



**Governance**

**98**

Transparent leadership and ethical oversight

**Sustainability**

**26**

Risk management and long-term trust

**People**

**63**

Protecting morale and promoting accountability

# SUSTAINING OUR COMMITMENTS

# BASIS OF THIS REPORT

## Basis of Preparation

This report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia. We also strive to meet the Global Reporting Initiative Standards (“GRI”) 2021 in our sustainability reporting.

The financial report is aligned with the Malaysian Financial Reporting Standards (“MFRS”), Malaysian Code on Corporate Governance 2021 and the requirements of the Companies Act 2016 in Malaysia.

## Scope & Boundary

This report covers the activities, operations and impacts of TH Plantations Berhad (“THP” or “the Company”) and Group (“THP Group”) for the financial period from 1 January 2025 to 31 December 2025 (“FY2025”) unless stated otherwise. The scope of this report includes:

- All operating subsidiaries where we have significant influence;
- Both financial and non-financial performance, including key aspects of environmental, social and governance (ESG) initiatives; and
- Material topics identified as critical by stakeholders and our business strategy.

## Forward-Looking Statements


This report contains forward-looking statements that reflect current assumptions and expectations of future events. This report is subject to uncertainties and risks, which may cause actual results to differ significantly. It is important to note that these forward-looking statements do not provide any warranty or guarantee that the anticipated results will be achieved.



## Feedback


We welcome stakeholder feedback to improve the quality, relevance and inclusivity of our reporting. Your insights are essential in helping us meet stakeholder expectations and drive better outcomes.


Please share your thoughts or enquiries via:


 03-2603 4800


 [info@thplantations.com](mailto:info@thplantations.com)


## Navigation Icons


 This icon tells you where you can find more information inside this report.


 Financial Capital


 Natural Capital

 Manufactured Capital

 This icon tells you where you can find more information online at <https://thplantations.my>

 Human Capital

 Intellectual Capital

 Social & Relationship Capital

# Sustaining Our Commitments

As a responsible plantation group, we sustain our commitments by balancing environmental stewardship with disciplined governance to deliver long-term value. The plantation landscape reflects our role as a steward of natural resources, underscoring our responsibility to protect the environment while ensuring operational accountability.

Aligned with THP's AL-Falah 22/22 strategic framework, our approach integrates ethical leadership, strategic clarity and sustainability into the way we manage our business and create value. Through strong governance, innovation and operational discipline, we reinforce a resilient foundation that builds stakeholder trust and delivers positive, measurable outcomes for our people, communities and the environment.

## What's Inside This Report

### 01 Basis of This Report

### 02 Who We Are

- 2 Corporate Profile
- 4 Corporate Information
- 6 Corporate Structure

### 03 From Our Leadership

- 8 Chairman's Statement
- 14 Chief Executive Officer's Management Discussion & Analysis

### 04 How We Create Value

- 22 Key Market Trends
- 24 Value Creation Model

### 05 Our Sustainability Journey

- 26 Our Approach to Sustainability
- 37 Economic
- 47 Our Environmental Stewardship
- 63 Our Social Commitments
- 82 Performance Data Table
- 86 Validated Data & Basis – Table for Bursa
- 89 GRI Content Index
- 93 Assurance Statement
- 94 Independent Limited Assurance Statement

### 06 Our Governance Framework

- 98 Board Composition
- 99 Our Board Leadership
- 105 Chief Executive Officer
- 106 Our Management Team
- 110 Corporate Governance Overview Statement
- 134 Statement of Risk Management and Internal Control
- 142 Additional Compliance Information

### 07 Financial Statements

- 143 Performance Statistics
- 151 Financial Statements

### 08 Other Information

- 256 Properties Owned by THP Group
- 262 Corporate Directory Owned by THP Group
- 267 Analysis of Shareholdings
- 270 Disclosure of Financial Data for Shariah Screening
- 273 Notice of the 52<sup>nd</sup> Annual General Meeting
- 279 Administrative Guide
  - Proxy Form



Please scan to view this report online.

# CORPORATE PROFILE

## Who We Are

As the plantation arm of Lembaga Tabung Haji, THP is engaged primarily in the cultivation of oil palm. It was first incorporated in 1972 as Perbadanan Ladang-Ladang Tabung Haji Sendirian Berhad and was listed on the Main Board of Bursa Malaysia Securities Berhad on 27 April 2006.

THP's land bank to date stands at more than 97,000 hectares with planted hectareage of more than 55,000 hectares covering 38 estates and 6 mills in the Peninsular Malaysia, Sabah and Sarawak as well as in Kalimantan, Indonesia.

## What We Do

THP currently owns 38 estates and 6 mills in the states of Terengganu, Pahang, Johor, Sabah and Sarawak in Malaysia as well as in Indonesia.

THP primarily produces Fresh Fruit Bunches ("FFB"), Crude Palm Oil ("CPO") and Palm Kernel ("PK") for the Malaysian market.

THP consistently strives for operational excellence in a sustainable business by creating opportunities with growth and impact.



**38**  
Estates

**6**  
Palm Oil Mills

# Corporate Profile



## Vision

Striving for operational excellence in a sustainable business by creating opportunities with positive growth & impact.

## Mission

- 1 Delivering optimal returns to shareholders, practicing fair trade and conducive working environment.
- 2 Continuous commitment to environmental demands, social engagement whilst upholding high standard of governance & integrity.
- 3 Building a sustainable business by development of human capital, marketing, technology & financial management.
- 4 Improving operational efficiency by adopting Good Agriculture Practices & Good Manufacturing Practices in achieving and delivering best quality products.

## Core Values

Our core values, which we consistently uphold in our work, serve as the foundation of our products:



**Teamwork**



**Integrity**



**Responsive**



**Professionalism**



**Innovative**



**Quality**

# CORPORATE INFORMATION

As of 24 February 2026

## Board of Directors

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

**Nor Adila binti Ismail**  
Non-Independent Non-Executive Director  
(Appointed on 7 May 2025)

**Roslin Azmy bin Hassan**  
Non-Independent Non-Executive Director  
(Appointed on 23 July 2025)

**Dr. Nurmazilah binti Dato' Mahzan**  
Independent Non-Executive Director

**Fahda Nur binti Ahmad Kamar**  
Independent Non-Executive Director

**Kasmuri bin Sukardi**  
Independent Non-Executive Director

### BARGC Board Audit, Risk & Governance Committee

**Dr. Nurmazilah binti Dato' Mahzan**  
Chairman, Independent Non-Executive Director

**Kasmuri bin Sukardi**  
Member, Independent Non-Executive Director

**Nor Adila binti Ismail**  
Member, Non-Independent Non-Executive Director  
(Appointed on 7 May 2025)

### BNRC Board Nomination & Remuneration Committee

**Fahda Nur binti Ahmad Kamar**  
Chairman, Independent Non-Executive Director

**Dr. Nurmazilah binti Dato' Mahzan**  
Member, Independent Non-Executive Director

**Kasmuri bin Sukardi**  
Member, Independent Non-Executive Director

**Nor Adila binti Ismail**  
Member, Non-Independent Non-Executive Director  
(Appointed on 7 May 2025)

### BIC Board Investment Committee

**Nor Adila binti Ismail**  
Chairman, Non-Independent Non-Executive Director  
(Appointed as on 7 May 2025)

**Dr. Nurmazilah binti Dato' Mahzan**  
Member, Independent Non-Executive Director

**Fahda Nur binti Ahmad Kamar**  
Member, Independent Non-Executive Director

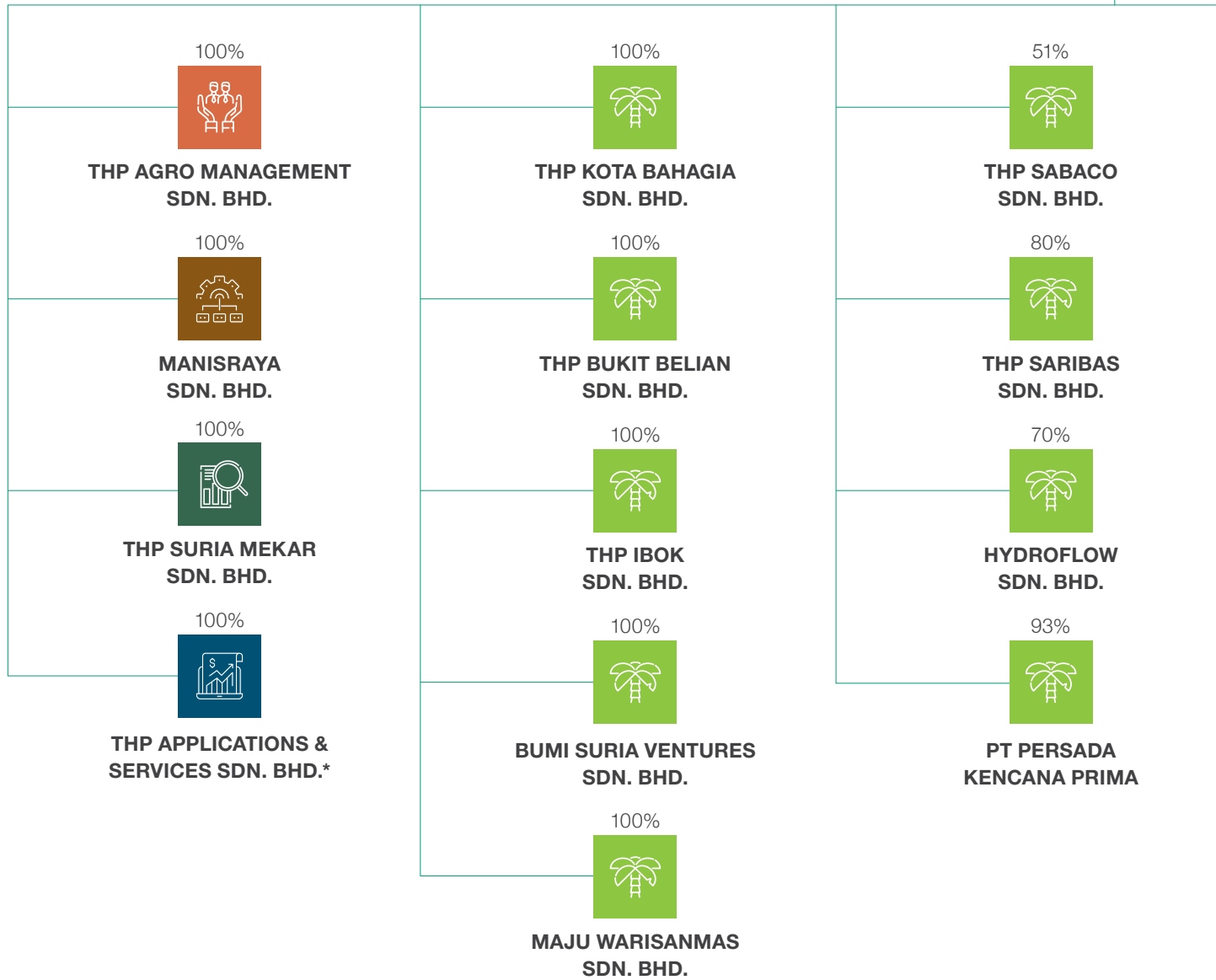
# Corporate Information

As of 24 February 2026

<p><b>Chief Executive Officer</b></p> <p><b>Datuk Ts. Borhan bin Bachi</b> (Appointed on 17 November 2025)</p>	<p><b>Company Secretaries</b></p> <p><b>Aliatun binti Mahmud</b> (LS 0008841) (SSM PC No. 201908003467)</p> <p><b>Wan Nurul Hidayah binti Wan Yusoff</b> (LS 0008555) (SSM PC No. 201908003468)</p>	<p><b>Registered Office</b></p> <p>Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur</p> <p>Tel : 03 2603 4800 Fax : 03 2603 4695 Email : info@thplantations.com</p>
<p><b>Auditors</b></p> <p><b>KPMG PLT</b> Level 10 KPMG Tower 8 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan</p> <p>Tel : 03 7721 3388 Fax : 03 7721 3399 Website : www.kpmg.com.my</p>	<p><b>Share Registrar</b></p> <p><b>Boardroom Share Registrars Sdn. Bhd.</b> 11<sup>th</sup> Floor Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan</p> <p>Tel : 03 7890 4700 Fax : 03 7890 4670 Website: www.boardroomlimited.com Email : BSR.Helpdesk@boardroomlimited.com</p>	<p><b>Principal Place of Business</b></p> <p>Level 17, 18 &amp; 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur</p> <p>Tel : 03 2603 4800 Fax : 03 2603 4695 Email : info@thplantations.com</p>
<p><b>Principal Bankers</b></p> <p><b>Bank Islam Malaysia Berhad</b> <b>Maybank Islamic Bank Berhad</b></p>	<p><b>Stock Exchange Listing</b></p> <p><b>Main Market of Bursa Malaysia Securities Berhad</b></p> <p>Listing Date : 27 April 2006 Stock Name: TH PLANT Stock Code : 5112</p>	<p><b>Investor Relations &amp; Enquiries</b></p> <p><b>Head, Investor Relations</b> Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur</p> <p>Tel : 03 2603 4800 Fax : 03 2603 4699 Website: www.thplantations.my Email : info@thplantations.com</p>
<p><b>Place of Incorporation and Domicile</b></p> <p>Malaysia</p>	<p><b>Website</b></p> <p>www.thplantations.my</p>	

# CORPORATE STRUCTURE

As at 24 February 2026



### Indicators



Oil Palm Plantation



Management Agent



Special Purpose Vehicle (Financing)



Dormant Company



Teak & Rubber Plantation



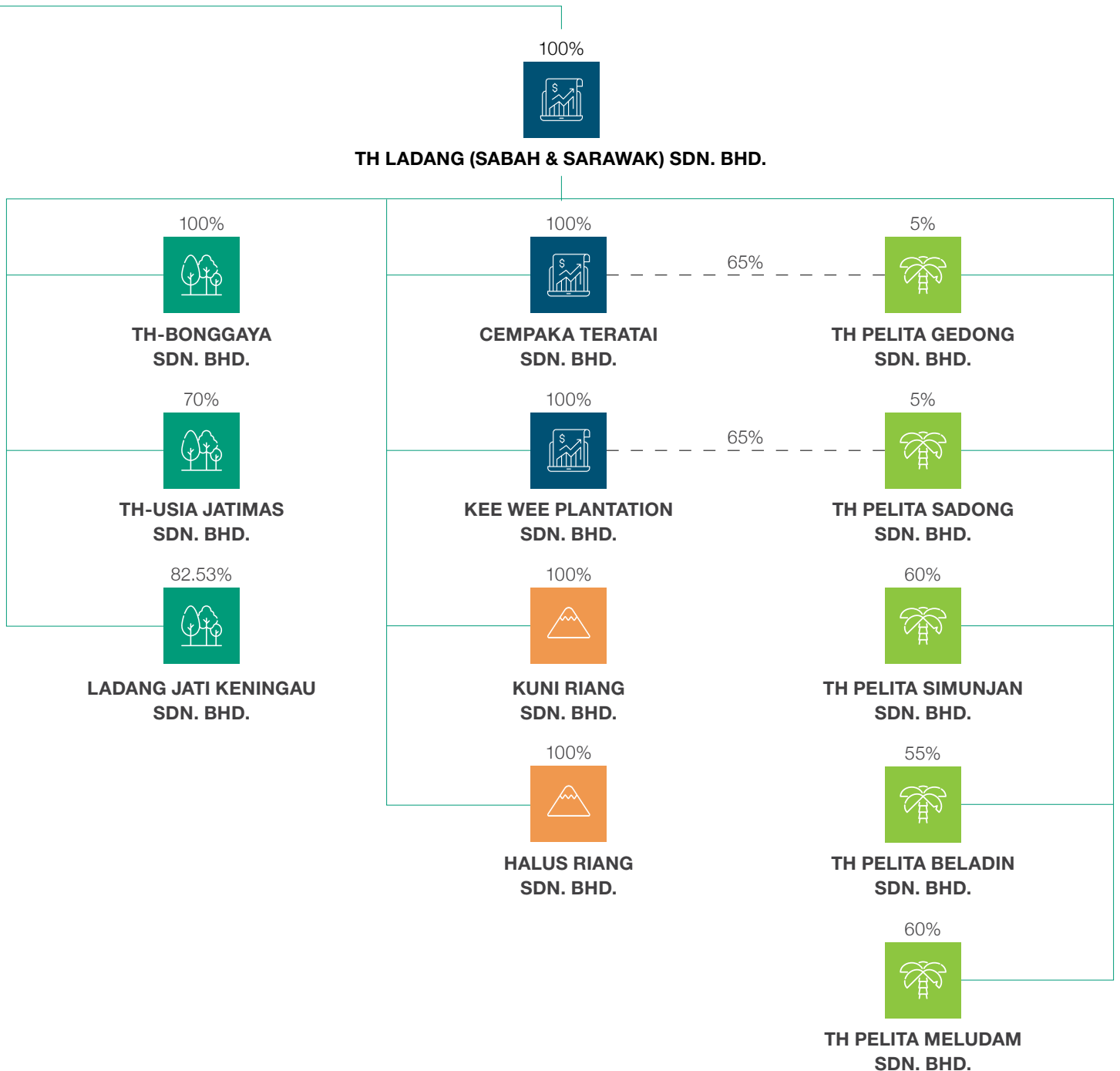
Investment Holding



Tradeline Services

# Corporate Structure

As at 24 February 2026



Note:

\* Holds 40% equity interests in Cenergi Lawiang Sdn. Bhd., a Special Purpose Vehicle that operates the biogas plant at Bukit Lawiang, Palm Oil Mill, Kluang, Johor.

# CHAIRMAN'S STATEMENT

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Assalamualaikum Warahmatullahi  
Wabarakatuh

## BUILDING A SUSTAINABLE FUTURE

**Datuk Dr. Ahmad  
Kushairi bin Din**

*Chairman*

**Dear Valued Stakeholders,**

It is with great pleasure that I present to you TH Plantations Berhad's ("THP Group") Annual Report for the financial year ended 31 December 2025 ("FY2025").



## Chairman's Statement

The year under review marked a period of steady and deliberate progress as THP Group continued to advance its long-term strategic direction. Amid structural change within the palm oil industry and an uncertain global environment, the Board of Directors ("Board") remained focused on its stewardship role, guiding the Group with a long-term perspective anchored on resilience and sustainable value creation.

During the year, the Group delivered revenue of RM961.24 million and Profit Before Tax ("PBT") of RM178.99 million. These results reflect consistent execution across the business and the benefits of disciplined operational focus, even as market conditions shifted over the course of the year.

In such conditions, the Board focused on reinforcing the financial and organisational fundamentals that underpin sustainability over the long term. Prudent capital allocation, strengthened risk oversight and regular evaluation of asset performance were central to ensuring that resources were deployed responsibly and effectively. These measures are intended to preserve financial stability, enhance resilience and position the Group to navigate future opportunities and challenges with confidence.

### AL-FALAH 22/22: DRIVING SUSTAINABLE TRANSFORMATION

Our five-year Strategic Business Plan, AL-Falah 22/22, provides the framework for building a more resilient, competitive and future-ready organisation over the 2024–2028 period. Now in its second year of execution, the strategy remains the cornerstone of the Group's transformation, aligning financial, operational, human capital and sustainability priorities under a single, coherent direction.

The Board views AL-Falah 22/22 as critical to building a sustainable future as it brings clarity and discipline to decision-making in a complex operating environment. Implemented through six Comprehensive Work Plans ("CWPs") encompassing 25 initiatives, the strategy enables the Group to improve execution capability and bridge performance gaps in a structured and accountable manner.

**3 sen  
per share**

(FY2024: 3 sen  
per share)



**Dividend**

**RM961.24  
million**

(FY2024:  
RM901.67 million)



**Revenue**



**Profit  
After Tax**

**RM111.06  
million**

(FY2024:  
RM97.32 million)

## Chairman's Statement

This year, encouraging progress was made in areas such as leadership and talent development, performance management, and mill efficiency and governance. Estate productivity and value creation initiatives require continued focus and stronger delivery momentum. The Chief Executive Officer's Management & Discussion Analysis in this report provides a more detailed discussion of the progress of initiatives under each CWP, highlighting key successes from the year under review and specific areas for improvement.



Launching ceremony of the Cenergi Lawiang 1.2MW Biogas Power Plant in Kluang, Johor.

### ENVIRONMENTAL STEWARDSHIP: STRENGTHENING CLIMATE RESILIENCE

The Board recognises that environmental stewardship is fundamental to building a sustainable future for THP Group, given the palm oil industry's environmental and climate footprint, and the evolving regulatory and market expectations it faces. As sustainability requirements continue to evolve globally, the Board views effective environmental management not as a compliance exercise, but as a strategic imperative to safeguard long-term resilience, competitiveness and access to international markets.

