmad Kushairi bin Din YM Tengku Dato' Seri Hasmuddin bin Tengku Othman

Haji Bakri bin Jamaluddin Muhammad Ramizu bin Mustaffa Dzul Effendy bin Ahmad Hayan

Tuan Syed Hamadah bin Syed Othman Dr. Nurmazilah binti Dato' Mahzan Dr. Shahril bin Simon Kasmuri bin Sukardi Fahda Nur binti Ahmad Kamar Dato' Sri Amrin bin Awaluddin Ir. Mohamed Ajmel Hafiz bin Jamaludin Datuk Dr. Kamilia binti Ibrahim

## **Directors of the subsidiaries**

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Shafaruddin bin Hanafiah Irwan bin Ayub Abang Dato' Dr Haji Ariffin bin Abang Haji Bohan Datuk Bolhassan bin Di @ Ahmad bin Di Aliatun binti Mahmud George Lentton Anak Indang Yeo Kian Kok Dato' Posa bin Haji Majais Alam Shah bin Abdul Rahman Datu Monaliza binti Zaidel Mohamed Zainurin bin Mohamed Zain Hazem Mubarak bin Musa Benjamin Anak Kudang Mohd Azahar bin Yasin Bibi Umizah binti Osman Angeline Chia Poh Lin Datuk Hamzah bin Datuk Haji Mohd Zakaria Datuk Haji Sapin @ Sairin bin Karano @ Karno Datuk Haji Mohammad Yusof bin Haji Apdal ldris bin Ibrahim Abdul Kadir @ Kadir bin Zainuddin

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## Alternate

Dzul Effendy bin Ahmad Hayan (Resigned on 30 March 2023)

(Appointed on 30 March 2023) (Resigned on 29 August 2023) (Appointed on 5 September 2023) (Appointed on 11 September 2023) (Appointed on 17 November 2023) (Appointed on 8 December 2023) (Appointed on 28 December 2023) (Resigned on 5 May 2023) (Retired on 27 June 2023) (Retired on 27 June 2023)

(Appointed on 27 March 2023) (Resigned on 16 January 2023) (Resigned on 16 January 2023) (Resigned on 16 January 2023) (Resigned on 1 March 2023) (Resigned on 27 March 2023)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## **Directors' interests in shares**

None of the Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors of the subsidiaries of the Company at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares		
	At 1.1.2023	Bought	Sold	At 31.12.2023
Interest in the Company:				
Aliatun binti Mahmud – own	53,000	-	-	53,000
Mohd Azahar bin Yasin – own	5,200	-	-	5,200

None of the other Directors of the subsidiaries holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

## **Directors' benefits**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than shown below) by reason of a contract made by the Company or a related corporation with the Director, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2023 are as follows:

	From the	From subsidiary
	Company	companies
	RM'000	RM'000
Directors of the Company:		
Remuneration	775	1,336

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

## Indemnity and insurance costs

There were no indemnity given to or insurance costs effected by any Director, officer or auditor of the Company during the year.

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) Company inadequate to any substantial extent, or
- ii) or
- iii) Company misleading or inappropriate, or
- iv) of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) liabilities of any other person, or
- ii)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and Company during the year are RM730,000 and RM150,000 respectively

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Dr. Ahmad Kushairi bin Din Chairman

Muhammad Ramizu bin Mustaffa Director

Kuala Lumpur, Date: 7 March 2024

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which

that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the

that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading,

which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the

not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements

any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the

any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	3	863,608	832,686	104,473	101,940
Right-of-use assets	4	640,677	651,387	49,693	50,638
Plantation development expenditure	5	35,100	90,983	8,501	11,600
Forestry	6	42,487	38,958	-	-
Investments in subsidiaries	7	-	-	1,026,003	1,026,003
Other investments	8	1,825	1,825	1,825	1,825
Deferred tax assets	9	38,884	38,979	-	-
Finance lease receivable	10	-	-	46,614	46,630
Total non-current assets		1,622,581	1,654,818	1,237,109	1,238,636
Inventories	11	11,584	32,988	1,640	2,615
Biological asset	12	21,940	20,113	4,117	2,841
Current tax assets		8,891	8,493	4,089	3,909
Other investments	8	59,895	27,923	58,560	24,700
Finance lease receivable	10	-	-	16	15
Trade and other receivables	13	31,545	32,959	369,157	350,860
Prepayments and other assets		4,226	5,913	120	114
Cash and cash equivalents	14	82,465	116,200	65,969	97,714
		220,546	244,589	503,668	482,768
Assets classified as held for sale	15	783,191	781,040	-	-
Total current assets		1,003,737	1,025,629	503,668	482,768
Total assets		2,626,318	2,680,447	1,740,777	1,721,404

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Equity					
Capital and reserve	16	771,984	772,425	762,623	762,623
(Accumulated losses)/ retained earnings		(57,753)	(73,566)	275,024	231,514
Equity attributable to owners of the Company		714,231	698,859	1,037,647	994,137
Perpetual sukuk	17	300,000	300,000	-	-
Non-controlling interests		298,932	308,249	-	-
Total equity		1,313,163	1,307,108	1,037,647	994,137
Liabilities					
Loans and borrowings	18	791,323	824,358	-	-
Lease liabilities		74,312	74,730	57,421	56,046
Employee benefits	19	25	428	-	-
Deferred tax liabilities	9	191,196	192,810	33,782	34,141
Trade and other payables	20	17,881	15,434	186,635	214,494
Total non-current liabilities		1,074,737	1,107,760	277,838	304,681
Loans and borrowings	18	36,000	32,000	-	-
Lease liabilities		3,178	2,870	1,621	1,499
Current tax liabilities		2,064	1,519	-	-
Trade and other payables	20	60,553	90,633	423,671	421,087
		101,795	127,022	425,292	422,586
Liabilities classified as held for sale	15	136,623	138,557	-	-
Total current liabilities		238,418	265,579	425,292	422,586
Total liabilities		1,313,155	1,373,339	703,130	727,267
Total equity and liabilities		2,626,318	2,680,447	1,740,777	1,721,404

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONTINUED)
# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		Grou	up	Comp	bany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	21	752,027	881,259	227,637	312,540
Fair value changes on forestry	6	3,529	17,371	-	-
Fair value changes on biological asset	12	1,767	(15,513)	1,276	(2,747)
Cost of sales	22	(595,885)	(631,433)	(147,084)	(202,632)
Gross profit		161,438	251,684	81,829	107,161
Other income		21,258	10,291	1,583	4,783
Administrative expenses		(38,747)	(40,406)	(8,053)	(10,575)
Other expenses		(8,921)	(25,431)	(2,474)	(1,456)
Reversal of impairment loss on investment in subsidiaries		-	-	-	45,014
Impairment loss on amount due from subsidiaries		-	-	(7,773)	(142,481)
Reversal of impairment loss/(impairment loss) on financial instruments		26	(1,520)	-	-
Results from operating activities		135,054	194,618	65,112	2,446
Finance income	23	3,647	3,432	37,628	10,923
Finance costs	24	(52,794)	(72,242)	(37,697)	(29,214)
Net finance costs		(49,147)	(68,810)	(69)	(18,291)
Profit/(Loss) before tax		85,907	125,808	65,043	(15,845)
Tax expense	25	(25,811)	(37,872)	(8,275)	(9,787)
Profit/(loss) for the year	26	60,096	87,936	56,768	(25,632)
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement on defined benefit asset	27	-	(5)	-	-
		-	(5)	-	-
Items that are or may be reclassified subsequently to profit or loss, net of tax					
Foreign currency translation differences for					
foreign operations	27	(802)	3,643	-	-
		(802)	3,643	-	-
Other comprehensive (expense)/ income for the year, net of tax		(802)	3,638	-	-

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Gro	oup	Com	pany
	2023	2022	2023	2022
Note	RM'000	RM'000	RM'000	RM'000
	59,294	91,574	56,768	(25,632)
	46,618	68,771	56,768	(25,632)
	13,478	19,165	-	-
	60,096	87,936	56,768	(25,632)
	46,177	72,156	56,768	(25,632)
	13,117	19,418	-	-
	59,294	91,574	56,768	(25,632)
28	3.29	6.75	-	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

		<u> </u>	Attr	ibutable to o	wners of the	Company	<u> </u>	►		
		•	— Non-dis	tributable						
Group	Note	Share capital RM'000	Other reserves RM'000	Foreign currency translation reserves RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2022		862,752	(80,658)	(13,054)	769,040	(119,986)	649,054	-	295,832	944,886
Foreign currency translation differences for foreign operations Remeasurement on defined benefit		-	-	3,390	3,390	-	3,390	-	253	3,643
liability		-	(5)	-	(5)	-	(5)	-	-	(5)
Total other comprehensive (expense)/income for the year		_	(5)	3,390	3,385	-	3,385	-	253	3,638
Profit for the year		-	-	-	-	68,771	68,771	-	19,165	87,936
Total comprehensive (expense)/ income for the year		_	(5)	3,390	3,385	68,771	72,156	-	19,418	91,574
Perpetual sukuk		-	-	-	-	-	-	300,000	-	300,000
Profit distribution of perpetual sukuk		-	-	-	-	(9,093)	(9,093)	-	-	(9,093)
Increase in investment in subsidiary		-	-	-	-	-	-	-	2,682	2,682
Contribution by and distribution to owners of the Company										
Dividend to owner of the Company	29	-	-	-	-	(13,258)	(13,258)	-	(9,683)	(22,941)
Total transactions with owners of the Company		-	-	-	-	(13,258)	(13,258)	-	(9,683)	(22,941)
At 31 December 2022		862,752	(80,663)	(9,664)	772,425	(73,566)	698,859	300,000	308,249	1,307,108

		<	— Non-di	stributable —						
Group	Note	Share capital RM'000	Other reserves RM'000	Foreign currency translation reserves RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non- controlling interest RM'000	Tota equit RM'000
At 1 January 2023		862,752	(80,663)	(9,664)	772,425	(73,566)	698,859	300,000	308,249	1,307,10
Foreign currency translation differences for foreign operations		-	-	(441)	(441)	-	(441)	-	(361)	(80
Total other comprehensive expense for the year		_	-	(441)	(441)	-	(441)	-	(361)	(8)
Profit for the year		-	-	-	-	46,618	46,618	-	13,478	60,09
Total comprehensive (expense)/ income for the year		-	-	(441)	(441)	46,618	46,177	-	13,117	59,29
Profit distribution of perpetual sukuk			-	-	-	(17,547)	(17,547)	-	-	(17,54
Contribution by and distribution to owners of the Company										
Dividend to owner of the Company	29	-	-	-	-	(13,258)	(13,258)	-	(22,434)	(35,69
Total transactions with owners of the Company		-	-	-	-	(13,258)	(13,258)	-	(22,434)	(35,6)
At 31 December 2023		862,752	(80,663)	(10,105)	771,984	(57,753)	714,231	300,000	298,932	1,313,1

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company					
		< No	n-distributable —	→ I	Distributable	
		Share capital	Other reserves	Total capital reserve	Retained earnings	Total equity
Company	Note	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022		862,752	(100,129)	762,623	270,404	1,033,027
Loss for the year		-	-	-	(25,632)	(25,632)
Total comprehensive expense for the year	L	_	_	-	(25,632)	(25,632)
Contribution by and distribution to owners of the Company						
Dividends to owners of the	29				(13,258)	(17.250)
Company Total transactions with owners of	29	-	-	-	(13,238)	(13,258)
the Company		-	-	-	(13,258)	(13,258)
At 31 December 2022/						
1 January 2023		862,752	(100,129)	762,623	231,514	994,137
Profit for the year	ſ	-	-	-	56,768	56,768
Total comprehensive income for	L					
the year		-	-	-	56,768	56,768
Contribution by and distribution to owners of the Company						
Dividends to owners of the						
Company	29	-	-	-	(13,258)	(13,258)
Total transactions with owners of the Company	-				(13,258)	(13,258)
At 31 December 2023		862,752	(100,129)	762,623	275,024	1,037,647

		Gro	oup	Company		
		2023	2022	2023	2022	
	Note	RM'000	RM'000	RM'000	RM'000	
Cash flows from operating activities						
Profit/(loss) before tax		85,907	125,808	65,043	(15,845)	
Adjustments for:						
Depreciation of property, plant and equipment	3	65,476	68,909	6,512	6,094	
Property, plant and equipment written off	3	1,198	3,947	25	105	
Property, plant and equipment written off in relation to assets held for sale	15	23	22	-	_	
Loss on disposal of property, plant and equipment	26	-	127	-	127	
Gain on disposal of right-of-use assets	26	(2,851)	-	-	-	
Gain on disposal of right-of-use assets in relation to						
assets held for sale	26	(692)	-	-	-	
Depreciation of right-of-use assets	4	10,755	10,361	943	1,020	
Impairment loss on nursery	5	-	2,840	-	-	
Impairment loss on property, plant and equipment						
relation to assets held for sale	15	1,038	-	-	-	
Change in fair value of forestry	6	(3,529)	(17,371)	-	-	
(Reversal of impairment loss)/impairment loss on						
other receivables	26	(26)	1,520	-	-	
Impairment loss on amount due from subsidiaries	26	-	-	7,773	142,481	
Reversal of impairment loss on investment in						
subsidiaries	7	-	-	-	(45,014)	
Gain on remeasurement of lease liabilities	26	-	(2,213)	-	(2,213)	

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NoteRM'000RM'000RM'000RM'000RM'000Cash flows from operating activities (continued) Adjustments for:<			Grou	ıp	Company		
Cash flows from operating activities (continued) Adjustments for:         (1,276)         (2,74)           Change in fair value of biological asset         12         (1,767)         15,513         (1,276)         2,744           (Income)/expenses related to retirement benefit plan         26         (403)         27         -         -           Dividend income         21         (109)         (201)         (45,481)         (53,623)           Profit margin income from short-term investments and other receivables         23         -         -         (3,825)         (3,825)           Finance income on finance lease receivable         23         -         -         (3,825)         (3,825)           Finance costs         24         43,896         62,981         32,979         24,177           Finance costs on lease liabilities         24         8,898         9,261         4,718         5,04           Zakat expense         2,441         -         941         - <td< th=""><th></th><th></th><th>2023</th><th>2022</th><th>2023</th><th>2022</th></td<>			2023	2022	2023	2022	
Adjustments for:       Image: Change in fair value of biological asset       12       (1,767)       15,513       (1,276)       2,744         (Income)/expenses related to retirement benefit plan       26       (403)       27       - </th <th></th> <th>Note</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th> <th>RM'000</th>		Note	RM'000	RM'000	RM'000	RM'000	
Change in fair value of biological asset       12       (1,767)       15,513       (1,276)       2,74         (Income)/expenses related to retirement benefit plan       26       (403)       27	Cash flows from operating activities (continued)						
Income//expenses related to retirement benefit plan       26       (403)       27       -         Dividend income       21       (109)       (201)       (45,481)       (53,622)         Profit margin income from short-term investments       and other receivables       23       (3,647)       (3,432)       (33,803)       (7,094)         Finance income on finance lease receivable       23       -       -       (3,825)       (3,825)         Unrealised foreign exchange       26       (11,712)       7,677       -	Adjustments for:						
Divided income       21       (109)       (201)       (45,481)       (53,624)         Profit margin income from short-term investments       and other receivables       23       (3,647)       (3,432)       (33,803)       (7,094)         Finance income on finance lease receivable       23       (11,712)       7,677       (1,172)       (1,1712)	Change in fair value of biological asset	12	(1,767)	15,513	(1,276)	2,747	
Profit margin income from short-term investments and other receivables         23         (3,647)         (3,432)         (33,803)         (7,094)           Finance income on finance lease receivable         23         (3,647)         (3,432)         (3,825)         (4,315)	(Income)/expenses related to retirement benefit plan	26	(403)	27	-	-	
and other receivables       23       (3,647)       (3,422)       (33,803)       (7,024)         Finance income on finance lease receivable       23       -       (3,825)       (3,825)         Unrealised foreign exchange       26       (11,712)       7,677       -       -         Finance costs       24       43,896       62,981       32,979       24,177         Finance costs on lease liabilities       24       8,898       9,261       4,718       5,044         Zakat expense       2,441       -       941       5,044         Zakat expense       2,441       -       941       5,044         Change in inventories       21,404       (12,875)       941       5,636         Change in trade and other payables       16,222       8,260       4,208       (389,584)         Change in employee benefits       (403)       27       -       -       -         Change in employee benefits       (403)       27       -	Dividend income	21	(109)	(201)	(45,481)	(53,628)	
Unrealised foreign exchange       26       (11,712)       7,677          Finance costs       24       43,896       62,981       32,979       24,173         Finance costs on lease liabilities       24       8,898       9,261       4,718       5,042         Zakat expense       2,441       -       941       -       941       -       -         Operating profit before changes in working capital       194,896       285,776       34,549       54,163         Change in inventories       21,404       (12,875)       975       (63,63)         Change in trade and other payables       28,260       4,208       (389,58,43)         Change in trade and other receivables, prepayments       -       -       -       -         and other assets       (31,250)       (18,869)       (29,901)       (43,156)       -<	-	23	(3,647)	(3,432)	(33,803)	(7,098)	
Finance costs       24       43,896       62,981       32,979       24,17         Finance costs on lease liabilities       24       8,898       9,261       4,718       5,04         Zakat expense       2,441       -       941       5,04         Zakat expense       2,441       -       941       6,04         Operating profit before changes in working capital       194,896       285,776       34,549       54,163         Change in inventories       21,404       (12,875)       975       (63,876)         Change in trade and other payables       16,222       8,260       4,208       (389,584)         Change in trade and other receivables, prepayments       -       -       -       -       -         and other assets       (31,250)       (18,869)       (29,901)       (43,156)       - </td <td>Finance income on finance lease receivable</td> <td>23</td> <td>-</td> <td>-</td> <td>(3,825)</td> <td>(3,825)</td>	Finance income on finance lease receivable	23	-	-	(3,825)	(3,825)	
Finance costs on lease liabilities       24       8,898       9,261       4,718       5,04         Zakat expense       2,441       -       941       -       941       -	Unrealised foreign exchange	26	(11,712)	7,677	-	-	
Zakat expense       2,441	Finance costs	24	43,896	62,981	32,979	24,173	
Operating profit before changes in working capital         194,896         285,776         34,549         54,169           Change in inventories         21,404         (12,875)         975         (638           Change in trade and other payables         16,222         8,260         4,208         (389,584           Change in trade and other receivables, prepayments         16,222         8,260         4,208         (389,584           Change in trade and other receivables, prepayments         31,2500         (18,869)         (29,901)         (43,158           Change in employee benefits         (403)         27         -         -         -           Change in liabilities held for sale         (2,151)         4,157         -	Finance costs on lease liabilities	24	8,898	9,261	4,718	5,041	
Change in inventories21,404(12,875)975(638)Change in trade and other payables16,2228,2604,208(389,584)Change in trade and other receivables, prepayments16,2228,2604,208(389,584)and other assets(31,250)(18,869)(29,901)(43,158)Change in employee benefits(403)277Change in assets held for sale(2,151)4,157Change in liabilities held for sale1,93410,979Change in liabilities held for sale233,6473,43233,8037,098Profit margin income from short-term investments and other receivables233,6473,43233,8037,098Finance income on finance lease receivable233,8253,825Finance costs24(43,896)(62,981)(32,979)(24,173)	Zakat expense		2,441		941	-	
Change in trade and other payables16,2228,2604,208(389,584Change in trade and other receivables, prepayments and other assets(31,250)(18,869)(29,901)(43,158Change in employee benefits(403)27Change in assets held for sale(2,151)4,157Change in liabilities held for sale1,93410,979Change in liabilities held for sale200,652277,4559,831(379,215)Profit margin income from short-term investments and other receivables233,6473,43233,8037,098Finance income on finance lease receivable233,8253,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	Operating profit before changes in working capital		194,896	285,776	34,549	54,165	
Change in trade and other receivables, prepayments and other assets(31,250)(18,869)(29,901)(43,158)Change in employee benefits(403)27	Change in inventories		21,404	(12,875)	975	(638)	
and other assets(31,250)(18,869)(29,901)(43,154)Change in employee benefits(403)27	Change in trade and other payables		16,222	8,260	4,208	(389,584)	
Change in employee benefits(403)27-Change in assets held for sale(2,151)4,157-Change in liabilities held for sale1,93410,979-Cash generated from/(used in) operations200,652277,4559,831(379,215)Profit margin income from short-term investments and other receivables233,6473,43233,8037,096Finance income on finance lease receivable233,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	Change in trade and other receivables, prepayments						
Change in assets held for sale(2,151)4,157-Change in liabilities held for sale1,93410,979Cash generated from/(used in) operations200,652277,4559,831(379,215)Profit margin income from short-term investments and other receivables233,6473,43233,8037,096Finance income on finance lease receivable233,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	and other assets		(31,250)	(18,869)	(29,901)	(43,158)	
Change in liabilities held for sale1,93410,979Cash generated from/(used in) operations200,652277,4559,831(379,215)Profit margin income from short-term investments and other receivables233,6473,43233,8037,092Finance income on finance lease receivable233,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	Change in employee benefits		(403)	27	-	-	
Cash generated from/(used in) operations200,652277,4559,831(379,215)Profit margin income from short-term investments and other receivables233,6473,43233,8037,098Finance income on finance lease receivable233,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	Change in assets held for sale		(2,151)	4,157	-	-	
Profit margin income from short-term investments and other receivables233,6473,43233,8037,098Finance income on finance lease receivable233,8253,8253,825Finance costs24(43,896)(62,981)(32,979)(24,175)	Change in liabilities held for sale		1,934	10,979	-	-	
and other receivables       23 <b>3,647</b> 3,432 <b>33,803</b> 7,098         Finance income on finance lease receivable       23       -       - <b>3,825</b> 3,825         Finance costs       24 <b>(43,896)</b> (62,981) <b>(32,979)</b> (24,175)	Cash generated from/(used in) operations		200,652	277,455	9,831	(379,215)	
Finance income on finance lease receivable       23       -       3,825       3,825         Finance costs       24       (43,896)       (62,981)       (32,979)       (24,175)	-	23	3.647	3 432	33.803	7,098	
Finance costs 24 (43,896) (62,981) (32,979) (24,173			-			3,825	
			(43,896)	(62.981)	-	(24,173)	
						(5,041)	
Zakat paid (1,500) (1,185) -					-	-	

		Group		Company			
		2023	2022	2023	2022		
	Note	RM'000	RM'000	RM'000	RM'000		
Tax paid		(33,870)	(56,756)	(8,814)	(15,423)		
Tax refund		1,900	712	-	-		
Net cash generated from/(used in) operating activities		118,035	151,416	948	(412,929)		
Cash flows from investing activities							
Acquisition of property, plant and equipment	3	(18,438)	(18,442)	(3,312)	(2,089)		
Acquisition of property, plant and equipment in relation to assets held for sale	15	(8,341)	(2,673)	-	-		
Acquisition of right-of-use assets	4	-	(2,430)	-	-		
Acquisition of right-of-use assets in relation to assets held for sale	15	(536)	(1,357)	-	-		
Plantation development expenditure	(i)	(19,725)	(19,676)	(2,657)	(3,462)		
Plantation development expenditure in relation to assets held for sale	(ii)	-	(603)	-	-		
Proceeds from disposal of property, plant and equipment		789		-	-		
Proceeds from disposal property, plant and equipment in relation to assets held for sale		107		-	-		
Proceeds from disposal of right-of-use assets		2,865	-	-	-		
Proceeds from disposal of right-of-use assets in relation to assets held for sale		698		-	-		
(Increase)/decrease in other investments		(31,972)	10,412	(33,860)	10,850		
Dividends received		109	456	45,481	53,883		
Net cash (used in)/generated from investing activities		(74,444)	(34,313)	5,652	59,182		

# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Gro	oup	Com	pany
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities					
Dividends paid to non-controlling interests	20.4	(22,434)	(9,683)	-	-
Dividend paid to owners of the Company	20.4	(13,204)	(13,144)	(13,204)	(13,144)
Proceeds from drawdown of perpetual sukuk	17	-	300,000	-	-
Proceeds from drawdown of loans and borrowings	18	-	708,345	-	-
Loan repayment	18	(31,500)	(1,226,067)	-	-
Decrease in amounts due to holding corporation	20.5	-	(11,948)	-	(11,932)
Decrease in amounts due to related companies	20.5	-	(1,728)	-	-
Increase in amounts due to subsidiaries	20.5	-	-	(25,760)	218,988
Payment of lease liabilities		(8,586)	(7,455)	(3,221)	(2,926)
Proceed from lease receivable	10	-	-	3,840	3,840
Net cash (used in)/generated from					
financing activities		(75,724)	(261,680)	(38,345)	194,826
Net decrease in cash and cash equivalents		(32,133)	(144,577)	(31,745)	(158,921)
Cash and cash equivalents at 1 January	(iii)	116,369	260,946	97,714	256,635
Cash and cash equivalents at 31 December	(iii)	84,236	116,369	65,969	97,714

Cash outflows for leases as a l	lessee
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		Group			pany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities					
Finance costs on lease liabilities	24	8,898	9,261	4,718	5,041
Included in net cash from financing activities					
Payment of lease liabilities		(8,586)	(7,455)	(3,221)	(2,926)
Total cash outflows for leases		312	1,806	1,497	2,115

Reconciliation of movements of lease liabilities to cash flows arising from financing activities

	At 1 January 2023	Net changes from financing cash flows	Re Acquisition of new lease	measurement of lease liabilities	Other changes	At 31 December 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Lease liabilities	77,600	312		-	(422)	77,490
Company						
Lease liabilities	57,545	1,497	-	-	-	59,042
		Net changes				
	At	from		measurement		At
	1 January 2022	financing cash flows	Acquisition of new lease	of lease liabilities	Other changes	31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Lease liabilities	79,973	1,806	2,430	(6,340)	(269)	77,600
Company						
Lease liabilities	61,770	2,115	-	(6,340)	-	57,545

(i) Plantation development expenditure

		Gro	oup	Company		
		2023	2022	2023	2022	
	Note	RM'000	RM'000	RM'000	RM'000	
Additions of plantation development						
expenditure	5	(18,622)	(19,597)	(2,696)	(3,524)	
Additions of nurseries	5	(1,657)	(790)	-	-	
Depreciation of property, plant and equipment	5	532	673	37	59	
Depreciation of right-of-use asset	5	22	38	2	3	
		(19,725)	(19,676)	(2,657)	(3,462)	

# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### (ii) Plantation development expenditure of assets held for sale

		Gro	oup
		2023	2022
	Note	RM'000	RM'000
Additions of plantation development expenditure	15	-	(603)
		-	(603)

### (iii) Cash and cash equivalents

		Gro	oup	Com	Company		
		2023	2022	2023	2022		
	Note	RM'000	RM'000	RM'000	RM'000		
Deposits		91,475	114,913	90,140	111,690		
Less: Other investments	8	(59,895)	(27,923)	(58,560)	(24,700)		
	14	31,580	86,990	31,580	86,990		
Cash and bank balances		52,656	29,379	34,389	10,724		
		84,236	116,369	65,969	97,714		
Assets classified as held for sale	15.1	(1,771)	(169)	-	-		
	14	82,465	116,200	65,969	97,714		

TH Plantations Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

### Principal place of business/Registered office

Tingkat 23 Menara TH Selborn 153, Jalan Tun Razak 50400 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, cultivation of oil palm, processing of fresh fruit bunches ("FFB"), marketing of crude palm oil ("CPO"), palm kernel ("PK") and FFB, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The holding corporation during the financial year is Lembaga Tabung Haji, a statutory body established under the Tabung Haji Act 1995 (Act 535) of which is incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 7 March 2024.