During FY2025, THP Group continued to make measured progress under its Five-Year Environmental, Social and Governance ("ESG") Roadmap, reinforcing preparedness for increasingly stringent sustainability requirements. Implementation of ESG initiatives remained aligned with the roadmap, reflecting disciplined and consistent execution across the Group's operational footprint. Environmental priorities during the year focused on strengthening regulatory compliance, enhancing environmental protection and promoting sustainable resource management, with particular emphasis on climate risk mitigation.

A key pillar of the Group's environmental strategy is the reduction of greenhouse gas ("GHG") emissions through methane abatement, renewable energy deployment, energy optimisation and low-carbon mobility. In June 2024, THP Group entered a strategic partnership with Cenergi SEA Berhad, a subsidiary of UEM Lestra Berhad, to develop, construct and operate a 1.2-megawatt ("MW") Biogas Power Plant in Kluang, Johor. The plant was commissioned on 26 December 2025 and was formally officiated on 15 January 2026. Designed to capture and convert methane from Palm Oil Mill Effluent ("POME") into renewable energy, the project is expected to avoid at least 20,000 tonnes of carbon dioxide ("CO<sub>2</sub>") emissions annually. This represents a significant step in addressing one of the Group's largest emissions sources and is a cornerstone of THP's longer-term decarbonisation pathway.

This initiative is complemented by the Group's waste-to-energy strategy, which targets an annual biomass utilisation rate of 80% by using fibre and palm kernel ("PK") shells for renewable energy generation. By reducing reliance on fossil fuels and enhancing resource efficiency, this approach supports lower emissions intensity while also contributing to cost efficiency across mill operations.

Progress was also made in expanding renewable energy adoption and improving energy efficiency across the Group. Building on the installation of rooftop solar photovoltaic systems in Sabah in 2024, solar adoption was further extended during the year through additional installations in Peninsular Malaysia. In parallel, targeted upgrades to boilers and turbines at selected mills continued to enhance thermal and electrical efficiency, supporting sustained reductions in carbon intensity while reinforcing operational reliability.

To further address Scope 1 emissions, the Group has introduced electric vehicles ("EVs") for in-field fresh fruit bunch ("FFB") evacuation. The adoption of electric mobility reduces diesel consumption and direct emissions while also delivering operational and maintenance efficiencies, supporting a more sustainable operating model.

## Chairman's Statement

Beyond emissions management, THP Group maintains its commitment to deforestation-free operations, strengthened traceability and biodiversity protection across its operations. These measures remain critical to maintaining credibility with regulators, customers and stakeholders in an increasingly demanding global sustainability landscape.

Collectively, these efforts demonstrate the Group's continued commitment to lowering its environmental footprint while reinforcing long-term climate resilience. While good progress has been achieved, the Board remains focused on addressing the remaining implementation gaps as the Group continues its sustainability journey.

### SOCIAL & COMMUNITY RESPONSIBILITY: SUSTAINING OUR LICENCE TO OPERATE

THP Group's long-term sustainability is closely linked to the wellbeing of its people and the communities connected to its operations. In an environment of heightened global expectations on human rights, worker welfare and social due diligence, social responsibility has become an increasingly important dimension of business resilience and long-term value creation.

During FY2025, the Group continued to reinforce labour standards, employee wellbeing, occupational safety and health, and community engagement as core elements of its sustainability agenda. These efforts are integral to improving readiness for evolving international supply chain requirements, while also supporting operational strength and resilience.

A key focus of the Group's community engagement efforts was its continued commitment to environmental conservation and biodiversity protection, undertaken in collaboration with relevant stakeholders. The conservation programme covering 4,300 hectares within the Gunung Arong Forest Reserve ("GAFR") in Mersing, Johor, entered its third year of implementation, reflecting the Group's long-term dedication to coastal forest and peatland rehabilitation. Beyond ecosystem preservation, the programme contributes to carbon sequestration, improved hydrology and fire prevention, while protecting a vital ecosystem that contributes to the livelihoods of local communities.

Complementing these initiatives, THP Group continued to support tree planting and internal capacity-building programmes aimed at strengthening environmental and social awareness across its operations. To date, 3,828 trees have been planted

by THP staff. In addition, High Conservation Value ("HCV") awareness training was conducted for management and staff from Peninsular Malaysia estates to enhance understanding of responsible land management and biodiversity considerations.

In parallel, the Group continued to support employee and community development initiatives aligned with national priorities. These included participation in the Protege-RTW ("Ready to Work") programme, and support for the Promoting Intelligence, Nurturing Talent and Advocating Responsibility ("PINTAR") programme and Sekolah Angkat MADANI ("SAM"), which benefits the children of THP employees through targeted educational initiatives. Employee wellbeing was also enhanced through health screening and mental health awareness programmes conducted in collaboration with healthcare partners.

These efforts were recognised during the year through external acknowledgements, including Recognition of the Academic Achievements of THP Employees' Children ("RECAL") and a certificate of appreciation for the Group's participation in the Protege-RTW initiative.

Together, these initiatives underscore THP Group's commitment to embedding social responsibility into its operating model. By supporting employees and communities alongside broader sustainability efforts, the Group continues to reinforce its licence to operate and contribute to a more inclusive and sustainable future.



Donation to SMK Pusa, Sarawak under the Sekolah Angkat MADANI ("SAM") programme.

## Chairman's Statement



Board Retreat for Budget Challenge 2026.

### GOVERNANCE: THE FOUNDATION OF SUSTAINABLE VALUE

In an operating environment characterised by increasing regulatory expectations and stakeholder scrutiny, effective governance remains critical to safeguarding long-term value.

During FY2025, the Board continued to strengthen governance oversight across the Group, with particular focus on ensuring that structures, policies and processes remain fit for purpose and aligned with long-term strategic direction. Key governance matters deliberated during the year included changes to the composition of the Board and its committees, the establishment of a new Board committee, and updates to senior management and nominee director appointments across the Group's subsidiaries. These changes were undertaken to ensure the Board and management structures remain appropriate and supportive of the Group's evolving needs.

The Board also approved several important policy enhancements during the year, including updates to the Procurement Policy, Organisational Anti-Corruption Policy, and Gift, Entertainment & Hospitality Policy. These actions further reinforce the Group's governance framework in line with best practices, supporting responsible decision-making across the organisation.

Active oversight of the AL-Falah 22/22 Strategic Business Plan was another key governance priority. During the year, dedicated Board retreats were held to review performance reporting, consider key megatrends and strategic pathways, and deliberate on the 2026 budget. These engagements helped foster a more focused and aligned approach to executing AL-Falah 22/22 as a vital driver of the Group's long-term direction.

During the year, the Board undertook changes to its composition as part of its normal governance cycle. The Board records its appreciation to Datuk Syed Hamadah bin Syed Othman, YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman and Dr. Shahril bin Simon, who concluded their tenure in FY2025, for their service and contributions. The Board also welcomes Nor Adila binti Ismail and Roslin Azmy bin Hassan, who were appointed as Directors during the year.

### DIVIDENDS

THP Group remains committed to exercising prudence and rigour in capital management, guided by its responsibility to balance shareholder returns and financial flexibility. In determining dividend distributions for FY2025, consideration was given to the Group's cash flow requirements and preserving capital for reinvestment in transformation and sustainability initiatives under AL-Falah 22/22.

Accordingly, the Board declared dividends amounting to 3 sen for the financial year ended 31 December 2025, reflecting a measured approach to support long-term value creation and financial resilience.



An integrity talk by Dr Mohd Nizam bin Mohd Ali for the Board of Directors and Senior Leadership team. Dr Mohd Nizam is an expert in ethics, leadership and civilisational studies, with extensive experience in governance, integrity and professional ethics.

## Chairman's Statement



Datuk Dr Ahmad Kushairi Din, Chairman of THP, delivering his inaugural address at the THP Managers' Conference 2026.

### OUTLOOK: NAVIGATING UNCERTAINTY WITH FOCUS

Looking ahead, the Board remains mindful that the operating environment for the palm oil industry is likely to remain complex and uncertain. Global economic conditions, commodity price volatility, climate-related risks, regulatory developments and evolving stakeholder expectations will continue to shape the landscape in which THP Group operates.

Against this outlook, our focus remains on that which is within our control: strong governance, prudent capital management, and the continued strengthening of operational and organisational capabilities.

AL-Falah 22/22 provides a clear strategic anchor as the Group progresses through this transformation journey. While challenges remain, the Board believes that a sustained focus on strong fundamentals, disciplined execution and accountability positions THP Group to navigate uncertainty with resilience and pursue opportunities responsibly over the long term.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our sincere appreciation to management and all employees of THP Group for their dedication, professionalism and commitment throughout the year. Their efforts continue to be instrumental in advancing the Group's strategic objectives and reinforcing its foundations for the future.

The Board also extends its gratitude to our shareholders for their continued trust and support, as well as to our regulators, business partners, customers and the communities in which we operate for their ongoing engagement and collaboration.

As we move forward, the Board remains committed to its stewardship role, guiding THP with integrity, discipline and a long-term perspective as we continue building a sustainable future for the Group.

Thank you.

**Wassalamu'alaikum Warahmatullahi Wabarakatuh.**

**Datuk Dr. Ahmad Kushairi bin Din**  
Chairman

# CHIEF EXECUTIVE OFFICER'S MANAGEMENT DISCUSSION & ANALYSIS

## STRENGTHENING OUR FUNDAMENTALS FOR LONG-TERM GROWTH

Dear Valued Shareholders,

FY2025 was a year of focused and fruitful advancement for TH Plantations Berhad, with the Group delivering improved financial results while continuing to strengthen its operating fundamentals.

*Read more on page 17* **Improving Estate Productivity**

*Read more on page 18* **Strengthening Mill Performance**

**Revenue for the year rose to RM961.24 million, while Profit Before Tax ("PBT") increased to RM178.99 million, representing growth of 6.61% and 11.57% respectively compared to FY2024. These outcomes reflect disciplined execution across the business, supported by sustained focus on productivity, cost control and organisational capability.**

# Chief Executive Officer's Management Discussion & Analysis



**DATUK Ts. BORHAN BACHI**  
*Chief Executive Officer*

## NAVIGATING A DYNAMIC OPERATING ENVIRONMENT

The past year was marked by significant challenges and heightened volatility across the palm oil industry. Increased competition among global producers exerted pressure on demand in key markets, while trade-related developments, including tariff-led policies by the United States (“US”) government, added further uncertainty to an already complex operating landscape.

Within this context, the Group’s improved performance was supported by higher average realised prices for Crude Palm Oil (“CPO”), PK and FFB, improved crop recoveries – particularly in Sabah and Sarawak – and better labour availability. Continued progress in mechanisation and automation further supported cost optimisation and execution consistency.

These gains were achieved despite higher cost pressures arising from minimum wage adjustments and increased statutory contributions for foreign workers, underscoring the effectiveness of our productivity and efficiency initiatives.

# Chief Executive Officer's Management Discussion & Analysis

## DRIVING EXECUTION UNDER AL-FALAH 22/22

As we continued to deliver financial and operational gains amid a challenging industry landscape, our execution throughout the year remained firmly guided by AL-Falah 22/22, our five-year Strategic Business Plan for the 2024–2028 period.

Under the Group's five year strategic roadmap, the AL-Falah 22/22 Plan, initiatives are focused on strengthening organisational capability, enhancing financial discipline and driving sustainable operational performance. These efforts also position the Group to pursue new business opportunities that broaden income streams and improve margins.

Our focus during FY2025 was on translating strategic intent into practical and consistent action across both operations and support functions. Management's emphasis was on discipline in delivery rather than expansion-led growth. Efforts were directed at strengthening coordination across operational teams and reinforcing accountability at senior levels, particularly in areas where performance gaps persisted.

Implementation progress was tracked through structured monitoring and reporting mechanisms, giving the management team clear visibility over delivery status and supporting timely decisions as operating conditions evolved.



## SECURING FINANCIAL RESILIENCE

For FY2025, TH Plantations Berhad delivered a solid financial performance, supported by an average selling CPO price of RM4,278 per tonne and continued emphasis on cost control and earnings quality. Revenue reached RM961.24 million and PBT amounted to RM178.99 million, underpinned by productivity improvements across estates and mills amid a volatile operating environment.

This performance was delivered amid rising structural cost pressures, including higher minimum wages and increased statutory contributions for foreign workers. Management responded by maintaining close control over costs, improving productivity and deploying resources more efficiently to ensure that expenditure remained aligned with operational outcomes.

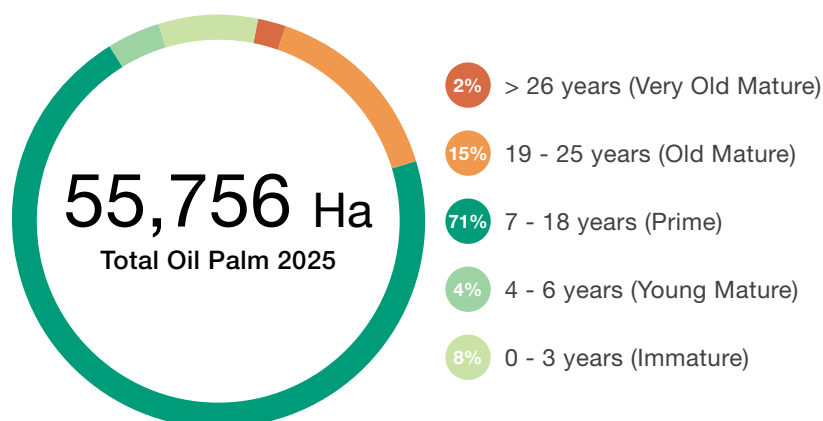
	Mature (Ha)	Immature (Ha)	In Course of Planting (Ha)	Planted Area (Ha)	Others (Ha)	Total Land Bank (Ha)
<b>Oil Palm 2025</b>						
Semenanjung	11,220	1,247	456	12,923	530	13,453
Sabah	6,817	1,876	395	9,088	842	9,930
Sarawak	31,600	-	330	31,930	19,817	51,747
Indonesia	1,815	-	-	1,815	5,114	6,929
<b>Total</b>	<b>51,452</b>	<b>3,123</b>	<b>1,181</b>	<b>55,756</b>	<b>26,303</b>	<b>82,059</b>

<b>Rubber &amp; Teak 2025</b>						
Sabah	-	10,380	-	10,380	5,333	15,713
<b>Total</b>	<b>-</b>	<b>10,380</b>	<b>-</b>	<b>10,380</b>	<b>5,333</b>	<b>15,713</b>

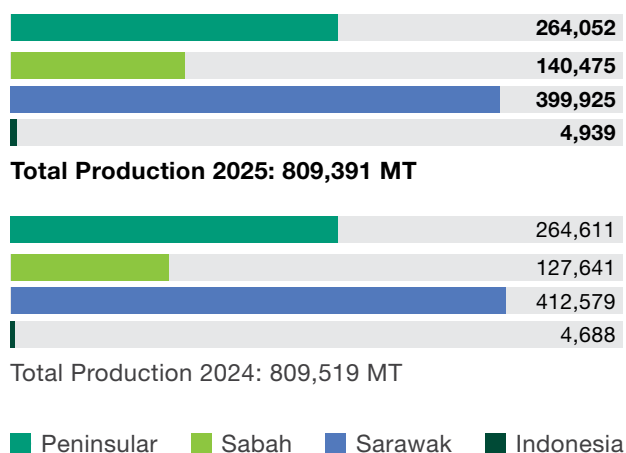
Year	Oil Palm			Rubber/Teak		Total (Ha)
	Mature (Ha)	Immature (Ha)	In Course of Planting (Ha)	Immature (Ha)	Others (Ha)	
2025	51,452	3,123	1,181	10,380	31,636	97,772
2024	51,376	2,900	1,448	10,380	31,669	97,773

# Chief Executive Officer's Management Discussion & Analysis

## Oil Palm Planted Area (Ha)



## FFB Production (MT)



Capital allocation during the year remained disciplined and closely aligned with the priorities set out under AL-Falah 22/22. Investments were directed towards initiatives that support long-term productivity and efficiency, including replanting and mechanisation, while maintaining a prudent financial position and adequate balance sheet flexibility to navigate market volatility.

Taken together, the Group's FY2025 performance reflects a measured and responsible approach to financial management, strengthening our ability to sustain continued execution over the longer term.

## IMPROVING ESTATE PRODUCTIVITY

As the bedrock of our operations, the performance of our estates is fundamental to our competitiveness and long-term sustainability. To this end, estate-level efforts in FY2025 focused on improving harvesting effectiveness and labour productivity. Greater emphasis was placed on strengthening in-field operations through more structured working systems for harvesters and general workers, supported by closer monitoring of field practices. These measures were aimed at improving field upkeep, enhancing harvesting coverage and minimising crop losses.

Mechanisation and automation continued to play a critical role in mitigating labour constraints and strengthening operational performance across our estates. In Sarawak, the expanded deployment of rubber track crawlers for peatland operations enhanced field mobility and delivered meaningful improvements in worker-level productivity under challenging soil conditions.

In Peninsular Malaysia, the introduction of EV units improved infield efficiency while reducing operating energy costs by approximately 14% compared to diesel-powered alternatives.

Targeted technology trials were also undertaken to advance automation initiatives. Drone applications at Ladang Sungai Mengah and Ladang Gedong nurseries reduced operating time and labour requirements for pest and disease control, supporting phased implementation at selected locations.

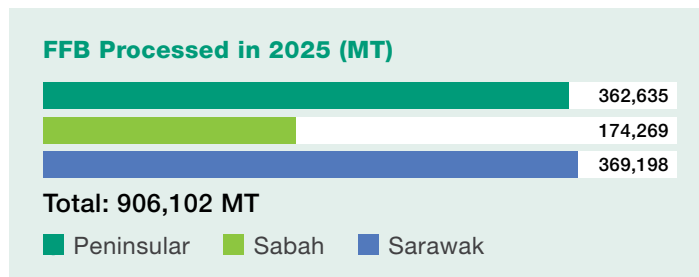
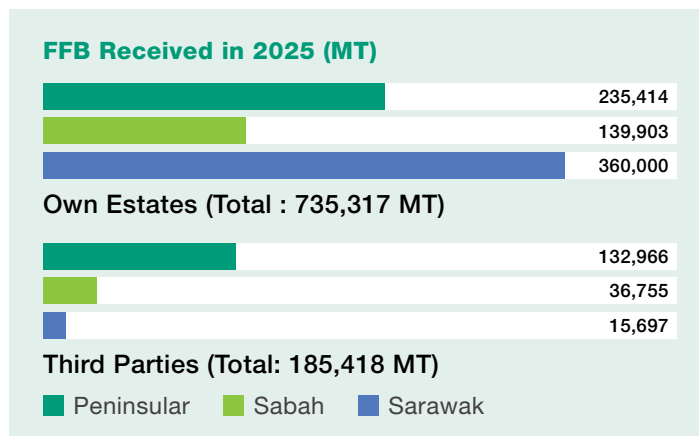
These initiatives reinforce our commitment to productivity enhancement, cost efficiency and sustainable estate operations.

Estate productivity was also strengthened through the structured application of agronomic best practices. A Group-wide Benchmarking Programme enabled comparison of yields and key performance indicators ("KPIs") across estates with similar age profiles, supporting targeted, cost-effective interventions and more consistent execution across the estate portfolio.

# Chief Executive Officer’s Management Discussion & Analysis

Meanwhile, progress continued under our replanting programme, guided by enhanced policies and estate layouts designed to support future mechanisation and productivity. These initiatives were complemented by strengthened monitoring systems and improved water management practices, supporting the long-term renewal of the estate age profile. As a result of these efforts, the Group recorded an average FFB yield of 15.73 metric tonnes (“MT”) per hectare in FY2025, translating into total FFB production of 809,391 MT. This comprised contributions of 264,052 MT from Peninsular Malaysia, 140,475 MT from Sabah, 399,925 MT from Sarawak and 4,939 MT from Indonesia. Notably, our Malaysian operations recorded an average FFB yield of 16.21 MT per hectare, reflecting consistent performance across our domestic estates.

While overall yield performance continues to be influenced by estate maturity profiles and replanting cycles, the production mix reflects improving crop recoveries in East Malaysia, particularly in Sarawak, and supports the Group’s overall production profile and milling throughput requirements.



## STRENGTHENING MILL PERFORMANCE

Strengthening efficiency and protecting product quality across the Group’s milling operations remained a key priority in FY2025, given the central role mills play in maximising value from available crop volumes.

During the year, the Group processed 906,102 MT of FFB, including 735,317 MT from our own estates and 185,418 MT sourced from third-party suppliers. While overall mill utilisation did not show a significant improvement – largely reflecting crop volume deficits in certain regions – the management team sharpened its focus on improving extraction efficiency to maximise crude palm oil output from available raw materials.

Mill process optimisation efforts, therefore, remained centred on improving oil extraction rate (“OER”) and kernel extraction rate (“KER”), recognising that even marginal gains in these parameters can have a meaningful impact on financial performance. Through tighter process discipline, closer monitoring of operating parameters and more consistent adherence to standard operating procedures (“SOPs”), the Group achieved an average OER of 19.40% and KER of 4.79% for the year. These outcomes reflect improved loss control and process stability despite variability in crop availability.