### 1. **BASIS OF PREPARATION**

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

- Amendment to MFRS 16, Leases Lease Liability in a Sale and Leaseback
- . of Liabilities as Current or Non-current
- Arrangements

### MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

### MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

# NOTES TO THE FINANCIAL STATEMENTS

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification

Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance

Amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Amendments to MFRS 10. Consolidated Financial Statements and MFRS 128. Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

### **BASIS OF PREPARATION (CONTINUED)** 1.

### Statement of compliance (continued) (a)

The Group and the Company plan to apply the above mentioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning • on or after 1 January 2025.

The initial application of the accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Biological asset	Fair value
Forestry	Fair value
Other investment	Fair value

### Functional and presentation currency (c)

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs 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

### **BASIS OF PREPARATION (CONTINUED)** 1.

### (d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in the following notes:

(i) ("plantation assets")

> Management reviews its plantation assets for objective evidence of impairment annually. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the performance of the plantation assets or whether there have been significant changes with adverse effect in the market environment in which the plantation assets operates in.

in Note 3, 4 and 5.

### (ii) Assets held for sale

external valuer.

### (iii) Forestry

The fair value of forestry is determined using valuation prepared by an independent valuer and on an offer from market participant. The valuation on independent valuer involved making assumptions about discount rate, future price of latex and log, yield of latex, volume of log, future upkeep and cultivation cost, harvesting cost and estimated land rental. As such, this estimated fair value is subject to significant uncertainty. Significant assumptions used to derive fair value are as shown in Note 6.

### (iv) Recoverability of amount due from related companies and subsidiaries

The Group and the Company provide loans and advances to related companies and subsidiaries. The Group and the Company monitor the results of the related companies and subsidiaries regularly, as well as their ability to repay the loans and advances on an individual basis as disclosed in Note 31.4.

It is assumed that there is a significant increase in credit risk when related companies and subsidiaries financial position deteriorate significantly. As the Group and the Company are able to determine the timing of payments of the related companies and subsidiaries loans and advances when they are payable, loans and advances are considered to be in default when the related companies and subsidiaries are not able to pay when demanded. A related company's and subsidiary's loans and advances are considered to be credit impaired when:

- a) full;
- b)
- C)

# NOTES TO THE FINANCIAL STATEMENTS

### Recoverable amount of bearer plant and plantation development expenditure and right-of-use assets

When there is an indication of impairment, management measured the recoverable amounts based on fair value less cost to sell of the plantation assets. Significant assumptions used to derive to the fair value less cost to sell are as shown

The fair value less costs to sell of assets held for sale is determined based on valuation conducted by independent

the related companies and subsidiaries are unlikely to repay their loans or advances to the Group and Company in

the related companies and subsidiaries loans and advances are overdue for more than 365 days; or the related companies and subsidiaries are continuously loss making and has a deficit in shareholders' fund.

### MATERIAL ACCOUNTING POLICIES 2

### Material accounting policy information

The Group has adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not results in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated

### (a) Basis of consolidation

### Subsidiaries (i)

Subsidiaries are entities, including structured entities, controlled by the Company. 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.

Investments in subsidiaries 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.

### (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:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- 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.

### MATERIAL ACCOUNTING POLICIES (CONTINUED) 2.

### (a) Basis of consolidation (continued)

### (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 difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### (v) 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 the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Noncontrolling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between noncontrolling interests and owners of the Company.

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.

### (vi) 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.

### (b) Foreign currency

### (i) Foreign currency transactions

rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

# NOTES TO THE FINANCIAL STATEMENTS

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange

### (b) Foreign currency (continued)

### Foreign currency transactions (continued) (i)

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 profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, 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 exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

### (c) Financial instruments

### (i) **Recognition and initial measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financial component is initially measured at the transaction price.

### MATERIAL ACCOUNTING POLICIES (CONTINUED) 2.

### (c) Financial instruments (continued)

Recognition and initial measurement (continued) (i)

> An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured 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.

### (ii) Financial instrument categories and subsequent measurement

### Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

### (a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit margin income from short-term investments and receivables, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Profit margin income from short-term investments and receivables are recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(j)) where the effective interest rate is applied to the amortised cost.

### (b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

assessment (see Note 2(j)(i))

# NOTES TO THE FINANCIAL STATEMENTS

All financial assets, except for those measured at fair value through profit or loss are subject to impairment

### (c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

### Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

### (a) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Finance costs and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

### (b) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

### Financial liabilities (continued)

The categories of financial liabilities at initial recognition are as follows (continued)

### (b) Fair value through profit or loss (continued)

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

### (iii) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (b) from the buyer for payment on the trade date.

### (iv) 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 instrument.

Financial guarantees issued are initially measured at fair value.

Liabilities arising from financial guarantees are presented together with other provisions.

# NOTES TO THE FINANCIAL STATEMENTS

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable

### (c) Financial instruments (continued)

### (v) 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. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### (vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

### (d) Property, plant and equipment

### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Bearer plant is living plant that is used in the production of agriculture produce for more than one period. The bearer plant that is available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting.

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Property, plant and equipment (continued)

(ii) 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 from the date they are ready for its intended use, except for bearer plant which is depreciated over twenty seven (27) years from the date it is ready for commercial harvesting, based on estimated individual estate output of the bearer plant during the financial year. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- bearer plant
- building
- plant, machinery and equipment
- motor vehicles
- computer equipment

Depreciation methods, useful lives and re appropriate.

### (e) Leases

### (i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

### (ii) Recognition exemption

### (a) As a lessee

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

27 years 5-30 years 10-15 years 5-10 years 3-5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Plantation development expenditure

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to the point of commercial harvesting. The cost 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.

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 commercial harvesting. 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.

Nurseries are stated at cost. This cost relates to nursery maintenance costs.

### (g) 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 and loss.

The fair value of forestry is derived based on valuation performed by an independent valuer and Director's valuation, which was based on the offer letter received from a minority shareholder of the Company to acquire forestry based on its current condition.

Nurseries fair value are deemed at cost. This cost relates to nursery maintenance costs.

### (h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of finished goods 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. The cost includes an appropriate share of production overheads based on normal operating capacity.

Cost of stores consists of the invoiced value from suppliers and is calculated using the weighted average method.

### (i) Deposits with licensed banks

The group classifies deposits with licensed banks not held for working capital purposes that have maturity of more than three months as other investments.

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Impairment

### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

### (ii) Other assets

The carrying amounts of other assets (except for inventories, assets held for sale, finance lease receivables, deferred tax asset and forestry) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill which has indefinite useful lives, the recoverable amount is estimated each period at the same time.

### (j) Impairment (continued)

### (ii) Other assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cashgenerating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period 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. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

### (k) Equity instruments

### Perpetual sukuk

Perpetual sukuk is classified as equity as there is no contractual obligation to redeem the instrument. The perpetual sukuk is redeemable only at the option of the Company's subsidiary.

Profit distribution on perpetual sukuk is recognised in the consolidated statement of changes in equity in the period in which it is declared.

### MATERIAL ACCOUNTING POLICIES (CONTINUED) 2.

### (I) Revenue and other income

### Goods sold

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when or as the customer obtains control of the asset.

The Group and the Company transfer control of a good or service at a point in time unless one of the following criteria is met:

- (b) created or enhanced; or
- (c)

### (m) Biological asset

Biological asset comprise agricultural produce that grows on oil palm plantations.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

### (n) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

As perpetual sukuk may be repurchased under the Group's tender offer to the holders, the excess of the fair value of the consideration paid to the perpetual sukuk holders over the carrying amount of the perpetual sukuk represents a return to the holders of the perpetual sukuk and a charge to retained earnings for the entity. This amount is deducted in calculating profit or loss attributable to ordinary equity holders of the Company.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

# NOTES TO THE FINANCIAL STATEMENTS

(a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company performs; the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is

the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

### (o) Non-current assets held for sale or distribution to owners

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.

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 policy. Thereafter, generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets, property, plant and equipment and right-of-use assets once classified as held for sale or distribution are not amortised or depreciated.

### 3. PROPERTY, PLANT AND EQUIPMENT

				Plant, machinery				
		Bearer plant	Buildings	and	Computer equipment	Motor Vehicles	Work-in- progress	Total
Group	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 January 2022		1,019,949	211,320	148,033	15,341	50,869	7,835	1,453,347
Additions		-	616	1,385	63	5,136	11,242	18,442
Transfer from plantation development expenditure	5	29,199	-	-	-	-	-	29,199
Written off		(6,425)	(20,242)	(1,339)	(429)	(2,623)	-	(31,058)
Disposals		-	-	-	-	(509)	-	(509)
Transfers from work-in-progress		-	5,065	5,783	484	-	(11,332)	-
Effect of movement in exchange rate		(1,580)	(19)	(12)	(6)	(19)	(1)	(1,637)
At 31 December 2022/1 January								
2023		1,041,143	196,740	153,850	15,453	52,854	7,744	1,467,784
Additions		-	1,985	1,694	155	6,021	8,583	18,438
Transfer from plantation								
development expenditure	5	90,101	-	-	-	-	-	90,101
Written off		(8,745)	(444)	(154)	(45)	(1,291)	-	(10,679)
Disposals	3.2	(858)	-	-	-	-	-	(858)
Transfers from work-in-progress		-	6,013	6,085	8	13	(12,119)	-
Effect of movement in exchange rate		2,036	29	19	9	28	2	2,123
At 31 December 2023		1,123,677	204,323	161,494	15,580	57,625	4,210	1,566,909

### 3. PROPERTY, PLANT AND EQUIPMENT

		Bearer plant	Buildings	Plant, machinery and equipment	Computer equipment	Motor Vehicles	Work-in- progress	Total
Group	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment loss								
At 1 January 2022								
Accumulated depreciation		304,840	82,463	86,210	14,314	38,439	-	526,266
Accumulated impairment loss		67,029	-	-	-	-	-	67,029
		371,869	82,463	86,210	14,314	38,439	-	593,295
Depreciation for the year	3.1	46,690	13,157	6,987	393	2,355	-	69,582
Written off		(6,125)	(16,745)	(1,219)	(429)	(2,593)	-	(27,111)
Disposals		-	-	-	-	(382)	-	(382)
Effect of movement in exchange rate		(246)	(9)	(10)	(6)	(15)	-	(286)
At 31 December 2022								
Accumulated depreciation		345,159	78,866	91,968	14,272	37,804	-	568,069
Accumulated impairment loss		67,029	-	-	-	-	-	67,029
		412,188	78,866	91,968	14,272	37,804	-	635,098

# 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

				Plant, machinery				
		Bearer			Computer	Motor	Work-in-	
		plant	Buildings	equipment	•	Vehicles	progress	Total
Group	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023								
Accumulated depreciation		345,159	78,866	91,968	14,272	37,804	-	568,069
Accumulated impairment loss		67,029	-	-	-	-	-	67,029
		412,188	78,866	91,968	14,272	37,804	-	635,098
Depreciation for the year	3.1	49,513	6,194	7,360	383	2,558	-	66,008
Impairment loss transfer from								
PDE	5	11,401	-	-	-	-	-	11,401
Written off		(7,739)	(316)	(111)	(41)	(1,274)	-	(9,481)
Disposals	3.2	(69)	-	-	-	-	-	(69)
Effect of movement in								
exchange rate		288	12	13	9	22	-	344
At 31 December 2023								
Accumulated depreciation		387,152	84,756	99,230	14,623	39,110	-	624,871
Accumulated impairment loss		78,430	-	-	-	-	-	78,430
		465,582	84,756	99,230	14,623	39,110	-	703,301
Carrying amounts								
At 1 January 2022		648,080	128,857	61,823	1,027	12,430	7,835	860,052
At 31 December 2022/1 January								
2023		628,955	117,874	61,882	1,181	15,050	7,744	832,686
At 31 December 2023		658,095	119,567	62,264	957	18,515	4,210	863,608

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

				Plant, machinery				
		Bearer plant	Buildings	and		Motor Vehicles	Work-in- progress	Total
Company	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 January 2022		101,840	19,627	22,473	332	6,179	18	150,469
Additions		-	119	21	17	1,056	876	2,089
Transfer from plantation development expenditure	5	5,388	-	-	-	-	-	5,388
Transfer from work-in-progress		-	-	638	-	-	(638)	-
Disposal		-	-	-	-	(127)	-	(127)
Written off		-	-	(774)	(2)	(169)	-	(945)
At 31 December 2022/1 January 2023		107,228	19,746	22,358	347	6,939	256	156,874
Additions		-	29	175	-	918	2,190	3,312
Transfer from plantation development expenditure	5	5,795	-	-	-	-	-	5,795
Transfer from work-in-progress		-	926	380	-	13	(1,319)	-
Written off		-	-	(59)	-	(547)	-	(606)
At 31 December 2023		113,023	20,701	22,854	347	7,323	1,127	165,375

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

				Plant, machinery				
		Bearer plant	Buildings	and equipment	Computer equipment	Motor Vehicles	Work-in- progress	Total
Company	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation								
At 1 January 2022		15,432	13,126	16,364	264	4,435	-	49,621
Depreciation for the year	3.1	4,810	324	640	28	351	-	6,153
Written off		-	-	(669)	(2)	(169)	-	(840)
At 31 December 2022/1 January								
2023		20,242	13,450	16,335	290	4,617	-	54,934
Depreciation for the year	3.1	5,147	326	658	27	391	-	6,549
Written off		-	-	(51)	-	(530)	-	(581)
At 31 December 2023		25,389	13,776	16,942	317	4,478	-	60,902
Carrying amounts								
At 1 January 2022		86,408	6,501	6,109	68	1,744	18	100,848
At 31 December 2022/ 1 January								
2023		86,986	6,296	6,023	57	2,322	256	101,940
At 31 December 2023		87,634	6,925	5,912	30	2,845	1,127	104,473

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 3.1 Breakdown of depreciation charge for the year, are as follows:

		Gro	oup	Company		
		2023	2022	2023	2022	
	Note	RM'000	RM'000	RM'000	RM'000	
Recognised in profit or loss		65,476	68,909	6,512	6,094	
Capitalised in plantation development expenditure	5	532	673	37	59	
		66,008	69,582	6,549	6,153	

### 3.2 Disposal of property, plant and equipment

During the financial year, Sarawak State Government has taken possession a portion of land consisting bearer plant belonging to a subsidiary, with a total compensation of RM3,654,000 (See Note 4.3).

### 3.3 Impairment testing on property, plant and equipment

Included in impairment testing of bearer plant, are the following:

The Group has engaged a registered valuer in prior year to value the plantation assets comprising of bearer plant, plantation development expenditure ("PDE") and right-of-use assets ("ROU") of a subsidiary that has not been performing up to Group's expectation. As at 31 December 2023, the total carrying amounts of the subsidiary's bearer plant, PDE and ROU amounted to RM77,841,000. The Group is of the view that the fair value less costs to sell is consistent with prior year's valuation report, as there is no significant change in the market condition. The cash-generating unit comprises both the planted area related to palm oil and the plantable area.

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 3.3 Impairment testing on property, plant and equipment (continued)

The following table summarises the valuation method and assumptions used in the determination of fair value less cost to sell as well as the significant unobservable inputs used in the valuation models in current year and prior year.

Description of valuation	Significa
technique and inputs used	

### Ρl

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Plantations assets Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from bearer plant, considering expected projected FFB yield, FFB sales price, upkeep and maintenance cost. The expected net cash flows are discounted using risk-	<ul> <li>(3.55 Mt/Ha – 19.30 Mt/Ha)</li> <li>FFB sales price RM657/Mt – RM673/Mt)</li> <li>Upkeep and maintenance cost (RM2,035/Ha – RM2,622/Ha)</li> </ul>	<ul> <li>The estimated fair value would increase/ (decrease) if:</li> <li>Expected projected FFB yield were higher/(lower);</li> <li>FFB sales price higher/(lower);</li> <li>Upkeep and maintenance cost were lower/(higher);</li> <li>Discount rates were lower/(higher).</li> </ul>
adjusted discount rates. Land Direct comparison method: Market value of comparable land in close proximity are adjusted for differences in key attributes such as land size. The most significant input into this valuation approach is market price per hectare.	• Land value per hectare (RM6,186/ha)	<ul> <li>The estimated fair value would increase/ (decrease) if:</li> <li>The price per hectare is higher/ (lower).</li> </ul>

The values assigned to the key assumptions represent the valuer's assessment of future trends in the oil palm industry and are based on external sources and internal sources (historical data).

The estimated recoverable amount of the cash-generating unit is based on its fair value less cost to sell. No impairment loss is being recognised as the recoverable amount of the cash-generating unit is higher than the carrying amount of the cashgenerating unit.

The above estimates are particularly sensitive in the following cases:

- •
- •

# NOTES TO THE FINANCIAL STATEMENTS

A reduction in price of FFB by 10% would have resulted in an impairment loss of RM5,138,000.

A reduction in yield per hectare by 15% would have resulted in an impairment loss of RM4,641,000.

An increase in discount rate by 3% would have resulted in an impairment loss of RM1,353,000.

### 4. RIGHT-OF-USE ASSETS

		Group
	Note	RM'000
At 1 January 2022		663,538
Addition during the year		2,430
Remeasurement of lease liabilities		(4,127)
Depreciation for the year	4.2	(10,399)
Effect of movement in exchange rate		(55)
At 31 December 2022/1 January 2023		651,387
Depreciation for the year	4.2	(10,777)
Write off during the year		(1)
Disposal during the year	4.3	(14)
Effect of movement in exchange rate		82
At 31 December 2023		640,677

		Company
		RM'000
1 January 2022		55,788
Remeasurement of lease liabilities		(4,127)
Depreciation for the year	4.2	(1,023)
At 31 December 2022/1 January 2023		50,638
Depreciation for the year	4.2	(945)
At 31 December 2023		49,693

**4.1** Included in right-of-use assets is in relation to the leasehold land with unexpired lease period of more than 30 to 999 years and 60 to 99 years for the Group and the Company respectively. Certain leasehold land of the Group and Company amounting to RM11,827,000 (2022: RM12,085,000) are pledged as securities for borrowings as disclosed in Note 17 and Note 18.

4.2 Breakdown of depreciation charge for the year, are as follows:

		Gro	oup	Com	pany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss		10,755	10,361	943	1,020
Capitalised in plantation development					
expenditure	5	22	38	2	3
		10,777	10,399	945	1,023

# 4. RIGHT-OF-USE ASSETS (CONTINUED)

**4.3** During the financial year, Sarawak State Gove compensation of RM3,654,000 (See Note 3.2).

### 4.4 Extension options

The Native Communal Reserve ("NCR") land lease and building lease agreements contain extension options exercisable by the Group up to three (3) years before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. The Group has not included the potential future lease payment in the lease liabilities.

		Potential future
	Lease	lease payments
	liabilities	not included in
	recognised	lease liabilities
	(discounted)	(discounted)
Group	RM'000	RM'000
2023		
Lands	12,096	7,688
Buildings	1,648	2,731
2022		
Lands	12,825	7,101
Buildings	2,526	2,590

### 4.5 Impairment testing on right-of-use assets

The Group has engaged a registered valuer in prior year to value the plantation assets comprising of bearer plant, plantation development expenditure ("PDE") and right-of-use assets ("ROU") of a subsidiary that has not been performing up to Group expectation. As at 31 December 2023, the total carrying amounts of bearer plant, PDE and ROU amounted to RM77,841,000. The Group is of the view that the fair value less costs to sell is consistent with prior year's valuation report, as there is no significant change in the market condition. The cash-generating unit comprises both the planted area related to palm oil and the plantable area.

The estimated recoverable amount of the cash-generating unit is based on its fair value less cost to sell. No impairment loss is being recognised as the recoverable amount of the cash-generating unit is higher than the carrying amount of the cash-generating unit.

The fair value less cost to sell is determined based on management estimates considering the estimated resale value. This determination is carried out by an external, independent professional valuer, having appropriate recognised professional qualifications and recent experience in the location and category of assets being valued. Fair value less cost to sell is a Level 3 fair value measurement. See Note 3.3 for further details of the key assumptions used to derive to the fair value less cost to sell.

# NOTES TO THE FINANCIAL STATEMENTS

4.3 During the financial year, Sarawak State Government has taken possession a portion of land of a subsidiary with a total

### 5. PLANTATION DEVELOPMENT EXPENDITURE

		Oil p	alm
	-	2023	2022
Group	Note	RM'000	RM'000
At 1 January		157,530	167,804
Additions during the year		18,622	19,597
Addition of nurseries		1,657	790
Transfer to property, plant and equipment	3	(90,101)	(29,199)
Effect of movement in exchange rate		2,538	(1,462)
At 31 December		90,246	157,530
Accumulated impairment loss			
At 1 January		66,547	63,707
Impairment loss on nursery	5.3	-	2,840
Transfer of impairment loss to property, plant and equipment	3	(11,401)	-
At 31 December		55,146	66,547
Carrying amount			
At 31 December		35,100	90,983

		Comp	any
		2023	2022
	Note	RM'000	RM'000
At 1 January		11,600	13,464
Additions during the year	5.1	2,696	3,524
Transfer to property, plant and equipment	3	(5,795)	(5,388)
At 31 December		8,501	11,600

### 5. PLANTATION DEVELOPMENT EXPENDITURE (CONTINUED)

### 5.1 Additions

Included in additions during the year are as follows:

		Group		Com	pany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and					
equipment	3	532	673	37	59
Depreciation of right-of-use assets	4	22	38	2	3
Personnel expenses:					
- Wages, salaries and others		8,836	6,701	855	1,150
- Contribution to EPF		395	368	33	56
Finance cost*	24	2,717	3,955	453	543
Management fees capitalised		-	-	92	229

\* The finance cost is capitalised based on profit margin 4.87% - 5.40% (2022: 4.50% - 6.65%) per annum.

(2022: RM11,600,000) are pledged as securities for borrowings as disclosed in Note 17.

### 5.3 Impairment loss on nursery

generated from the nursery.

and recognised in the profit or loss.

### 5.4 Impairment testing on Plantation Development Expenditure ("PDE")

The Group has engaged a registered valuer in prior year to value the plantation assets comprising of bearer plant, plantation development expenditure ("PDE") and right-of-use assets ("ROU") of a subsidiary that has not been performing up to Group's expectation. As at 31 December 2023, the total carrying amount of bearer plant, PDE and ROU amounted to RM77,841,000. The Group is of the view that the fair value less costs to sell is consistent with prior year valuation report, as there is no significant change in the market condition. The cash-generating unit comprises both the planted area related to palm oil and the plantable area.

The estimated recoverable amount of the cash-generating unit is based on its fair value less cost to sell. No impairment loss is being capitalised as the recoverable amount of the cash-generating unit is higher than the carrying amount of the cashgenerating unit.

# NOTES TO THE FINANCIAL STATEMENTS

5.2 During the financial year, plantation development expenditure of the Company amounting to RM8,501,000

In prior year, a nursery belongs to one of the subsidiaries was overgrown in which no future income is expected to be

Subsequently, the Group has fully impaired RM2,840,000 in relation to carrying amount of the nursery as of 31 December 2022

### 5. PLANTATION DEVELOPMENT EXPENDITURE (CONTINUED)

### 5.4 Impairment testing on Plantation Development Expenditure ("PDE") (continued)

The fair value less cost to sell is determined based on management estimates, considering the estimated resale value. This determination is carried out by an external, independent professional valuer, having appropriate recognised professional qualifications and recent experience in the location and category of assets being valued. Fair value less cost to sell is categorised as a Level 3 fair value measurement. See Note 3.3 for further details of the key assumptions used to derive to the fair value less cost to sell.

### 6. FORESTRY

	Grou	Group	
	2023	2022	
	RM'000	RM'000	
At 1 January	38,958	21,587	
Additions during the year	15,156	16,400	
Additions charged to profit or loss	(15,156)	(16,400)	
Change in fair values recognised to profit or loss	3,529	17,371	
At 31 December	42,487	38,958	

### 6.1 Fair value information

Fair values of forestry is capitalised as follows:

	Lev	Level 3	
	2023	2022	
	RM'000	RM'000	
Forestry	42,487	38,958	

As at 31 December 2023, the fair values of forestry are determined by external independent professional valuer on an annual basis except for a forestry with a carrying amount of RM1,987,000 which is determined based on an offer from a market participant on an "as is" basis.

### 6. FORESTRY (CONTINUED)

### 6.1 Fair value information (continued)

### Highest and best use

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models in current year and prior year.

Description of valuation technique and inputs used	Significant unobservable inputs in current year	Significant unobservable inputs in prior year	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from forestry, taking into account expected timber volume, timber sales price, upkeep and maintenance cost and land rental. The expected net cash flows are discounted using risk-adjusted discount rates.	<ul> <li>Expected clear bole volume (142tonne/Ha – 335tonne/Ha)</li> <li>Clear bole price (RM190/ tonne)</li> <li>Log extraction cost (RM90/tonne)</li> <li>Pre-tax discount rate (10%)</li> <li>Land rental rate (3%)</li> </ul>	<ul> <li>Expected clear bole volume (142tonne/Ha – 330tonne/Ha)</li> <li>Clear bole price (RM190/ tonne)</li> <li>Log extraction cost (RM86/tonne -RM90/ tonne)</li> <li>Pre-tax discount rate (10%)</li> <li>Land rental rate (3%)</li> </ul>	<ul> <li>The estimated fair value would increase/(decrease) if:</li> <li>Expected clear bole volume were higher/ (lower);</li> <li>Clear bole price higher/ (lower);</li> <li>Log extraction cost were lower/(higher);</li> <li>Discount rates were lower/(higher); or</li> <li>Land rental rates were lower/(higher).</li> </ul>

### Valuation processes applied by the Group for Level 3 fair value

The fair value of forestry is determined by an external, independent professional valuer, having appropriate recognised professional qualifications and recent experience in the location and category of forestry being valued. The independent professional valuer provides the fair value of the Group's forestry annually. Changes in Level 3 fair values are analysed by management annually.

The values assigned to the key assumptions represent management's assessment of current trends in forestry in Malaysia and are based on both external and internal sources (historical data). Changes in the key assumptions as compared to prior year are as the result from the changes in the market condition of the assets.

### 6. FORESTRY (CONTINUED)

### 6.1 Fair value information (continued)

The above estimates are particularly sensitive in the following cases:

- A reduction of timber volume by 10% would have resulted in a decrease in the change of fair value by RM6,402,000.
- A reduction of timber price by 10% would have resulted in a decrease in the change of fair value by RM6,402,000.
- An increase of 2% in the discount rate would have resulted in a decrease of fair value gain by RM6,653,000.
- **6.2** Included in the forestry is a forestry with carrying amount of RM1,987,000 carried at fair value less costs to sell estimated based on the Director's valuation, which was based on the offer letter received from a minority shareholder of the subsidiary to acquire forestry based on its current condition.

### 7. INVESTMENTS IN SUBSIDIARIES

		Company	
		2023	2022
	Note	RM'000	RM'000
Unquoted shares			
At 1 January		1,026,003	980,989
Reversal of impairment loss in subsidiaries	7.1	-	45,014
At 31 December		1,026,003	1,026,003

7.1 In prior year, the Company carried out an impairment test on some of the cost of investments in certain subsidiaries. The recoverable amounts of the investments are higher than the carrying amounts. A reversal of impairment loss of RM45,014,000 was recognised as other income in profit or loss of the Company in the previous financial year.

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### 7.2 Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation
Direct subsidiaries	
THP lbok Sdn. Bhd.	Malaysia
THP Sabaco Sdn. Bhd.	Malaysia
THP Bukit Belian Sdn. Bhd.	Malaysia
THP Saribas Sdn. Bhd.	Malaysia
THP Kota Bahagia Sdn. Bhd.	Malaysia
THP Agro Management Sdn. Bhd.	Malaysia
Hydroflow Sdn. Bhd.	Malaysia
TH Ladang (Sabah & Sarawak) Sdn. Bhd.	Malaysia
Bumi Suria Ventures Sdn. Bhd.	Malaysia
Maju Warisanmas Sdn. Bhd.	Malaysia
THP Suria Mekar Sdn. Bhd.	Malaysia
Manisraya Sdn. Bhd.	Malaysia
PT Persada Kencana Prima#	Indonesia
THP Applications & Services Sdn. Bhd.	Malaysia

# Not audited by KPMG PLT

interest a	ownership nd voting rest	
2023	2022	_
%	%	Principal activities
100	100	Cultivation of oil palm and marketing of FFB.
51	51	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
100	100	Cultivation of oil palm and marketing of FFB.
80	80	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
100	100	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
100	100	Management services.
70	70	Cultivation of oil palm and marketing of FFB.
100	100	Investment holding.
100	100	Cultivation of oil palm and marketing of FFB.
100	100	Letting of investment property.
100	100	Special purpose vehicle.
100	100	Tradeline services in dealing and trading of FFB.
93	93	Cultivation of oil palm and marketing of FFB.
100	100	Investment and collaboration with companies involved in potential biogas plant project.

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

TH PELITA Beladin Sdn. Bhd.

Malaysia

55

55

### 7.2 Details of the subsidiaries are as follows (continued):

### Effective ownership Principal interest and voting place of interest business/ 2022 2023 Country of Name of subsidiary incorporation % % Principal activities Direct subsidiaries held Subsidiary name through TH Ladang 2023 (Sabah & Sarawak) THP Sabaco Sdn. Bhd. Sdn. Bhd. THP Saribas Sdn. Bhd. Ladang Jati Keningau 82.53 82.53 Teak. Malaysia Sdn. Bhd. Hydroflow Sdn. Bhd. TH-Bonggaya Sdn. Bhd. 100 Malaysia 100 Forestry. TH PELITA Gedong Sdn. Bhd. TH-USIA Jatimas Sdn. Bhd. 70 Malaysia 70 Forestry. TH PELITA Sadong Sdn. Bhd. Halus Riang Sdn. Bhd. Malaysia 100 100 Dormant TH PELITA Meludam Sdn. Bhd. 100 Kuni Riang Sdn. Bhd. Malaysia 100 Dormant Other individually immaterial subsidiaries TH PELITA Meludam 60 60 Cultivation of oil palm and marketing of FFB. Malaysia Total Sdn. Bhd. 100 Cempaka Teratai Sdn. Bhd. Malaysia 100 Investment holding. 2022 Kee Wee Plantation 100 100 Malaysia Investment holding. THP Sabaco Sdn. Bhd. Sdn. Bhd. THP Saribas Sdn. Bhd. TH PELITA Gedong 70 70 Cultivation of oil palm, processing of FFB and Malaysia Hydroflow Sdn. Bhd. Sdn. Bhd. marketing of CPO, PK and FFB. TH PELITA Gedong Sdn. Bhd. TH PELITA Sadong Malaysia 70 70 Cultivation of oil palm and marketing of FFB. TH PELITA Sadong Sdn. Bhd. Sdn. Bhd. TH PELITA Meludam Sdn. Bhd. TH PELITA Simunjan 60 Cultivation of oil palm, processing of FFB and Malaysia 60 Other individually immaterial subsidiaries Sdn. Bhd. marketing of CPO, PK and FFB.

Cultivation of oil palm and marketing of FFB.

Total

# NOTES TO THE FINANCIAL STATEMENTS

The Group's subsidiaries that have a material non-controlling interests ("NCI") are as follows:

NCI percentage		
of ownership	Carrying	Profit/ (Loss)
interest and	amount	allocated
voting interest	of NCI	to NCI
(%)	RM'000	RM'000
49	218,902	11,694
20	(25,385)	(613)
30	21,228	945
30	81,011	2,968
30	63,444	4,221
40	(8,148)	233
-	(52,120)	(5,970)
	298,932	13,478
49	226,333	15,986
20	(24,772)	(1,177)
30	20,653	1,055
30	79,291	2,804
30	60,912	4,417
40	(8,277)	2,131
-	(45,891)	(6,051)
	308,249	19,165

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Non-controlling interests in subsidiaries (continued)

	<	Summarised financial information before intra-group elimination											
	٠	— As at 3	31 Decemb	er 2023 —		<	Year ended 31 December 2023						<b></b>
								Total	Cash	Cash	Cash	Net increase/	
							Profit/	compre-	flows	flows	flows	(decrease)	
	Non-		Non-		Net			hensive	from	from	from		Dividends
	current	Current	current	Current	assets/		for	income/	operating	investing	financing	and cash	paid to
	assets	assets	liabilities	liabilities	(liabilities)	Revenue	the year	(expense)	activities	activities	activities	equivalents	NCI
Subsidiary name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
THP Sabaco												(	
Sdn. Bhd.	346,810	135,409	(25,229)	(10,251)	446,739	127,657	23,866	23,866	50,174	(11,340)	(39,032)	(198)	19,125
THP Saribas Sdn. Bhd.	283,940	22,741	(258,380)	(175,226)	(126,925)	173,535	(3,065)	(3,065)	59,617	(4,937)	(54,320)	360	-
Hydroflow Sdn. Bhd.	93,335	919	(19,713)	(3,781)	70,760	17,535	3,150	3,150	(376)	2,775	(1,235)	1,164	371
TH PELITA Gedong													
Sdn. Bhd.	185,837	102,295	(12,347)	(5,748)	270,037	118,535	9,893	9,893	8,591	(2,896)	(4,160)	1,535	1,248
TH PELITA													
Sadong													
Sdn. Bhd.	103,447	116,067	(4,911)	(3,123)	211,480	35,822	14,071	14,071	6,580	(915)	(5,633)	32	1,690
TH PELITA Meludam													
Sdn. Bhd.	145,779	1,405	(95,737)	(71,817)	(20,370)	31,981	583	583	11,115	(2,781)	(8,329)	5	-

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

	<			Sum	marised fina	ancial info	mation be	fore intra	-group elin	nination –			
	<──	As at 3	31 Decemb	er 2022	>	<		Yea	ar ended 31	Decembe	er 2022		
Subsidiary name	Non- current assets RM'000	Current assets RM'000	Non- current liabilities RM'000		Net assets/ (liabilities) RM'000	Revenue RM'000	for the		activities	-		Net increase/ (decrease) in cash and cash equivalents RM'000	Dividends paid to NCI RM'000
THP Sabaco	- 40 0-20		(05.757)	(1.1.677)	161.005		70 60 4	70.004	70.046		(10 500)	(70)	
Sdn. Bhd.	348,876	153,019	(25,353)	(14,637)	461,905	149,139	32,624	32,624	30,046	(11,486)	(18,598)	(38)	9,113
THP Saribas Sdn. Bhd.	307,503	30,144	(295,621)	(165,888)	(123,862)	158,530	(5,887)	(5,887)	54,735	(2,917)	(46,885)	4,933	-
Hydroflow Sdn. Bhd.	96,543	2,910	(19,611)	(10,998)	68,844	21,077	3,516	3,516	1,906	(1,404)	(500)	2	150
TH PELITA Gedong													
Sdn. Bhd.	184,131	101,332	(13,292)	(7,869)	264,302	133,623	9,348	9,348	1,279	(1,295)	-	(16)	-
TH PELITA Sadong Sdn. Bhd.	102,236	111,583	(5,225)	(5,553)	203,041	40,068	14,723	14,723	1,793	(432)	(1,400)	(39)	420
TH PELITA Meludam													
Sdn. Bhd.	140,016	3,515	(96,580)	(67,644)	(20,693)	34,735	5,327	5,327	192	(392)	-	(200)	-

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Significant restrictions

Other than those disclosed elsewhere in the financial statements, the carrying amounts of assets to which significant restrictions apply are as follows:

	Gro	oup
	2023	2022
	RM'000	RM'000
Cash and cash equivalents	5,432	5,072
Right-of-use assets	6,989	7,156
At 31 December	12,421	12,228

The above restrictions arise from the following:

### Restriction imposed by bank covenants

The covenants of bank loan taken by THP Saribas Sdn. Bhd., a subsidiary of the Group, restrict the ability of the subsidiary to create or permit to subsist any security interest over any of its assets, business or undertaking except liens arising by operation of law and in the normal course of business which in the financiers reasonable opinion is not material. It also restricts the ability of the subsidiary to dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of their businesses and on ordinary commercial terms and on an arm's length basis. The covenants of bank loan taken by the subsidiary is as disclosed in Note 18.

### OTHER INVESTMENTS 8.

		Group		Compar	ıy
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Fair value through profit or loss	8.1	1,825	1,825	1,825	1,825
Current					
Amortised cost	8.2	59,895	27,923	58,560	24,700

**8.1** This is in relation to an investments in unquoted shares in Malaysia.

8.2 Included in other investments of the Group and of the Company is deposits placed with licensed banks with a profit margin ranging from 2.50% to 4.00% (2022: 1.55% to 4.00%) which is maintained by the Group and the Company with a related corporation.

### 9. DEFERRED TAX (ASSETS)/LIABILITIES

### Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Ass	ets	Liabi	lities	N	et
Group	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property, plant and equipment	(42,319)	(43,556)	172,082	180,038	129,763	136,482
Fair value adjustment on initial recognition of financial liabilities	-	-	9,665	9,665	9,665	9,665
Unabsorbed capital allowances	(33,906)	(34,175)	-	-	(33,906)	(34,175)
Unutilised tax losses	(808)	-	-	-	(808)	-
Biological assets	-	-	5,252	4,788	5,252	4,788
Right-of-use assets	-	-	11,660	12,023	11,660	12,023
Lease liabilities	(16,613)	(16,079)	-	-	(16,613)	(16,079)
Others	(6,130)	(2,439)	53,429	43,566	47,299	41,127
Tax (assets)/liabilities	(99,776)	(96,249)	252,088	250,080	152,312	153,831
Set off tax	60,892	57,270	(60,892)	(57,270)	-	-
Net tax (assets)/ liabilities	(38,884)	(38,979)	191,196	192,810	152,312	153,831

	Ass	ets	Liabilities		N	et
Company	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Company	RM 000					
Property, plant and equipment	-	-	12,730	13,063	12,730	13,063
Biological assets	-	-	988	682	988	682
Right-of-use assets	-	-	11,369	11,586	11,369	11,586
Lease liabilities	(14,170)	(13,811)	-	-	(14,170)	(13,811)
Finance lease receivable	-	-	11,191	11,195	11,191	11,195
Others	(133)	(150)	11,807	11,576	11,674	11,426
Tax (assets)/liabilities	(14,303)	(13,961)	48,085	48,102	33,782	34,141
Set off tax	14,303	13,961	(14,303)	(13,961)	-	-
Net tax liabilities	-	-	33,782	34,141	33,782	34,141

### 9. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Gro	up
	2023 RM'000	2022 RM'000
Unutilised tax loss carry-forwards	(456,051)	(466,608)
Unabsorbed capital allowances	(185,514)	(182,537)
At 31 December	(641,565)	(649,145)
Tax at 24% (2022: 24%)	(153,976)	(155,795)

In accordance with the provision of Finance Act 2022 requirement, the unutilised tax losses are available for utilisation in the next ten (10) years, for which, any excess at the end of the tenth (10<sup>th</sup>) year from the respective year of assessment. The unutilised tax losses which will expires in the year 2029 to year 2032, will be disregarded respectively. Tax losses can only be utilised once capital allowance has been fully exhausted for. Subsequent to this, deferred tax assets have not been recognised in respect for tax loss carry-forwards amounting to RM456,051,000 (2022: RM466,608,000) and unabsorbed capital allowances amounting to RM185,514,000 (2022: RM182,537,000) as it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

### Movement in temporary differences during the year

	At 1.1.2022	Recognised in profit or loss (Note 25)	At 31.12.2022/ 1.1.2023	Recognised in profit or loss (Note 25)	At 31.12.2023
Group	RM'000	RM'000	RM'000	RM'000	RM'000
Unabsorbed capital allowances	(35,614)	1,439	(34,175)	269	(33,906)
Property, plant and equipment	137,218	(736)	136,482	(6,719)	129,763
Fair value adjustment on initial					
recognition of financial liabilities	9,665	-	9,665	-	9,665
Unutilised tax losses	-	-	-	(808)	(808)
Biological assets	7,739	(2,951)	4,788	464	5,252
Right-of-use assets	13,772	(1,749)	12,023	(363)	11,660
Lease liabilities	(17,172)	1,093	(16,079)	(534)	(16,613)
Others	37,921	3,206	41,127	6,172	47,299
	153,529	302	153,831	(1,519)	152,312

### 9. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

### Movement in temporary differences during the year (continued)

Company	At 1.1.2022 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2022/ 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2023 RM'000
Property, plant and equipment	13,068	(5)	13,063	(333)	12,730
Biological assets	1,341	(659)	682	306	988
Right-of-use assets	12,813	(1,227)	11,586	(217)	11,369
Lease liabilities	(14,825)	1,014	(13,811)	(359)	(14,170)
Finance lease receivable	11,198	(3)	11,195	(4)	11,191
Others	10,956	470	11,426	248	11,674
	34,551	(410)	34,141	(359)	33,782

### 10. FINANCE LEASE RECEIVABLE

### Net investment in lease

Company	
At 1 January	
Finance income	
Lease payments received	
At 31 December	

The lease payments to be received are as follows:

Minimum lease payments
Within one year
1 – 2 years
2 – 5 years
Over 5 years
Total undiscounted lease payments
Less: Unearned finance income
At 31 December

2023 RM'000	2022 RM'000
46,645	46,660
3,825	3,825
(3,840)	(3,840)
46,630	46,645

2023 RM'000	2022 RM'000
3,840	3,840
7,680	7,680
11,520	11,520
242,881	246,720
265,921	269,760
(219,291)	(223,115)
46,630	46,645

### 10. FINANCE LEASE RECEIVABLE (CONTINUED)

	2023 RM′000	2022 RM'000
Comprising:		
Current	16	15
Non-current	46,614	46,630
Total finance lease receivable	46,630	46,645

For the financial year ended 31 December 2023, the Company recognised finance lease income of RM3,825,000 (2022: RM3,825,000) in the profit or loss.

### 11. INVENTORIES

	Group		Com	Company	
	2023	2022	2023	2022	
	RM'000	RM'000	RM'000	RM'000	
At cost					
Finished goods	6,022	6,139	1,456	1,581	
Stores	5,562	26,849	184	1,034	
	11,584	32,988	1,640	2,615	
Recognised in profit or loss:					
Inventories recognised as cost of sales	101,924	561,426	11,847	196,507	

### 12. BIOLOGICAL ASSET

At 1 Janua	ry
Change in	fair value recognised in profit or loss
Effect of m	novement in exchange rate
At 31 Dece	mber

### Company

At 1 January

Change in fair value recognised in profit or loss At 31 December

**12.1** Breakdown of changes in fair value of biological assets recognised in profit or loss for the year, are as follows:

N

**Biological asset** 

Biological asset classified as assets held for sale

and 89,417 tonnes (2022: 83,030 tonnes) of FFB respectively.

The Group and the Company have considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the biological transformation of the FFB occurs exponentially in the one (1) month prior to harvest, FFB more than one (1) month before harvesting are excluded from the valuation as their fair values are considered negligible. The fair value of FFB is calculated based on income approach which considers the net present value of all directly attributable net cash flows including imputed contributory asset charges. Biological asset is classified as current asset for bearer plants that are expected to be harvested.

RM608/Mt - RM756/Mt).

The fair value measurement of the Group and the Company biological assets are capitalised within Level 3 of the fair value hierarchy. If the selling price of the FFB increase or decrease by 10%, profit or loss of the Group and Company would have increased or decreased by approximately RM3,504,000 and RM492,000 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

2023 RM'000	2022 RM'000
20,113	32,432
1,819	(12,313)
8	(6)
21,940	20,113
2023	2022
RM'000	RM'000
2,841	5,588
1,276	(2,747)
4,117	2,841

	Gro	oup	Com	pany
	2023	2022	2023	2022
lote	RM'000	RM'000	RM'000	RM'000
	1,819	(12,313)	1,276	(2,747)
15	(52)	(3,200)	-	-
	1,767	(15,513)	1,276	(2,747)

12.2 During the financial year, the Group and the Company have harvested approximately 787,741 tonnes (2022: 695,824 tonnes)

The significant unobservable inputs used in the valuation models include FFB price (2023: RM583/Mt - RM717/Mt) (2022:

### 13. TRADE AND OTHER RECEIVABLES

		Gro	oup	Com	pany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-Current					
Non-trade					
Amounts due from subsidiaries	13.1	-	-	354,336	313,501
Impairment loss on amounts due from					
subsidiaries		-	-	(354,336)	(313,501)
		-	-	-	-
Current					
Trade					
Trade receivables		30,832	32,463	8,306	7,629
Impairment loss on trade receivables		(6)	(6)	-	-
		30,826	32,457	8,306	7,629
Current					
Non-trade					
Amounts due from subsidiaries	13.2	-	-	375,352	390,560
Amounts due from related companies	13.3	4,774	4,774	4,268	4,268
Other receivables		13,411	13,220	6,935	7,169
		18,185	17,994	386,555	401,997
Impairment loss on amounts due from					
subsidiaries		-	-	(14,954)	(48,016)
Impairment loss on amounts due from related					
companies		(4,774)	(4,774)	(4,268)	(4,268)
Impairment loss on other receivables		(12,692)	(12,718)	(6,482)	(6,482)
		719	502	360,851	343,231
		31,545	32,959	369,157	350,860

13.1 The amounts due from subsidiaries are unsecured, subjected to profit margin of 5.44% (2022: 5.44%). The amount is to be repaid after eleven (11) years.

- 13.2 The amounts due from subsidiaries are unsecured, subjected to profit margin of 5.44% (2022: 5.44% to 6.23%) and repayable on demand.
- 13.3 The amounts due from related companies are unsecured, no profit margin applied and repayable on demand.

### 14. CASH AND CASH EQUIVALENTS

	Group		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Deposits placed with licensed banks	14.1	31,580	86,990	31,580	86,990	
Cash and bank balances	14.2	50,885	29,210	34,389	10,724	
		82,465	116,200	65,969	97,714	

- which are maintained by the Group and the Company with a related corporation.
- maintained by the Group and the Company respectively with a related corporation.