In parallel, continued emphasis was placed on free fatty acid (“FFA”) management to preserve crude palm oil quality and protect margins. Closer control over handling, processing and turnaround times supported more consistent quality outcomes across the milling network.

## Chief Executive Officer's Management Discussion & Analysis

In response to fluctuations in estate production, we continued to explore opportunities to increase the sourcing of FFB from external smallholder farmers, who form an important part of our ecosystem and key partners in our growth. By continuing to nurture these smallholders, we strengthen our access to high-quality raw materials, supporting more consistent throughput, CPO production and sales, even during periods of unfavourable weather conditions or other estate-level challenges.

Overall, while mill performance in FY2025 continued to be influenced by crop availability, disciplined optimisation initiatives delivered tangible improvements in extraction efficiency and quality control. Management remains focused on strengthening mill fundamentals to support more resilient downstream performance over the medium term.

### EMBEDDING RESPONSIBLE & SUSTAINABLE PRACTICES

In strengthening our fundamentals for long-term success, sustainability is a core business imperative. During FY2025, focused efforts were made to embed ESG considerations into day-to-day decision-making, with particular emphasis on supply chain traceability and regulatory readiness. These efforts are central to maintaining market access and reinforcing our long-term resilience in an increasingly demanding global sustainability environment.

Importantly, our approach extends beyond preparing our own operations. We recognise that independent smallholders are key partners within our supply chain, and continue to invest in preparing them to meet evolving sustainability and regulatory expectations, thus creating shared value for our business, the palm oil industry and local communities.

One area where this approach is particularly evident is in our preparation for the European Union Deforestation Regulation ("EUDR"). During the year, focused engagement with external FFB suppliers, including dealers and smallholders, was undertaken to strengthen regulatory awareness and data readiness. Following the deferral of EUDR implementation to December 2026, the additional lead time is being used to further enhance levels of preparedness, including by enhancing our internal systems and deepening existing partner engagement.

These efforts are underpinned by our firm commitment to the No Deforestation, No Peat, No Exploitation ("NDPE") Policy, which governs land use and responsible sourcing practices across our operations. As part of this commitment, we actively engage smallholders through awareness programmes on deforestation-free practices, in line with regulatory and customer expectations.

Our operations are guided by recognised sustainability standards, including the Malaysian Sustainable Palm Oil ("MSPO") Certification Scheme, which are well accepted across major global markets. In parallel, we continue to work collaboratively with the Malaysian Palm Oil Board ("MPOB") and MSPO under the Sustainable Palm Oil Cluster ("SPOC") initiative to facilitate and accelerate MSPO certification among independent smallholders. We also work closely with key customers by providing traceability documentation, such as Traceability to Plantation ("TTP") data and NDPE Integrated Risk Framework ("IRF") survey forms.

Together, these actions reinforce confidence in the integrity of our supply chain and support the resilience of our operations. With these foundations in place, we are well-positioned not only to meet sustainability expectations and regulatory requirements in Europe, but also to respond to evolving market requirements in other key destinations, including China and India. This, in turn, supports our long-term competitiveness and ability to operate responsibly within a rapidly evolving palm oil industry.



*The Footprint, Engagement, Feedback, Obstacles and Resolved ("FEFOR") Framework reinforces execution discipline across the Group.*

# Chief Executive Officer's Management Discussion & Analysis

## BUILDING CAPABILITY FOR LONG-TERM PERFORMANCE

Our ability to execute strategy consistently and deliver sustainable performance is ultimately driven by our people. Accordingly, building organisational capability remained a core priority in FY2025, guided by the Human Capital Strategic Blueprint 2024–2028.

Within this framework, talent pipeline development played a critical role. During the year, successors were identified for critical roles across our headquarters, estates and mills, strengthening continuity in key operational positions. The Cadet Planter pipeline was also reinforced through structured assessments and competency development, alongside targeted leadership development initiatives for estate and mill management and supervisors.

Talent development was further supported through the High Impact Performance Enhancement Training & Workshop (“HIPETW”) programme, which continues to serve as a key platform for capability building across the organisation. The programme is designed to harness the deep operational knowledge and experience of our most seasoned practitioners and systematically disseminate this expertise across estates and mills, strengthening organisational capability and lifting performance standards more broadly. In parallel, HIPETW reinforces a high-performance culture, encouraging innovation and the pursuit of continuous improvement across the Group.

Supporting these core initiatives, we continued reviewing our remuneration structures and employee welfare during the year, in line with our Living Wage aspiration, while enhancing engagement across estates and mills. Steps were also taken to enhance performance review processes, supporting more consistent performance assessments and more constructive development conversations between supervisors and employees.

Collectively, these initiatives reflect a sustained and deliberate effort to harness the full potential of our workforce and will stand us in good stead on our continuing growth journey.

## OUTLOOK: SUSTAINING RESILIENCE & EXECUTION DISCIPLINE

Looking ahead, our operating environment is expected to remain challenging. Palm oil markets will continue to be influenced by price volatility, regulatory change and a rapidly evolving geopolitical landscape, creating ongoing uncertainty for producers.

In this context, our priority is to focus on what we can control – our own operations – rather than responding to short-term market movements. We will remain focused on protecting margins through prudent cost management and maintaining a strong balance sheet, while continuing to reinforce our operational fundamentals, including yield improvement and mill optimisation.

At the same time, progress on longer-term transformation priorities remains critical. Replanting activities will continue in line with internal plans, supporting improvements in the estate age profile and strengthening the Group’s production base over time. Meanwhile, benefits from mechanisation and precision agriculture initiatives are expected to accrue progressively, gradually reinforcing productivity and cost efficiency.

Guiding these efforts is our unique Footprint, Engagement, Feedback, Obstacles and Resolved (“FEFOR”) Framework, which reinforces execution discipline across the Group. *Footprint* optimises estates and mills, *Engagement* builds ownership, *Feedback* drives improvement, *Obstacles* are addressed quickly and *Resolved* ensures results. Focusing on what matters and making timely decisions, we deliver meaningful outcomes efficiently and consistently.

By remaining diligent and focused on continuous improvement in these areas, we believe the Group is well-positioned to sustain its positive trajectory and strengthen stakeholder confidence in TH Plantations Berhad as a responsible and resilient industry player.



“Leaders’ footprint is the best nutrient for the palm” - CEO, Datuk Ts. Borhan Bachi.

## Chief Executive Officer's Management Discussion & Analysis



Datuk Ts. Borhan Bachi, CEO of THP, engaging with the attendees of the THP Managers' Conference 2026.



Ladang Kenyalang in Sarawak won the inaugural CEO Challenge Trophy for "Best Performing Estate" in FY2025.

### ACKNOWLEDGEMENTS

As we continue our journey of strengthening our fundamentals and advancing our transformation agenda, I would like to extend my sincere appreciation to all our stakeholders for their continued support.

To our employees, thank you for your commitment, resilience, and willingness to learn and adapt. Your professionalism and dedication remain central towards improving operational performance and building a stronger organisation for the long term.

I would also like to thank our customers and business partners for their trust and collaboration. Your continued engagement enables us to invest in our operations and pursue shared, sustainable long-term value.

Our appreciation extends to the relevant ministries – in particular, the Ministry of Plantations and Commodities – regulatory bodies and industry associations for their guidance and constructive engagement, which continue to support the development and sustainability of the palm oil sector.

Finally, I wish to express my sincere appreciation to our shareholders, particularly Lembaga Tabung Haji ("TH"), for their continued trust and unwavering support. Guided by AL-Falah 22/22, we remain steadfast in our commitment to disciplined execution, prudent stewardship and sustainable value creation as we strengthen a more resilient TH Plantations Berhad.

**Datuk Ts. Borhan Bachi**  
Chief Executive Officer

# KEY MARKET TRENDS

**As we operate in an increasingly dynamic plantation operating landscape, these external developments can materially influence our operational performance and near-term priorities.**

Hence, we actively monitor key market and operating environment signals to anticipate emerging risks and opportunities, informing our strategic planning and decision-making.



## Vegetable Oil Price Volatility

The global edible oils market is entering a period of volatility. While palm oil remains the most widely consumed vegetable oil, accounting for 34.6% of total major vegetable oil consumption,<sup>1</sup> it is no longer the cheapest oil available. This is as in parts of late 2024 and early 2025, palm oil prices moved above soybean oil.<sup>2</sup>

Additionally, CPO prices have been depressed by US tariffs and slower economic growth in China, but long-term growth in emerging markets is expected to continue.<sup>3</sup>



### POTENTIAL IMPACT

- Extended periods of lower prices and higher earnings volatility from realised selling prices and timing of sales.
- Greater sensitivity of margins to price swings and inventory positions.



### OPPORTUNITIES

- Stronger price realisation via disciplined sales execution, customer mix optimisation and improved market timing.
- Expansion of market reach and strengthened relationships with key buyers to improve demand resilience.



### OUR RESPONSE

- Strengthened market monitoring and commercial discipline to manage selling positions.
- Recalibrated our marketing strategy to capture alternative demand sources, including oleochemicals, biofuel and speciality oils.
- Continued to focus on balancing sales strategy with operational priorities, such as maintaining mill performance outcomes.



## MYR-USD Exchange Rate Movements

The Malaysian Ringgit (“MYR”) appreciated strongly against the US Dollar (“USD”) in 2025, moving ~9-10% from ~RM4.45 in January to trade near RM4.05-4.10 by year-end.<sup>4</sup> This was supported by broad USD weakness amid US trade and fiscal uncertainty, alongside Malaysia’s resilient domestic fundamentals.<sup>5</sup>

As palm oil prices are referenced internationally in USD terms, movements in the MYR-USD exchange rate influence relative pricing in export markets, with a stronger MYR increasing the foreign-currency cost of Malaysian palm oil for importers.<sup>6</sup>



### POTENTIAL IMPACT

- Reduced price competitiveness of Malaysian palm oil in certain export markets during periods of MYR strength.
- Softer near-term demand as buyers adjust sourcing decisions in response to higher USD-equivalent prices.
- Increased sensitivity of realised revenue to currency movements for USD-denominated sales.



### OPPORTUNITIES

- Improved revenue visibility through a more stable sales mix anchored in longer-term contracts.
- Stronger alignment with key customers’ procurement planning amid currency volatility.



### OUR RESPONSE

- Placed greater emphasis on long-term contracts (“LTCs”) relative to spot and short-term forward sales.
- Continued monitoring currency movements to optimise our pricing and procurement actions, maximising gains and mitigating losses accordingly.

## Key Market Trends



### Weather Conditions

Weather conditions across Malaysia in FY2025 were mixed but broadly supportive of oil palm production. While heavy rainfall and flooding in early 2025 temporarily disrupted harvesting in parts of East Malaysia,<sup>7</sup> conditions improved as the year progressed, with more favourable weather supporting stronger production growth, particularly in the first half of the year.<sup>8</sup>

By mid-year, improved field access and stable agronomic conditions enabled recovery in harvesting activity and supported higher output and extraction performance.<sup>9</sup>



#### POTENTIAL IMPACT

- Short-term operational disruptions during periods of heavy rainfall, including reduced harvesting efficiency.
- Greater emphasis on operational execution during favourable weather windows to optimise output.



#### OPPORTUNITIES

- Maximising production volumes and sustaining OER and KER as conditions normalise.
- Improved mill utilisation during periods of favourable harvesting conditions.



#### OUR RESPONSE

- Prioritised volume-led execution during periods of favourable weather conditions.
- Maintained focus on harvesting efficiency and mill throughput to support OER and KER outcomes.



### ESG Requirements & EUDR Implementation

The European Union's ("EU") Deforestation Regulation ("EUDR") introduces enhanced due diligence and traceability requirements for commodities, including palm oil. In 2025, the EU confirmed a 12-month deferral of EUDR implementation from 30 December 2025 to 30 December 2026,<sup>10</sup> providing additional time to strengthen systems and supplier readiness.

At the same time, the regulation introduces enhanced traceability and deforestation-free sourcing requirements,<sup>11</sup> with implications for third-party and smallholder FFB supply.<sup>12</sup>



#### POTENTIAL IMPACT

- Risk of losing external FFB suppliers that are unable to meet EUDR traceability and compliance requirements.
- Increased complexity in maintaining compliant and verifiable third-party supply chains.



#### OPPORTUNITIES

- Reinforcing responsible sourcing practices to support continued access to regulated markets.
- Improving supplier quality and traceability across the external FFB supply.



#### OUR RESPONSE

- Strengthened engagement with external FFB suppliers to support EUDR compliance requirements.
- Applied our No Deforestation, No Peat, No Exploitation Policy ("NDPE") across third-party supply.
- Worked with the Malaysian Sustainable Palm Oil ("MSPO") certification scheme and the Malaysian Palm Oil Board ("MPOB") under the Sustainable Palm Oil Cluster ("SPOC") initiative to facilitate certification and improve smallholder readiness.

<sup>1</sup> United States Department of Agriculture, Oilseeds: World Markets and Trade, accessed at <https://esmis.nal.usda.gov/sites/default/release-files/tx31qh68h/mw22x5954/1z40nr64r/Oilseeds.pdf>

<sup>2</sup> World Bank Commodities Price Data (The Pink Sheet), December 2, 2025, accessed at <https://thedocs.worldbank.org/en/doc/18675f1d1639c7a34d463f59263ba0a2-0050012025/related/CMO-Pink-Sheet-December-2025.pdf>

<sup>3</sup> OECD-FAO Agricultural Outlook 2025-2034

<sup>4</sup> Government of Malaysia, Daily Exchange Rates (USD/MYR). Accessed at <https://data.gov.my/data-catalogue/exchangerates> [Source: Bank Negara Malaysia ("BNM")]

<sup>5</sup> The Edge Malaysia, Ringgit turns Asian star performer in 2025, 6 January 2026. Accessed at: <https://theedgemaalaysia.com/node/787431>

<sup>6</sup> Business Recorder, Palm oil rises but firmer ringgit, weak demand caps gains, May 2 2025. Accessed at: <https://www.brecorder.com/news/40360633>

<sup>7</sup> LSEG, Palm Oil Monthly Market Outlook – March 2025, Production & Weather Outlook sections (pp. 2–3)

<sup>8</sup> BNM, Quarterly Bulletin 2Q 2025 – "Stronger growth in oil palm production following favourable weather conditions" (p. 6)

<sup>9</sup> LSEG, Palm Oil Monthly Market Outlook – June 2025, Production & Weather Outlook sections (pp. 2–3).

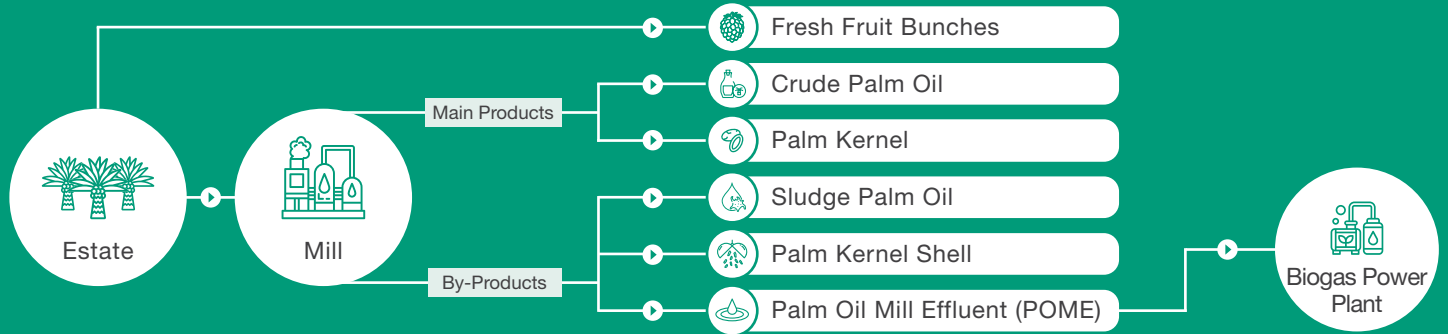
<sup>10</sup> Council of the European Union, Deforestation: Council signs off targeted revision to simplify and postpone the regulation, 18 December 2025. Accessed at: <https://www.consilium.europa.eu/en/press/press-releases/2025/12/18/deforestation-council-signs-off-targeted-revision-to-simplify-and-postpone-the-regulation/>

<sup>11</sup> EU Regulation 2023/1115. Accessed at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02023R1115-20241226>

<sup>12</sup> Malaysian Palm Oil Council, MPOC Calls for Low-Risk Benchmarking as EU Extends EUDR Timeline, 18 December 2025. Accessed at: <https://www.mpoc.org.my/mpoc-calls-for-low-risk-benchmarking-as-eu-extends-eudr-timeline/>

# VALUE CREATION MODEL

## Our Business Model



### Financial Capital

#### Key Inputs

- Shareholders Equity: RM823.62 million
- Total Assets: RM2,734.53 million
- Cash & Cash Equivalents: RM97.29 million

#### Key Outputs

- Revenue: RM961.24 million
- Dividend 3.00 sen per share was declared in 2025, translating to a dividend payout of RM 26.52 million

#### Outcomes

**Improved return for shareholders for three consecutive years.**



### Natural Capital

#### Key Inputs

- Planted Area:
  - Oil Palm 55,756 Ha
  - Rubber / Teak 10,380 Ha
- Total Replanted Area: 1,181 Ha
- Energy Consumption: 210,957.53 GJ (Gigajoule)

#### Key Outputs

- FFB production: 809,391 MT
- FFB yield: 15.73 MT per Ha
- Average oil palm age profile: 7-18 years
- Biomass (EFB, kernel shells):
  - 145,504 MT EFB
  - 62,154 MT kernel shells
- 160,929 MT carbon dioxide equivalent (CO<sub>2</sub>e) across Scope 1, 2 and 3 emissions (2024: 160,598 MT CO<sub>2</sub>e)
- 457,314 MT waste (scheduled and non-scheduled) generated

#### Outcomes

**Enhanced operational excellence initiatives to optimise performance and integrate sustainability measures, fostering responsible business growth.**



### Manufactured Capital

#### Key Inputs

- 6 Palm Oil Mills
- 38 Estates
- 1 Biogas Plant
- Landbank: 97,772 hectares
- Water Consumption: 1.50 m<sup>3</sup>/MT FFB

#### Key Outputs

- 809,391 MT FFB Production
- 175,810 MT CPO Production
- 43,385 MT PK Production
- OER: 19.40%

#### Outcomes

**Utilised every aspect of the value chain to achieve synergies and maximise returns on investments.**

# Value Creation Model



## Human Capital

Key Inputs	Key Outputs	Outcomes
<ul style="list-style-type: none"> <li>Employees by gender:               <ul style="list-style-type: none"> <li>- 23% Female</li> <li>- 77% Male</li> </ul> </li> <li>Workers in plantations and mills: 6,391</li> </ul>	<ul style="list-style-type: none"> <li>Total employees: 6,337</li> <li>Lost time injury (LTI) cases: 291 (2024: 302)</li> <li>Lost time injury frequency rate (LTIR): 4.10 (2024: 3.27)</li> </ul>	<p><b>Cultivated a workforce characterised by skillfulness, resilience, and wellbeing, fostering a culture of continuous learning.</b></p>



## Intellectual Capital

Key Inputs	Key Outputs	Outcomes
<ul style="list-style-type: none"> <li>Digital and technical innovation to enhance operations</li> <li>Mechanisation and technology adoption to improve productivity</li> <li>Establishment of Centre of Excellence (CoE)</li> <li>Number of Agronomists: 6</li> </ul>	<ul style="list-style-type: none"> <li>Expanded data analytics capabilities to strengthen supply chain traceability and visibility.</li> <li>Upgraded the digital platform from procurement through to field application.</li> <li>Accelerated mechanisation and technology adoption to reduce labour dependency while improving productivity, operational efficiency, yields and environmental performance.</li> <li>Enhanced market-news automation to support trading operations through timely, actionable insights.</li> <li>Strengthened competitiveness and long-term operational excellence through improved productivity, efficiency, and the adoption of industry best practices.</li> </ul>	<p><b>Elevated our performance in agricultural management practices, product innovation, and sustainability efforts.</b></p>



## Social & Relationship Capital

Key Inputs	Key Outputs	Outcomes
<ul style="list-style-type: none"> <li>Vendor Development Initiative (VDI)</li> <li>Partnership with NCR landowners and participating communities</li> <li>Support for smallholders and supply chain stakeholders</li> <li>Collaboration with state agencies and industry bodies such as MPOB, MPOA and MSPO</li> </ul>	<ul style="list-style-type: none"> <li>Zakat paid: RM2.09 million (2024: RM2.05 million)</li> <li>Contracts awarded worth RM197 million under VDI</li> <li>Payments of RM4.18 million to 2,197 NCR landowners</li> <li>MSPO certification achieved</li> <li>Programmes undertaken with smallholders and collaborations across related supply chains</li> </ul>	<p><b>Upheld our commitment to the socioeconomic advancement of the communities in which we operate.</b></p>

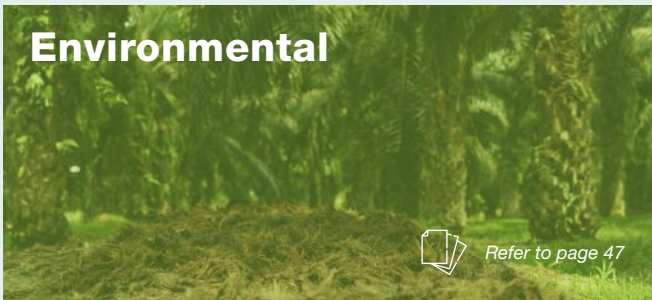
# OUR APPROACH TO SUSTAINABILITY

## ABOUT THIS STATEMENT

We are pleased to present our Sustainability Statement for the financial year ended 31 December 2025 (“FY2025”).

This statement provides a comprehensive overview of our sustainability strategy, key initiatives and performance across material environmental, social and governance (“ESG”) matters. It underscores the central role sustainability plays in strengthening our long-term resilience, competitiveness and ability to create sustainable value.

The statement is structured around three core dimensions of sustainability:



Morning shot at Ladang Bukit Belian.

## REPORTING BOUNDARY & SCOPE

The disclosures in this statement cover TH Plantation Berhad’s (“THP Group”) core operations across East and West Malaysia. These include palm oil cultivation, Fresh Fruit Bunch (“FFB”) processing, as well as Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) marketing activities, which together account for close to 100% of the Group’s revenue.

## REPORTING FRAMEWORK

This statement has been prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Sustainability Reporting Guide (3<sup>rd</sup> edition). In addition, our disclosures are aligned with the United Nations Sustainable Development Goals (“UNSDGs”), reflecting our commitment to contributing meaningfully to the global sustainable development agenda.

## ASSURANCE

The selected common sustainability matters presented in this statement have been reviewed and subjected to limited external assurance by BSI Services Sdn. Bhd. to verify the accuracy of the data and the traceability of the source information. In addition, our internal audit team has reviewed the sources of these subject matters to ensure their appropriateness and adequacy.

## FEEDBACK & CONTACT POINT

We value feedback from our stakeholders on our sustainability approach and reporting. For further information or to share your views, please contact us at: [info@thplantations.com](mailto:info@thplantations.com).

# Our Approach to Sustainability

## SUSTAINABILITY GOVERNANCE

### Leadership

**The Board of Directors (“Board”) provides overall stewardship of sustainability at THP Group, setting the strategic direction and exercising oversight over the Group’s sustainability priorities, risks and performance.**

In advancing the sustainability agenda, the Board is supported by the Board Audit, Risk & Governance Committee (“BARGC”), the Chief Executive Officer (“CEO”) and the Sustainability Committee (“SC”). This governance framework ensures that sustainability considerations are systematically ingrained into decision-making and embedded across all levels of the organisation.

### Board Audit, Risk & Governance Committee

**The BARGC supports the Board by overseeing sustainability-related matters, including:**

- 1 Reviewing sustainability issues to ensure alignment with ESG expectations and compliance with the requirements of relevant stakeholders.
- 2 Monitoring ESG risks and issues across the Group’s operations and providing strategic guidance where necessary.
- 3 Reviewing and advising on changes to ESG compliance in response to evolving market expectations.
- 4 Assessing sustainability disclosures in line with Bursa Malaysia’s reporting requirements.
- 5 Reviewing climate change-related matters, including climate risks, opportunities and related disclosures.
- 6 Delegating oversight responsibilities to the SC to supervise and manage sustainability implementation across the organisation.

### Chief Executive Officer

**The CEO plays a central role in driving sustainability execution by:**

- 1 Providing regular updates to the Board on the Group’s sustainability performance and key developments, including the preparation of our annual Sustainability Statements.
- 2 Reviewing recommendations and progress updates from the SC and providing strategic direction where appropriate.

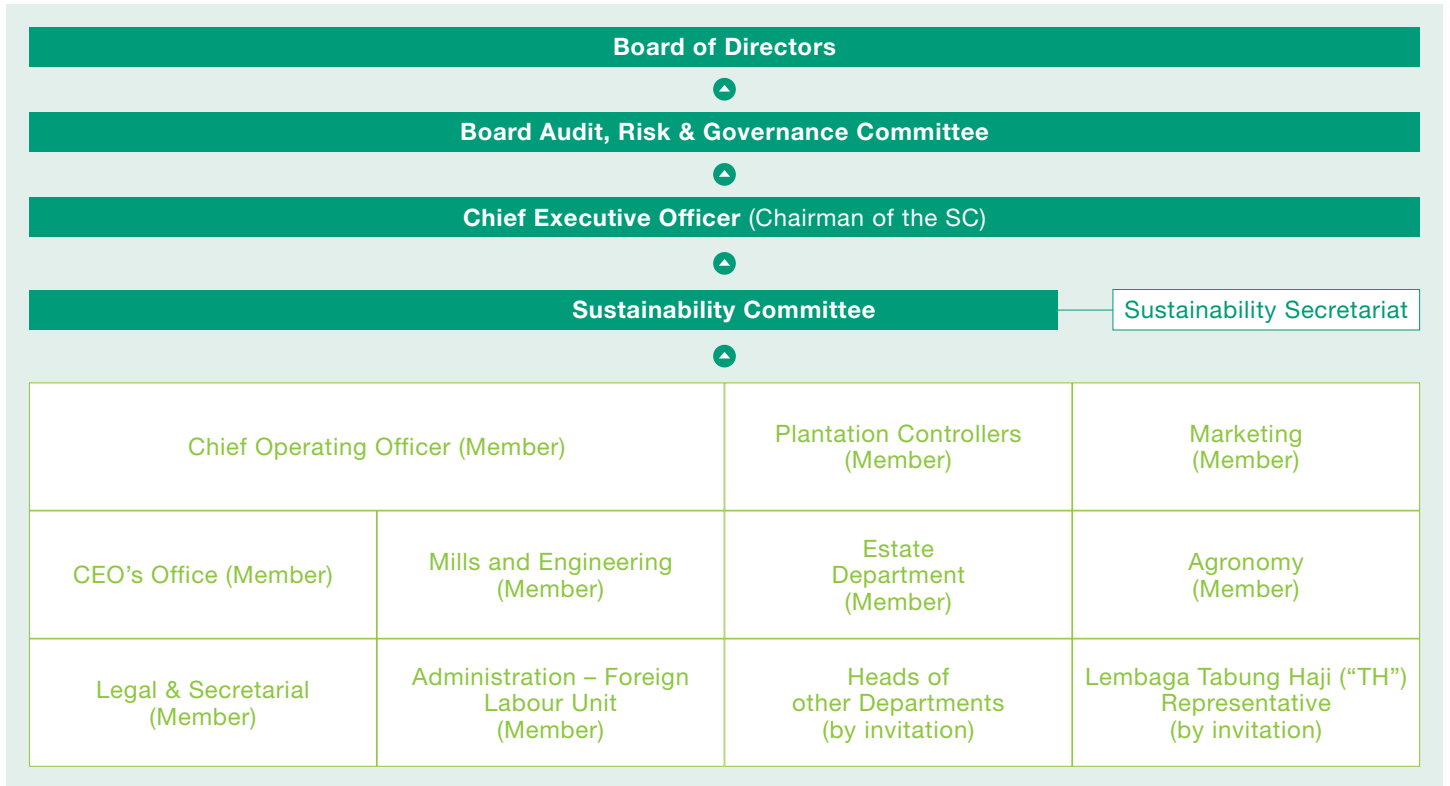
### Sustainability Committee

The SC, established on 26 November 2020, is chaired by the CEO and comprises Heads of Departments from across THP Group. This cross-functional composition enables effective coordination, knowledge-sharing and integration of sustainability considerations into business operations.

**The SC is responsible for:**

- 1 Executing the Board’s strategic direction on sustainability and ensuring alignment with the Group’s overall strategies.
- 2 Promoting understanding and effective implementation of the Group Sustainability Policy across all levels of the organisation.
- 3 Effective coordination of sustainability-related action plans and decisions across departments.
- 4 Deliberating on sustainability matters during regular meetings, guided by the Chairman’s direction and recommendations.

## Our Approach to Sustainability



### Sustainability Department

In November 2020, THP Group established a standalone Sustainability Department ("SD") to meet rising stakeholder expectations and regulatory requirements. The SD reports directly to the CEO and supports the structured implementation of sustainability initiatives across the Group.

#### The SD is organised into three specialised units:

- 1 **Malaysian Sustainable Palm Oil Certification and Sustainability Unit** – Ensures compliance with Malaysian Sustainable Palm Oil ("MSPO") standards across all operations.
- 2 **Occupational Safety and Health Unit** – Implements Occupational Safety and Health ("OSH") management systems in accordance with applicable policies, laws and regulations.
- 3 **Conservation and Biodiversity Unit** – Develops and implements conservation and biodiversity management strategies to support environmental protection and regulatory compliance.

The Head of Sustainability leads the SD and is accountable for coordinating and overseeing the execution of sustainability initiatives throughout the organisation.

# Our Approach to Sustainability

## Group Sustainability Policy

On 26 November 2020, the Board approved a revised Group Sustainability Policy to further embed sustainability into the Group's operations and culture. Aligned with the agricultural sector's No Deforestation, No Peat, No Exploitation ("NDPE") commitments and MSPO standards, the policy provides a clear operational framework to support long-term ESG performance alongside business objectives.

The policy is structured around three key focus areas:

### Human Rights and Social Commitments

- Uphold human rights
- Maintain a safe and healthy workplace
- Enhance employee welfare and support career development
- Respect and uphold land rights
- Create shared value for local and national-level development

### Environmental Responsibility Commitments

- Manage waste, effluent and air emissions responsibly
- Protect neighbouring water resources
- Implement zero-burning practices
- Promote biodiversity and conservation
- Adhere to our NDPE commitments
- Ensure efficient use of resources

### Ethical Business Commitments

- Adhere to responsible procurement practices
- Ensure supply chain traceability
- Uphold corporate integrity



The Group Sustainability Policy is publicly accessible on our corporate website: <https://thplantations.my/>

# Our Approach to Sustainability

## OUR SUSTAINABILITY MILESTONES

### 2019

- Adopted the first version of our Group Sustainability Policy.
- Achieved MSPO certification for 100% of our Sabah and Sarawak operations.

### 2020

- Achieved 100% compliance with the MSPO Supply Chain Certification Standard (“SCCS”).
- Established our SC and SD.
- Adopted an updated Group Sustainability Policy.

### 2021

- Installed a solar-powered guard house at Gedong Estate, Sarawak.
- Developed a mechanisation and automation blueprint for selected operational processes.

### 2023

- Launched and commenced implementation of the conservation programme at Gunung Arong Forest Reserve, Mersing, Johor.
- Received Board approval for our 5-year Strategic Business Plan for 2024-2028, or AL-Falah 22/22, which emphasises growth opportunities alongside positive ESG outcomes.

### 2022

- Undertook a 4,300-hectare (“ha”) conservation and restoration initiative at Hutan Simpan Gunung Arong (“GAFR”), Mersing, Johor.
- Completed the installation of electrostatic precipitators across 100% of mills.
- Listed on Bursa Malaysia’s FTSE4GOOD Bursa Index (“F4GBM”) and the FTSE4GOOD Bursa Malaysia Shariah Index.

### 2024

- Signed a Shareholders’ Agreement with Cenergi RE Sdn. Bhd. to install an on-grid biogas plant at Bukit Lawiang Mill under the Feed-In Tariff (“FIT”) programme.
- Introduced electric vehicles (“EV”) in our estate operations.
- Engaged with Malaysian Palm Oil Green Conservation Foundation (“MPOGCF”) to address human-wildlife conflict mitigation.
- Established a Community Learning Centre (“CLC”) in Sabah for the children of our Indonesian workers.
- Received recognition as an Anchor Company under the Vendor Development Programme by the Malaysian Ministry of Entrepreneur and Cooperatives Development (“MECD”).
- Appointed 36 OSH Coordinators across all operating units to strengthen our OSH practices.
- Established a Corruption Risk Assessment (“CRA”) Plan through the Integrity Governance Unit (“IGU”) to reinforce our anti-corruption framework.
- Appointed a Certified Integrity Officer (“CeIO”) to further strengthen our stance against unethical business practices.
- Signed an organisation-wide Corruption-Free Pledge with the Malaysian Anti-Corruption Commission (“MACC”).

### 2025

- Achieved full compliance with MSPO 2.0 (MS2530:2022) requirements across all estates and mills, supported by High Conservation Value (“HCV”) and Social Impact Assessment (“SIA”)-certified internal assessors.
- Commissioned first Biogas Power Plant at Bukit Lawiang Mill.
- Strengthened biodiversity awareness through collaborative programmes with local non-governmental organisations (“NGO”) and relevant government agencies.
- Expanded the Badang Mechanical Buffalo EV initiative through the acquisition of an additional 15 units in our operations.
- Enhanced competency and skills development for local tractor drivers through a training programme by the Malaysian Palm Oil Training Centre (“PLASMA”) and Malaysian Palm Oil Board (“MPOB”).
- Certified personnel as Ergonomics Trained Persons for Advance Ergonomics Risk Assessment (“ERA”).
- Continued the adopted school initiative under the Promoting Intelligence, Nurturing Talent and Advocating Responsibility (“PINTAR”) Programme to support education and community development.
- Maintained inclusion in the FTSE4Good and FTSE4Good Shariah Indices.
- Established a five-year Organisational Anti-Corruption Plan (“OACP”) for 2025-2029.

# Our Approach to Sustainability

## STAKEHOLDER ENGAGEMENT

**We pursue sustainability through the creation of shared, long-term value for both our business and our stakeholders, laying the foundation for inclusive and sustainable growth.**

Regular and structured engagement enables us to better understand stakeholder expectations, assess emerging risks and opportunities, and integrate relevant insights into our strategies, policies and operational practices.

### Stakeholder Groups & Engagement Platforms

#### Shareholders

##### Key Stakeholder Concerns & Relevant Disclosures

##### Engagement Platforms

- Annual General Meetings (“AGMs”)
- Quarterly announcements

- Chief Executive Officer’s Management Discussion & Analysis – pages 14 to 21
- Product Quality & Operational Efficiency – pages 37 to 41
- Audited Financial Statements – pages 151 to 255

#### Directors

##### Key Stakeholder Concerns & Relevant Disclosures

##### Engagement Platforms

- Quarterly and special Board meetings
- Quarterly and special Board Committee meetings

- Governance & Ethics – pages 43 to 46
- Corporate Governance Overview Statement – pages 110 to 133
- Statement of Risk Management & Internal Control (“SORMIC”) – pages 134 to 141

#### Management

##### Key Stakeholder Concerns & Relevant Disclosures

##### Engagement Platforms

- Operational and ad-hoc meetings

- Product Quality & Operational Efficiency – pages 37 to 41
- Traceability & Supply Chain Management – page 42
- Waste Management – pages 54 to 55
- Effluent & Water Discharge – pages 59 to 60
- Water Management – pages 61 to 62
- Safety & Health – pages 63 to 70
- Human Rights – pages 71 to 72
- Employee Welfare & Development – pages 73 to 79

# Our Approach to Sustainability

## Employees

### Engagement Platforms

- Our 'open-door' policy
- Our Company intranet
- Special briefings
- Employee bulletins
- Training and development programmes

### Key Stakeholder Concerns & Relevant Disclosures

- Governance & Ethics – pages 43 to 46
- Safety & Health – pages 63 to 70
- Human Rights – pages 71 to 72
- Employee Welfare & Development – pages 73 to 79

## Customers

### Engagement Platforms

- Regular emails and in-person engagements

### Key Stakeholder Concerns & Relevant Disclosures

- Product Quality & Operational Efficiency – pages 37 to 41
- Traceability & Supply Chain Management – page 42
- Governance & Ethics – pages 43 to 46
- Biodiversity & Conservation – pages 47 to 52
- NDPE Commitments – page 53
- Local Communities/Community Investment – page 80

## Local Communities

### Engagement Platforms

- Informal grievance channels
- Community-based programmes
- Land management schemes

### Key Stakeholder Concerns & Relevant Disclosures

- Biodiversity & Conservation – pages 47 to 52
- Effluent & Water Discharge – pages 59 to 60
- Local Communities/Community Investment – page 80
- Land Rights – page 81

## Local Authorities

### Engagement Platforms

- Monthly, annual and special reports
- Meetings and dialogues

### Key Stakeholder Concerns & Relevant Disclosures

- Governance & Ethics – pages 43 to 46
- Waste Management – pages 54 to 55
- Effluent & Water Discharge – pages 59 to 60
- Water Management – pages 61 to 62
- Safety & Health – pages 63 to 70
- Human Rights – pages 71 to 72

## Our Approach to Sustainability

We have since broadened and deepened our stakeholder engagement practices. Aligning with MSPO certification requirements, we enhanced our engagement framework by introducing structured stakeholder meetings at each operational complex and formal grievance mechanisms. These mechanisms provide stakeholders with accessible channels to raise concerns, lodge complaints or report suspected incidents, enabling timely resolution and continuous improvement in our sustainability performance

### MATERIAL MATTERS

**Our material matters represent the ESG issues that have a significant influence on our ability to create sustainable value for both our stakeholders and the business. These matters guide our sustainability strategy, risk management and disclosures.**

Our material matters were first identified through a comprehensive materiality assessment conducted in 2017. Since then, we have undertaken periodic reviews to ensure continued relevance in light of evolving stakeholder expectations, regulatory developments and strategic priorities. Details of these reviews are outlined below.

#### 2017

- Conducted a full-scale materiality assessment referencing Bursa Malaysia's Sustainability Reporting Guide and involving:
  - Our internal stakeholders (i.e., the Board, Management and Employees).
  - All our external stakeholder groups (i.e., Shareholders, Customers, Local Communities and Local Authorities).
- Identified and prioritised seven key stakeholder groups and 11 material matters.
- Reviewed these outcomes through the SC and obtained Board endorsement.

#### 2020

- Reviewed our Materiality Matrix and stakeholders list through focus group sessions with Customers.
- Identified one additional material matter – NDPE Commitments – bringing the total number of material matters to 12.
- Reaffirmed the continued relevance of existing material matters.

#### 2021

- Conducted further reviews of the Materiality Matrix and stakeholder list through focus group sessions with two external stakeholder groups (Management and Local Communities).
- Identified two additional material matters – Greenhouse Gas ("GHG") Emissions and Land Rights – increasing the total number of material matters to 14.
- Reaffirmed the continued relevance of existing material matters.

#### 2023 - 2025

- Undertook a limited-scale materiality review with reference to Bursa Malaysia's Sustainability Reporting Guide, benchmarking the Group's material matters against those of local and regional industry peers.
- Concluded that all 14 material matters remained aligned with the Group's strategic priorities and stakeholder expectations.

# Our Approach to Sustainability

## MATERIALITY MATRIX



## RISK MANAGEMENT

**THP Group adopts an approach to risk management, identifying potential threats to our business and implementing mitigation measures in accordance with our Group-wide governance framework.**

Guided by the Malaysian Code on Corporate Governance (“MCCG”) 2021, our risk management process enables the early detection and effective management of emerging risks. This is supported by an Enterprise Risk Management (“ERM”) framework, which integrates sustainability considerations across key risk categories, including environmental, strategic, compliance, corporate, financial and operational risks.

To maintain risks within the Group’s defined risk appetite, designated risk owners, together with the Risk and Compliance Department (“RCD”), continuously monitor and assess risk exposure. Progress and updates are regularly reported to the BARGC and the SC, ensuring timely oversight and informed decision-making.



For more details, please refer to the SORMIC in our Integrated Annual Report 2025, from pages 134 to 141.

# Our Approach to Sustainability

## SUSTAINABILITY FRAMEWORK

**The UNSDGs comprise 17 “Global Goals” that provide a blueprint for creating a more sustainable, equitable and prosperous world. As a responsible corporate citizen, THP Group aligns its sustainability initiatives with the UNSDGs, prioritising areas where we can make meaningful and measurable contributions through our operations, programmes and stakeholder engagements.**

At the national level, Malaysia’s Twelfth Malaysia Plan (“12MP”) 2021–2025 provides a strategic framework to enhance prosperity, inclusivity and sustainability. In support of these objectives, we are committed to cultivating a sustainability-focused culture within THP Group, empowering our employees to champion initiatives that deliver positive impact to communities, the environment and the nation at large.

<h3>Economic</h3> <ol style="list-style-type: none"> <li>1 Product Quality &amp; Operational Efficiency</li> <li>2 Strengthening Security, Wellbeing and Inclusivity</li> <li>3 Advancing Sustainability</li> </ol> <p>UNSDGs</p> 	<h3>Environmental</h3> <ol style="list-style-type: none"> <li>3 Advancing Sustainability</li> </ol> <p>UNSDGs</p> 	<h3>Social</h3> <ol style="list-style-type: none"> <li>1 Resetting the Economy</li> <li>2 Strengthening Security, Wellbeing and Inclusivity</li> </ol> <p>UNSDGs</p> 
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# Our Approach to Sustainability

## SUSTAINABILITY PERFORMANCE SCORECARD

Our Sustainability Performance Scorecard provides a concise overview of our progress against key sustainability objectives. It aligns teams across the organisation and supports a unified roadmap for long-term value creation.