### 15. ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2023, investments in TH PELITA Meludam Sdn. Bhd. ("THPMEL"), TH PELITA Beladin Sdn. Bhd ("THPBEL"), TH PELITA Simunjan Sdn. Bhd. ("THPSIM"), TH PELITA Gedong Sdn. Bhd. ("THPGED") and TH PELITA Sadong Sdn. Bhd. ("THPSAD") are classified as assets held for sale as one disposal group ("the disposal group held for sale"). The efforts to sell the disposal group have commenced, and the sale is now expected to be completed in financial year 2024 instead of 2023. The carrying amount of assets held for sale are stated at cost.

Assets classified as held for sale are as below:

Assets classified as held for sale
Property, plant and equipment
Right-of-use assets
Plantation development expenditure
Deferred tax assets
Biological assets
Inventories
Current tax assets
Trade and other receivables
Prepayments and other assets
Cash and cash equivalents
At 31 December

# NOTES TO THE FINANCIAL STATEMENTS

14.1 Deposits which are placed with licensed banks for the Group and the Company have profit margins ranging between 2.50% to 4.00% (2022: 1.55% to 4.00%). Included in the deposits placed with licensed banks are RM31,580,000 (2022: RM66,720,000)

14.2 Included in the bank balances are RM36,707,000 (2022: RM9,473,000) and RM33,833,0000 (2022: RM9,040,000) which are

	Gr	oup
	2023	2022
Note	RM'000	RM'000
	539,866	525,509
	204,163	203,633
	-	7,184
	30,180	23,808
	5,880	5,932
	1,254	6,715
	-	1,719
	63	6,355
	14	16
	1,771	169
15.1	783,191	781,040

### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

		Group	
	Note	2023 RM'000	2022 RM'000
Liabilities classified as held for sale are as below:			
Liabilities classified as held for sale			
Deferred tax liabilities		79,439	79,111
Payables and accruals		20,581	23,082
Current tax payable		1,177	1,401
Lease liabilities		35,426	34,963
At 31 December	15.1	136,623	138,557

15.1 Movement of assets and liabilities classified as held for sale during the year

				At		
		At	Movement	31 December 2022/	Movement	At
		1 January	during	1 January	during	31 December
		2022	the year	2023	the year	2023
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Assets classified as held for sale						
Property, plant and equipment	15.1.1	522,858	2,651	525,509	14,357	539,866
Right-of-use assets	15.1.2	202,276	1,357	203,633	530	204,163
Plantation development						
expenditure	15.1.3	6,581	603	7,184	(7,184)	-
Deferred tax assets	15.1.4	17,917	5,891	23,808	6,372	30,180
Biological assets		9,132	(3,200)	5,932	(52)	5,880
Inventories		2,009	4,706	6,715	(5,461)	1,254
Current tax assets		502	1,217	1,719	(1,719)	-
Trade and other receivables		14,981	(8,626)	6,355	(6,292)	63
Prepayments and other assets		69	(53)	16	(2)	14
Cash and cash equivalents		727	(558)	169	1,602	1,771
Total		777,052	3,988	781,040	2,151	783,191
Liabilities classified as held for sale						
Deferred tax liabilities	15.1.4	79,379	(268)	79,111	328	79,439
	13.1.4	-				-
Payables and accruals		11,979	11,103	23,082	(2,501)	
Current tax payable		1,428	(27)	1,401	(224)	
Lease liabilities		34,792	171	34,963	463	35,426
Total		127,578	10,979	138,557	(1,934)	136,623

### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

### 15.1 Movement of assets and liabilities classified as held for sale during the year (continued)

Included in the current year movement of assets and liabilities classified as held for sale is the remaining disposal group in relation to investments in THPMEL, THPBEL, THPSIM, THPGED and THPSAD which is classified as assets held for sale as one disposal group ("the disposal group held for sale").

During the financial year, the disposal group held for sale is carried at the lower of its carrying amount or fair value less cost to sell. The carrying amount of the disposal group held for sale is stated at cost. The carrying amounts of the cash-generating unit of the disposal group as at 31 December 2023 amounted to RM744,029,000.

During the financial year, the Group has engaged a registered valuer to conduct a valuation for the companies classified as held for sale. The estimated recoverable amount of the cash-generating unit is based on its fair value less cost to sell. The disposal group held for sale is stated at cost as the fair value less cost to sell is higher than the carrying amount of the disposal group held for sale.

### 15.1.1 Property, plant and equipment

The movement of property, plant and equipment comprise the following:

		Grou	qu
	Note	2023 RM'000	2022 RM'000
At 1 January		525,509	522,858
Transfer from plantation development expenditure	15.1.3	7,184	-
Additions during the year		8,341	2,673
Impairment during the year	(i)	(1,038)	-
Disposal during the year	(ii)	(107)	-
Written off during the year		(23)	(22)
At 31 December		539,866	525,509

### Impairment testing on property, plant and equipment (i)

During the financial year, the Group has engaged a registered valuer to value the plantation assets comprising of bearer plant and right-of-use assets ("ROU") of a subsidiary classified as held for sale. As at 31 December 2023, the total carrying amounts of a subsidiary's bearer plant and ROU amounted to RM25,500,000. The estimated recoverable amount of the cash-generating unit is based on its fair value less cost to sell. The cash-generation unit comprises both planted area related to palm oil and the plantable area. The Group has recognised an impairment loss of RM1,038,000 during the year as the recoverable amount of the cash-generating unit is lower than the carrying amount.

### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

### 15.1 Movement of assets and liabilities classified as held for sale during the year (continued)

### 15.1.1 Property, plant and equipment (continued)

### (i) Impairment testing on property, plant and equipment (continued)

The following table summarises the valuation method and assumptions used in the determination of fair value less cost to sell as well as the significant unobservable inputs used in the valuation models in current year.

Description of		Inter-relationship between
valuation technique	Significant	significant unobservable inputs
and inputs used	unobservable inputs	and fair value measurement
Plantations assets Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from bearer plant, considering expected projected FFB yield, FFB sales price, upkeep and maintenance cost. The expected net cash flows are discounted using risk- adjusted discount rates.	yield (1.00 mt/Ha – 19.00 mt/Ha) • FFB sales price (RM607/Mt)	<ul> <li>The estimated fair value would increase/(decrease) if:</li> <li>Expected projected FFB yield were higher/(lower);</li> <li>FFB sales price higher/(lower) ;</li> <li>Upkeep and maintenance cost were lower/(higher);</li> <li>Discount rates were lower/ (higher).</li> </ul>
Bare land value Market comparison method: Sales price of comparable land in close proximity are adjusted for differences in key attributes such as land size. The most significant input into this valuation approach is market price per hectare.	<ul> <li>Land value per hectare (RM10,297/Ha)</li> </ul>	<ul><li>The estimated fair value would increase/(decrease) if:</li><li>The price per hectare is higher/ (lower).</li></ul>

The values assigned to the key assumptions represent the valuer's assessment of future trends in the oil palm industry and are based on external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following cases:

- A reduction in price of FFB by 5% would have resulted in an impairment loss of RM3,700,000.
- A reduction in yield per hectare by 5% would have resulted in an impairment loss of RM3,000,000.
- An increase in discount rate by 1% would have resulted in an impairment loss of RM1,400,000.
- (ii) During the financial year, Sarawak State Government has taken possession a portion of land consisting bearer plant belonging to a subsidiary with a compensation of RM804,720 (See Note15.1.2 (i)).

### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

### 15.1 Movement of assets and liabilities classified as held for sale during the year (continued)

### 15.1.2 Right-of-use assets

The movement of right-of-use assets comprise the following:

At 1 January
Additions during the year
Disposals
At 31 December

(i) During the financial year, Sarawak State Government has taken possession a portion of land belonging to a subsidiary with a compensation of RM804,720 (See Note15.1.1 (i)).

### 15.1.3 Plantation development expenditure

The movement of plantation development expenditure comprise the following:

		Group		
	– Note	2023 RM'000	2022 RM'000	
At 1 January		7,184	6,581	
Additions during the year	15.1.3.1	-	603	
Transfer to property, plant and equipment	15.1.1	(7,184)	-	
At 31 December		-	7,184	

### 15.1.3.1 Additions

Included in additions during the year are as follows:

Personnel expenses:

- Wages, salaries and others
- Contribution to EPF
- Finance cost\*

\* The finance cost is capitalised at profit margin 4.87% - 5.40% per annum.

	Group		
	2023	2022	
Note	RM'000	RM'000	
	203,633	202,276	
	536	1,357	
(i)	(6)	-	
	204,163	203,633	

Note	2023 RM'000	2022 RM'000
	-	204
	-	11
24	-	322

### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

### 15.1 Movement of assets and liabilities classified as held for sale during the year (continued)

### 15.1.4 Deferred tax (assets)/liabilities

Movement in temporary differences during the year

	At 1.1.2022 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2022/ 1.1.2023 RM'000	Recognised in profit or loss (Note 25) RM'000	At 31.12.2023 RM'000
Group					
Unabsorbed capital allowances	(58,961)	518	(58,443)	(389)	(58,832)
Property, plant and equipment	124,966	(9,860)	115,106	(5,624)	109,482
Biological assets	2,192	(768)	1,424	(12)	1,412
Right-of-use assets	1,615	13	1,628	90	1,718
Lease liabilities	(8,350)	(41)	(8,391)	(109)	(8,500)
Other	-	3,979	3,979	-	3,979
	61,462	(6,159)	55,303	(6,044)	49,259

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Gro	Group		
	2023 RM′000	2022 RM'000		
Unutilised tax loss carry-forwards	(145,148)	(135,298)		
At 31 December	(145,148)	(135,298)		
Tax at 24% (2022: 24%)	(34,836)	(32,472)		

In accordance with the provision of Finance Act 2022 requirement, the unutilised tax losses are available for utilisation in the next ten (10) years, for which, any excess at the end of the tenth (10<sup>th</sup>) year from the respective year of assessment. The untilised tax losses which will expires in the year 2028 to year 2032, will be disregarded respectively. Tax losses can only be unutilised once capital allowance has been fully exhausted for. Subsequent to this, deferred tax assets have not been recognised in respect for tax loss carry-forwards amounting to RM145,148,000 (2022: RM135,298,000) because it is no longer probable that future taxable profit will be available against which the Group can utilise the benefits there from.

### 16. CAPITAL AND RESERVES

	_	Gro	oup	Com	pany
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Share capital	16.1	862,752	862,752	862,752	862,752
Other reserves	16.2	(80,663)	(80,663)	(100,129)	(100,129)
Foreign currency translation reserves		(10,105)	(9,664)	-	-
		771,984	772,425	762,623	762,623

### 16.1 Share capital

Issued and fully paid shares with no par value classified as equity instruments:

Ordinary shares

At 1 January/31 December

### **Ordinary shares**

share at meetings of the Company.

### 16.2 Other reserves

share issued for the acquisition of subsidiaries.

### 17. PERPETUAL SUKUK

### Nominal value

At 1 January/31 December

In 2022, THP Suria Mekar Sdn. Bhd. a wholly-owned subsidiary of the Company had issued unrated perpetual Islamic notes of RM300,000,000 in nominal value in accordance with Shariah principle Wakalah Bi-Ai Istithmar ("Sukuk Wakalah") with unconditional and irrevocable corporate guaranteed by TH Plantations Berhad.

# NOTES TO THE FINANCIAL STATEMENTS

Group and Company						
Number of		Number of				
shares	Amount	shares	Amount			
2023	2023	2022	2022			
<b>'000</b>	RM'000	<b>'000</b> '	RM'000			
		·				
883,851	862,752	883,851	862,752			

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per

Other reserves relate to fair value adjustment on initial recognition of financial instruments and adjustment to the premium of

Gro	pup
2023 2	
RM'000	RM'000
300,000	300,000

### 17. PERPETUAL SUKUK (CONTINUED)

Security

The Perpetual sukuk, which was obtained by subsidiary of the Company, is secured over:

- (i) The leasehold land with the carrying amount of RM2,151,000 (2022: RM2,186,000) (see Note 4); and
- The plantation development expenditure with the carrying amount of RM8,501,000 (2022: RM11,600,000) (see Note 5). (ii)

Details of the perpetual sukuk are as follows:

- The perpetual sukuk has no fixed redemption date and the subsidiriary has an option to redeem all part of the perpetual sukuk (a) at the end of the twelve years from the date of issuance;
- (b) The perpetual sukuk is unsecured and carries a periodic distribution rate of 5.98% per annum, payable semi-annually from year 1 until year 12. Thereon, the periodic distribution rate shall be increased by step-up margin of 0.25% per annum until the redemption of the perpetual sukuk. There shall be no further increase to the then prevailing steped-up periodic distribution rate applicable to the relevant tranche of perpetual sukuk during it tenior;
- (c) The subsidiary has the right to defer the payment of the periodic distribution amount by giving the required deferral notice. Deferred periodic distribution, if any, will be cumulative but will not earn additional profits thus, there will be no compounding effect;
- (d) The holder of perpetual sukuk shall have no voting rights at any general meeting of the shareholders of the subsidiary; and
- (e) The Issuer shall not declare or pay any dividends to its shareholders if:
  - Dissolution Event or Enforcement Event has occurred, is continuing and has not been waived or remedied, or if following i) such payment or distribution a Dissolution Event or Enforcement Event would occur; or
  - Any payments under managements pertaining to the SUKUK Wakalah (unless in the case of Perpetual Sukuk Wakalah any ii) payment is deferred in accordance with Clause 6.9 (Optional Deferral of Periodic Distributions)) is overdue and unpaid or if any of the payments under the arrangements pertaining to the Sukuk Wakalah which has become payable has not been paid as a consequence of default by the Issuer; or
  - iii) A dividend and capital stopper event is continuing.

Based on the underlying issuing terms, the perpetual sukuk has been classified as equity in the financial statements of the subsidiary.

### 18. LOANS AND BORROWINGS

# Non-current Secured Commodity Murabahah Term Financing-i Sukuk Wakalah Medium Term Notes

Unsecured

Term Financing

# Current

Secured Commodity Murabahah Term Financing-i

Unsecured

Islamic Trade Financing-i

### 18.1 Commodity Murabahah Term Financing-i

THP Saribas Sdn. Bhd.

Security

The Commodity Murabahah Term Financing-i Facility, which was obtained by a subsidiary of the Group, is secured over the leasehold land with a carrying amount of RM6,989,000 (2022: RM7,156,000) (see Note 4).

Significant covenants

The Commodity Murabahah Term Financing-i loan facility is subject to the fulfilment of the following significant covenants:

trade guarantee in the ordinary course of business;

# NOTES TO THE FINANCIAL STATEMENTS

	Gro	pup
	2023	2022
Note	RM'000	RM'000
10.4	00 /7 /	
18.1	92,134	127,471
18.2	650,000	650,000
18.3	49,189	46,887
	791,323	824,358
18.1	36,000	32,000
10.1	50,000	32,000
18.4	-	-
	36,000	32,000
	827,323	856,358

(a) not to grant any financings, loans, advance, provide security or guarantee any person except for normal trade credit or

# 18. LOANS AND BORROWINGS (CONTINUED) 18. LOANS AND BORROWINGS (CONTINUED) 18.1 Commodity Murabahah Term Financing-i (continued) THP Saribas Sdn. Bhd. (continued) THP Suria Mekar Sdn. Bhd. (continued) Significant covenants (continued) Significant covenants The Commodity Murabahah Term Financing-i loan facility is subject to the fulfilment of the following significant covenants (continued): (b) not to incur, assume or permit to exist any indebtedness, loans or financing under Islamic banking principles except those already disclosed in writing and consented to by the bank and unsecured indebtedness incurred in the ordinary course of business of the subsidiary; (c) not to create or permit to subsist any security interest over any of its assets, business or undertaking (except liens arising (c) by operation of law and in the normal course of business which in the financier opinion is not material); i) not to dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of its business, (d) on ordinary commercial terms and on arm's length basis; and ii)

not to declare any dividends in excess of ten percent (10%) of its paid-up capital or any amount in excess of fifty percent (e) (50%) of its annual net income after tax or such other threshold as may be prescribed by the Financier, provided always any such permissible declaration of dividends may only be made if all payment obligation of the subsidiary is current.

### 18.2 Sukuk Wakalah Medium Term Notes ("Senior Sukuk Wakalah")

### THP Suria Mekar Sdn. Bhd.

In 2022, THP Suria Mekar Sdn. Bhd. a wholly-owned subsidiary of the Company had issued of RM650,000,000 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar with unconditional and irrecoverable corporate guaranteed by TH Plantations Berhad.

### Security

The Sukuk Wakalah Medium Term Notes, which was obtained by subsidiary of the Company, is secured over:

- The leasehold land with the carrying amount of RM2,687,000 (2022: RM2,743,000) (see Note 4); and (i)
- Memorandum of charge over the following shares 1,131,428 units of TH PELITA Beladin Sdn. Bhd., 4,900,000 units of TH (ii) PELITA Gedong Sdn. Bhd., 4,900,000 units of TH PELITA Sadong Sdn. Bhd., 13,547,722 units of TH PELITA Meludam Sdn. Bhd., 483,480 units of TH PELITA Simunjan Sdn. Bhd. and 3,500,000 units of Hydroflow Sdn. Bhd..

### 18.2 Sukuk Wakalah Medium Term Notes ("Senior Sukuk Wakalah") (continued)

- not to sell, transfer or otherwise dispose any of its assets, save for:

  - iii) Guarantor):
- subordinated to the SUKUK Wakalah;
- (e) not to declare or pay any dividends to its shareholders if:
  - i)
  - ii) as a consequence of default by the Issuer; or
  - a Dividend and Capital Stopper event is continuing.

# NOTES TO THE FINANCIAL STATEMENTS

(a) not to incur or permit to exist any indebtedness for borrowed monies and Islamic financing, nor give any guarantees in respect of any indebtness for borrowed monies and Islamic financing to any person or entity whatsoever;

(b) not to create or permit to exist any Security Interest of any kind whatsoever, howsoever created or arising, any of its present and future assets, other than any lien arising in the ordinary course of business operation of law and not by way of contract save and except for Security interest created under the existing Sukuk Murabahah Programme;

where the sale, transfer or disposal is solely for the purposes of facilitating Shariah-compliant financing;

sale, transfer or disposal as contemplated by the terms of the transaction documents; and

where such assets to be sold, transferred or disposed of, do not exceed in aggregate of five percent (5%) of the Issuer's and Guarantor's net assets (as shown in the latest audited consolidated accounts of the Issuer and

(d) not to obtain or permit to exist any loans or advances from its shareholder(s), unless these loans and advances are

Dissolution Event or Enforcement Event has occurred, is continuing and has not been waived or remedied, or if following such payment or distribution a Dissolution Event or Enforcement Event would occur; or

any payment under the arrangement pertaining to the SUKUK Wakalah is overdue and unpaid or if any of the payments under the arrangement pertaining to the SUKUK Wakalah which has become payable has not been paid

### 18. LOANS AND BORROWINGS (CONTINUED)

### 18.3 Term Financing

### TH-Bonggaya Sdn. Bhd.

The loans and borrowings were recognised at fair value at the date of the initial drawdown. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable	Inter-relationship between significant unobservable inputs
and inputs used	inputs	and fair value measurement
The fair value of the grant is the difference between the fair value of the government loan and the cash received from the loan. The fair value of the loan is determined using discounted cash flows. The valuation method considers the present value of net cash flows to be payables to lender, taking into account current profit margin rate (base lending rate plus spread), and expected repayment period. The expected net cash flows are discounted using risk-adjusted discount rates.	<ul> <li>Profit margin rate (7.76%)</li> <li>Repayment period (20 years)</li> </ul>	<ul> <li>The estimated fair value would increase/(decrease) if:</li> <li>Expected profit margin rate were higher/(lower);</li> <li>Expected repayment period were longer/(shorter).</li> </ul>

The total drawdown of Forest Plantations Facility as at 31 December 2023 is RM79,297,000 (2022: RM79,297,000).

### Security

The term loan facility is a conventional loan granted by Forest Plantation Development Sdn. Bhd., a government agency.

### 18. LOANS AND BORROWINGS (CONTINUED)

### 18.3 Term Financing (continued)

### TH-Bonggaya Sdn. Bhd. (continued)

Significant covenants

The term loan facility is subject to the fulfilment of the following significant covenants:

Development Sdn. Bhd. ("FPDSB"):

### 18.4 Islamic Trade Financing-i

### Manisraya Sdn. Bhd.

### Significant covenants

The Islamic trade financing facility is subject to the fulfilment of the following significant covenants:

- credit or trade guarantee in the ordinary course of business;
- ordinary course of business of the subsidiary.

The loan was fully paid in year 2022.

# NOTES TO THE FINANCIAL STATEMENTS

The subsidiary will not do or cause to be done the following except with the express written consent by Forest Plantation

(i) Assign, transfer, sell, charge or otherwise howsoever deal with the subsidiary rights, title and interest under the loan agreement or the Security Documents or any part thereof or any interest therein or make the same subject to any change encumbrance liability or lien whatsoever or rescind remove or amend any condition or restriction affecting this Agreement or the Security Documents without the written consent of FPDSB first had and obtained; and

(ii) Give sub-concession of the Plantable Area, lease out or grant any license or otherwise howsoever part with the possession or make or accept the surrender of any lease whatsoever of and in respect of this Agreement or the Security Documents or the Plantable Area or the implementation of the Project without the consent in writing of FPDSB first had and obtained, provided however that nothing in this clause prohibits the Borrower from appointing or engaging subcontractors to carry out various works or activities in relation to the implementation of the Project.

(a) not to grant any financings, loans or advances, or provide security or guarantee any person, except for normal trade

(b) not to incur, assume or permit to exist any indebtedness or any loan or any financing under Islamic banking principles except those already disclosed in writing and consented to by the bank and unsecured indebtedness incurred in the

### 18. LOANS AND BORROWINGS (CONTINUED)

### 18.5 Reconciliation of movement of liabilities to cash flows arising from financing activities

			Proceeds from				
	At 1 January	Loan	drawdown of loans and	Other	At 31 December		Defined benefit obligations
	2023 RM'000	repayment RM'000	borrowings RM'000	changes RM'000	2023 RM'000		The Staff Retirement Benefits Sc of the Group participated in ma
Group							
Commodity Murabahah Term						20.	TRADE AND OTHER PAYABLES
Financing-i	159,471	(31,500)	-	163	128,134		
Sukuk Wakalah Medium Term							
Notes*	650,000	-	-	-	650,000		
Term Financing	46,887	-	-	2,302	49,189		
	856,358	(31,500)	-	2,465	827,323		Non ourset
							Non-current
			Proceeds from				Non-trade
	At		drawdown	0.1	At		Amounts due to subsidiaries
	1 January 2022	Loan repayment	of loans and borrowings	Other changes	31 December 2022		Accrued expenses
	RM'000	RM'000	RM'000	RM'000	RM'000		
Group							Current
Commodity Murabahah Term							
Financing-i	185,558	(26,250)	-	163	159,471		Trade
SUKUK Murabahah Medium Term							Trade payables
Notes	1,080,000	(1,080,000)	-	-	-		
Sukuk Wakalah Medium Term							Non-trade
Notes*	-	-	650,000	-	650,000		Amounts due to subsidiaries
Term Financing	44,665	-	-	2,222	46,887		
Islamic Trade Financing-i	14,476	(72,821)	58,345	-	-		Other payables
Commodity Murabahah Term							
Financing-i	46,996	(46,996)	-	-	-		
	1,371,695	(1,226,067)	708,345	2,385	856,358		

\* In year 2022, the Group had issued unrated perpetual Islamic notes of RM300,000,000 in nominal value as disclosed in Note 17.

### **19. EMPLOYEE BENEFITS**

# The Staff Retirement Benefits Scheme ("the Scheme") provides pen of the Group participated in making contributions to the Scheme. D. TRADE AND OTHER PAYABLES Non-current Note Non-trade 20.1 Accrued expenses 20.2 Current 20.2 Trade payables 20.3 Other payables 20.3

# NOTES TO THE FINANCIAL STATEMENTS

Gr	oup
2023	2022
RM'000	RM'000
25	428

Scheme ("the Scheme") provides pension benefits for eligible employees upon retirement. A subsidiary naking contributions to the Scheme.