Material Matters	Targets	FY2025 Progress Against Targets	Progress Tracking Status
<b>Economic</b>			
<b>1 Governance &amp; Ethics (Anti-Corruption Practices)</b>	Zero incidents of corruption annually	Zero incidents	
<b>Environmental</b>			
<b>1 Waste Management</b>	Reutilise up to 80% of biomass residue annually	81%	
<b>2 Water Management</b>	Maintain the water consumption rate below 1.5 m <sup>3</sup> per MT of FFB annually	1.5 m <sup>3</sup> /MT FFB	
<b>3 GHG Emissions</b>	FY2024 baseline <ul style="list-style-type: none"> <li>Scope 1 emissions: 157,907 tonnes of CO<sub>2</sub>e</li> <li>Scope 2 emissions: 2,063 tonnes of CO<sub>2</sub>e</li> <li>Scope 3 emissions: 628 tonnes of CO<sub>2</sub>e</li> <li>Total carbon footprint: 160,598 tonnes of CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 emissions: 157,454 tonnes of CO<sub>2</sub>e</li> <li>Scope 2 emissions: 1,838 tonnes of CO<sub>2</sub>e</li> <li>Scope 3 emissions: 1,637 tonnes of CO<sub>2</sub>e</li> <li>Total carbon footprint: 160,929 tonnes of CO<sub>2</sub>e</li> </ul>	 (Based on total emissions)
<i>Note: Please refer to the sub-topic GHG Emissions Data for the explanations</i>			
<b>Social</b>			
<b>1 Human Rights</b>	Zero substantiated complaints concerning human rights violations annually	Zero substantiated complaints	
<b>2 Safety &amp; Health</b>	Zero fatalities annually	Zero fatalities or fatal accidents	

**Legend: Progress tracking**



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).

# ECONOMIC



## Product Quality & Operational Efficiency

### Why It Matters

**Our focus on responsible sourcing and high product quality forms the cornerstone of our long-term success.**

By consistently meeting customer expectations and optimising operations, we strengthen buyer trust and preference – critical drivers in achieving our business objectives and ensuring sustainable growth.

### OUR APPROACH

#### Ensuring Customer Satisfaction

We foster strong, collaborative relationships with our customers through continuous engagement, enabling us to understand their needs and address challenges proactively. This close partnership positions us to deliver solutions that support sustained customer satisfaction.

Product quality is central to this commitment. Each batch of Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) undergoes rigorous measurement and monitoring against stringent internal benchmarks, aligned with the Standard Quality Grade of the Malaysian Standards – MS814:2007 for CPO and MS236:2007 for PK – to ensure consistent quality.

Free Fatty Acid (“FFA”) management remains a key focus to preserve CPO quality and protect margins. Closer control over handling, processing and turnaround times supports consistent quality outcomes across our milling network.

In addition, we work closely with key customers by providing traceability documentation, including Traceability to Plantation (“TTP”) data and NDPE Integrated Risk Framework (“IRF”) survey forms, reinforcing transparency and confidence in our products.

### Performance of CPO & Palm Kernel

#### CPO

##### Free Fatty Acid (%)

2023	3.79
2024	3.74
2025	3.84

Internal Target: ≤5.00

##### Deterioration of Bleachability Index (“DOBI”)

2023	2.52
2024	2.49
2025	2.51

Internal Target: ≥2.30

##### Moisture & Impurities (“M&I”) (%)

2023	0.16
2024	0.16
2025	0.17

Internal Target: <0.25

#### PK

##### Moisture (%)

2023	6.33
2024	6.28
2025	6.00

Internal Target: <7.00

##### Dirt & Shell (%)

2023	4.80
2024	5.99
2025	5.70

Internal Target: <6.00

# Economic

## Driving Economic Performance

Economic performance underpins our strategy for sustainable growth. By anticipating market developments, maintaining financial resilience, adopting technological innovations and proactively managing risks, we are well positioned to capture growth opportunities and create value for our stakeholders through taxes, salaries, dividends and ongoing investments.

In FY2025, revenue from our core activities – including investment holdings, oil palm cultivation, Fresh Fruit Bunch (“FFB”) processing, and marketing of CPO, PK and FFB within Malaysia – totalled RM 961.24 million.

### Key initiatives during the year further contributed to these results, including:

- 1 AL-Falah 22/22 strategy
- 2 High Impact Performance Enhancement Training & Workshop (“HIPETW”)

### Economic Performance

Item	2023 (RM)	2024 (RM)	2025 (RM)
<b>Economic value generated (i.e. revenue and other income)</b>	773,285,000	905,959,314	<b>970,743,000</b>
<b>Economic value distributed</b>			
- Operating costs	484,971,000	549,278,314	<b>565,851,481</b>
- Employee wages and benefits	158,582,000	166,443,000	<b>177,041,519</b>
- Payments to providers of capital (i.e., dividends and financing costs)	88,120,000	82,425,665	<b>92,829,458</b>
- Payments to government (i.e., taxes and zakat)	33,470,000	54,023,000	<b>53,822,000</b>
- Community investments	119,600	54,000	<b>51,000</b>
<b>Economic value retained</b>	<b>8,022,400</b>	<b>53,735,335</b>	<b>81,147,542</b>

**Note:**

Number of beneficiaries for community investments in 2025 is 471.

## Optimising Field Operations & Mechanisation

During the year, we focused on strengthening in-field operations through more structured working systems for harvesters and general workers. These improvements, supported by closer monitoring of field practices, aimed to improve field upkeep, expand harvesting coverage and minimise crop losses.

Mechanisation and automation continued to play a critical role in mitigating labour constraints and strengthening operational performance across our estates. In Sarawak, the expanded deployment of rubber track crawlers for peatland operations enhanced field mobility and delivered meaningful improvements in worker-level productivity under challenging soil conditions.

In Peninsular Malaysia, the introduction of Mechanical Buffalo EV units improved infield transport efficiency while achieving notable reductions in energy operating costs compared to diesel-powered alternatives.

Targeted technology trials were also undertaken to advance automation initiatives. Drone applications at Ladang Sungai Mengah Nursery and Ladang Gedong Nursery demonstrated reduced operating time and labour requirements for pest and disease control, supporting phased implementation at selected locations.

These initiatives reinforce our commitment to productivity enhancement, cost efficiency and sustainable estate operations.

## Economic

## Enhancing Good Agricultural Practices

We apply standard operating procedures (“SOPs”) based on Good Agricultural Practices (“GAP”) across our plantations, covering areas such as efficient water management, site-specific fertilisation, integrated pest management (“IPM”), weed control and the removal of unproductive palms. These practices support field productivity and long-term sustainability.



High Impact Performance Enhancement Training & Workshop (“HIPETW”) 3.0 was held in Sarawak.

In FY2025, we strengthened these practices through several initiatives:

### INITIATIVE 1: PLANTING MATERIALS & SEEDS

We continued to strengthen our replanting programme through the use of high-quality planting materials and seeds, providing our estates with a solid foundation to achieve optimal productivity and uniform growth.

### INITIATIVE 3: SLOW-RELEASE FERTILISER

Building on trials conducted in FY2024 in immature areas, we continued to use slow-release fertilisers to optimise nutrient efficiency and minimise environmental impact. This fertiliser technology reduces nutrient losses, lowers the frequency of application rounds, supports ESG compliance and enhances yield resilience, particularly in flood-prone areas, through more stable and controlled nutrient release.

### INITIATIVE 5: RAT CONTROL USING BARN OWLS

We remained committed to the use of barn owls (*Tyto alba*) as a natural and environmentally responsible method for managing rat populations on our estates. In cases of severe infestation, first-generation rat bait is applied strictly as a secondary measure and only when necessary, ensuring a balanced pest management approach that safeguards barn owls and minimises chemical usage.

### INITIATIVE 7: ESTATE PRODUCTIVITY BENCHMARKING

A Group-wide Benchmarking Programme enabled comparison of yields and key performance indicators (“KPIs”) across estates with similar age profiles. This facilitated targeted, cost-effective interventions and promoted consistent execution of agronomic best practices across the estate portfolio.

### INITIATIVE 2: EFFECTIVE & INDIGENOUS MICROORGANISM APPLICATION

Effective Microorganisms (“EM”) were applied across our estates to improve soil fertility, enhance nutrient availability, strengthen plant growth and immunity, and reduce reliance on chemical inputs. In parallel, indigenous microorganisms (“IMO”) were applied prior to seedling transplantation, in accordance with SOPs updated in FY2025, to improve soil health and promote stronger, healthier plant establishment from the early growth stages.

### INITIATIVE 4: EMPTY FRUIT BUNCH APPLICATION

Guided by SOPs updated during FY2025, we maintained the application of Empty Fruit Bunches (“EFB”) across our estates to enhance soil structure, improve moisture retention and increase nutrient availability, thereby supporting healthier soil conditions.

### INITIATIVE 6: TARGETED TECHNOLOGY TRIALS

We conducted drone trials at the Ladang Gedong Nursery to evaluate automation for pest and disease control. Results demonstrated significant reductions in operating time and labour requirements. Following these findings, drone spraying was introduced at selected locations, supporting more efficient nursery operations and improved resource utilisation.

# Economic



The Head of Agronomy briefing the estate operations team during an agronomy field visit.

## Advancing Research & Development

Research & Development (“R&D”) is a cornerstone of our Agronomy Department, driving innovations that enhance both yield quality and quantity while upholding environmental sustainability. Our dedicated team of four R&D professionals focuses on optimising fertiliser use, conducting plantation-based research and exploring other initiatives that improve operational productivity.

Aligned with our vision to operate as an integrated and sustainable plantation company, we remain committed to sustaining investment in R&D and the continuous strengthening of internal quality controls. Simultaneously, we actively investigate new agricultural practices that boost yields and ensure the consistent delivery of high-quality products.

### R&D Budget

#### Annual Expenditure Budget for R&D (RM Million)

2023	2.0
2024	1.2
2025	1.17

# Economic

## Maintaining MSPO Certification

### MSPO Standards

As a producer of CPO and PK with an extensive network of business relationships, we recognise our responsibility to promote and advance the adoption of sustainable practices across our supply chain.

The MSPO standards define clear expectations of our operations in the following areas:

- 1 Management commitment and responsibility
- 2 Transparency
- 3 Compliance with legal requirements
- 4 Social responsibility, safety and employment conditions
- 5 Environment, natural resources, biodiversity and ecosystem services

To ensure consistent adherence to the required standards, we have established robust procedures across key areas, including management accountability, transparency, legal compliance, social responsibility, environmental stewardship, best practices and responsible development.

In parallel, we have enhanced support for our stakeholders – particularly FFB suppliers – in obtaining MSPO certification. This approach not only creates growth opportunities for our partners but also strengthens the long-term resilience of our supply chain.

### MSPO 2.0 Implementation

The MSPO 2.0 standard (MS2530:2022) came into effect in January 2025 and applies to all THP-owned estates and mills. During the year, our Sustainability Department (“SD”) engaged closely with MSPO authorities to ensure compliance with the enhanced requirements of the standard.

Key topics covered in these engagements included:

- 1 Deforestation and land-use change
- 2 GHG Calculator implementation
- 3 Updated Social Impact Assessment (“SIA”) guidelines and training
- 4 High Conservation Value (“HCV”) guidelines and training
- 5 MSPO certification process for independent smallholders supplying FFB to THP mills

### Key MSPO 2.0 Activities in FY2025

**THP Management Meeting with the MSPO CEO**

12 March 2025

**THP Sustainability Meeting with the MSPO Chief Technical Officer**

15 October 2025

### MSPO 2.0 Certification Audit

- Sabah & Sarawak Region: **May 2025**
- Kluang Complex: **June 2025**
- Terengganu & Kota Bahagia Complex: **November 2025**



### SIA Internal Assessor Training

5-7 November 2025



### HCV Internal Assessor Training

16-18 December 2025



We are proud to report that we achieved full compliance with MSPO 2.0 (MS2530:2022) requirements across all estates and mills in FY2025, supported by HCV and SIA-certified internal assessors.

# Economic



## Traceability & Supply Chain Management

### Why It Matters

By adopting responsible and sustainable sourcing practices, we pursue our business objectives while minimising environmental impacts and promoting equitable outcomes for local communities.

This approach creates lasting value for the environment, supports the communities we serve and meets the expectations of our stakeholders.

### OUR APPROACH

#### Ensuring Traceability & Compliance in Our Palm Oil Mills

We prioritise complete traceability across the FFB production cycle, from planting seedlings to harvesting and transporting fruit. At our palm oil mills, CPO and PK are tracked through every stage of production, including FFB receipt, mill processing, transportation and delivery. This rigorous monitoring ensures full compliance with the MSPO MS2530-4-1:2022 Palm Oil Mill Including Supply Chain Requirements, which is renewed every five years for all our facilities.

#### Advancing Fair & Sustainable Sourcing Principles

Fairness, transparency and sustainability are the cornerstones of our procurement approach. All suppliers – including those in our Vendor Development Initiative (“VDI”) – are assessed objectively and treated equitably.

The Procurement Department oversees supplier selection using clearly defined criteria, covering capabilities, resources, and the quality and suitability of materials. Strong internal controls, including Tender Committee approvals and defined authority limits, safeguard impartiality throughout the process.

Sustainability is integrated at every stage, from pre-qualification and supplier registration to annual performance reviews. Suppliers, both new and existing, are expected to meet our established sustainability standards, covering ethical conduct, health and safety, environmental stewardship and human rights.

### OUR PERFORMANCE

In FY2025, we further strengthened responsible sourcing by conducting detailed sustainability assessments for our suppliers, with 0.5% of major vendors evaluated on key environmental and social criteria.

#### Procurement Assessments

Item	2023	2024	2025
Percentage of suppliers screened using environmental criteria (%)	3	0.7	0.5
Number of suppliers assessed for environmental impacts	51	13	10
Percentage of suppliers screened using social criteria (%)	3	0.7	0.5
Number of suppliers assessed for social impacts	51	13	10

# Economic



## Governance & Ethics

### Why It Matters

**Robust governance, strong ethical standards and resilient cybersecurity are critical to the long-term sustainability of our business.**

They provide clear guidance on decision-making, shape organisational behaviour and reinforce stakeholder trust, forming the foundation for responsible growth and operational resilience.

### OUR APPROACH

#### Spearheading a Culture of Anti-Corruption

#### Governing Framework

We uphold the enhanced corporate governance standards outlined in the Malaysian Code on Corporate Governance (“MCCG”) 2021, Bursa Malaysia’s Main Market Listing Requirements (“MMLR”) and Bursa Malaysia’s Corporate Governance Guide. These frameworks provide the foundation for our governance practices and guide decision-making at every level of the organisation.

Central to our approach is a firm stance against corruption. Operational limits of authority, mandatory conflict-of-interest declarations for all Directors and employees and an open-door reporting policy support a workplace free from unethical conduct.

To embed these principles across the organisation, we have implemented a Code of Ethics and Conduct, which defines expected behaviour, legal compliance and disciplinary procedures for all employees and management.

In addition, the Company has established key governance frameworks and policies to institutionalise integrity, strengthen accountability and ensure consistent application of ethical standards across the Group.

### Governance Frameworks & Policies Introduced in FY2025

#### Integrity Pact

Date Established  
**21 January 2025**

#### Supplier Code of Ethics

Date Established  
**21 January 2025**

#### Gift, Entertainment & Hospitality Policy

Date Established  
**5 May 2025**

#### Organisational Anti-Corruption Plan (“OACP”) 2025–2029

Date Established  
**17 November 2025**

# Economic

## Integrity

Integrity continues to be the foundation of how we operate, guiding every decision and action across the organisation. The Group remains committed to fostering a workplace where ethical conduct, transparency and accountability are upheld at all levels, in line with regulatory expectations and stakeholder trust.

During FY2025, the Group placed strong emphasis on integrity awareness and capacity building to ensure that employees, management and the Board clearly understand their roles and responsibilities in upholding ethical standards. These initiatives were designed to reinforce compliance promote ethical decision-making and embed a culture of integrity across operations at headquarters, estates and mills.

As part of these efforts, the Group introduced an Integrity Ambassador initiative in FY2025. Selected employees were appointed to serve as integrity role models and advocates within their respective departments and locations, supporting integrity awareness, ethical conduct and adherence to the Group's policies and procedures at the operational level.

The key integrity awareness and training programmes conducted in FY2025 are summarised below:

### Key Integrity Awareness & Training Programmes in FY2025

- 7 and 28 February 2025

#### Briefing on Implementation of the Integrity Pact, Conflict of Interest and Supplier Code of Ethics

Audience: Procurement and Marketing Department Personnel

- 18–26 February 2025

#### OACP Development Workshop

Audience: Management

- 12 July 2025

#### Briefing on Disciplinary Procedures

Audience: Management and Executive

- 18 August 2025

#### Integrity Awareness Programme for the Board of Directors and Heads of Departments titled "Conflict of Interest and Bias"

Audience: Board and Management

- 17 September–19 December 2025

#### Organisation-wide Integrity Awareness Programme (Roadshow)

Audience: Management, Executive and Non-Executive (Technical)

## Whistleblowing

Our Whistleblowing Policy provides a secure and confidential channel for employees and stakeholders to report suspected breaches of ethical standards. By enabling concerns to be raised safely and without fear of retaliation, the policy reinforces a culture of accountability across the organisation.

The policy has since been revised to enhance reporting mechanisms and strengthen protections for whistleblowers. As part of these improvements, a new Whistleblowing Channel, managed independently by a third-party, was launched in FY2024 to ensure impartiality and confidentiality.

The effectiveness of the Whistleblowing Channel is supported by clear complaint management and investigation procedures, with appropriate escalation to the Board Audit, Risk and Governance Committee ("BARGC") and the Board of Directors ("Board"), where required, and continuous oversight by the Integrity and Governance Unit ("IGU"). The IGU also leads awareness programmes across headquarters, estates and mills, with a focus on encouraging employees to raise concerns and submit complaints through the Whistleblowing Channel, thereby reinforcing ethical standards and responsible conduct throughout the Group.

## Corruption Risk Assessments

TH Plantations Berhad remains committed to upholding governance excellence and ensuring regulatory compliance through the implementation of a robust set of Guidelines on Adequate Procedures. These measures are designed to safeguard the organisation, particularly in light of the requirements and implications under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018).

## Economic

A comprehensive Corruption Risk Assessment (“CRA”) is conducted on a biannual basis to systematically identify, assess and mitigate corruption, integrity and governance-related risks across the Group’s operations. The CRA evaluates the adequacy and effectiveness of existing policies, procedures and internal controls, enabling the timely identification of potential issues. It encompasses bribery and fraud risks across all business units, with particular focus on procurement, human resource processes, conflicts of interest as well as financial and operational activities. The outcomes of the CRA are reported to the BARGC to support effective oversight, transparency and accountability in the management of key risks.

### Anti-Corruption Data

Anti-Corruption			
Item	2023	2024	2025
Number of confirmed corruption incidents	0	0 <sup>1</sup>	0 <sup>2</sup>
Percentage of operations assessed for corruption-related risks (%)	N/A <sup>3</sup>	100%	100%
Percentage of employees who have received training on anti-corruption (%)			
	2023	2024	2025
- Management	79	87	90
- Executive	75	86	79
- Non-Executive/Technical	29	51	75

**Notes:**

<sup>1</sup> One case reported and still under investigation by the Malaysian Anti-Corruption Commission (“MACC”).

<sup>2</sup> Two cases reported and still under investigation by the MACC.

<sup>3</sup> As we only began undergoing CRAs in FY2024, previous data is unavailable.



Organisation Anti-Corruption Plan (“OACP”) workshop was held at Premiera Hotel, Kuala Lumpur.

### Enhancing Cybersecurity & Data Privacy

#### Disaster Recovery

A resilient and secure digital environment is critical to maintaining stakeholder trust. We continue to invest in strengthening network security, improving data privacy measures and fostering a culture of cyber awareness across the organisation.

# Economic

At the core of these efforts is our Information Technology Disaster Recovery Plan (“IT DRP”), introduced in 2020. Aligned with Malaysia’s Personal Data Protection Act (“PDPA”) 2010, the General Data Protection Regulation (“GDPR”) and the Asia Pacific Economic Cooperation (“APEC”) Privacy Framework, the IT DRP underpins our cybersecurity framework, ensures regulatory compliance across all operating regions and is fully embedded in our operational processes.

## Cybersecurity & Access Controls

In 2025, the Group continued to strengthen its cybersecurity practices to support responsible digital stewardship and organisational resilience. Key efforts included implementing Multi-Factor Authentication (“MFA”) for critical systems and remote access, reviewing and cleaning up privileged user access, and enhancing network security through firewall hardening and configuration improvements. These measures help safeguard systems and protect sensitive information.

## Data Recovery & Business Continuity

During the year, the Group enhanced its data recovery practices to support business continuity and operational resilience. Key initiatives focused on maintaining reliable data backup processes for critical systems and periodically validating recovery readiness through structured reviews and exercises. Backup and recovery processes were monitored and tested to improve data availability, minimise potential operational disruptions and support the long-term sustainability of the Group’s digital operations.

## Data Management

Effective data management and security are central to our Enterprise Risk Management (“ERM”) framework. We collect data lawfully, maintain transparency on how it is used and apply rigorous controls to protect it.

For contractors and suppliers, information is stored securely in our Contractor Management System (“CMS”), with access restricted to authorised personnel. User activity is continuously monitored to prevent unauthorised access or misuse, and our data retention and destruction policy ensures information is kept only as long as necessary and disposed of securely when no longer needed.



A CRA workshop was held with the assistance of Malaysian Anti-Corruption Commission (“MACC”) personnel.

## Network Security

We continue to prioritise the security of our digital systems and infrastructure. Robust measures are in place to monitor activities, detect anomalies and prevent unauthorised access, ensuring a safe and reliable operating environment.

Our security frameworks are regularly reviewed and updated to align with current standards and evolving cyber threats. Users are supported through awareness and training programmes to recognise potential risks, such as phishing or other malicious activities, helping to maintain a strong culture of cybersecurity across the organisation.

### Cybersecurity

Item	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

# OUR ENVIRONMENTAL STEWARDSHIP



## Biodiversity & Conservation

### Why It Matters

Protecting local ecosystems and biodiversity is crucial for maintaining environmental balance and promoting sustainable development.

As a responsible industry player, we recognise our duty to minimise impacts on habitats within and around our operational areas and their surrounding ecosystems.

### OUR APPROACH

#### Preserving Riparian Reserves

Riparian reserves are vital conservation zones situated between land and rivers, providing crucial habitats for a diverse array of plant and animal species. They also play a critical role in maintaining soil stability and protecting water quality in surrounding areas.

Within our plantations, we have established buffer zones and riparian reserves covering 598 hectares (“ha”). To strengthen these areas, we plant legume cover crops (“LCCs”), which reduce soil erosion, suppress weed growth and enhance soil fertility.

We focus on maintaining and preserving riparian reserves, in line with applicable MSPO standards, aiming to demonstrate responsible environmental stewardship.

#### Conducting Environmental Impact Assessments

Before any replanting activities, we conduct comprehensive Environmental Impact Assessments (“EIAs”) in accordance with requirements set by the Malaysian Department of Environment (“DOE”), covering:

- 1 Soil erosion, slope stability and soil conditions
- 2 Water and noise pollution
- 3 Loss of flora, fauna and habitats
- 4 Waste disposal
- 5 Impacts of replanting and abandoned land
- 6 Socioeconomic and ecological effects
- 7 Safety and health concerns
- 8 Peat soil subsidence

These assessments are carried out by independent third-party consultants, with findings submitted to the DOE to ensure all environmental considerations are addressed before replanting commences.

Replanting decisions are guided by several factors, including palm age (with yields declining below 15 MT/ha for palms over 25 years), palm height (harvesting challenges arise for palms exceeding 45 feet) and areas where soil quality has deteriorated due to flooding or root diseases.

# Our Environmental Stewardship

## Managing Our Peatlands

We cultivate only on peatland designated by the Malaysian government for agricultural development, following strict guidelines to ensure sustainable use. Recognising the fragile nature of peat soils, we implement targeted practices to support responsible development.

Our Agronomy team provides technical guidance and advisory support, focusing on maintaining optimal water levels and managing excess drainage to prevent peat degradation. These measures are critical for safeguarding the long-term health and productivity of the land.

By the end of FY2025, we owned 44,749.27 ha of peatland, of which 14,924.84 ha remained unplanted and were preserved as biodiversity and conservation areas.

## Integrated Pest Management

Pest management is a critical component of oil palm cultivation, supporting healthy yields and protecting plantations from damage. To balance operational needs with environmental stewardship, we prioritise integrated pest management (“IPM”) approaches that minimise reliance on chemical inputs.

Our IPM strategy emphasises the use of biopesticides and biological control agents, tailored to the specific conditions of each estate. This approach enables effective pest control while supporting environmental sustainability and ecosystem health.

### Our efforts include:

- 1 Using barn owls (*Tyto alba*) to control rat populations
- 2 Shredding felled trunks into chips of acceptable size to suppress the breeding of rhinoceros beetles
- 3 Planting beneficial plants that provide shelter and food for predators and parasitoids of pests
- 4 Using *Bacillus thuringiensis*, a soil-dwelling bacterium, against insect pests such as *Tirathaba rufivena* and bagworm larvae

## Conservation Of Coastal Forest & Peatlands in Gunung Arong Forest Reserve

Now in its third year, FY2025 activities for the conservation programme covering 4,300 ha within the Gunung Arong Forest Reserve (“GAFR”) in Mersing, Johor, were implemented in accordance with the approved work plan jointly developed by the Johor State Forestry Department (“JSFD”), the Global Environment Centre (“GEC”) and TH Plantations Berhad (“THP”), as part of the Group’s efforts to address climate

change and to support the national agenda towards Net Zero by 2050. Funded by Lembaga Tabung Haji (“TH”) with a total allocation of RM5 million, this seven-year programme (2022–2029) aims to preserve and conserve the forest ecosystem through strengthening carbon sequestration and enhancing the role of the area as a carbon sink, improved hydrology systems to maintain ecosystem functions, biodiversity protection and key ecosystem, controlling forest fire risks through prevention and mitigation measures, and empowering local communities through inclusive engagement and sustainable livelihood support. The work plan continues to serve as the guiding framework for key conservation initiatives, community engagement programmes and sustainable forest management efforts within GAFR and its surrounding areas, supporting environmental sustainability and ecosystem health.

### Notable milestones and activities during the year include:

- 1 Successful Registrar of Societies (“RoS”) registration of local community group Pertubuhan Komuniti Pelindung Alam Sekitar (“KompAS”), Mersing (PPM-008-01-25072025), strengthening its role in leading community-driven conservation initiatives.
- 2 Operation of 10 canal blocks in identified fire hotspots to manage water levels, reduce fire risks and restore natural hydrology in peatland areas.
- 3 Installation of 11 piezometers with regular patrols and data recording to monitor fire risk; low water table readings indicate higher fire risk and dry peatland conditions.
- 4 Establishment of a community forest fire patrol team in GAFR, comprising three patrollers conducting four weekly patrols to prevent fires in high-risk forest compartments.
- 5 Installation of nine forestry enactment signages, five Fire Danger Rating System (“FDRS”) signages and four Peatland Fire Risk Markers with piezometers to enforce regulations and provide early fire risk warnings with real-time groundwater data.
- 6 Wildlife monitoring through camera traps and roadkill surveys confirmed the active presence of International Union for Conservation of Nature (“IUCN”)-categorised endangered and vulnerable species, highlighting GAFR’s role as a sanctuary.
- 7 Planting of 3,828 trees in collaboration with local communities, including *Hopea odorata*, *Calophyllum ferrugineum* and *Dipterocarpus oblongifolius*.
- 8 Organisation of scientific and outreach activities, including four community events and research paper presentations in collaboration with the GEC, to promote conservation awareness and highlight freshwater swamp and wetland ecosystems.

## Our Environmental Stewardship

### Restoration of GAFR



### Tree-planting activities



These initiatives demonstrate meaningful progress in rehabilitation and conservation, with increasing local participation reflecting a growing sense of ownership. Collaborative actions between the community and relevant agencies have been instrumental in sustaining and strengthening GAFR conservation initiatives.

### Restoration of GAFR through Tree-planting

On 14 October 2025, we conducted a tree-planting activity at GAFR as part of the Coastal Forest and Peatland Conservation Programme. The event brought together 33 participants, including 20 THP delegates, seven representatives from the Johor Timur District Forestry Department and GEC, and four KomPAS members.

A monitoring visit to previously planted plots allowed staff to assess growth and survival, informing adaptive management of ongoing conservation activities. This event reinforced our leadership in multi-stakeholder collaboration and commitment to restoring coastal and peatland ecosystems at GAFR.

# Our Environmental Stewardship

## Biodiversity & High Conservation Value Training

From 19–20 November 2025, we conducted a Biodiversity & HCV Training at Ladang Kota Bahagia, Pahang, involving staff from our oil palm estates across the Peninsular Region.

### The programme:

- 1 Provided training on MSPO HCV guidelines and biodiversity conservation principles.



- 2 Included field activities along estate borders near rivers to identify critical conservation areas, observe wildlife habitats and evaluate ecological indicators.
- 3 Featured wildlife sightings, including hornbills, fish and various bird species.
- 4 Introduced tree species identification and camera trap use for monitoring wildlife.

## HCV Internal Lead Assessor Training

In line with our commitment to sustainability and regulatory compliance, our personnel attended the MSPO HCV Internal Lead Assessor Training from 16 to 18 December 2025 at Hotel Seri Malaysia, Mersing, Johor. The programme enhanced participants' understanding of HCV principles and their practical application within the MSPO certification framework, covering both smallholder and plantation operations.

This capacity-building initiative strengthens internal competencies to conduct HCV assessments, supports compliance with regulatory requirements and ensures that biodiversity and conservation considerations are integrated into our plantation management practices.

## Achieving Coexistence with Elephants

We actively supported elephant conservation and human-elephant conflict mitigation during the year through participation in the following key initiatives:

- 1 National Symposium on Asian Elephant Conservation and Management (16–18 November 2025, Felda Residence Tanjung Leman, Johor), organised by the Malaysian Palm Oil Green Conservation Foundation ("MPOGCF") in collaboration with the Department of Wildlife and National Parks Peninsular Malaysia ("PERHILITAN").



- 2 MEME Stakeholder Workshop and Online Course Launch (3 November 2025, University of Nottingham Malaysia), involving stakeholders such as FGV, SD Guthrie, Felda, Johor Plantations, Tradewinds, MPOGCF and Yayasan Khazanah.

We also supported field-based conservation efforts, deploying four camera traps at Ladang Gunung Sumalayang to monitor elephants, otters and dusky leaf monkeys, generating valuable data on wildlife behaviour.

## Wildlife Conservation & Management Awareness Programme

In July 2025, we conducted a two-day Wildlife Conservation & Management Awareness Programme at Ladang Sungai Tenegang, Sabah. Participants included management personnel and field teams from the Sabah Region.

### Key programme elements:

- 1 Delivered in collaboration with the Sabah Wildlife Department ("SWD"), Seratu Aatai and Orang Juga.
- 2 Covered elephant ecology, patrol and reporting procedures, orangutan management and measures to reduce conflict risks in plantation landscapes.
- 3 Included an awareness session at the Community Learning Centre ("CLC") with 50 student participants.
- 4 Recommended exploring elephant collaring near Tenegang to monitor movements, support mitigation planning, improve worker safety and contribute scientific insights.

# Our Environmental Stewardship

## Biodiversity Risk Assessments

In FY2025, all estates underwent internal biodiversity risk assessments to ensure continued MSPO compliance. Each estate’s operations team identifies, monitors and manages biodiversity-related risks.



Based on assessment outcomes, approximately 1,500 ha of land have been set aside as protected areas, providing habitats for 40 plant and animal species, identified according to the IUCN Red List of Threatened Species below.

Identified Species	NE (Not Evaluated)	DD (Data Deficient)	LC (Least Concern)	NT (Near Threatened)	VU (Vulnerable)	EN (Endangered)	CR (Critically Endangered)	CO (Collapsed)
<b>Fauna</b>								
1. Sumatran Rhinoceros							●	
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 sublpna			●					
11. Macacafascicularis						●		
12. Amaurornis phoenicurus			●					
13. Copsychus malabaricus			●					
14. Python reticulatus			●					
15. Varanus salvator			●					
16. Ayuthia spectabile	●							
17. Ceyxazureus			●					
18. Acridotheres tristis			●					
19. Cuculidae			●					
20. Paradoxurus hermaphroditus			●					

05 Our Sustainability Journey

# Our Environmental Stewardship

Identified Species	NE (Not Evaluated)	DD (Data Deficient)	LC (Least Concern)	NT (Near Threatened)	VU (Vulnerable)	EN (Endangered)	CR (Critically Endangered)	CO (Collapsed)
<b>Fauna</b>								
21. Limnonectes Malesianus				●				
22. Hylarana Erythraea			●					
23. Cicadas			●					
24. Mantodea			●					
25. Phaenopharos struthioneus	●							
26. Coturnix			●					
27. Tragulus javanicus		●						
28. Ophiophagus					●			
29. Malayemys macrocephala			●					
<b>Flora</b>								
30. Caryota no			●					
31. 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					●			
21. Senduduk			●					

# Our Environmental Stewardship



## NDPE Commitments

### Why It Matters

**By upholding our commitments to No Deforestation, No Peat and No Exploitation (“NDPE”), we seek to prevent environmental degradation, protect vulnerable ecosystems, and respect the rights and wellbeing of people and communities.**

This approach supports a more equitable and sustainable future for our business and contributes to the long-term resilience of the palm oil industry.

### OUR APPROACH

#### Upholding the NDPE Commitments

Our NDPE commitments, as set out in our Group Sustainability Policy, guide how we balance economic growth with environmental stewardship and respect for human rights, in alignment with global sustainable development priorities.

#### No Deforestation

- We safeguard areas identified as High Conservation Value (“HCV”) and High Carbon Stock (“HCS”) by adhering to recognised national and international best practices.
- All plantation development activities are subject to the identification, assessment and protection of HCV areas and HCS forests, guided by internationally accepted standards.
- Where feasible, we work with technical experts and local communities to support natural forest restoration initiatives.

#### No New Development on Peat

- We prohibit any new plantation development on peatland, regardless of peat depth.
- Existing operations on peat are managed in accordance with strict Best Management Practices (“BMP”), aligned with national regulations, industry guidance and recommendations issued by MPOB.
- Peatland management is conducted in line with good agricultural practices as outlined in our internal policies and SOPs.
- Where feasible, we collaborate with experts and local communities to support the restoration of degraded peatland areas.

#### No Exploitation of People & Local Communities

We are committed to supporting the sustainable development of our people and local communities by:

- Respecting internationally recognised human rights.
- Providing a safe, healthy and inclusive workplace.
- Supporting employee welfare and career progression.
- Respecting land rights and ensuring fair treatment of landowners.

# Our Environmental Stewardship



## Waste Management

### Why It Matters

Effective waste management and the responsible reuse of by-products are essential to minimising our environmental footprint and supporting the transition towards a circular economy.

### OUR APPROACH

#### Managing Hazardous & Non-Hazardous Waste

We are committed to responsible waste management through strict compliance with applicable environmental regulations and the implementation of best practices for waste handling, storage and disposal. Our approach covers both scheduled (hazardous) and non-hazardous waste streams and is aligned with Malaysia’s Environmental Quality (Scheduled Wastes) Regulations 2005.

In accordance with regulatory requirements, scheduled waste is stored on-site for not more than 180 days and is limited to a maximum of 20 MT at any one time. Across our operations, we generate an average of less than 10 MT of scheduled waste per month.

All hazardous waste is managed by third-party contractors approved by Malaysia’s Department of Environment (“DOE”), ensuring proper treatment and disposal. We monitor waste collection records provided by these contractors and submit detailed monthly reports to the DOE. For non-hazardous and domestic waste, we engage licensed waste collectors to ensure disposal is carried out in accordance with regulatory requirements.

Looking ahead, we aim to further strengthen our waste management practices by tracking and reporting total domestic waste collected, enabling improved performance monitoring and continuous improvement over time.

#### Waste Generation & Disposal Performance Data

In FY2025, generated waste reduced slightly by 1.15%, primarily due to lower FFB processing volumes at the mill compared with the previous year.

#### Waste Generation & Disposal

Item	2024	2025
Waste generated (MT)	462,616.00	457,314.00
Total waste diverted from disposal (MT)	388,597.44 (84%)	368,857.40 (81%)
Total waste directed to disposal (MT)	74,018.56 (16%)	88,456.94 (19%)

**Note:**

Waste sources include EFB, shells, fibres, scheduled (hazardous) waste and non-hazardous waste.

# Our Environmental Stewardship

## Reutilising Biomass Residue

Our waste-to-energy strategy aims to maximise the use of biomass from FFB processing, targeting an annual utilisation rate of 80% through PK shells and fibre for renewable energy, in addition to EFBs. This reduces reliance on fossil fuels, lowers emissions intensity and improves cost efficiency across our estates and mills, while promoting circular resource use within and beyond our operations.

### How We Reuse Biomass Residue

#### EFBs:

- Applied as a natural fertiliser through mulching in our West Malaysian plantations.
- Incinerated to produce bunch ash (Sarawak mills only), which is used to fertilise peatland areas.

#### Shells:

- Used as fuel for boiler systems.
- Sold to other plantations or industries as a renewable fuel source.

#### Fibres:

- Used as fuel for boiler systems.

### Total Biomass Residue Amount Produced (MT)

#### EFBs

2024	222,048
2025	217,190

#### Shells

2024	78,665
2025	76,731

#### Fibres

2024	160,876
2025	161,181

### Total Biomass Residue Amount Reutilised (MT)

#### EFBs

2024	147,384
2025	145,504

#### Shells

2024	78,665
2025	62,154

#### Fibres

2024	160,876
2025	161,181

# Our Environmental Stewardship



## GHG Emissions

### Why It Matters

**Climate change presents material risks to ecosystems, economies and communities worldwide, underscoring the need for collective and decisive action.**

As part of this global challenge, we recognise our responsibility to contribute meaningfully to climate mitigation efforts.

As a player in the oil palm sector – an industry subject to heightened regulatory and public scrutiny – we take a proactive approach to managing climate-related risks and impacts.

### OUR APPROACH

#### Managing Our Carbon Footprint

With FY2024 established as our baseline year for Scope 1, 2 and 3 emissions, FY2025 enables us to track performance trends and assess the effectiveness of our mitigation measures. The AL-Falah 22/22 framework continues to guide our climate actions and long-term decarbonisation objectives.

#### GHG Emissions Data

In FY2025, average total emissions increased slightly by 0.21%, due to a rise in Scope 3 emissions driven by a larger workforce and more frequent business air travel.

#### Total GHG Emissions Data

Item	2023	2024	2025
Scope 1 emissions (tCO <sub>2</sub> e)	N/A	156,907	<b>157,454</b>
Scope 2 emissions (tCO <sub>2</sub> e)	N/A	2,063	<b>1,838</b>
Scope 3 emissions (tCO <sub>2</sub> e)	N/A	628	<b>1,637</b>
Total GHG emissions (tCO <sub>2</sub> e)	N/A	160,598	<b>160,929</b>

**Note:**  
Scope 3 emissions relate to business travel and employee commuting only.

#### Navigating Climate Change

In addressing climate change and reducing our GHG emissions, we are guided by our Environmental Policy and Climate Transition Strategy, which is embedded within the AL-Falah 22/22 Strategic Framework.

Our Climate Transition Strategy is underpinned by three strategic pillars that shape and support our decarbonisation journey:

#### Pillar 1: Managing Our Emissions

##### Efforts: Carbon Footprint Management

- Self-calculation of the Group’s carbon footprint to support systematic monitoring and the development of GHG mitigation strategies.

##### Efforts: Improving Energy Efficiency in Operations

- Bukit Lawiang and Kota Bahagia Mills were awarded contracts for the replacement of boilers and turbines, enhancing energy efficiency and reducing emissions intensity.

## Our Environmental Stewardship

### Pillar 2: Investing in Low-Emission & Green Technologies

- Installing biogas plants to capture methane emissions and generate renewable energy.
- Deploying rooftop solar photovoltaic systems across operational facilities, including office buildings, guardhouses, nurseries, loading ramps, stores and street lighting.
- The Rooftop Solar Panel on-grid project in Peninsular Malaysia has been awarded. Implementation will commence under the Solar Accelerated Transition Action Programme (“Solar ATAP”) in January 2026 to tackle Scope 2 emissions.
- Progressively adopting EVs to reduce reliance on fossil fuels and lower operational emissions.

### Pillar 3: Utilising Biomass

- Utilising fibre and PK shells as renewable fuel for energy generation.
- Applying EFBs as a substitute for chemical fertilisers to enhance soil health and reduce environmental impact.

### Pillar 4: Leveraging Partnerships & Collaborations

- Collaborating with a local NGO on a seven-year project (2022–2029) to restore approximately 4,300 ha of degraded GAFR land in Johor, focusing on biodiversity conservation and ecosystem restoration through nature-based solutions.

### Cenergi Lawiang 1.2MW Biogas Power Plant

Biogas development forms an integral part of our emissions reduction strategy. By capturing methane generated during milling operations and converting it into energy, our biogas facility significantly reduces our GHG footprint while supporting more efficient operations. Given the scale of capital investment required, implementation is being pursued progressively over the long term.