Gro	oup	Com	pany
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000
-	-	186,635	214,494
17,881	15,434	-	-
17,881	15,434	186,635	214,494
14 208	23 395	3 139	6,100
14,200	23,333	5,155	0,100
-	-	407,518	405,419
46,345	67,238	13,014	9,568
46,345	67,238	420,532	414,987
60,553	90,633	423,671	421,087
78,434	106,067	610,306	635,581
	2023 RM'000 - 17,881 17,881 17,881 14,208 14,208 - 46,345 46,345 46,345 60,553	RM'000       RM'000         A       A         17,881       15,434         17,881       15,434         17,881       15,434         17,881       23,395         14,208       23,395         46,345       67,238         46,345       67,238         46,345       90,633	2023       2022       2023         RM'000       RM'000       RM'000         -       -       186,635         17,881       15,434       -         17,881       15,434       186,635         14,208       23,395       3,139         -       -       407,518         46,345       67,238       13,014         46,345       67,238       420,532         60,553       90,633       423,671

### 20. TRADE AND OTHER PAYABLES (CONTINUED)

- 20.1 The amounts due to subsidiaries are unsecured, subject to profit margin ranges from 4.87% to 5.98% (2022: 4.87% to 5.98%). The amount is to be repaid after eleven (11) years.
- 20.2 The accrued expenses are in relation to interest accrued for term financing of a subsidiary. The amount is to be repaid after fifteen (15) years (2022: sixteen (16) years (see Note 18.3)).
- 20.3 The amounts due to subsidiaries are unsecured, subject to profit margin ranges from 2.50% to 4.00% (2022: 2.00% to 3.22%).

### 20.4 Reconciliation of movement of dividend payables included in other payables

	Non-controlling interest RM'000	Owners of the Company RM'000	Total RM'000
2023			
Group			
At 1 January	-	114	114
Dividend declared during the year	22,434	13,258	35,692
Dividend paid	(22,434)	(13,204)	(35,638)
At 31 December	-	168	168
2022			
Group			
At 1 January	-	-	-
Dividend declared during the year	9,683	13,258	22,941
Dividend paid	(9,683)	(13,144)	(22,827)
At 31 December	-	114	114

### 20. TRADE AND OTHER PAYABLES (CONTINUED)

20.5 Reconciliation of movement of liabilities to cash flows arising from financing activities

### Company

### Amounts due to subsidiaries

# Group

Amounts due to holding corporation Amounts due to related companies

### Company

Amounts due to holding corporation Amounts due to subsidiaries

At	Net changes	At
1 January	from financing	31 December
2023	cash flows	2023
RM'000	RM'000	RM'000
619,913	25,760	594,153
619,913	25,760	594,153
At	Net changes	At
1 January	from financing	31 December
2022	cash flows	2022
RM'000	RM'000	RM'000
11,948	(11,948)	-
1,728	(1,728)	-
13,676	(13,676)	-
11,932	(11 072)	
	(11,932)	-
100 025	218,988	619,913
400,925	210,500	
400,923	207,056	619,913

### 21. REVENUE

	Gro	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Revenue from contracts with customers	751,918	881,058	182,156	258,912	
Other revenue:					
Dividend income	109	201	45,481	53,628	
Total revenue	752,027	881,259	227,637	312,540	

### 21.1 Disaggregation of revenue

	Oil palm plantations		Othe	r segments	Total		
-	2023	2022	2023	2022	2023	2022	
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Primary geographical markets							
Malaysia	750,347	880,301	-	-	750,347	880,301	
Indonesia	1,571	757	-	-	1,571	757	
	751,918	881,058	-	-	751,918	881,058	
Major products							
Crude Palm Oil ("CPO")	564,044	690,285	-	-	564,044	690,285	
Palm Kernel ("PK")	76,932	110,917	-	-	76,932	110,917	
Fresh Fruits Bunches ("FFB")	110,942	79,856	-	-	110,942	79,856	
	751,918	881,058	-	-	751,918	881,058	
Timing and recognition							
At a point in time	751,918	881,058	109	201	752,027	881,259	
Revenue from contracts with customers	751,918	881,058	-	-	751,918	881,058	
Other revenue	-	-	109	201	109	201	
Total revenue	751,918	881,058	109	201	752,027	881,259	

### TH PLANTATIONS BERHAD

### 21. REVENUE (CONTINUED)

### 21.1 Disaggregation of revenue (continued)

	Oil pal	m plantations	Oth	Other segments		Total
-	2023	2022	2023	2022	2023	2022
Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Major products						
Crude Palm Oil ("CPO")	147,921	208,801	-	-	147,921	208,801
Palm Kernel ("PK")	19,285	31,709	-	-	19,285	31,709
Fresh Fruits Bunches ("FFB")	14,950	18,402	-	-	14,950	18,402
	182,156	258,912	-	-	182,156	258,912
Timing and recognition						
At a point in time	182,156	258,912	45,481	53,628	227,637	312,540
Revenue from contracts						
with customers	182,156	258,912	-	-	182,156	258,912
Other revenue	-	-	45,481	53,628	45,481	53,628
Total revenue	182,156	258,912	45,481	53,628	227,637	312,540

### 21.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration
СРО	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 days from invoice date.	There would be penalty charges where the quality of CPO is below certain threshold.
РК	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 days from invoice date.	There would be penalty charges where the quality of PK is below certain threshold.
FFB	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 days from invoice date.	Penalty in relation to ripeness standard of the crop.

The Group applies the practical expedient of exemption on the disclosure of information on remaining performance obligations that have original expected durations of one year or less.
#### 22. COST OF SALES

	Group		Com	Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Oil palm plantations	593,027	625,561	147,084	202,632	
Forestry	2,858	5,872	-	-	
	595,885	631,433	147,084	202,632	

## 23. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit margin income on financial assets that are not at fair value through profit or loss:				
- intercompany receivables	-	-	30,192	3,677
- loans and receivables	3,647	3,432	3,611	3,421
Finance income on finance lease receivable	-	-	3,825	3,825
Recognised in profit or loss	3,647	3,432	37,628	10,923

## 24. FINANCE COST

	Gro	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Finance cost on financial liabilities that are not at fair value through profit or loss:					
- loans and borrowings	46,613	67,258	17,849	15,791	
- interest expenses on lease liabilities	8,898	9,261	4,718	5,041	
- profit margin expense on subsidiaries	-	-	15,583	8,925	
	55,511	76,519	38,150	29,757	
Recognised in profit or loss Capitalised in plantation development expenditure*	52,794	72,242	37,697	29,214	
(Note a)	2,717	4,277	453	543	
	55,511	76,519	38,150	29,757	

#### TH PLANTATIONS BERHAD

#### 24. FINANCE COST (CONTINUED)

Included in capitalised in plantation development expenditure are as follows: a.

# Finance cost capitalised in plantation development expenditure Finance cost capitalised in plantation development expenditure in relation to

## 25. TAX EXPENSE

#### Income tax expense

Malaysia

- current year
- over provision in prior year

assets held for sale

Total income tax recognised in profit or loss

#### Deferred tax expense

Origination and reversal of temporary differences

(Over)/Under provision in prior year

Current year deferred tax assets not recognised

Total deferred tax recognised in profit or loss (Note 25.1)

Total tax expense

# NOTES TO THE FINANCIAL STATEMENTS

	Gro	oup	Com	pany
	2023	2022	2023	2022
Note	RM'000	RM'000	RM'000	RM'000
5.1	2,717	3,955	453	543
	-	322	-	-
	2,717	4,277	453	543

\* The finance cost is capitalised at profit margin 4.87% to 5.40% (2022: 4.50% to 6.65%) per annum.

Gro	oup	Com	pany
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000
34,425	44,802	9,519	11,106
(1,051)	(1,073)	(885)	(909)
33,374	43,729	8,634	10,197
(5,764)	(6,512)	(231)	(418)
(2,344)	611	(128)	8
545	44	-	-
(7,563)	(5,857)	(359)	(410)
25,811	37,872	8,275	9,787

## 25. TAX EXPENSE (CONTINUED)

	Gro	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Reconciliation of tax expense					
Profit/(loss) for the year	60,096	87,936	56,768	(25,632)	
Total tax expense	25,811	37,872	8,275	9,787	
Profit/(loss) excluding tax	85,907	125,808	65,043	(15,845)	
Tax calculated using Malaysian tax rate of 24% (2022: 24%)	20,618	30,194	15,610	(3,803)	
Non-taxable income	(15,308)	(37,241)	(15,534)	(35,250)	
Non-deductible expenses	23,351	45,337	9,212	49,741	
Current year deferred tax assets not recognised	545	44	-	-	
(Over)/Under provided in prior years:					
- current tax	(1,051)	(1,073)	(885)	(909)	
- deferred tax	(2,344)	611	(128)	8	
Total tax expense	25,811	37,872	8,275	9,787	

25.1 Included in total deferred tax recognised in profit or loss are as follows;

	Gro	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Deferred tax recognised in profit or loss	(1,519)	302	(359)	(410)	
Deferred tax in relation to assets held for sale recognised in profit or loss	(6,044)	(6,159)	-	-	
	(7,563)	(5,857)	(359)	(410)	

## 26. PROFIT/(LOSS) FOR THE YEAR

	Group		Com	Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Profit/(loss) for the year is arrived at after charging/ (crediting)					
Auditors' remuneration					
Audit fees:					
- KPMG PLT	730	730	150	150	
Non-audit fees:					
- KPMG Tax Services Sdn Bhd	202	205	20	20	
- KPMG PLT	20	20	20	20	
Material expenses/(income)					
Personnel expenses (including key management personnel):					
- Wages, salaries and others	147,202	116,805	16,189	11,586	
- Contribution to Employees Provident Fund	11,380	10,746	1,030	939	
Depreciation of property, plant and equipment	65,476	68,909	6,512	6,094	
Property, plant and equipment written off	1,198	3,947	25	105	
Property, plant and equipment in relation to assets held for sale written off	23	22	-	-	
Loss on disposal of property, plant and equipment	-	127	-	127	
(Gain) on disposal of right-of-use assets	(2,851)	-	-	-	
(Gain) on disposal of right-of-use assets in relation to assets held for sale	(692)	-	-	-	
Depreciation of right-of-use assets	10,755	10,361	943	1,020	
Impairment loss on nursery	-	2,840	-	-	
Impairment loss on property, plant and equipment in relation to assets held for sale	1,038	-	-	-	
Change in fair value of forestry	(3,529)	(17,371)	-	-	
Finance income on finance lease receivable	-	-	(3,825)	(3,825)	
Gain on remeasurement of lease liabilities	-	2,213	-	2,213	
Change in fair value of biological asset	(1,767)	15,513	(1,276)	2,747	

# NOTES TO THE FINANCIAL STATEMENTS

## 26. PROFIT/(LOSS) FOR THE YEAR (CONTINUED)

	Group	)	Com	pany
-	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Material expenses/(income) (continued)				
Expenses related to retirement benefit plan	(403)	27	-	-
Dividend income	(109)	(201)	(45,481)	(53,628)
Profit margin income from short-term investments and other receivables	(3,647)	(3,432)	(33,803)	(7,098)
Unrealised foreign exchange loss/(gain)	(11,712)	7,677	-	-
Finance costs	43,896	62,981	32,978	24,173
Finance costs on lease liabilities	8,898	9,261	4,718	5,041
Rental income from property	-	-	(6)	(8)
Impairment /(reversal) of financial instruments				
Impairment loss/(reversal of impairment loss) on amount due from subsidiaries		-	7,773	142,481
Reversal of impairment loss on investment of subsidiaries	-	-	-	(45,014)
(Reversal)/Impairment loss on other receivables	(26)	1,520	-	-

#### 27. OTHER COMPREHENSIVE INCOME

	Before tax	tax credit	Net of Tax
Group	RM'000	RM'000	RM'000
2023			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(802)	-	(802)
2022			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement on defined benefit asset	(5)	-	(5)
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	3,643		3,643

#### TH PLANTATIONS BERHAD

#### 28. EARNINGS PER ORDINARY SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

# Profit for the year attributable to shareholders Profit margin on perpetual sukuk

Weighted average number of ordinary shares

Weighted average number of ordinary shares at 31 De

Weighted average number of ordinary shares (diluted)

#### Weighted average number of ordinary shares at 31 De

#### Basic earnings per ordinary share

at 31 December 2023 and 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

Gro	oup
2023	2022
RM'000	RM'000
46,618	68,771
(17,547)	(9,093)
29,071	59,678

	Group		
	2023	2022	
	<b>′000</b>	'000	
December	883,851	883,851	

	Group		
	2023 ′000	2022 ′000	
December	883,851	883,851	
	Gro	up	

2023	2022
Sen	Sen
3.29	6.75

There is no dilution in earnings per ordinary share as the Group has no shares or other instruments with potential dilutive effect as

#### 29. DIVIDEND

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2023			
Final 2022 ordinary (net of tax)	1.50	13,258	9 June 2023
2022			
Interim 2022 ordinary (net of tax)	1.50	13,258	11 October 2022

After the end of reporting period the following dividend was recommended by the Directors. The dividend will be recognised in subsequent financial period upon approval by the shareholder of the Company.

		Total
	Sen	amount
	per share	RM'000
2023		
Final 2023 ordinary (net of tax)	2.00	17,677

#### **30. OPERATING SEGMENTS**

Forestry

•

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different strategies. For each of the strategic business units, the Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Oil palm plantations
  Inclu
  - Harve

These operating segments are disaggregated due to different nature and different economic characteristic of the products.

The cultivation of oil palm, processing of FFB, marketing of CPO, PK and FFB are aggregated to form a reportable segment as oil palm plantations due to similar nature and economic characteristics of the products. The nature and methods of distribution of the products for these divisions are similar. The type of customers are similar, which is industrial customers.

There are varying levels of integration between reportable segments, the oil palm plantations and forestry reportable segments. This integration includes sharing of human resources function.

Performance is measured based on segment profit before tax, interest, and depreciation, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return of assets of each segment.

#### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

# NOTES TO THE FINANCIAL STATEMENTS

Includes cultivation of oil palm, processing of FFB, marketing of CPO, PK and FFB. Harvesting of rubberwood.

## **30. OPERATING SEGMENTS (CONTINUED)**

## Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

	Oil palm pla	antations	Fore	stry	Tot	tal
-	2023	2022	2023	2022	2023	2022
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit	236,511	316,944	1,158	14,720	237,669	331,664
Included in the measure of segment profit are:						
Revenue from external						
customers	751,918	881,058		_	751,918	881,058
Fair value change on	, 51, 510	001,000			, 51, 510	001,000
biological asset	1,767	(15,513)	-	-	1,767	(15,513)
Fair value change on	_,, •,	(10)010)			_,	(10/010)
forestry	-	-	3,529	17,371	3,529	17,371
Not included in the measure of segment profit but provided to Group's Chief Executive Officer						
Depreciation	(76,298)	(79,463)	(487)	(518)	(76,785)	(79,981)
Finance costs	(136,746)	(148,777)	(14,984)	(15,433)	(151,730)	(164,210)
Profit margin income from short-term investments and						
receivables	65,300	44,442	19	10	65,319	44,452
Segment assets	4,422,387	4,591,757	60,649	57,372	4,483,036	4,649,129
Additions to non-current assets other than financial instrument						
and deferred tax assets	52,757	42,892	-	16,400	52,757	59,292

#### **30. OPERATING SEGMENTS (CONTINUED)**

## Reconciliations of reportable segment revenues, profit or loss, assets and other material items

Group
Profit or loss
Total profit or loss for reportable segments
Other non-reportable segments
Depreciation and amortisation
Finance cost
Finance income
Unallocated (expenses)/income:
Impairment loss on other receivables
Impairment loss on nursery
Corporate expenses
(Loss)/gain on unrealised foreign exchange
Others
Consolidated profit before tax

# NOTES TO THE FINANCIAL STATEMENTS

2023 RM'000	2022 RM'000
237,669	331,664
109	201
(76,231)	(79,270)
(52,794)	(72,242)
3,647	3,432
26	(1,520)
-	(2,840)
(38,747)	(40,406)
11,712	(7,677)
516	(5,534)
85,907	125,808

**30. OPERATING SEGMENTS (CONTINUED)** 

Geographical segments

## **30. OPERATING SEGMENTS (CONTINUED)**

Reconciliations of reportable segment revenues, profit or loss, assets and other material items (continued)

	Fair value loss on	Fair value				Profit	ļ	Additions to
	biological asset RM'000	gain on forestry RM'000	External revenue [] RM'000	epreciation RM'000	Finance costs RM'000	margin income RM'000	Segment r assets RM'000	
23								
l portable								
egments ier non-	1,767	3,529	751,918	(76,785)	(151,730)	65,319	4,483,036	52,757
ortable								
gments	-	-	109	-	-	-	5,657	-
mination of inter-								
segment transaction or balances	-	-	-	-	96,219	(61,672)	(1,862,375)	-
onsolidated total	1,767	3,529	752,027	(76,785)	(55,511)	3,647	2,626,318	52,757
otat	1,707	5,525	752,027	(70,703)	(55,511)	5,047	2,020,310	52,757
2								
al								
reportable	<i></i>							
segments :her non-	(15,513)	17,371	881,058	(79,981)	(164,210)	44,452	4,649,129	59,292
reportable								
segments	-	-	201	-	-	-	8,157	-
mination								
of inter- egment								
ransaction or balances	-	-	_	_	87,691	(41,020)	(1,976,839)	-
onsolidated						· · · · · ·		
total	(15,513)	17,371	881,259	(79,981)	(76,519)	3,432	2,680,447	59,292

# NOTES TO THE FINANCIAL STATEMENTS

## 31.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2023			
Group			
Financial assets			
Other investments	61,720	59,895	1,825
Trade and other receivables	31,545	31,545	-
Cash and cash equivalents	82,465	82,465	-
	175,730	173,905	1,825
Financial liabilities			
Loans and borrowings	(827,323)	(827,323)	-
Trade and other payables	(78,434)	(78,434)	-
	(905,757)	(905,757)	-
Company			
Financial assets			
Other investments	60,385	58,560	1,825
Trade and other receivables	369,157	369,157	-
Cash and cash equivalents	65,969	65,969	-
	495,511	493,686	1,825
Financial liabilities			
Trade and other payables	(610,306)	(610,306)	
	(610,306)	(610,306)	-

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

31.1 Categories of financial instruments (continued)

	_
2022	
Group	
Financial assets	
Other investments	
Trade and other receivables	
Cash and cash equivalents	
Financial liabilities	
Loans and borrowings	
Trade and other payables	
Company	
Financial assets	
Other investments	
Trade and other receivables	

#### **Financial liabilities**

Trade and other payables

Cash and cash equivalents

# NOTES TO THE FINANCIAL STATEMENTS

Carrying amount	AC	FVTPL
RM'000	RM'000	RM'000
29,748	27,923	1,825
32,959	32,959	-
116,200	116,200	-
178,907	177,082	1,825
(856,358)	(856,358)	-
(106,067)	(106,067)	-
(962,425)	(962,425)	-
26,525	24,700	1,825
350,860	350,860	-
97,714	97,714	-
475,099	473,274	1,825
(635,581)	(635,581)	-
(635,581)	(635,581)	-

#### 31.2 Net gains and losses arising from financial instruments

	Gro	Group		pany
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	3,673	1,912	26,030	(135,383)
Financial liabilities at amortised cost	(34,901)	(74,935)	(33,431)	(24,716)
	(31,228)	(73,023)	(7,401)	(160,099)

Included in losses on financial liabilities of the Group and the Company measured at amortised cost are RM2,717,000 (2022: RM4,277,000) and RM453,000 (2022: RM543,000) respectively which are capitalised in plantation development expenditure (see Note 24).

#### 31.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk •
- Liquidity risk •
- Market risk •
- Hedging activities •

#### 31.4 Credit risk

Credit risk is the risk of a financial loss 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 their receivables from customers and cash and cash equivalents. The Company's exposure to credit risk arises principally from loans and advances to inter-companies and receivables from customers. There are no significant changes as compared to prior periods.

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.4 Credit risk (continued)

#### Trade receivable

Risk management objectives, policies and processes for managing the risk

respect of financial assets.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

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 and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than sixty (60) days, which are deemed to have higher credit risk, are monitored individually.

# NOTES TO THE FINANCIAL STATEMENTS

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. The Group and the Company do not require collateral in

#### 31.4 Credit risk (continued)

#### Trade receivable (continued)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days.

The Company uses an allowance matrix to measure ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023 which are grouped together as they are expected to have similar risk nature.

	Gross RM'000	Loss allowances RM'000	Net RM'000
2023			
Group			
Not past due	30,826	-	30,826
Credit impaired			
Individually impaired	6	(6)	-
	30,832	(6)	30,826
Company			
Not past due	8,306	-	8,306
2022			
Group			
Not past due	32,457	-	32,457
Credit impaired			
Individually impaired	6	(6)	-
	32,463	(6)	32,457
Company			
Not past due	7,629	-	7,629

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.4 Credit risk (continued)

#### Trade receivable (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

#### Group

At 1 January 2022/1 January 2023

Net remeasurement of loss allowance

At 31 December 2023

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is probable, the amount considered irrecoverable is written off against the receivable.

No further impairment in respect of trade receivables of the Company is necessary.

#### Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

#### Other receivables

Credit risks on other receivables are mainly arising from other receivables and advances to employees.

Advances to employees have a low credit risks due to the monthly deduction to their wages. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

At 1 January Net remeasurement of loss allowance At 31 December

# NOTES TO THE FINANCIAL STATEMENTS

Credit impaired RM'000
6
-
6

Gro	oup	Com	pany
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000
12,718	11,198	6,482	6,482
(26)	1,520	-	-
12,692	12,718	6,482	6,482

#### 31.4 Credit risk (continued)

#### Corporate guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured corporate guarantees to banks in respect of banking facility granted to a subsidiary. The Company monitors the ability of the subsidiary to service their loans on a regular basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit amounted to RM950,000,000 representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

#### Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a corporate guarantee to be credit impaired when:

the subsidiary is unlikely to repay its credit obligation to the bank in full; or a)

the subsidiary is continuously loss making and has a deficit shareholders' fund. b)

The Company determines the probability of default of the guaranteed loans individually using internal information available.

There is no history of default on their loan by the subsidiary and there is no indication that the subsidiary may default on their loan.

#### Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Short term investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

The Group and the Company have only placed excess cash in shariah compliant short-term deposit with licensed financial institution. The maximum exposure to credit risk is represented by the carrying amount in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligation.

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.4 Credit risk (continued)

#### Inter-company and related company loans and advances

Risk management objectives, policies and processes for managing the risk

on an individual basis.

The Company also manage credit on net investment in a lease together with its leasing arrangement with its subsidiary.

Exposure to credit risk, credit guality and collateral

statements of financial position.

other credit enhancements.

Recognition and measurement of impairment loss

It is assumed that there is a significant increase in credit risk when a related company and subsidiary's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the related company and subsidiary's loans and advances when they are payable, loans and advances are considered to be in default when the related companies and subsidiaries are not able to pay when demanded. A related company and subsidiary's loans and advances are considered to be credit impaired when:

a) the related company and subsidiary are unlikely to repay their loans or advances to the Company in full; the related company and subsidiary's loans and advances are overdue for more than 365 days; or b) the related company and subsidiary are continuously loss making and has a deficit in shareholders' fund.

- C)

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

# NOTES TO THE FINANCIAL STATEMENTS

The Group and the Company provide loans and advances to related companies and subsidiaries. The Group and the Company monitor the results of the related companies and subsidiaries regularly, as well as their ability to repay the loans and advances

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the

Inter-companies and related company loans and advances provided are not secured by any collateral or supported by any

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.4 Credit risk (continued)

#### Inter-company and related company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of related companies' balances and advances during the year are as follows:

	Group RM'000	Company RM'000
Lifetime ECL		
At 1 January 2022	4,774	223,304
Net remeasurement of loss allowance	-	142,481
At 31 December 2022/1 January 2023	4,774	365,785
Net remeasurement of loss allowance	-	7,773
At 31 December 2023	4,774	373,558

The significant increase in net measurement of loss allowance is primarily due to change in market condition which the subsidiaries operates in.

At the end of the reporting period, there is no impairment on net investment in a lease during the year.

#### Net investment in a lease

Risk management objectives, policies and processes for managing the risk

The Group manages credit risk on net investment in a lease together with its leasing arrangement.

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, there were no impairment loss on net investment in a lease during the year.