In June 2024, we entered into a strategic partnership with Cenergi SEA Berhad (“Cenergi”), a subsidiary of UEM Lestra Berhad, to develop, construct and operate our first 1.2 MW Biogas Power Plant in Kluang, Johor. The plant was commissioned on 26 December 2025 and launched on 15 January 2026.

The project is designed to capture methane emissions from Palm Oil Mill Effluent (“POME”) and convert them into renewable energy. It is expected to help avoid approximately 20,000 tonnes of CO<sub>2</sub>e (“tCO<sub>2</sub>e”) annually, equivalent to the emissions generated by around 4,760 passenger vehicles in a year.



## Our Environmental Stewardship



The Cenergi Lawiang 1.2MW Biogas Power Plant in Kluang, Johor.

### Biogas Carbon Credits Project

A stakeholder consultation meeting was held on 7 October 2025 at the THP Kluang Complex Hall to fulfil project requirements. The session was attended by representatives from local communities, relevant government agencies and THP teams from our headquarters, estates and mills.

The meeting included a briefing by the Cenergi team, followed by an open dialogue session. Key topics discussed included project processes, approval requirements, safety considerations, local employment opportunities and grievance and communication mechanisms. The session concluded with positive stakeholder support for the project's implementation.

As at the reporting date, the biogas carbon credit project is undergoing a validation audit, a prerequisite for future carbon credit issuance.

### Energy Consumption Data

In FY2025, total energy consumption increased by 6.60%, mainly due to higher biodiesel purchases, following a reduction in FFB processing volumes during the year.

#### Total Energy Consumption Data

Item	2024 (GJ)	2025 (GJ)
Non-Renewable Energy Fuel (Purchased & Consumed)	2,564.75	<b>4,364.41</b>
Non-Renewable Energy Electricity (Purchased)	6,371.73	<b>9,211.77</b>
Renewable Energy Fuel (Purchased/Acquired & Consumed)	157,752.56	<b>175,731.10</b>
Total Renewable Energy (Generated)	31,201.06	<b>21,650.26</b>
Total Energy	197,890.10	<b>210,957.53</b>

## Our Environmental Stewardship



### Effluent & Water Discharge

#### Why It Matters

Proper management of effluent and water discharge is critical to safeguarding shared natural resources, protecting surrounding communities and ensuring full compliance with environmental regulations.

#### OUR APPROACH

Treating POME is a critical part of FFB processing, as untreated effluent can have significant environmental impacts. To protect water quality and minimise environmental risks, we implement stringent internal controls and advanced monitoring to manage the biochemical oxygen demand (“BOD”) of effluent.

Our approach integrates natural and technological solutions. Several of our mills have installed advanced Tertiary Effluent Treatment Plants (“TETPs”), which treat effluents to the highest standards before discharge, while other mills are upgrading their systems in preparation for anticipated stricter regulations from Malaysia’s DOE. Ponding systems complement these technologies by harnessing biological processes to naturally break down pollutants over time.

Rigorous testing underpins our approach, ensuring all mills consistently comply with regulatory limits – <100 milligrams (“mg”) per litre (“ℓ”) BOD in West Malaysia and <20 mg/ℓ BOD in Sarawak and Sabah – with actual measurements consistently well below these thresholds.

During the year, the Cenergi Lawiang 1.2 MW Biogas Power Plant in Bukit Lawiang, Kluang, Johor was commissioned. Developed in partnership with Cenergi RE, this facility captures methane from POME, reducing GHG emissions while further improving effluent BOD before discharge into the flatbed system.

# Our Environmental Stewardship

## OUR PERFORMANCE

### BOD Measurement Data (mg/ℓ)

Over the past three years, our mills have consistently maintained BOD levels within regulatory limits in both East and West Malaysia.

#### Bukit Lawiang, Johor

2023	54.00
2024	52.00
2025	64.00

#### Sungai Tenegang, Sabah

2023	10.07
2024	10.70
2025	12.16

#### Raja Udang, Sarawak

2023	15.38
2024	14.78
2025	14.79

#### Kota Bahagia, Pahang

2023	70.00
2024	84.00
2025	70.00

#### Mamahat, Sabah

2023	9.55
2024	13.58
2025	8.90

#### Gedong, Sarawak

2023	18.20
2024	18.05
2025	16.00

#### Total POME Generated (MT)

2023	492,034.00
2024	565,118.47
2025	527,157.96

# Our Environmental Stewardship



## Water Management

### Why It Matters

Given the water-intensive nature of our plantation and mill operations, efficient water management is a key priority.

By optimising water use, we minimise environmental impacts, manage operational costs and sustain productivity across our sites.

### OUR APPROACH

#### Optimising Water Usage

Processing FFB requires high-quality water, and at our mills, we treat natural water sources to meet operational standards. Our water consumption remains carefully monitored, with usage consistently within 1.5 m<sup>3</sup> per MT of FFB, reflecting the effectiveness of our ongoing water efficiency initiatives.

#### Protecting Waterways

We recognise that our estates and mills share rivers with local communities, and safeguarding these waterways is central to our environmental stewardship. All mills conduct regular water quality monitoring, with monthly upstream and downstream samples analysed by accredited external laboratories and reported to Malaysia's DOE.

Through proactive monitoring, skilled operations management and strict oversight, there have been no incidents of water contamination near our operations. This demonstrates our commitment to maintaining clean, safe water resources for both the environment and surrounding communities.



A water catchment area at Gedong Complex.

# Our Environmental Stewardship

## OUR PERFORMANCE

In FY2025, total water consumption increased slightly by 0.62%, mainly as a result of suboptimal turbine operations at certain mills. Identified areas are now undergoing improvement measures to enhance operational efficiency.

Water Consumption in Mill Operations ('000 l)		
Mill	Water Consumption in Mill Operations ('000 litres)	
	2024	2025
Bukit Lawiang, Johor	296,810	322,100
Kota Bahagia, Pahang	189,963	187,478
Sungai Tenegang, Sabah	143,272	203,851
Mamahat, Sabah	81,538	69,763
Raja Udang, Sarawak	354,812	340,238
Gedong, Sarawak	283,359.30	234,737.03
<b>Total</b>	<b>1,349,754.30</b>	<b>1,358,167.03</b>

Total Volume of Water Used (megalitres)		Water Consumption Rate (m <sup>3</sup> /MT FFB)	
2023	1,176.032	2023	1.46
2024	1,349.754	2024	1.47
2025	1,358.167	2025	1.50

### Maintaining Water Level in Peatlands

To ensure effective peatland water management, the Group has implemented an integrated system comprising drainage, irrigation and piezometer monitoring to maintain optimal water levels. Bund, water gates and flap gates have been constructed to prevent saline water intrusion into the fields. Standard Operating Procedures (“SOPs”) governing water level management have been established and consistently applied, supported by regular training provided to relevant staff on site.



A bund constructed at Ladang Mamahat (Terusan Division).

# Our Social Commitments



## Safety & Health

### Why It Matters

**Ensuring the safety and wellbeing of our employees, workers and contractors is a top priority.**

A strong safety culture not only protects personnel from harm but also enhances productivity and strengthens workforce capability.

### OUR APPROACH

Our Occupational Safety and Health (“OSH”) policies, including the OSH Policy and OSH for Chemical Substances Policy, are fully aligned with Malaysia’s OSH Act 1994 and its 2022 amendments. Through clearly defined SOPs and standards, we provide employees with appropriate personal protective equipment (“PPE”), training and supervision, while maintaining a strong focus on preventing workplace accidents and hazards.

#### Improving Our OSH System

During the year, we implemented several key initiatives to strengthen our OSH system, reflecting our commitment to safe, orderly and legally compliant operations.

#### Daily Tractor & Vehicle Inspections

All tractors and vehicles now undergo pre-operation checks covering brakes, tyres, lights, hydraulic systems and fuel and oil levels to ensure they are safe and functioning properly. Operators record conditions via a Pre-Operation Checklist, thereby reducing breakdowns and long-term maintenance costs while enhancing safety and ensuring smooth operations.

#### Safe Work Procedure Updates

Safe Work Procedures (“SWPs”) were revised for all tasks, with a focus on clear step-by-step instructions, proper PPE usage and adherence to safety guidelines. Refresher training was also given to all employees to reinforce understanding and compliance.

#### Hazard Identification, Risk Assessment & Risk Control Document Update

Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) documents were revised using a systematic format. Hazards are categorised as physical, chemical, biological, ergonomic or psychosocial, and risk is assessed using a standard probability-severity matrix aligned with Malaysia Department of Occupational Safety and Health (“DOSH”) guidelines.

## Our Social Commitments

### Class H Licensing for Farm Tractor Operators

This year, we strengthened operational safety by ensuring all tractor operators held a Class H Driving Licence. A structured process was introduced to transition foreign workers to be qualified as local operators through recruitment, training, certification and performance monitoring. This initiative has enhanced operator competency, reinforced the safety culture, and improved the efficiency and safety of heavy machinery operations.

### Facilitating Safety & Health Audits

#### Internal Audits

Our OSH unit conducts annual internal safety and health audits across all estates and mills. These audits assess each business unit's overall safety and health performance, identify potential risks to employee wellbeing and inform targeted recommendations to strengthen workplace OSH standards.

#### Our efforts include:

- 1 Reviewing all OSH-related records
- 2 Evaluating SOPs at worksites
- 3 Inspecting emergency response facilities and amenities
- 4 Assessing the adequacy and condition of PPE provided
- 5 Verifying systematic maintenance practices for equipment and machinery
- 6 Reviewing the availability and condition of worksite infrastructure and amenities

Audit findings are shared with Estate and Mill Managers, who are accountable for implementing corrective and preventive actions. The status of these actions is reviewed in the next audit cycle to ensure continuous improvement in workplace safety and health performance.

In FY2025, our OSH Unit completed compliance visits to all 30 estates and six mills to ensure alignment with Malaysia's Occupational Safety and Health (Amendment) Act 2022 and further strengthened our safety management systems. Overall compliance remains high and well controlled.

### DOSH Inspections

In accordance with the Occupational Safety and Health (Amendment) Act 2022, all mills undergo inspections by Malaysia's DOSH at 15-month intervals. These inspections cover the Occupational Safety and Health Workplace Assessment ("OSHWA") and critical machinery, including boilers, Unfired Pressure Vessels ("UPVs") and hoisting equipment.

### Holding Monthly OSH Coordinator Meetings

In accordance with Section 29A of the OSH (Amendment) Act 2022, employers with five or more employees are required to appoint an OSH Coordinator. Since 2024, the Company has appointed 36 OSH Coordinators across headquarters, estates and mills.

Throughout FY2025, monthly OSH coordinator meetings were held as a key platform for coordination, monitoring and information sharing on workplace safety and health matters. These meetings ensured compliance with legal requirements, internal policies and OSH best practices.



An OSH Inspection audit visit at Sungai Merchong Estate by the OSH unit from headquarters.

# Our Social Commitments

## Key discussions included:

- 1 Analysis of incidents and accidents
- 2 Status of corrective and preventive actions
- 3 Planning OSH awareness programmes
- 4 Addressing operational-level issues for prompt action

## Objectives of the Monthly OSH Coordinator Meetings

- Monitoring OSH performance at each estate and mill.
- Identifying and assessing workplace safety and health risks, and recommending control measures.
- Coordinating corrective and preventive actions related to incidents.
- Ensuring compliance with OSH laws, Company policies and safety standards.
- Sharing information and best practices among OSH Coordinators.
- Planning and evaluating the effectiveness of OSH training and awareness programmes.

These meetings have strengthened communication between management and OSH Coordinators, contributing to a safer, healthier and more productive working environment.

## Managing Noise Levels

### Noise Exposure Limits

Noise levels at estates and mills are monitored to ensure compliance with the OSH (Noise Exposure) Regulations 2019. Controls include:

- 1 Daily Noise Exposure Level ("NEL")  $\leq$  85 decibels ("dB")(A)
- 2 Peak Sound Pressure Level ("SPL")  $\leq$  140 dB(C)
- 3 Maximum SPL  $\leq$  115 dB(A) at any time

Employees working in areas where NEL exceeds limits are provided with appropriate hearing protection, such as earplugs, following DOSH Noise Risk Assessment ("NRA") recommendations.

## Annual Audiometric Tests

### Audiometric tests are conducted to:

- 1 Evaluate hearing sensitivity across frequencies and sound levels.
- 2 Detect early signs of hearing loss for timely intervention.
- 3 Monitor hearing changes over time, particularly in high-noise areas.
- 4 Establish baseline hearing records for long-term monitoring.

These practices fully comply with the OSH (Noise Exposure) Regulations 2019.

## Monitoring Lost-Time Injury Rate

To further reduce risks and maintain a safe working environment, our HIRARC framework is reviewed annually and updated as necessary, particularly after incidents. This is reinforced by worker training initiatives and targeted safety briefings to strengthen awareness and encourage a proactive safety culture.

## FY2025 Improved Safety Performance & Outcomes

- 1 Safety outcomes improved in terms of fatalities (zero) and total lost-time injuries cases ("LTIs") reduced by 4% compared to the previous year.
- 2 Employee lost-time injury rate ("LTIR") recorded a slight increase due to reduced hours worked, highlighting the importance of continued monitoring and proactive safety measures.
- 3 Total lost workdays decreased by 25% compared to the previous year.
- 4 Contractor safety improved substantially, with both LTIs and LTIR decreasing.

## Our Social Commitments

### LTIR Data

Work Injuries & LTIR										
	2023			2024			2025			Total
	Employees	Contractors	Total	Employees	Contractors	Total	Employees	Contractors	Total	
Total hours worked	11,814,153	753,855	12,568,008	16,860,674	1,582,809	18,443,483	13,782,031	419,651	14,201,682	
Number of fatalities	0	0	0	1	0	1	0	0	0	0
Number of LTI cases	377	2	379	297	5	302	290	1	291	291
LTIR	6.38	0.53	6.03	3.52	0.63	3.27	4.21	0.48	4.10	4.10

### Providing Safety & Health Training

Targeted safety and health training is provided to ensure our employees stay up-to-date with operational processes while reinforcing a strong safety culture. Each employee and worker follows a training schedule tailored to their specific role, with attendance and participation continuously tracked.

To maintain effectiveness, our Operations Unit regularly reviews training plans, identifying opportunities for improvement to meet both the developmental needs of employees and the operational requirements of the business.

Our key annual training programmes are highlighted below.

Name of Training	Content of Training	Frequency of Training	Participants of Training
<b>Emergency Response Action Plan Procedures</b>	SOPs of Emergency Response Plan (“ERP”)	Once/year	All management, employees & workers
<b>Basic Operational First Aider Training</b>	Basic first aider training	Once/year	OSH Committee
<b>Fire Extinguisher Safety &amp; Fire Drill (Inspection &amp; Training)</b>	Potential sources of fire and fire management procedures	Once/year	All management, employees & workers
<b>PPE Handling and Replacement Procedures</b>	SOPs of PPE use	Five times/year	All management, employees & workers
<b>SOP Training and Best Practices for Estates and Mill Operations</b>	Briefing on our SOPs based on task/department	Four times/year	All management, employees & workers
<b>Noise Exposure Training</b>	Training, instruction and information regarding noise exposure	Once/year	Any employee subjected to excessive noise in the Noise Risk Assessment (NRA)

## Our Social Commitments

Details of selected OSH-related training, courses, talks and programmes conducted during the year are provided below.

### Basic Occupational First Aider Training

This programme equips employees with essential skills to provide prompt and effective first aid in the workplace, strengthening emergency preparedness and overall safety.

#### Objectives:

- Develop a solid understanding of fundamental first aid principles and workplace safety practices.
- Enable identification of common injuries and medical emergencies in occupational settings.
- Equip trainees to provide immediate assistance, stabilising affected individuals until professional help arrives.
- Ensure organisational compliance with OSH requirements for first aid readiness.



The training has been held annually at our headquarters since 2022. In 2025, the fourth edition (Series 4) was conducted from 11–12 November, attended by 30 staff from various departments.

### Foreign Workers Safety Induction Training

Held in collaboration with the National Institute of Occupational Safety and Health (“NIOSH”) and the Social Security Organisation (“SOCSO”), this programme raises safety awareness among foreign workers and ensures understanding of workplace regulations in Malaysia.

#### Objectives:

- Provide general information about Malaysia.
- Explain SOCSO-administered benefits and compensation schemes.
- Introduce key legislation on occupational safety, health and environmental protection.



In 2025, training was conducted at two locations: Gedong Complex (20 August) and Ladang Ulu Chukai (21 August), with 30 participants at each location from the respective estates.

## Our Social Commitments

### Safe Motorcycle Riding for Workers Programme

In partnership with NIOSH and SOCSO, this programme promotes safe commuting and responsible riding practices for employees who use motorcycles.

#### Objectives:

- Explain legal requirements related to commuting and workplace transport.
- Identify riding-related hazards and introduce control measures.
- Improve skills and techniques for safe and defensive motorcycle riding.



The training was conducted at Kota Bahagia Complex from 27–28 August, attended by 30 estate workers.

### Farm Machinery Tractor Driving Course

Organised with the Malaysian Palm Oil Training Centre (“PLASMA”) and Malaysian Palm Oil Board (“MPOB”) since 2024, this course enhances competency and safety awareness for our tractor operators in Peninsular Malaysia with Class H licenses.

#### Objectives:

- Understand prudent driving concepts and vehicle operation guidelines.
- Introduce farm machinery and basic driving techniques.
- Learn safety regulations and precautionary measures before, during and after operation.
- Operate machinery safely and efficiently under various field conditions.
- Complete practical driving training for Class H licence testing.



The course was held at PLASMA MPOB Keratong, Pahang, from 22–26 September, with 20 local tractor drivers participating.

## Our Social Commitments

### Programme Talk on OSHA 1994 & Amendment (2022) Acts

Organised by DOSH Kuala Lumpur, this session provided staff with comprehensive insights into Malaysia's workplace safety and health legislation.

#### Objectives:

- Deepen understanding of OSHA 1994 and its 2022 amendments.
- Raise awareness of employer and employee responsibilities.
- Highlight changes, including expanded scope, increased penalties and strengthened safety committee roles.
- Encourage compliance through systematic safety practices.



Held on 16 July 2025, the talk involved staff from multiple departments at our headquarters.

### Fire Safety Training Programme

Conducted on 30 September 2025 in collaboration with Titiwangsa Fire and Rescue Station ("BOMBA"), this programme enhanced emergency response preparedness for Emergency Response Team ("ERT") Members and our Headquarters' OSH Committee.

#### Objectives:

- Strengthen the readiness of ERT members and the OSH Committee.
- Improve understanding of fire safety procedures and proper use of firefighting equipment.
- Evaluate competency and coordination via practical fire simulations.
- Promote a proactive safety culture and preventive action.
- Foster collaboration with fire authorities to enhance fire prevention measures.



Participants received both theoretical and practical training, including fire simulation exercises.

# Our Social Commitments

## OSH Integrity Pledge Programme

Implemented across all estates and mills, this initiative reinforces a safety culture and supports zero-accident goals.

### Objectives:

- Strengthen a safe work culture through regular monthly commitments.
- Raise awareness of workplace risks and the importance of following OSH procedures.
- Ensure employees recognise their role in accident prevention.
- Support zero harm/zero accident initiatives through proactive approaches.
- Foster a safe, healthy and productive work environment.
- Embed safety values into operational processes and work practices.



## Ergonomics Trained Persons for Advance Ergonomics Risk Assessment (“ERA 2”)

This training enhances technical capabilities in managing ergonomics risks and reducing musculoskeletal disorders (“MSDs”).

### Objectives:

- Explain common ergonomics risk factors and related injuries.
- Emphasise the importance of advanced Ergonomics Risk Assessment (“ERA”).
- Familiarise participants with conducting ERA 2 assessments.
- Strengthen technical analysis skills using ergonomics tools and software.
- Reduce MSD risks through effective control measures.



The training was held at NIOSH, Bangi, from 5–8 May 2025. Two participants were certified as Ergonomics Trained Persons, representing our headquarters and the Sabah region.

## Number of workers & contractors trained on health and safety standards

2023	6,282
2024	6,269
2025	6,391

# Our Social Commitments



## Human Rights

### Why It Matters

**Respect for human rights is a core value that underpins the wellbeing and satisfaction of our workforce – critical elements for the long-term success of our business.**

Upholding the rights of all individuals fosters a fair, safe and dignified working environment while supporting sustainable and responsible business growth.

### OUR APPROACH

#### Upholding Human Rights

Across our operations, we uphold the human rights of 6,352 employees and workers, including both local and foreign personnel.

This commitment is embedded in our THP Group Sustainability Policy, which outlines fundamental human rights principles, including:

- |                                  |                               |
|----------------------------------|-------------------------------|
| 1 Fair wages                     | 6 Freedom of association      |
| 2 No discrimination              | 7 Workplace safety and health |
| 3 No child labour                | 8 Social protection           |
| 4 No compulsory or forced labour | 9 Employment security         |
| 5 Equal opportunity              | 10 Work-life balance          |

We ensure these principles are actively implemented through continuous review and enhancement of our policies, practices and internal systems to mitigate potential negative impacts and safeguard employees' rights.

#### Supporting Our Foreign Workforce

##### Fair Hiring Practices

We extend fair and equal treatment to all workers, with additional safeguards for foreign employees transitioning from their home countries. Robust recruitment and worker welfare practices are in place, including a strict prohibition on hidden fees.

The recruitment process under this programme includes:

- 1 Quota approval: Securing quotas from the Ministry of Home Affairs ("MOHA") and the Ministry of Human Resources ("MOHR").
- 2 Arrival: Company representatives meet workers upon arrival in Malaysia.
- 3 Recruitment: Appointed agents manage recruitment, immigration processing and flight arrangements in Indonesia.
- 4 Costs: All associated costs, including levy fees, visas and flight tickets, are borne by us.

# Our Social Commitments

## Worker Support & Compliance

We prioritise the welfare of foreign workers by providing safe and secure accommodation near their work sites. Workers’ quarters have been progressively upgraded to meet legal requirements and improve overall living conditions. In addition, welfare and sports facilities are available for all estate and mill employees, aligning with International Labour Organization (“ILO”) standards.

We also strictly comply with Malaysia’s national minimum wage requirements. Since the implementation of the RM1,700/month Wage Order 2024 in February 2025, all employees across our estates have consistently earned above this threshold, reflecting our commitment to fair and equitable compensation.

## OUR PERFORMANCE

Human Rights			
	2023	2024	2025
Number of substantiated complaints concerning human rights violations	0	0	0

Average monthly earnings per worker (RM)	
2023	1,874
2024	2,104
2025	2,496



## Our Social Commitments



### Employee Welfare & Development

#### Why It Matters

**Supporting our employees through welfare initiatives and professional development is central to building a skilled, motivated and loyal workforce that drives our business forward.**

By prioritising fair remuneration, career growth, skills development and overall wellbeing, we empower our people to contribute meaningfully to our strategic objectives and long-term sustainability goals.

#### OUR APPROACH

##### Creating an Enabling Workforce

Across our operations, we uphold the human rights of 6,352 employees and workers, including both local and foreign personnel.

We foster a fair, inclusive and supportive environment for all employees, ensuring their wellbeing throughout their employment journey from recruitment to retirement. Guided by our Group Sustainability Policy, we prioritise equal opportunities for everyone, regardless of gender, race, religion, age or nationality, while embedding diversity and inclusion as a core organisational value.

##### Wages & Career Progression

Employees receive competitive, gender-equal wages upon joining. Career progression, recognition and rewards are based solely on performance, reinforcing a merit-based culture across the organisation.

##### Employee Welfare & Benefits

We provide a comprehensive benefits package to support employee wellbeing, career growth and work-life balance. In addition to standard benefits such as annual leave and life insurance, our estate and mill employees receive housing, electricity, water and transportation allowances. Additional initiatives, including parental leave and programmes promoting personal and spiritual wellness, contribute to a holistic approach to employee welfare.

To support long-term security, we contribute to the Employees Provident Fund (“EPF”) and SOCSO on behalf of our employees. Most permanent employees also participate in our Retirement Gratuity Scheme, ensuring financial stability upon retirement.

Throughout the year, we organised social and sporting activities across our headquarters, estates and mills to strengthen camaraderie and foster a sense of community among employees.

# Our Social Commitments

## Employee Lifestyle Programmes 2025

### JANUARY

• **10 JAN 2025**

Recognition of Academic Excellence of THP Employees' Children or RECAL Programme.

### FEBRUARY

• **14 FEB 2025**

THP Supported Rumah Bakti Nur Ain: Corporate Social Responsibility ("CSR") Initiative Focused on Education.



### MARCH

• **1 MAR 2025**

THP Wakalah Zakat: Supported Asnaf and Provided Raya Contributions to asnaf from Rumah Bakti Nur Ain.



### AUGUST

• **7 AUG 2025**

Raja Udang Estate Staff Received Awards and Recognition.

• **28 AUG 2025**

THP Participated in the ASEAN Green Job Career Fair 2025: Opportunities, Sustainability and Career Prospects.

• **31 AUG 2025**

Merdeka Celebration held at Complex Pusa, Region 1.

### SEPTEMBER

• **6 SEP 2025**

Maulidur Rasul 2025/1447H Celebration held at Kompleks Sungai Tenegang: "Building a Madani Ummah".

• **24-26 SEP 2025**

PERKAJUSA Student Camp: Community Learning Centre ("CLC"), Ladang Sungai Tenegang.

• **30 SEP 2025**

TH Plantations Smart Programme Donated RM12,000 to SK Obah at Sabah.

### OCTOBER

• **23 OCT 2025**

TH Plantations Strengthened Rural Education Through the Sekolah Angkat MADANI ("SAM") Programme at SMK Pusa, Sarawak.



# Our Social Commitments

## APRIL

### • 20 APR 2025

Back-to-School Programme in Supporting the Mission of Education, Building Hope at Malaysian Chinese Muslim Association (“MACMA”).

### • 28 APR 2025

Launched of THP Protege-RTW (“Ready to Work”) Programme and Cadet Planter 2025: Nurturing New High-Potential Talent.



## JULY

### • 10-12 JUL 2025

High Impact Performance Enhancement Training & Workshop (“HIPETW”) Series 2: Driving Performance and Strengthening SOPs.

### • 24-25 JUL 2025

Awareness Programme on Wildlife Conservation and Management.

### • 31 JUL 2025

Promoting Intelligence, Nurturing Talent and Advocating Responsibility (“PINTAR”) Programme at SK Ladang Kota Bahagia.



## NOVEMBER

### • 9 NOV 2025

“One Day, Many Smiles”: A CSR Programme with children of Rumah Bakti Nur Ain at IOI City Mall.



## DECEMBER

### • 16 DEC 2025

THP Townhall Session by newly appointed CEO, Datuk Ts. Borhan Bachi, at our Headquarters, Menara TH Selborn.



# Our Social Commitments

## Supporting Employee Upskilling

We provide multiple avenues for employees to enhance their skills and knowledge, including job rotations, mobility programmes and targeted, role-specific training initiatives.

During the year, we conducted in-house training programmes addressing identified skill gaps. These focused on non-technical areas such as compliance, leadership development and personal effectiveness, ensuring employees were equipped to perform effectively and grow within the organisation.

For estate and mill workers, internal training sessions were tailored to specific job requirements. Additionally, we carried out our annual Training Needs Analysis (“TNA”) to identify skill gaps based on employees’ routines and job categories, enabling focused training interventions that enhance capabilities across all levels.

In FY2025, the following training programmes were conducted across our operations.

### Training Programmes Conducted in FY2025

Training for Non-Technical Skills	Frequency of Training	Employees Who Attended the Training
Malaysian Palm Oil Board (“MPOB”) Seminar & Training	Frequent	1. Marketing 2. Strategy & Corporate Services 3. Marketing
Training conducted by Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and Companies Commission of Malaysia (“CCM”)	Frequent	1. Legal & Secretarial
Training Conducted by Malaysian Sustainable Palm Oil (“MSPO”)	Occasional	1. Sustainability 2. Operations
Basic Occupational First Aid	Yearly	1. Headquarters 2. Operations
Training conducted by Malaysia Anti-Corruption Academy (“MACA”)	Sometimes	1. CEO’s Office 2. Human Resource and Administration Department (“HRAD”)
Training conducted by Malayan Agricultural Producers Association (“MAPA”) & Employment Law with its Legislation	Rarely	1. HRAD
Training conducted by Malaysian Institute of Accountants (“MIA”)	Frequent	1. Finance
Palm Oil Conference (“POC”) conducted by East Malaysia Palm & Laurics Oils	Yearly	1. Estate Department 2. Marketing 3. Operations
Training conducted by National Institute of Occupational Safety and Health (“NIOSH”)	Frequent	1. Headquarters 2. Operations
Training conducted by The Incorporated Society of Planters (“ISP”)	Frequent	1. Headquarters 2. Operations

# Our Social Commitments

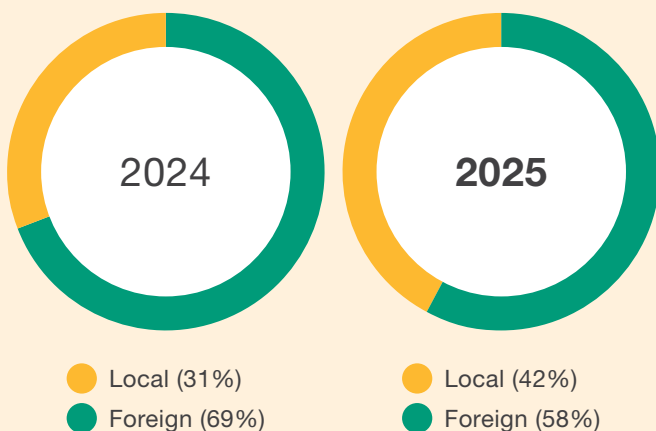
## OUR PERFORMANCE

### Employee Breakdown

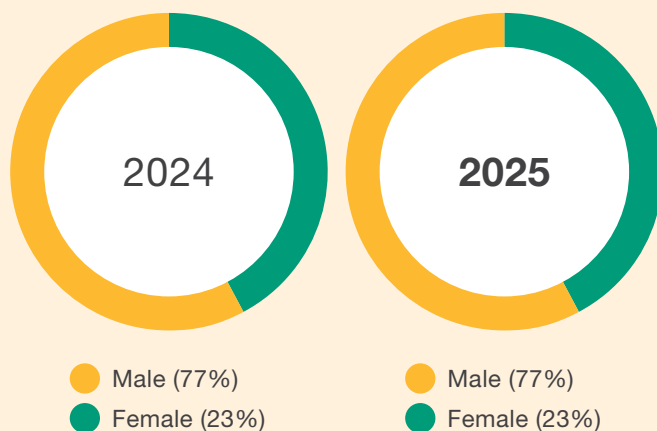
#### Total Number of Employees



#### Breakdown by Nationality (%)



#### Breakdown by Gender (%)



Gender Breakdown by Employee Category	2023		2024		2025	
	Male %	Female %	Male %	Female %	Male %	Female %

#### Employee Category

Management (Senior Management)	50	50	67	33	80	20
Employees (Management, Executives and Non-Executives)	73	27	72	28	71	29
Workers (Local)	78	22	79	21	79	21
Workers (Foreign)	77	23	77	23	77	23

Age Breakdown by Employee Category	2023			2024			2025		
	<30 %	30-50 %	>50 %	<30 %	30-50 %	>50 %	<30 %	30-50 %	>50 %

#### Employee Category

Management (Senior Management)	0	25	75	0	22	78	0	10	90
Employees (Management, Executives and Non-Executives)	11	70	19	11	68	21	13	68	19
Workers	32	58	10	30	60	10	29	62	9

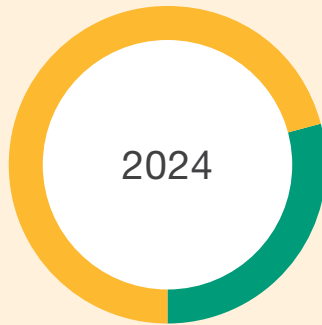
# Our Social Commitments

## Board Breakdown

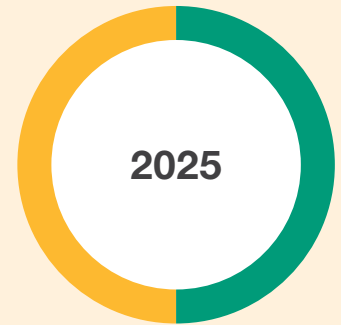
### Breakdown by Gender (%)



- Male (78%)
- Female (22%)

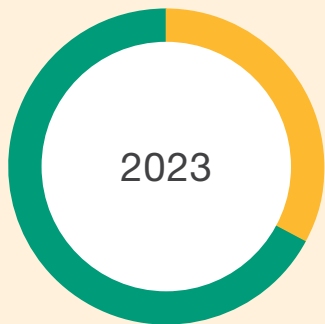


- Male (71%)
- Female (29%)

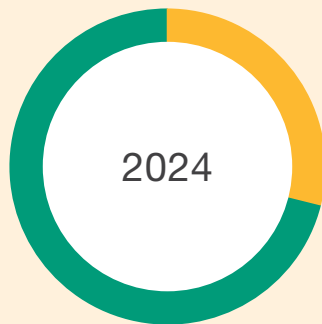


- Male (50%)
- Female (50%)

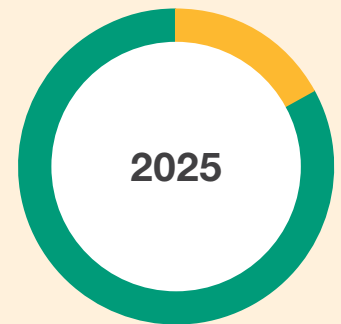
### Breakdown by Age Group (%)



- <30 (0%)
- 30-50 (33%)
- 50+ (67%)



- <30 (0%)
- 30-50 (29%)
- 50+ (71%)



- <30 (0%)
- 30-50 (17%)
- 50+ (83%)

## Parental Leave

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Total number of employees who took parental leave	1	1	16	9	14	3
Total number of employees who returned to work in the reporting year after utilising their parental leave	1	1	11	3	14	3

# Our Social Commitments

## Training Hours

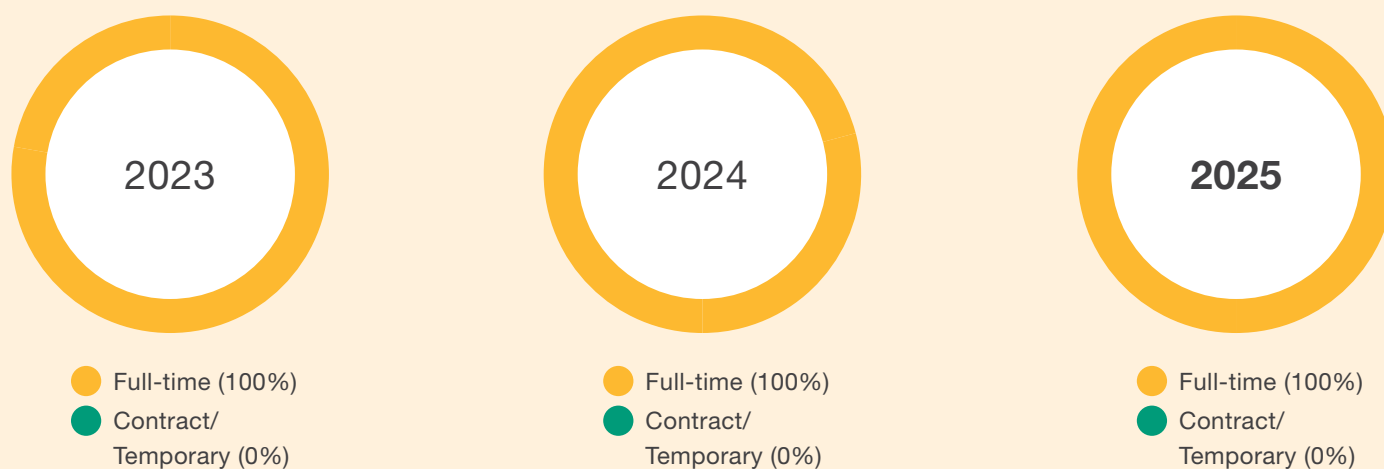
In FY2025, we continued to prioritise employee development, with total training hours increasing overall compared to the previous year. This demonstrates our ongoing commitment to enhancing skills, knowledge and professional growth.

Total Hours of Training by Employee Category	2023	2024	2025
Management	441	6,102	350
Employees	240	11,120	6,650
Workers	53,150	48,621	72,981

## Employee Turnover

Employee Turnover by Employee Category	2023	2024	2025
Management	3	0	4
Employees	78	47	42
Workers	769	1,536	1,071

## Percentage of Employees that are Contract or Temporary Staff



# Our Social Commitments



## Local Communities/Community Investment

### Why It Matters

Building strong and lasting relationships with communities surrounding our operations is essential for fostering trust, supporting local development and reinforcing our social licence to operate.

By creating employment opportunities and providing targeted support, we contribute to the socioeconomic progress of Malaysians, particularly those residing near our estates.

### OUR APPROACH

We prioritise cultivating meaningful partnerships with local and indigenous communities, leveraging our resources to support sustainable development. These initiatives align with national priorities, including youth empowerment, local economic growth and regional sustainability.

#### Promoting Local Entrepreneurship

##### Vendor Development Initiative

Through our Vendor Development Initiative (“VDI”), we empower local communities by fostering entrepreneurship and generating business opportunities. Participants are guided in establishing their own businesses and equipped with the skills and knowledge needed to become THP Group partners. This approach ensures that economic value is shared within local communities, generating broader positive impacts for surrounding areas.

Supporting the participation of Bumiputera contractors remains a key focus of the VDI. In FY2025, contracts worth RM197 million were awarded under the initiative, of which 56% – valued at RM110 million – were allocated to Bumiputera-owned businesses.

##### Vendor Development Programme

In 2023, Lembaga Tabung Haji (“TH”) and SME Bank formalised a Memorandum of Understanding (“MoU”) to drive the growth of Bumiputera vendors in the manufacturing and services sectors. As a result, we were recognised as an Anchor Company under the Malaysian Ministry of Entrepreneur and Cooperatives Development’s (“MECD”) Vendor Development Programme. In this role, we collaborate closely with government agencies and programme partners to strengthen the capabilities and capacity of participating vendors, fostering their long-term success and sustainable growth.

#### Transforming Lives through Education

We continued to enhance educational opportunities for children of Indonesian workers through the Indonesian Community Learning Centre (“CLC”), launched in FY2024 at the Sungai Tenegang Complex, Sabah. The CLC now serves 95 children aged seven to fifteen, supported by two dedicated teachers. Its curriculum follows Indonesia’s national education standards, with tailored adjustments to meet the specific needs of children living in East Malaysia, ensuring a relevant, well-rounded and high-quality learning experience.

### OUR PERFORMANCE

#### Proportion of spending on local suppliers (%)

2023	29
2024	53
2025	56

# Our Social Commitments



## Land Rights

### Why It Matters

**Strengthening relationships with local landowners and supporting indigenous communities in our operational areas is key to building trust and collaboration.**

By emphasising fair and inclusive land management practices, we uphold sustainable operations while reinforcing our social licence to operate.

### OUR APPROACH

#### Empowering Indigenous Landowners

In Sarawak, several of our estates operate under collaborative land management arrangements with indigenous communities, reflecting our ongoing commitment to respecting their rights and creating shared value through sustainable land use practices.

As part of Sarawak’s Native Customary Rights (“NCR”) Land Development Programme, facilitated by the Sarawak Land Custody and Development Authority, we work closely with native landowners to manage and develop plantation lands. Landowners receive biannual leasehold payments and incentives based on the land under our management, providing a consistent and fair income stream. In FY2025, 2,197 NCR landowners participated in the incentive payment programme, with disbursements made on schedule in June, coinciding with major local festivals.

Being involved within local communities also allows us to offer employment opportunities as machine operators and general workers across our plantations. These roles provide stable jobs, practical skills in agriculture and machinery handling and long-term career prospects. By hiring locally, we support economic growth, strengthen community ties and maintain a workforce familiar with the land and its operations, contributing to both productivity and sustainability.

To further empower communities, we have introduced a comprehensive training programme, focusing on sustainable agricultural practices and responsible land management. This initiative equips local participants with the knowledge and skills needed for sustainable farming, enhancing livelihoods while fostering environmental stewardship.

### OUR PERFORMANCE

#### Incentives to Local Communities

##### Total number of beneficiaries

2023	2,162
2024	2,316
2025	2,197

##### Incentives paid as part of land management (RM)

2023	3,408,437.00
2024	4,221,919.00
2025	4,176,798.96

# PERFORMANCE DATA TABLE

Indicator	Unit	2023	2024	2025	Targets
<b>Economic Performance</b>					
Economic value generated (ie., revenue and other income)	MYR	773,285,000	905,959,314	<b>970,743,000</b>	
Economic value distributed:					
- Operating Cost	MYR	484,971,000	549,278,314	<b>565,851,481</b>	
- Employee wages and benefits	MYR	158,582,000	166,443,000	<b>177,041,519</b>	
- Payment to providers of Capital (ie., dividend and financing cost)	MYR	88,120,000	82,425,665	<b>92,829,458</b>	
- Payment to government (ie., tax, zakat)	MYR	33,470,000	54,023,000	<b>53,822,000</b>	
- Community Investment	MYR	119,600	54,000	<b>51,000</b>	
Economic value retained	MYR	8,022,400	53,735,335	<b>81,147,542</b>	
<b>Customer Satisfaction</b>					
Free Fatty Acid (FFA) (%)	Percentage	3.79	3.74	<b>3.84</b>	≤5.00
Deterioration of Bleachability Index (DOBI)	Rate	2.