#### 31.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and financing facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.5 Liquidity risk (continued)

#### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual profit margin rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2023							
Non-derivative financial liabilities							
Sukuk Wakalah Medium Term							
Notes	650,000	4.87 – 5.40	853,538	33,760	33,760	347,213	438,805
Term Financing	49,189	3.00	123,501	-	-	-	123,501
Commodity Murabahah Term							
Financing-i	128,134	5.34-6.15	136,160	42,400	43,241	50,519	-
Trade and other							
payables	78,434	-	78,434	78,434	-	-	-
Lease liabilities	77,490	6.00 - 8.20	490,510	6,115	5,861	16,265	462,269
	983,247		1,682,143	160,709	82,862	413,997	1,024,575
2022							
Non-derivative financial liabilities							
Sukuk Wakalah							

Non-derivative financial liabilities							
Sukuk Wakalah Medium Term							
Notes	650,000	4.87 – 5.40	887,299	33,760	33,760	256,403	563,376
Term Financing	46,887	3.00	123,501	-	-	-	123,501
Commodity Murabahah Term							
Financing-i	159,471	3.91 - 4.34	170,977	38,057	40,657	92,263	-
Trade and other							
payables	106,067	-	106,067	106,067	-	-	-
Lease liabilities	77,600	6.00 - 8.20	496,626	6,115	6,115	16,705	467,691
	1,040,025		1,784,470	183,999	80,532	365,371	1,154,568

# NOTES TO THE FINANCIAL STATEMENTS

#### 31.5 Liquidity risk (continued)

Maturity analysis (continued)

		Contractual					
		profit					More
	Carrying	margin	Contractual	Under 1	1 - 2	2 - 5	than
	amount	rate	cash flows	year	years	years	5 years
Company	RM'000	%	RM'000	RM'000	RM'000	RM'000	RM'000
2023							
Non-derivative							
financial liabilities							
Amount due to							
subsidiary	186,635	4.87 - 5.40	277,976	10,997	10,997	113,082	142,900
Amount due to							
subsidiaries	407,518	2.50 - 4.00	420,762	420,762	-	-	-
Trade and other							
payables	16,153	-	16,153	16,153	-	-	-
Corporate							
guarantee	-	-	51,661	51,661	-	-	-
Lease liabilities	59,042	8.20	461,328	3,221	3,221	10,629	444,257
	669,348		1,227,880	502,794	14,218	123,711	587,157

#### 2022

Non-derivative financial liabilities

 an	lai	uar	nuu	C

Amount due to subsidiary	214,494	5.44 - 6.23	288,973	10,997	10,997	83,509	183,470
Amount due to subsidiaries	405,419	2.00 - 3.22	427,474	427,474	-	-	-
Trade and other payables	15,668	-	15,668	15,668	-	-	-
Corporate guarantee	-	-	51,661	51,661	-	-	-
Lease liabilities	57,545	8.20	464,549	3,221	3,221	10,307	447,800
	693,126		1,248,325	509,021	14,218	93,816	631,270

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.6 Market risk

cash flows.

#### 31.6.1 Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Indonesia Rupiah ("IDR").

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denomina	ated in IDR
Group	2023 RM'000	2022 RM'000
Balances recognised in the statement of financial position		
Trade payables	902	233
Net exposure	902	233

The impact of the changes in foreign currency exchange rate is not expected to have any material financial impacts to the current period financial statements of the Group, thus no sensitivity analysis performed.

#### 31.6.2 Profit margin risk

profit margin rates.

Risk management objectives, policies and processes for managing the risk

The Group and the Company adopt a policy of ensuring that almost all borrowings are on a fixed profit margin basis.

# NOTES TO THE FINANCIAL STATEMENTS

Market risk is the risk that changes in market prices, such as profit margin rate that will affect the Group's financial position or

The Group's and the Company's fixed rate borrowings is exposed to a risk of change in its fair value due to changes in

#### 31.6 Market risk (continued)

#### 31.6.2 Profit margin risk (continued)

#### Exposure to profit margin risk

The profit margin profile of the Group's and the Company's significant profit margin bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Gro	oup	Com	pany
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	91,475	114,913	90,140	111,690
Financial liabilities	(776,679)	(774,487)	(245,677)	(272,039)
	(685,204)	(659,574)	(155,537)	(160,349)
Floating rate instruments				
Financial assets	-	-	360,398	342,544
Financial liabilities	(128,134)	(159,471)	(407,518)	(405,419)
	(128,134)	(159,471)	(47,120)	(62,875)

As at 31 December 2023, the Group's and the Company's exposure to the variable profit margin risk are the amount due to related companies, loans and borrowings, amount due from subsidiaries and lease liabilities which carries profit margin rates as stated in Note 20, Note 18 and Note 13.

#### Profit margin risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in profit margin rates at the end of the reporting period would not affect profit or loss.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.6 Market risk (continued)

31.6.2 Profit margin risk (continued)

#### Profit margin risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments

constant.

Group
Floating rate instruments

## Company

Floating rate instruments

#### Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

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 instrume	ents carried at fair	value	Carrying
	Level 1	Level 2	Level 3	Total	amount
Group	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Financial assets					
Unquoted shares	-	-	1,825	1,825	1,825
2022					
Financial assets					
Unquoted shares	-	-	1,825	1,825	1,825

# NOTES TO THE FINANCIAL STATEMENTS

A change of 100 basis points ("bp") in profit margin rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain

Profit or loss					
100 bp	100 bp	100 bp	100 bp		
increase	decrease	increase	decrease		
2023	2023	2022	2022		
RM'000	RM'000	RM'000	RM'000		
(974)	974	(1,212)	1,212		
(358)	358	(478)	478		

#### 31.7 Fair value information (continued)

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 (continued).

	Fair value of fi	nancial instrumer	nts not carried at f	air value	Carrying
	Level 1	Level 2	Level 3	Total	amount
Group	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Financial liabilities					
Sukuk Wakalah Medium Term Notes – secured	-	-	(637,302)	(637,302)	(650,000)
Term Financing					
Commodity Murabahah Term Financing-i	-	-	(49,366)	(49,366)	(49,189)
Commodity Murabahah Term Financing-i	-	-	(81,990)	(81,990)	(92,134)
	-	-	(768,658)	(768,658)	(791,323)
2022					
Financial liabilities					
SUKUK Murabahah Medium Term Notes – unsecured	_	-	(644,513)	(644,513)	(650,000)
Term Financing					
Commodity Murabahah Term					
Financing-i	-	-	(46,819)	(46,819)	(46,887)
Commodity Murabahah Term					
Financing-i	-	-	(113,069)	(113,069)	(127,471)
	-	-	(804,401)	(804,401)	(824,358)

#### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.7 Fair value information (continued)

The table below analyses financial instruments 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 (continued).

	Fair value of	financial instrum	ents carried at fai	r value	Carrying
	Level 1	Level 2	Level 3	Total	amount
Company	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Financial assets					
Unquoted shares	-	-	1,825	1,825	1,825
Financial liabilities					
Amount due to subsidiary	-	-	(207,556)	(207,556)	(186,635)
2022					
Financial assets					
Unquoted shares	-	-	1,825	1,825	1,825
Financial liabilities					
Amount due to subsidiary	-	-	(214,494)	(214,494)	(214,494)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

#### Туре

- Amount due to related companies
- Loans and borrowings

# NOTES TO THE FINANCIAL STATEMENTS

## Description of valuation technique and inputs used

Discounted cash flows using a rate based on the current market rate of borrowing of the Group and Company at the entities reporting date.

#### 31.7 Fair value information (continued)

Financial instruments carried at fair value

Туре	Description of valuation technique and in	puts used		
Unquoted shares	Net assets value at the entities reporting date.			Total borrow
				Lease liabilitie
Interest rates used to determine f	inancial instrument			Less: Cash ar
The interest rates used to discour	t estimated cash flows, when applicable, are as follows:			Less: Other in
				Net debt
		2023	2022	Total equity
				Debt-to-equ
finance lease receivables	due from subsidiaries and related companies and	5.44%	5.44%	There was no

#### 32. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During the year, the Group's strategy was to maintain the debt-to equity ratio less than one time.

#### 32. CAPITAL MANAGEMENT (CONTINUED)

The debt-to-equity ratios at 31 December 2023 and at 31 December 2022 were as follows:

		Group	
	-	2023	2022
	Note	RM'000	RM'000
Total borrowings	18	827,323	856,358
_ease liabilities		77,490	77,600
ess: Cash and cash equivalents	14	(82,465)	(116,200)
Less: Other investments	8	(59,895)	(27,923)
Net debt		762,453	789,835
Total equity		1,313,163	1,307,108
Debt-to-equity ratios		0.58	0.60

There was no change in the Group's approach to capital management during the financial year.

#### 33. CAPITAL AND OTHER COMMITMENTS

Property, plant and equipment

Authorised but not contracted for: Within one year

#### Plantation development expenditure

Authorised but not contracted for: Within one year

# NOTES TO THE FINANCIAL STATEMENTS

Gro	oup	Com	pany
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000
76,050	69,269	12,114	7,669
34,877	34,458	682	2,179
110,927	103,727	12,796	9,848

#### 34. RELATED PARTIES

## Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 13 and 20.

	Gro	Group Company		bany
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
A. Holding corporation				
Expenses				
Rental of land	(3,221)	(2,928)	(3,221)	(2,928)
Rental of office space	(1,015)	(86)	(1,015)	(86)
B. Related companies				
Expenses				
Purchase of insurance	(3,736)	-	(439)	-
Purchase of flight tickets	(709)	(392)	(21)	(8)
C.Subsidiaries companies				
Income				
Profit margin income from subsidiaries receivables	-	-	30,192	3,677
Expenses				
Management fees	-	-	(6,297)	(8,965)
Profit margin expense from subsidiaries payables	-	-	(15,583)	(8,925)
D.Key management personnel				
Non-executive directors				
- Fees	(2,111)	(1,802)	(775)	(650)
Other key management personnel				
- Short-term employee benefits	(1,462)	(1,112)	(1,462)	(1,112)
	(3,573)	(2,914)	(2,237)	(1,762)

In the opinion of the Directors, the financial statements set out on pages 140 to 244 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Dr. Ahmad Kushairi bin Din Chairman

**Muhammad Ramizu bin Mustaffa** Director

Kuala Lumpur,

#### Date: 7 March 2024

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

For certain salaried key management personnel, the Group also contributes to state plans at the rate which is higher than statutory rate.

# **STATEMENT BY DIRECTORS** PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

# **INDEPENDENT AUDITORS' REPORT**

I, Marliyana binti Omar, the officer primarily responsible for the financial management of TH Plantations Berhad, do solemnly and sincerely declare that the financial statements set out on pages 140 to 244 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named Marliyana binti Omar, NRIC: 810605-06-5400, MIA CA 30527, in Kuala Lumpur in the Federal Territory on 7 March 2024.

Marliyana binti Omar

Before me:



#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of TH Plantations Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 140 to 244.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Group - Impairment of plantation assets

Refer to Note 1 (d)(i) and (ii) - Basis of preparation: Use of estimates and judgements - Recoverable amount of bearer plant and plantation development expenditure and right-of-use assets ("plantation assets") and assets held for sale, Note 2 (j) - Material accounting policy: Impairment, Note 3 - Property, plant and equipment, Note 4 - Right-of-use assets, Note 5 - Plantation development expenditure and Note 15 - Assets classified as held for sale.

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

#### The key audit matter

During the year, the Group has performed impairment assessments on certain cash-generating units in relation to plantation assets (refer to Note 3 - Property, Plant, and Equipment; Note 4 - Right-of-Use Assets; Note 5 - Plantation Development Expenditure; and Note 15 - Assets Classified as Held for Sale), either based on valuations performed by registered valuers or value-in-use calculations performed by the Group, to determine the estimated recoverable amounts of those plantation assets.

Where the recoverable amount is lower than the carrying amount of the plantation assets, the carrying amounts of the assets are reduced to their estimated recoverable amounts, and the difference is regarded as an impairment loss.

The key assumptions applied by the Group and registered valuers in determining the recoverable amounts are highly sensitive. They could significant affect the carrying amount of the assets as well as any impairment charge for the year.

We identified impairment of plantation assets as a key audit matter because:

- the carrying amounts of these plantation assets were significant to the financial statements of the Group;
- there was significant judgement involved in evaluating the key assumptions used in the discounted cash flows by the independent valuer such as cash flows period, expected projected yield, sales price, upkeep and maintenance cost and discount rates;
- there was significant judgement involved in evaluating the key assumptions used in the value in use calculations performed by the Group such as cash flows period, expected projected yield, sales price, upkeep and maintenance cost and discount rates;
- there was no direct comparable prices to the recent market transaction; and
- there was no active market for certain plantation assets.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Assessed the feasibility and progress of the proposed planned disposal group to determine the classification of assets held for sale;
- ii. Non-binding offer from prospective buyers
  - read the non-binding offer between the Group and offer from prospective buyers;
  - read the minutes of discussion between the Group and the prospective buyers in relation to the status or progress of the disposal plan;
  - read the letter correspondences from both parties in relation to progress of the proposed planned disposal group; and
  - assessed the appropriateness of classification of assets based on the offer received from prospective buyers in line with relevant accounting standards.

#### Key Audit Matters (continued)

#### Group – Impairment of plantation assets (continued)

Refer to Note 1 (d)(i) and (ii) - Basis of preparation: Use of estimates and judgements - Recoverable amount of bearer plant and plantation development expenditure and right-of-use assets ("plantation assets") and assets held for sale, Note 2 (j) - Material accounting policy: Impairment, Note 3 - Property, plant and equipment, Note 4 - Right-of-use assets, Note 5 - Plantation development expenditure and Note 15 - Assets classified as held for sale. (continued)

#### How the matter was addressed in our audit (continued)

We performed the following audit procedures, among others (continued):

- iii. Value in use calculations as prepared by the Group
  - evaluated the value in use calculations and the process by which they were developed;
  - compared the value in use calculations to the Group's approved business plans;
  - compared previous value in use calculations to current year results to assess the performance of the business and the reliability of the forecasting process;
  - evaluated the appropriateness of the following key assumptions used in the value in use calculations as performed by the Group;
    - a) Commodity price compared the price used in forecast against external source;
    - b) Cashflow period compared the cash flow period to the historical production cycle of the plantation assets;
    - c) Upkeep and maintenance costs compared the assumptions to the cost of similar estates and with our expectation based on our knowledge of the industry;
    - d) Production quantity compared the assumptions to the historical production based on age of the trees and planted areas; and
    - e) Discount rate compared the discount rate to industry practice and external source;
  - considered the sensitivity analysis of the key assumptions;
  - checked the accuracy and relevance of the key input data used in the value in use calculations as provided by the Group; and
  - assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessments to changes in key assumptions reflect the risks inherent in the valuation of plantation asset.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

#### Key Audit Matters (continued)

#### Group - Impairment of plantation assets (continued)

Refer to Note 1 (d)(i) and (ii) - Basis of preparation: Use of estimates and judgements - Recoverable amount of bearer plant and plantation development expenditure and right-of-use assets ("plantation assets") and assets held for sale, Note 2 (j) - Material accounting policy: Impairment, Note 3 - Property, plant and equipment, Note 4 - Right-of-use assets, Note 5 - Plantation development expenditure and Note 15 - Assets classified as held for sale. (continued)

#### How the matter was addressed in our audit (continued)

We performed the following audit procedures, among others (continued):

- iv. Valuations performed by registered valuers
  - evaluated the registered valuer's competency, capabilities and objectivity;
  - read the valuation report and interviewed the valuer to understand the methodology used by the valuer in deriving the market value of plantation assets;
  - evaluated the appropriateness of the following key assumptions used in the discounted cash flows;
    - a) Commodity price compared the price used in forecast against external source;
    - b) Cashflow period compared the cash flow period to the historical production cycle of the plantation assets;
    - c) Upkeep and maintenance costs compared the assumptions to the cost of similar estates and with our expectation based on our knowledge of the industry;
    - d) Production quantity compared the assumptions to the historical production based on age of the trees and planted areas;
    - e) Discount rate compared the discount rate to industry practice and external source; and
    - f) Terminal value compared the plantation land value per hectare to recent market transactions;
  - checked the accuracy and relevance of the key input data provided by the group to the registered valuers;
  - evaluated the Group's basis in adopting valuations performed by a registered valuer in prior year for one of the Group's subsidiary is still relevant for the current year to industry practice and external source; and
  - assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessments to changes in key assumptions reflect the risks inherent in the valuation of plantation asset.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

#### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Reguirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 7 to the financial statements.

#### **Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG PLT (LLP0010081-LCA & AF 0758) Chartered Accountants

Petaling Jaya Date: 7 March 2024

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TH PLANTATIONS BERHAD (REGISTRATION NO. 197201001069 (12696-M)) (INCORPORATED IN MALAYSIA)

Muhammad Azman Bin Che Ani Approval Number: 02922/04/2024 J Chartered Accountants

# **PROPERTIES OWNED BY THP GROUP**

AT 31 DECEMBER 2023



Karangan Bintulu, Sarawak

## **PROPERTIES OWNED BY THP GROUP** AT 31 DECEMBER 2023

Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
PENINSULAR MALAYSIA						
TH Plantations Berhad						
Ladang Ulu Chukai Kemaman, Terengganu	-	Leasehold	2051	902	Oil Palm Estate	18,395
Ladang Bukit Lawiang Ladang Gunung Sumalayang Kluang, Johor	-	Leasehold	2091	4,058	Oil Palm Estate	79,214
Kilang Sawit Bukit Lawiang Kluang, Johor TUD Kata Babagia Sdr. Bhd <sup>1</sup>	35	Leasehold	2091	10^	Palm Oil Mill	8,500
<b>THP Kota Bahagia Sdn. Bhd.<sup>1</sup></b> Ladang Kota Bahagia	_	Leasehold	2071 and	1,858	Oil Palm	30,971
Keratong, Pahang	-	Leasenoid	2071 and 2073	1,050	Estate	50,971
Kilang Sawit Kota Bahagia Keratong, Pahang	48	Leasehold	2071	9.804^	Palm Oil Mill	8,316
Ladang Sungai Mengah Keratong, Pahang	-	Leasehold	2073, 2090 and 2093	2,196	Oil Palm Estate	32,485
Ladang Sungai Buan Keratong, Pahang	-	Leasehold	2093 and 2108	1,795	Oil Palm Estate	33,592
Ladang Sungai Merchong Muadzam Shah, Pahang	-	Leasehold	2085	1,720	Oil Palm Estate	34,07
THP lbok Sdn. Bhd. <sup>2</sup>						
Ladang Sungai Ibok Kemaman, Terengganu	-	Leasehold	2042 and 2052	924	Oil Palm Estate	18,176
SABAH						
THP Sabaco Sdn. Bhd.						
Ladang Sungai Tenegang Ladang Sungai Koyah Lahad Datu, Sabah	-	Leasehold	2083	3,886	Oil Palm Estate	153,927
Kilang Sawit Sungai Tenegang Lahad Datu, Sabah	32	Leasehold	2083	50^	Palm Oil Mill	12,045
Ladang Bukit Gold Lahad Datu, Sabah	-	Leasehold	2076	2,020	Oil Palm Estate	81,84

Ladang NCR Saribas

Pusa, Sarawak

Location	Approximate Age Of Building	
SABAH	Building	
THP Sabaco Sdn. Bhd.		
Ladang Mamahat Kota Marudu, Sabah	-	
Kilang Sawit Ladang Mamahat Kota Marudu, Sabah	15	
THP Bukit Belian Sdn. Bhd.		
Ladang Bukit Belian Sandakan, Sabah	-	
TH-Bonggaya Sdn. Bhd.		
Ladang Klagan 1		
Ladang Klagan 2		
Ladang Klagan 3	-	I
Ladang Klagan 4		-
Ladang Klagan 5 Sandakan, Sabah		
TH-USIA Jatimas Sdn. Bhd.		
Ladang Jatimas Sandakan, Sabah	-	L
Ladang Jati Keningau Sdn. Bhd.		
Ladang Jati Keningau Sandakan, Sabah	-	
SARAWAK		
THP Saribas Sdn. Bhd.		
Ladang Kenyalang		
Ladang Raja Udang		
Ladang Enggang	-	
Ladang Merbok		

# PROPERTIES OWNED BY THP GROUP AT 31 DECEMBER 2023

:	Tenure	Year Of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
	Leasehold	2096, 2098 and 2099	2,936	Oil Palm Estate	92,255
	Leasehold	2096	25^	Palm Oil Mill	9,559
	Leasehold	2887	1,088	Oil Palm Estate	36,462
	Licensed for 100 years	2098	10,117	Forestry	131,097
	Licensed for 100 years	2098	4,046	Forestry	50,799
	Leasehold	2078	1,550	Teak Estate	27,072
	Leasehold	2060	9,955 <b>•</b>	Oil Palm Estate	299,743

PLANTATIONS						
Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
SARAWAK						
THP Saribas Sdn. Bhd.						
Kilang Sawit Ladang Raja Udang Pusa, Sarawak	11	Leasehold	2060	9^	Palm Oil Mill	39,629
Hydroflow Sdn. Bhd.						
Ladang Sungai Kerian Samarahan, Sarawak	-	Leasehold	2064 and 2067	5,555	Oil Palm Estate	118,524
TH PELITA Gedong Sdn. Bhd.						
Ladang Gedong Ladang Sematan Serian, Sarawak	-	Leasehold	2058	7,967	Oil Palm Estate	232,978
Kilang Sawit Gedong Serian, Sarawak	19	N/a*	N/a	217*	Palm Oil Mill	31,504
TH PELITA Sadong Sdn. Bhd.						
Ladang Sadong Ladang Lupar Serian, Sarawak	-	Leasehold	2060	4,549	Oil Palm Estate	162,665
TH PELITA Simunjan Sdn. Bhd.						
Ladang Kepayang Ladang Semalatong Samarahan, Sarawak	-	Not available as the estate is located on NCR land. Perimeter survey had been completed. LCDA is finalising the participant list before Principle Deed and Trust Deed finalised.	-	9,630³	Oil Palm Estate	126,930
		The land shall be alienated to TH PELITA Simunjan Sdn. Bhd. for a period of sixty (60) years pursuant to the Simunjan Joint Venture Agreement.			Louie	

#### TH PLANTATIONS BERHAD

## PLANTATIONS

Location	Approximate Age Of Building	Tenure	Year Of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
SARAWAK						
TH PELITA Beladin Sdn. Bhd.						
Ladang NCR Beladin, Sarawak		Not available as the estate is located on NCR land. Principle Deed and Trust Deed had been finalised on 28 October 2020. However LCDA reviewed the Principle Deed and Trust Deed for amended. The land shall be alienated to TH PELITA Beladin Sdn. Bhd. for a period of sixty (60) years pursuant to the Beladin Joint Venture Agreement.	-	1,5774	Oil Palm Estate	30,979
TH PELITA Meludam Sdn. Bhd.						
Ladang Tanjung Lilin Ladang Semarang Meludam, Sarawak	-	Leasehold	2066	6,009	Oil Palm Estate	158,973
Bumi Suria Ventures Sdn. Bhd.						
Ladang Sungai Arip Ladang Sungai Karangan Sibu-Bintulu, Sarawak	-	Leasehold	2065 and 2066	6,514	Oil Palm Estate	143,353*
PT Persada Kencana Prima						
Ladang Menjelutung		Leasehold	2052	6,929	Oil Palm Estate	96,147

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TH PELITA Meludam Sdn. Bhd.
Ladang Tanjung Lilin -
Ladang Semarang
Meludam, Sarawak
Bumi Suria Ventures Sdn. Bhd.
Ladang Sungai Arip -
Ladang Sungai Karangan
Sibu-Bintulu, Sarawak
PT Persada Kencana Prima
Ladang Menjelutung

# PROPERTIES OWNED BY THP GROUP AT 31 DECEMBER 2023

## PROPERTIES OWNED BY THP GROUP AT 31 DECEMBER 2023

#### HOSPITALITY

Location	Approximate Age Of Building	Tenure S	Area q feet	Description	Net Book Value RM'000
PENINSULAR MALAYSIA					
Tanjung Tuan Resort, Port Dickson, Negeri Sembilan	34	-	1,222	1 Unit 3 Rooms Apartment	8
Awana Kijal Resort, Kijal, Terengganu	21	-	816	1 Unit 3 Rooms Apartment	35

Notes:

1. Registered under the ownership of Lembaga Tabung Haji.

2. Registered under the ownership of Syarikat Peladang LUTH Sdn Bhd. The former name of THP Ibok Sdn. Bhd.

3. Gross area as stated in the Simunjan Joint Venture Agreement.

4. Gross area as stated in the Beladin Joint Venture Agreement.

\* On 13 September 2012, TH PELITA Gedong Sdn. Bhd. received an offer from the Ministry of Resource Planning and Environment for the alienation of the land alongside Lot 166, Block 6 of Melikin Land District, where the Gedong Palm Oil Mill is located and TH PELITA Gedong Sdn. Bhd. is currently undertaking the procedures for the alienation of said land.

• As per MSPO requirement.

^ Part of the titled area under Ladang Kota Bahagia (Kilang Sawit Kota Bahagia), Ladang Bukit Lawing (Kilang Sawit Bukit Lawiang), Ladang Sungai Tenegang (Kilang Sawit Sungai Tenegang), Ladang Mamahat (Kilang Sawit Ladang Mamahat) and Ladang Raja Udang (Kilang Sawit Ladang Raja Udang).

# Includes the net book value of land owned under Maju Warisanmas Sdn. Bhd. Amounting to RM4.01 million.

N/a Not applicable.

Company	Office/Estates	Designation	Mailing Address	Location Address
Head of Operations	Head of Operations Tel No. : 03-26034817	Mohd Jafri Arshad Head Of Operations	Level 17 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur	Level 17 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur
Peninsular Region	Plantation Controller (Peninsular Office) HP No.: 019-888 5990 Email : tuah@thplantations.com	Tuah Nawi Plantation Controller Peninsular Region	Karung Berkunci 522, 86009 Kluang, Johor	Ladang Bukit Lawiang, Karung Berkunci 522, 86009 Kluang, Johor
TH Plantations Berhad	Ladang Bukit Lawiang Tel No. : 07-7863063/7891658 Email : llawiang@thplantations.com	Mat Faisal Ismail (Senior Manager)	Karung Berkunci 522 86009 Kluang, Johor	Lot PTD 4747, 4748, 4749, 4750, 4751, 4752 KM20, Jalan Kluang-Kota Tinggi 86000 Kluang Johor
	<b>Ladang Gunung Sumalayang</b> Tel No. : 07-7863444 Email : lsumalayang@thplantations.com	Alinan Kadar (Manager)	Karung Berkunci 535 86009 Kluang Johor	Lot PTD 4743, 4744, 4745, 4746, 4747, 4748 & 4749 KM20, Jalan Kluang-Kota Tinggi 86000 Kluang Johor
	<b>Ladang Ulu Chukai</b> Tel No. : 09-8676336 Email : lchukai@thplantations.com	Hj Mahya Masrom (Manager)	Peti Surat 2 24107 Kijal, Kemaman Terengganu	Jalan Jerangau - Jabor (Penghantar 2) 24000 Kemaman Terengganu
	Kilang Sawit Bukit Lawiang Tel No. : 07-7864540/7892909 Email : klawiang@thplantations.com	Kamar Jamian (Senior Manager)	Peti Surat 114, 86007 Kluang Johor	KM 20, Jalan Kluang- Kota Tingg 86007 Kluang Johor
THP Kota Bahagia Sdn Bhd	Ladang Kota Bahagia Tel No. : 09-4524826 Email : Ikbahagia@thplantations.com	Azma Syhihan Ariffin (Acting Manager)	Peti Surat 19 26700 Muadzam Shah Pahang	Lot PT 288, 289, 306 Mukim Keratong, Daerah Rompin 26700 Muadzam Shah Pahang
	<b>Ladang Sungai Mengah</b> Tel No. : 09-4524979 Email : lsgmengah@thplantations.com	Mohd Johari Md Daud (Senior Manager)	Peti Surat 21 26700 Muadzam Shah Pahang	Lot PT 2549, 2333, 305 Mukim Keratong, Daerah Rompin 26700 Muadzam Shah Pahang
	<b>Ladang Sungai Buan</b> Tel No. : 09 - 4524996 Email : lsgbuan@thplantations.com	Tengku Jamalluddin Tuan Abdullah (Manager)	Peti Surat 18 26700 Muadzam Shah Pahang	Lot PT 2297, 11440 & 11451 Mukim Keratong, 26700 Muadzam Shah Pahang
	<b>Ladang Sungai Merchong</b> Tel No. : 09 - 4521069 Email : lsgmerchong@thplantations.com	Muhamad Suhaili Shahruddin (Acting Manager)	Peti Surat 4 26700 Muadzam Shah Pahang	KM10, Jalan Muadzam Shah - Kuala Rompin 26700 Muadzam Shah Pahang
	<b>Kilang Sawit Kota Bahagia</b> Tel No. : 09-4524936 Email : kskb@thplantations.com	Muhamad Murshid Mukhtar (Manager)	Peti Surat 20 26700 Muadzam Shah Pahang	Lot PT289 Bandar 14 Kota Bahagia Muadzam Shah 26700 Rompin Pahang

# CORPORATE DIRECTORY OWNED BY THP GROUP

# CORPORATE DIRECTORY OWNED BY THP GROUP

Company	Office/Estates	Designation	Mailing Address	Location Address	Company	Office/Estates	Designation	Mailing Address	Location Address		
THP Ibok Sdn Bhd Sabah Region (Oil Palm)	Ladang Sungai Ibok Tel No. : 09-8676543 Email : libok@thplantations.com Plantation Controller (Sabah Region Office)	Hj. Mahya Masrom (Manager) Abdullah Asya'ari Junoh	Peti Surat 2 24107 Kijal Kemaman, Terengganu Block 1, 1 <sup>st</sup> Floor Lot 7, Utama Zone 3	Jalan Jerangau - Jabor (Penghantar 2) 24000 Seri Bandi Kemaman, Terengganu Block 1, 1 <sup>st</sup> Floor Lot 7, Utama Zone 3	TH-Bonggaya Sdn Bhd	<b>Ladang Klagan 1</b> Tel No. : 089-278018 Email : Iklagan@thplantations.com	Mohd Zaki Zainol (Acting Manager)	1 <sup>st</sup> Floor Lot 7 Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan Sabah	FMU 18, Bonggaya Forest Reserve KM 50, Jalan Sapi-Paitan, off KM95 Jalan Sandakan-Telupid Beluran Sabah		
THP Sabaco	HP No. : 019-775 3310 Email : asyaari@thplantations.com	Plantation Controller Sabah Region Suardi Abdurrachman	Commercial Mile 6, North Road 90000 Sandakan, Sabah Beg Berkunci No.12	Commercial Mile 6, North Road 90000 Sandakan, Sabah KM 41, Jln Lahad Datu-Sandakan		<b>Ladang Klagan 2</b> Tel No. : 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Zainol (Acting Manager)	1 <sup>st</sup> Floor Lot 7 Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan	FMU 18, Bonggaya Forest Reserve KM 50, Jalan Sapi-Paitan, off KM95 Jalan Sandakan-Telupid		
Sdn Bhd	Tel No. : 089-959124 Email : lstenegang@thplantations.com	(Manager)	91109 Lahad Datu Sabah	Mukim Tenegang/ Koyah 91109 Lahad Datu Sabah		<b>Ladang Klagan 3</b> Tel No. : 089-278018	Mohd Zaki Zainol (Acting Manager)	Sabah 1 <sup>St</sup> Floor Lot 7 Utama	Beluran Sabah FMU 18, Bonggaya Forest Reserve		
	<b>Ladang Sungai Koyah</b> Tel No : 089-959814 Email : lsgkoyah@thplantations.com	Jalaludin Sukri (Manager)	Beg Berkunci No 6 91109 Lahad Datu Sabah	KM 41, Jln Lahad Datu-Sandakan 91109 Lahad Datu Sabah		Email : lklagan@thplantations.com		Commercial Mile 6, North Road 90000 Sandakan Sabah	KM 50, Jalan Sapi-Paitan, off KM95 Jalan Sandakan-Telupid Beluran Sabah		
	Ladang Bukit Gold Tel No. : 089-959819 Email : lbgold@thplantations.com	Juna Palatuwi (Senior Manager)	Peti Surat 60389 91113, Lahad Datu, Sabah	KM 20 Jalan Jeroco, Off KM20 Jalan Lahad Datu-Sandakan 91113 Lahad Datu Sabah		Ladang Klagan 4 Tel No. : 089-278018 Email : Iklagan@thplantations.com	Mohd Zaki Zainol (Acting Manager) Mohd Zaki Zainol	1 <sup>St</sup> Floor Lot 7 Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan Sabah 1 <sup>St</sup> Floor Lot 7 Utama	FMU 18, Bonggaya Forest Reserve KM 50, Jalan Sapi-Paitan,		
	<b>Ladang Mamahat</b> Tel No. : 089 - 279013 Email : Imamahat@thplantations.com	Abdul Kahar Sariman (Senior Manager)	PPM 184, Jalan Elopura 90000 Sandakan Sandakan, Sabah	KM 158, Jalan Telupid Paitan Beluran, Sabah					off KM95 Jalan Sandakan-Telupid Beluran Sabah FMU 18, Bonggaya Forest		
	<b>Kilang Sawit Sungai Tenegang</b> Tel No. : 089-959812 Email : kstenegang@thplantations.com	Aizuddin Abdul Hamid Peti Surat 6 (Manager) 91115 Lahad	(Manager)	izuddin Abdul Hamid Peti Surat 60626 Manager) 91115 Lahad Datu	KM 41, Jalan Lahad Datu- Sandakan 91115 Lahad Datu Sabah			Tel No. : 089-278018 Email : Iklagan@thplantations.com	(Acting Manager)	Zone 3 Commercial Mile 6, North Road 90000 Sandakan	Reserve KM 50, Jalan Sapi-Paitan, off KM95 Jalan Sandakan-Telupid
	<b>Kilang Sawit Ladang Mamahat</b> Tel No. : 089-278023 Email : kmamahat@thplantations.com	Abdul Naziz Ashady Abdul Rahman ( Manager )	Beg Berkunci No.29 89109 Kota Marudu Sabah	KM158, Jln Telupid - Paitan, Labuk/Sugut 90000 Beluran Sabah	TH-Usia Jatimas Sdn Bhd	Ladang Jatimas Tel No. : 089-278036 Email : ljatimas@thplantations.com	Mohd Zaki Zainol (Acting Manager)	Sabah 1 <sup>st</sup> Floor Lot 7 Utama Zone 3 Commercial Mile 6, North Road	Beluran Sabah FMU 18, Bonggaya Forest Reserve KM 50, Jalan Sapi-Paitan, off KM95		
THP Bukit Belian Sdn Bhd	<b>Ladang Bukit Belian</b> Tel No:089-278030/279031 Email :lbelian@thplantations.com	Martin Soili (Manager)	WDT 167 Kota Kinabatangan 90200 Sandakan	CL 075109518, Mukim Segaliud 90200 Sandakan				90000 Sandakan Sabah	Jalan Sandakan-Telupid Beluran Sabah		
			Sabah	Sabah	Ladang Jati Keningau Sdn Bhd	<b>Ladang Jati Keningau</b> Tel No. : 089-278036 Email : keningau@thplantations.com	Mohd Zaki Zainol (Acting Manager)	1 <sup>st</sup> Floor Lot 7 Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan Sabah	FMU 18, Bonggaya Forest Reserve KM 50, Jalan Sapi-Paitan, off KM95 Jalan Sandakan-Telupid Beluran Sabah		

# CORPORATE DIRECTORY OWNED BY THP GROUP

# CORPORATE DIRECTORY OWNED BY THP GROUP

Company	Office/Estates	Designation	Mailing Address	Location Address	Company	Office/Estates	Designation	Mailing Address	Location Address
Sarawak Region 1	Plantation Controller (Sarawak Region 1 Office) Tel No. : 010-4251101 HP No. : 019-2887147 Email : rozali@thplantations.com	Rozali Md Desa Plantation Controller (Sarawak Region 1)	1 <sup>st</sup> , SL 25 Jln Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok, Sarawak	1 <sup>st</sup> , SL 25 Jln Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok, Sarawak	Bumi Suria Ventures Sdn Bhd	<b>Ladang Sungai Karangan</b> Tel No. : 084-375831 Email : Iskarangan@thplantations.com	Md Faizal Yusuf (Manager)	KM91, Jalan Bintulu- Sibu P.O. Box 3325 97000 Bintulu Sarawak	Lot 5, Block 16, Sangan Land District & Lot 2, Block 8, Anap Land District 97200 Bintulu Sarawak
THP Saribas Sdn Bhd	<b>Ladang Kenyalang</b> Tel No. : 013-8370535 Email : lkenyalang@thplantations.com	Girman @ Perman Sirah (Senior Manager)	KM20 Jalan Pusa- Sessang 94950 Pusa Sarawak	KM20 Jalan Pusa - Sessang 94950 Pusa Sarawak	_	<b>Ladang Sungai Arip</b> Tel No. : 084-375830 Email : lsarip@thplantations.com	Ahmad Mazwan Jamaludin (Manager)	KM91, Jalan Bintulu- Sibu P.O. Box 3325 97000 Bintulu	Lot 1, Block 19 & 20, Lot 2, Blo 20 Arip Land District 97000 Bintulu
	Ladang Raja Udang Tel No. : 013-8627147 Email : lrudang@thplantations.com	Syamsul Izwan Asri (Manager)	KM 11, Jalan Pusa - Sessang, 94950 Pusa Sarawak	KM 11, Jalan Pusa - Sessang, 94950 Pusa Sarawak	Sarawak Region 2	Plantation Controller (Sarawak Region 2 Office) HP No. : 019-8832991 Email : ghazali.talib@thplantations.com	Ghazali Abd. Talib Plantation Controller (Sarawak Region 2)	Sarawak D/A TH Pelita Gedong Sdn. Bhd. P.O Box 32 94700 Serian Sarawak	Sarawak KM. 8, Jalan Gedong 94700 Serian Sarawak
	Ladang Enggang Tel No. : 083- 474910 Email : lenggang@thplantations.com	Nazim Abdul Hamid (Manager) Sazali Zainol	KM6 Jalan Pusa - Sessang, 94950 Pusa, Sarawak KM7,Jalan Besar Pusa	KM6 Jalan Pusa - Sessang, 94950 Pusa, Sarawak Lot 446. Blok 18 Awik Krian	TH Pelita Gedong Sdn Bhd	Ladang Gedong      Tel No. : 019-8185513      Email : lgedong@thplantations.com	Abang Ahmad Saifulhadi Abang Iskandar (Senior Manager)	P.O Box 32 94700 Serian Sarawak	KM. 8, Jalan Gedong 94700 Serian Sarawak
	Tel No. : 083-485901 Email : Imerbok@thplantations.com Ladang NCR Saribas Tel No. : 013-8370535	(Manager) Girman @ Perman	94950 Pusa Sarawak KM20 Jalan Pusa-	Land District Betong, Sarawak KM20 Jalan Pusa - Sessang 94950 Pusa, Sarawak		<b>Ladang Sematan</b> Tel No. : 019-8243657 Email : lsematan@thplantations.com	Helmi Mokhtarrudin (Manager)	KM 8, Jalan Gedong Serian, P.O Box 32 94700 Serian Sarawak	Lot No. 2 Blok 6, Mukim Melikir Land Lubuk Meringang & Sungai Tampui Batang Kerang 94700 Serian Sarawak
	Email : lkenyalang@thplantations.com Kilang Sawit Ladang Raja Udang Tel No. : 083-485930/016-7631802 Email : kru@thplantations.com	Sirah (Senior Manager) Zamaludin Sarkawi (Manager)	Sessang 94950 Pusa, Sarawak Blok 3, Lot No. 44 & 45 Sablor Land District	Blok 3, Lot No. 44 & 45 Sablor Land District 94950 Pusa, Sarawak	-	<b>Kilang Sawit Gedong</b> Tel No. : 082-882908 Email : ksgedong@plantations.com	Nik Ahmad Hadhrie Nik Rosdi (Acting Manager)	KM 8, Jalan Gedong Serian, P.O Box 32 94700 Serian Sarawak	Lot 3031 & Lot 3032 Melikin Land District 94700 Serian Sarawak
TH Pelita Meludam Sdn Bhd	<b>Ladang Tanjung Lilin</b> Tel No. : 083-474914 Email : tglilin@thplantations.com	Mohamad Safri Alwi Umar (Manager)	94950 Pusa, Sarawak KM4, Jalan Pusa- Beladin 94950 Pusa	KM4, Jalan Pusa - Beladin 94950 Pusa Sarawak	TH Pelita Sadong Sdn Bhd	<b>Ladang Sadong</b> Tel No. : 014-3342919 Email : lsadong@thplantations.com	Mohd Rushdi Munar (Manager)	P.O BOX 32 94700 Serian Sarawak	KM8, Jalan Gedong - Serian P.O. Box 32 94700 Serian Sarawak
	Ladang Semarang Tel No. : 019-8546030	Baharin Salleh (Manager)	Sarawak KM18, Jalan Pusa- Meludam	KM18, Jalan Pusa - Meludam 94950 Pusa, Sarawak	-	Ladang Lupar Tel No. : 019 889 8657 Email : llupar@thplantations.com	Harisfadzillah Lamat (Manager)	P.O BOX 32 94700 Serian Sarawak	KM8, Jalan Gedong - Serian 94700 Serian Sarawak
TH Pelita Beladin Sdn Bhd	Email : semarang@thplantations.com Ladang NCR Tel No. : 083-474914	Mohamad Safri Alwi Umar	94950 Pusa, Sarawak KM4, Jalan Pusa- Beladin	KM4, Jalan Pusa - Beladin 94950 Pusa	TH Pelita Simunjan Sdn Bhd	<b>Ladang Kepayang</b> Tel No. : 019-8644737 Email : kepayang@plantations.com	Singgat Anak Birai (Manager)	KM 21, Kpg Isu 94800 Simunjan Sarawak	KM 21, Kpg Isu 94800 Simunjan Sarawak
	Email : tglilin@thplantations.com	(Manager)	94950 Pusa Sarawak	Sarawak	-	<b>Ladang Semalatong</b> Tel No. : 082-804907 Email : semelatong@thplantations.com	Mohd Farizal Hazley Mat Yaacob (Manager)	KM 25, Kampung Semalatong 94800, Simunjan Sarawak	KM 25, Kampung Semalatong 94800, Simunjan Sarawak
					Hydroflow Sdn Bhd	<b>Ladang Sungai Kerian</b> Tel No. : 013-8373431 (office) Email : kerian@thplantations.com	Mohadzari Johari (Manager)	Lot 1227, Jalan Kg Hulu Gedong 94700 Serian Sarawak	Lot 1227, Jalan Kg Hulu Gedon 94700 Serian Sarawak

# CORPORATE DIRECTORY OWNED BY THP GROUP

# ANALYSIS OF SHAREHOLDINGS

AS AT 20 FEBRUARY 2024

#### SHAREHOLDING STRUCTURE

Issued Shares	:	883,851,470 Ordinary Shares
Voting Rights	:	One vote per one ordinary shares held

#### ANALYSIS BY SIZE OF SHAREHOLDINGS

	No. of		No. of	
Size of Shareholdings	Holders	%	Issued Shares	%
Less than 99	310	3.00	4,778	0.00
100 to 1,000	1,218	11.78	610,002	0.07
1,001 to 10,000	6,501	62.89	28,476,461	3.22
10,001 to 100,000	2,017	19.51	62,041,174	7.02
100,001 to less than 5% of issued shares	290	2.81	140,124,424	15.85
5% and above of issued shares	1	0.01	652,594,631	73.84
Total	10,337	100.00	883,851,470	100.00

#### DIRECTORS' SHAREHOLDINGS

		No. of Ordinary Shares Held				
No.	Directors	Direct	%	Indirect	%	
1.	Datuk Dr. Ahmad Kushairi bin Din	Nil	Nil	Nil	Nil	
2.	Syed Hamadah bin Syed Othman	Nil	Nil	Nil	Nil	
3.	YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	Nil	Nil	Nil	Nil	
4.	Haji Bakri bin Jamaluddin	Nil	Nil	Nil	Nil	
5.	Muhammad Ramizu bin Mustaffa	Nil	Nil	Nil	Nil	
6.	Dr. Nurmazilah binti Dato' Mahzan	Nil	Nil	Nil	Nil	
7.	Dr. Shahril bin Simon	Nil	Nil	Nil	Nil	
8.	Kasmuri bin Sukardi	Nil	Nil	Nil	Nil	
9.	Fahda Nur binti Ahmad Kamar	Nil	Nil	Nil	Nil	

#### SUBSTANTIAL SHAREHOLDER

		No. of Ordinary Shares Held				
No.	Substantial Shareholder	Direct	%	Indirect	%	
1.	Lembaga Tabung Haji	652,594,631	73.84	Nil	Nil	

#### TOP THIRTY SHAREHOLDERS

#### No. Shareholders

- 1. Lembaga Tabung Haji
- 2. Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yayasan Pok dan Kassi
- Alliancegroup Nominees (Tempatan) Sdn. Bhd.
  Pledged Securities Account for Chong Yiew On (6000)
- 4. Pertubuhan Peladang Negeri Terengganu
- 5. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (8092)
- 6. HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC
- CIMB Islamic Nominees (Tempatan) Sdn. Bhd.
  Affin Hwang Asset Management Berhad for
  Majlis Ugama Islam dan Adat Resam Melayu Pahang
- 8. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mohd Yusuf Ali bin Ab
- 9. Neoh Choo Ee & Company, Sdn. Berhad
- 10. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for VM Team Engineering
- 11. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Hooi Hak
- 12. Amin Baitulmal Johor
- 13. Majlis Agama Islam Wilayah Persekutuan
- 14. Citigroup Nominees (Asing) Sdn. Bhd. UBS AG
- 15. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yusri Suhaimi bin Mohe
- 16 PM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (B)
- 17. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mohd Yusuf Ali bin Ab
- 18. Chee Chi Vun

# ANALYSIS OF SHAREHOLDINGS AS AT 20 FEBRUARY 2024

	No. of Shares Held	%
	652,594,631	73.84
sim	7,800,004	0.88
0006)	7,674,500	0.87
	5,870,294	0.66
2812)	5,800,000	0.66
	4,257,100	0.48
	3,977,760	0.45
odullah	3,931,200	0.45
	3,700,000	0.42
g Sdn. Bhd.	3,000,000	0.34
	2,543,700	0.29
	2,400,000	0.27
	2,400,000	0.27
	2,027,300	0.23
nd	2,000,000	0.23
	1,800,000	0.20
odullah	1,693,800	0.19
	1,536,700	0.17

AS AT 20 FEBRUARY 2024

#### TOP THIRTY SHAREHOLDERS (CONTINUED)

No.	Shareholders	No. of Shares Held	%
19.	Chua Soh Peng	1,416,000	0.16
20.	Cartaban Nominees (Asing) Sdn. Bhd. SSBT Fund OMUA for Teachers' Retirement System of the State of Illinois	1,381,800	0.16
21.	Dynaquest Sdn. Bhd.	1,200,000	0.14
22.	AMSEC Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad for Lim Huat Bee (6720-1502)	1,156,900	0.13
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Kim Tee @ Tee Ching Tee (TEE0063C)	1,054,000	0.12
24.	Tin Yong Zhou	1,020,000	0.12
25.	Tai Yat Choy	1,018,600	0.12
26.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Poh Kwee	1,000,000	0.11
27.	Tin Yong Ching	990,000	0.11
28.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chee Chi Vun (M02)	963,300	0.11
29.	Tin Yen Ru	936,000	0.11
30.	Wong Yu @ Wong Wing Yu	934,100	0.11
	TOTAL	728,077,689	82.40

NOTICE IS HEREBY GIVEN THAT the Fiftieth Annual General Meeting ("50<sup>th</sup> AGM") of TH Plantations Berhad ("THP" or "the Company") will be held on a virtual basis through live streaming from the Broadcast Venue at **Bunga Room, Level 3, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur** and via https://meeting.boardroomlimited.my on Monday, 6 May 2024 at 10.00 a.m. to transact the following businesses:

#### As Ordinary Business

- 1. To receive the Audited Financial Statements for the year Reports of the Directors and the Auditors thereon.
- To approve the payment of Directors' fees and benefit period from 7 May 2024 until the next Annual General May 2025.
- 3. To re-elect Haji Bakri bin Jamaluddin who shall retire of the Constitution of the Company and being eligible
- 4. To re-elect the following Directors, who shall retire Clause 94 of the Constitution of the Company and be re-election:
  - i. Syed Hamadah bin Syed Othman
  - ii. Dr. Nurmazilah binti Dato' Mahzan
  - iii. Dr. Shahril bin Simon
  - iv. Kasmuri bin Sukardi
  - v. Fahda Nur binti Ahmad Kamar
- 5. To re-appoint Messrs. KPMG PLT as Auditors of the opending 31 December 2024 and to authorise the Boar remuneration.

#### As Special Business

To consider, and if deemed fit, to pass with or without modif

6. Proposed Renewal of Shareholders' Mandate Transactions of a Revenue or Trading Nature

**"THAT** subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and/or its Subsidiaries to enter into existing recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.1 of the Circular to Shareholders dated 27 March 2024 with the related parties described therein provided that such transactions are necessary for the Group's day-to-day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

# NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

ar ended 31 December 2023 together with	
fits payable of up to RM1.2 million for the ral Meeting of the Company to be held in	Ordinary Resolution 1
by rotation in accordance with Clause 89 e, has offered himself for re-election.	Ordinary Resolution 2
e by casual vacancy in accordance with being eligible, have offered themselves for	
	Ordinary Resolution 3 Ordinary Resolution 4 Ordinary Resolution 5 Ordinary Resolution 6 Ordinary Resolution 7
Company in respect of the financial year rd of Directors to determine the Auditors'	Ordinary Resolution 4 Ordinary Resolution 5 Ordinary Resolution 6

#### Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Ordinary Resolution 9

## NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

AND THAT such approval granted shall take effect immediately upon passing of this Resolution and shall continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- the expiration of the period within which the next AGM of the Company after the ii forthcoming AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act"), (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by a resolution passed by the shareholders in a general meeting.

whichever is earlier.

AND THAT the Directors of the Company and/or its Subsidiaries be and are hereby authorised to do all such acts and things as may be necessary in the best interests of the Company and to give full effect to the Recurrent Related Party Transactions as authorised by this Resolution."

7. To transact any other business of which due notice shall have been received in accordance with the Act and the Constitution of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 50<sup>th</sup> AGM, the Company shall request for Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository"), in accordance with Clause 65(b) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA), to issue a Record of Depositors ("ROD") as at 29 April 2024. Only a depositor whose name appears on the ROD as at 29 April 2024 shall be entitled to attend, speak and vote at the 50th AGM or appoint proxy/proxies to attend, speak and vote on his/her behalf.

By Order of the Board

ALIATUN BINTI MAHMUD (LS0008841) (SSM PC No.201908003467) WAN NURUL HIDAYAH BINTI WAN YUSOFF (LS0008555) (SSM PC No.201908003468) Company Secretaries

Kuala Lumpur Date: 27 March 2024

#### NOTES:

1. Virtual 50<sup>th</sup> Annual General Meeting

At the Broadcast Venue of the virtual 50<sup>th</sup> AGM, only the essential individuals are physically present. NO SHAREHOLDERS are allowed to be physically present at the Broadcast Venue on the day of the virtual 50<sup>th</sup> AGM.

As such, we strongly encourage you to make use of the RPEV facilities to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, "participate") remotely at the virtual 50<sup>th</sup> AGM using RPEV facilities provided by Boardroom Share Registars Sdn. Bhd. at https://meeting.boardroomlimited.my.

Please read the notes provided in the **Administrative Guide** for further details.

#### 2. Proxy and Entitlement of Participation

- appoint proxy(ies) on his/her behalf.
- ii his/her behalf. A proxy may but need not be a member of the Company.
- iii be represented by each proxy. Each proxy appointed shall represent a minimum of 100 shares.

Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

- authorised by the corporation.
- V. vote and in default, the instrument of proxy shall not be treated as valid.
- 3. Item 1 of the Agenda Audited Financial Statements for the year ended 31 December 2023

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

# NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

## The Virtual 50<sup>th</sup> AGM of the Company will be conducted ONLINE from the Broadcast Venue and the shareholders are only allowed to participate remotely through the Remote Participation and Electronic Voting ("RPEV") facilities.

Only a Member whose name appears on the ROD as at 29 April 2024 shall be entitled to participate at the virtual 50<sup>th</sup> AGM or

A Member who is entitled to participate at the virtual 50<sup>th</sup> AGM may appoint not more than two (2) proxies to participate on

Where a Member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies his/her shareholdings to

The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly

The instrument in appointing a proxy must be deposited at the Company's Registered Office at Tingkat 23, Menara TH Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur or submitted electronically via Boardroom Smart Investor Portal at https://investor.boadroomlimited.com not less than 24 hours before the time set for holding the virtual 50th AGM or no later than Sunday, 5 May 2024 at 10.00 a.m. or any adjourned meeting at which the person named in the instrument proposes to

## NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

#### Item 2 of the Agenda 4

#### **Directors' Fees and Benefits Payable**

The fees and benefits to the Directors of the Company are paid based on the following Remuneration Structure:

#### **Director's Fees**

	Monthly	Monthly Fees		
	Chairman	Members		
Board/Board Committees	(RM)	(RM)		
Board	12,000.00	5,000.00		
Board Audit, Risk & Governance Committee	2,000.00	1,000.00		
Board Nomination & Remuneration Committee	Nil	Nil		
Board Tender Committee	Nil	Nil		
Board Investment Committee	Nil	Nil		

#### **Director's Benefits**

Meeting Allowance	Board and Board Committees meetings: RM1,000.00 per meeting
Other benefits	Medical and insurance coverage in Malaysia as well as car allowance and telephone bill for Chairman

At the last 49<sup>th</sup> AGM of the Company held on 27 June 2023, the shareholders had approved the directors' fees and benefits payable of up to RM1.2 million for the period from 28 June 2023 until the 50<sup>th</sup> AGM of the Company. The expected total amount to be utilised is approximately RM808,900.00 or 68% of the approved amount.

At the 50<sup>th</sup> AGM, the Company seeks the shareholders' approval on the directors' fees and benefits payable of up to RM1.2 million for the period from 7 May 2024 until the next AGM in May 2025. Hence, no increment in directors' fees and benefits payable as compared to the mandate obtained at the last 49<sup>th</sup> AGM.

The Board Nomination & Remuneration Committee ("BNRC") had conducted a thorough assessment of the estimated directors' fees and benefits of the THP Board, which takes into account the demands, complexities and performance of the Company as well as appropriately reflects the future needs of the Company. As a result, the BNRC concluded that the existing directors' fees and benefits payable of RM1.2 million are sufficient.

Accordingly, the Board has endorsed the BNRC's recommendation to seek shareholders' approval on Ordinary Resolution 1 based on the above justifications.

The payment of directors' fees and benefits will be made on a monthly basis or as and when incurred, after the Directors have discharged their responsibilities and rendered their services to the Company. In the event that the proposed directors' fees and benefits are insufficient (e.g. due to an increase in the Board size or holding of additional meetings of the Board and/or Board Committees), approval for additional fees will be sought at the next AGM.

#### 5. Items 3 & 4 of the Agenda **Re-election of Directors under the Constitution of the Company**

Clause 89 of the Constitution of the Company states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office. Clause 90 of the Constitution of the Company states that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

Haji Bakri bin Jamaluddin is due for retirement by rotation at the 50th AGM of the Company in accordance with Clause 89 of the Constitution of the Company. Being eligible, he has offered himself for re-election at the 50<sup>th</sup> AGM of the Company.

Clause 94 of the Constitution of the Company states that the Board shall, at any time appoint a Director to fill the casual vacancy or as an addition to the existing Board and a Director appointed under this Clause shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

Syed Hamadah bin Syed Othman, Dr. Nurmazilah binti Dato' Mahzan, Dr. Shahril bin Simon, Kasmuri bin Sukardi and Fahda Nur binti Ahmad Kamar are due for retirement by casual vacancy at the 50<sup>th</sup> AGM of the Company in accordance with Clause 94 of the Constitution of the Company. Being eligible, all of them have offered themselves for re-election at the 50th AGM of the Company.

The Board has endorsed the BNRC's recommendations to re-elect the abovementioned directors based on the satisfactory outcome of their Board Evaluation Assessment, which includes the evaluation of the directors' fit and proper criteria. All of them have demonstrated dedication, commitment and diligence as the Directors of THP, as well as effectively contribute sound and wise advice in all THP Board and Board Committees deliberations.

The profiles of the Directors standing for re-election are set out on pages 81, 83, 84, 86, 87 and 88 of Annual Report 2023.

#### 6. Item 5 of the Agenda **Re-appointment of Auditors**

The Board Audit, Risk & Governance Committee ("BARGC") is responsible to review the adequacy, competency and experience of the external auditors assigned to the audit engagement, audit guality and effectiveness and also audit fees as well as re-appointment to be recommended to the Board for approval.

Upon due assessment, the BARGC was satisfied with the work performed by the external auditors based on their quality of service, sufficiency of resources, performance, independence and professionalism as well as their ability to conduct external audit within an agreed timeline fixed by the Management.

In respect of the financial year ending 31 December 2024, the Board has endorsed the BARGC's recommendation to seek shareholders' approval on the re-appointment of KPMG PLT.

## 7. Item 6 of the Agenda ("RRPTs") ("Proposed Renewal of Shareholders' Mandate")

The proposed Ordinary Resolution 9, if passed, will allow the Company and/or its Subsidiaries to enter into the existing RRPTs with the mandated related parties provided that such transactions are necessary for the Group's day-to-day operations, carried out in the normal course of business, at arm's length, on commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

The shareholders are advised to refer to the Circular to Shareholders on the Proposed Renewal of Shareholders' Mandate dated 27 March 2024 for more information.

# NOTICE OF 50<sup>TH</sup> ANNUAL GENERAL MEETING

# Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

# **ADMINISTRATIVE GUIDE**

Date	Time	
Monday, 6 May 2024	10.00 a.m.	
Broadcast Venue		
Bunga Room, Level 3, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur		
Online Meeting Platform		
https://meeting.boardroomlimited.my		

#### IMPORTANT NOTICE

#### Virtual 50th Annual General Meeting

The virtual 50<sup>th</sup> AGM of the Company will be conducted ONLINE from the Broadcast Venue and the shareholders are only allowed to participate remotely through the Remote Participation and Electronic Voting ("RPEV") facilities.

At the Broadcast Venue of the virtual 50<sup>th</sup> AGM, only the essential individuals are physically present. NO SHAREHOLDERS are allowed to be physically present at the Broadcast Venue on the day of the virtual 50<sup>th</sup> AGM.

As such, we strongly encourage you to make use of the RPEV facilities to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, "participate") remotely at the virtual 50th AGM using RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. ("Boardroom") at https://meeting.boardroomlimited.my.

#### ENTITLEMENT OF PARTICIPATION 1.

Only a Member whose name appears on the Record of Depositors ("ROD") as at 29 April 2024 shall be entitled to participate at the virtual 50<sup>th</sup> AGM or appoint proxy(ies) on his/her behalf.

#### 2. PROXY

- A member who is entitled to participate at the virtual 50<sup>th</sup> AGM may appoint not more than two (2) proxies to participate on his/her behalf. A proxy may but need not be a member of the Company.
- ii Where a member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies his/her shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of 100 shares.
- The instrument in appointing a proxy must be deposited at the Company's Registered Office at Tingkat 23, Menara TH iii Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur or submitted electronically via Boardroom Smart Investor Portal at https://investor.boadroomlimited.com not less than 24 hours before the time set for holding the virtual 50th AGM or no later than Sunday, 5 May 2024 at 10.00 a.m., or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.
- If you wish to participate in the virtual 50<sup>th</sup> AGM, please do not submit any Proxy Form. You will not be allowed to participate in the virtual 50<sup>th</sup> AGM together with a proxy appointed by you.
- If you have submitted your Proxy Form and subsequently decide to participate in the meeting, please contact the Officer In-Charge (refer to item 10) no later than Sunday, 5 May 2024 at 10.00 a.m. to revoke the appointment of your proxy.

#### 3. CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to participate at the virtual 50th AGM should lodge the certificate of appointment under the seal of the corporation at the Company's Registered Office at Tingkat 23, Menara TH Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur or submitted electronically via Boardroom Smart Investor Portal at https://investor.boadroomlimited.com not less than 24 hours before the time set for holding the virtual 50<sup>th</sup> AGM or no later than Sunday, 5 May 2024 at 10.00 a.m., or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

#### **REMOTE PARTICIPATION AND ELECTRONIC VOTING** 4.

- Please note that the RPEV is available to:
  - Individual members; a.
  - b Corporate shareholders:
  - Authorised Nominees; and C
  - Exempt Authorised Nominees d
- ii. questions and submit your votes in real time whilst the meeting is in progress.
- iii remotely.

#### PRIOR TO THE DAY OF THE VIRTUAL 50<sup>TH</sup> AGM

## STEP 1 - REGISTER ONLINE WITH BOARDROOM SMART INVESTOR PORTAL (FOR FIRST TIME REGISTRATION ONLY)

[Note: If you have already signed up with Boardroom Smart Investor Portal ("BSIP"), you are not required to register again. You may proceed to Step 2 – Submit Request for RPEV User ID and Password]

- Access website https://investor.boadroomlimited.com a.
- Click <<REGISTER>> to sign up as a user. b
- C.
- d. (front and back) or Passport.
- For Corporate Holder, kindly upload the authorisation letter as well. Click <<SIGN UP>>. e.
- f. received to continue with the registration.
- a to complete the process.

# ADMINISTRATIVE GUIDE

If you choose to participate in the meeting online, you will be able to view a live streaming of the virtual 50<sup>th</sup> AGM, submit

Please follow the steps below on how to request for RPEV User ID and Password in order to participate at the virtual 50<sup>th</sup> AGM

Please select the correct account type i.e. sign up as <<SHAREHOLDER>> OR <<CORPORATE HOLDER>>. Complete the registration with all required information. Upload a softcopy of your or representative's MyKAD/Identification Card

You will receive an email from Boardroom for email address verification. Click <<VERIFY EMAIL ADDRESS>> from the email

Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click << REQUEST OTP CODE>> and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click <<ENTER>>

h. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.

#### **STEP 2 – SUBMIT REQUEST FOR RPEV USER ID AND PASSWORD**

[Note: The registration for RPEV will be opened on Wednesday, 27 March 2024 until Sunday, 5 May 2024. Shareholders are encourage to register at least 24 hours before the commencement of the virtual 50<sup>th</sup> AGM to avoid any delay in the registration.]

#### Registration of Individual Members

- Login to BSIP website at https://investor.boardroomlimited.com using your user ID and password from Step 1 above. a.
- Select and click on <<CORPORATE MEETING>>. b
- Go to <<TH PLANTATIONS BERHAD VIRTUAL 50<sup>™</sup> AGM>> and click on <<ENTER>>. C.
- Go to <<VIRTUAL>> and click on <<REGISTER FOR RPEV>>. d
- Read and agree to the Terms & Conditions and click <<NEXT>>. e.
- Enter your CDS Account Number and click on <<SUBMIT>> to complete your request. f.
- You will receive a notification that your RPEV registration has been received and is being verified. q.
- h Upon system verification against the 50<sup>th</sup> AGM ROD as at **29 April 2024**, you will receive an email from Boardroom either approving or rejecting your registration for the RPEV.
- If approved, RPEV credential will be provided in your email.
- Please note that one (1) User ID and Password can only log on to one (1) device at a time.

[Note: Closing for submission of request is on Sunday, 5 May 2024 at 10.00 a.m.]

#### Registration of Proxy(ies)

- а Login to BSIP website at https://investor.boardroomlimited.com using your user ID and password from Step 1 above.
- Select and click on <<CORPORATE MEETING>>. b
- Go to <<TH PLANTATIONS BERHAD VIRTUAL 50<sup>TH</sup> AGM>> and click on <<ENTER>>. С.
- Click on <<SUBMIT ePROXY FORM>>. d.
- Select the company you would like to represent (if more than one, for Corporate Shareholder). е
- Enter your CDS Account Number and number of securities held. f
- Select your proxy either the <<CHAIRMAN OF THE MEETING>> OR <<INDIVIDUAL NAMED PROXY(IES)>>. d.
- Read and accept the General Terms and Conditions and click <<NEXT>>. e.
- Enter the required particulars of your proxy(ies). f.
- а. Indicate your voting instructions <<FOR>> OR <<AGAINST>>, otherwise your proxy will decide your vote.
- Click <<APPLY>>. h.
- Download or print the eProxy form as acknowledgement.

[Note for Corporate Shareholders: if you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add Company name]

### Registration of Corporate shareholder, Authorised Nominee and Exempt Authorised Nominee

#### I. Via BSIP

- а
- b.
- Click on <<SUBMIT ePROXY FORM>>. С
- d. Select the company you would like to represent (if more than one).
- Proceed to download the file format for <<SUBMISSION OF PROXY FORM>> from BSIP. e.
- f. Prepare the file for the appointment of proxies by inserting the required data.
- Proceed to upload the duly completed proxy appointment file. g.
- Review and confirm your proxy appointment and click <<SUBMIT>>. h.
- Download or print the eProxy form as acknowledgement.

[Note: if you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add Company name]

#### II. Via email

- of shareholders and CDS Account Number.
- b. as well as his/her email address.

#### ON THE DAY OF THE VIRTUAL 50<sup>TH</sup> AGM

#### **STEP 3 – LOGIN TO THE MEETING PLATFORM**

- a. from 9.00 a.m. on Monday, 6 May 2024.
  - The Meeting Platform can be accessed via any one (1) of the following:

- С above.

#### **STEP 4 - PARTICIPATION**

b

[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition]

- a. If you would like to view the live webcast, click on the broadcast icon  $\Re$
- h
- c. Type your message within the chat box and click on <<SEND>> once completed.

[Note: Please note that the quality of the connectivity to Virtual AGM Portal for live webcast as well as for remote participation and electronic voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users].

# ADMINISTRATIVE GUIDE

Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select <<TH PLANTATIONS BERHAD VIRTUAL 50<sup>TH</sup> AGM>> from the list of Corporate Meetings and click <<ENTER>>.

To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to BSR and write in to BSR at BSR.Helpdesk@boardroomlimited.com by providing softcopy of the Form of Proxy, the name

Please provide a copy of the proxy holder's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format

The Meeting Platform will be opened for login starting one (1) hour before the commencement of the virtual 50<sup>th</sup> AGM, which is

• Scanning the QR 器 code given to you in the email along with your RPEV User ID and Password; OR

Alternatively, you may access via website URL at https://meeting.boardroomlimited.com

Enter the Meeting ID No. and sign in with the RPEV User ID and Password provided to you via the email notification in Step 2

If you would like to ask a question during the virtual 50th AGM, click on the messaging icon  $\wp^{1}$ .

## ADMINISTRATIVE GUIDE

#### **STEP 5 - VOTING**

- Once the virtual 50<sup>th</sup> AGM is open for voting, the polling icon  $\mathbb{I}^{[l]}$  will appear with the resolutions and your voting choices. а
- To vote, click on voting direction from the options provided. A confirmation message will appear to show your vote has been b. received.
- To change your vote, click on another voting director. C.
- d. If you wish to cancel your vote, please click on <<CANCEL>>.

#### **STEP 6 - END OF PARTICIPATION**

- Upon the announcement by the Chairman on the closure of the virtual 50<sup>th</sup> AGM, the live webcast will end. a.
- You can now logout from the Meeting Platform. b.

#### 5. PROCEDURE OF THE VIRTUAL 50th AGM

- The User Login Guide for participation, posing questions and voting at the virtual 50<sup>th</sup> AGM will be emailed to you together with your RPEV User ID and Password once your registration has been approved.
- The virtual 50<sup>th</sup> AGM will start promptly at 10.00 a.m. ii
- Please ensure you are connected to the internet at all times in order to participate when the virtual 50<sup>th</sup> AGM has commenced. iii Therefore, it is your responsibility to ensure that connectivity during the virtual 50<sup>th</sup> AGM is maintained. Kindly note that the quality of the live streaming is dependent on the bandwidth and the stability of the internet connection at the location of the remote participants.
- Strictly NO unauthorised recording or photography of the proceedings of the virtual 50th AGM are allowed. iv.

#### SUBMISSION OF QUESTIONS 6.

Shareholders and proxies may raise relevant questions to the Company through the following avenues:

#### (A) Prior to the day of the virtual 50<sup>th</sup> AGM

Questions may be submitted via email to info@thplantations.com no later than Sunday, 5 May 2024 at 10.00 a.m.

#### (B) On the day of the virtual 50<sup>th</sup> AGM (6 May 2024)

Questions may be submitted to the Messaging window via RPEV facilities during the live streaming.

#### 7. NO FOOD VOUCHER AND DOOR GIFTS

There will be NO DISTRIBUTION OF DOOR GIFT AND FOOD VOUCHER for members/proxies who participate in the virtual 50<sup>th</sup> AGM.

#### PERSONAL DATA PRIVACY 8.

By registering for the RPEV and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

#### 9. ANNUAL REPORT 2023, CIRCULAR TO SHAREHOLDERS AND CORPORATE GOVERNANCE REPORT 2023

- 1. Annual Report 2023
- 2. of a Revenue or Trading Nature ("RRPTs")
- 3 Corporate Governance Report 2023
- 4 Notice of the virtual 50<sup>th</sup> AGM, Administrative Guide, Proxy Form and Reguest Form

#### 10. ENQUIRIES

If you have any enquiry in relation to the virtual 50<sup>th</sup> AGM, **RPEV** and **Proxy Form**, please contact the Share Registrar of the Company during office hours as follows:

Address	:	Boardroom Share Registrars Sdn. Bh
		11 <sup>th</sup> Floor, Menara Symphony
		No. 5 Jalan Prof. Khoo Kay Khim
		Seksyen 13
		46200 Petaling Jaya
		Selangor Darul Ehsan
Tel (Helpdesk)	:	03 7890 4700
Fax	:	03 7890 4670
Email	:	BSR.Helpdesk@boardroomlimited.cc
Officer	:	Cik Nursyahirah binti Che Rahimi
		(03 7890 4754)
		(nursyahirah.cherahimi@boardrooml

# ADMINISTRATIVE GUIDE

## The following documents are available at https://ir2.chartnexus.com/thplantation/annual\_report.php

Circular to Shareholders on the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions

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nlimited.com)



I/We,		(FULL NAME IN BLOCK LETTERS)
NRIC No./Passport No./Company No		
	(RESIDENTIAL ADDRESS)	(EMAIL ADDRESS)
being member/members of TH PLANTATIONS BERHAD ("t	he Company") hereby appoint	
		(FULL NAME IN BLOCK LETTERS)
NRIC No./Passport No./Company No	of	
	(RESIDENTIAL ADDRESS)	(EMAIL ADDRESS)
or failing him/her		(FULL NAME IN BLOCK LETTERS)
NRIC No./Passport No./Company No		
	(RESIDENTIAL ADDRESS)	(EMAIL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Fiftieth Annual General Meeting ("50<sup>th</sup> AGM") of the Company to be held on a virtual basis through live streaming from the Broadcast Venue at **Bunga** Room, Level 3, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur and via https://meeting.boardroomlimited.my on Monday, 6 May 2024 at 10.00 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below:

<b>RESOLUTION NO.</b>	ORDINARY BUSINESSES	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees and benefits payable of up to		
	RM1.2 million for the period from 7 May 2024 until the next Annual General Meeting		
	of the Company to be held in May 2025.		
Ordinary Resolution 2	To re-elect Haji Bakri bin Jamaluddin as a Director.		
Ordinary Resolution 3	To re-elect Syed Hamadah bin Syed Othman as a Director.		
Ordinary Resolution 4	To re-elect Dr. Nurmazilah binti Dato' Mahzan as a Director.		
Ordinary Resolution 5	To re-elect Dr. Shahril bin Simon as a Director.		
Ordinary Resolution 6	To re-elect Kasmuri bin Sukardi as a Director.		
Ordinary Resolution 7	To re-elect Fahda Nur binti Ahmad Kamar as a Director.		
Ordinary Resolution 8	To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the		
	Board of Directors to determine the Auditors' remuneration.		
<b>RESOLUTION NO.</b>	SPECIAL BUSINESS	FOR	AGAINST
Ordinary Resolution 9	To approve the Proposed Renewal of Shareholders' Mandate for Existing Recurrent		
	Related Party Transactions of a Revenue or Trading Nature ("RRPTs").		

(Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to the voting is given, the proxy will vote or abstain at his/her own discretion)

For the appointment of two (2) proxies, the percentage of shareholdings to be represented by the proxies:

First proxy

Second Proxy

CDS Account No.

Number of Ordinary Shares Held



50<sup>TH</sup> ANNUAL GENERAL MEETING

	NO. OF SHARES	PERCENTAGE
TOTAL		100%

#### NOTES:

- i. Only a Member whose name appears on the ROD as at 29 April 2024 shall be entitled to participate at the virtual 50th AGM or appoint proxy(ies) on his/her behalf.
- ii. A Member who is entitled to participate at the virtual 50<sup>th</sup> AGM may appoint not more than two (2) proxies to participate on his/her behalf. A proxy may but need not be a member of the Company.
- iii. Where a Member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies his/her shareholdings to be represented by each proxy. Each proxy appointed shall represent a minimum of 100 shares.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

- iv. The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised by the corporation.
- v. The instrument in appointing a proxy must be deposited at the Company's Registered Office at **Tingkat 23**, **Menara TH Selborn**, **153 Jalan Tun Razak**, **50400 Kuala Lumpur** or submitted electronically via Boardroom Smart Investor Portal at https://investor.boadroomlimited.com not less than 24 hours before the time set for holding the virtual 50<sup>th</sup> AGM or **no later than Sunday**, **5 May 2024** at **10.00 a.m.** or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

#### Fold Here

STAMP

The Company Secretary TH Plantations Berhad Tingkat 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur

# **TH PLANTATIONS BERHAD**

Level 23, Menara TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur.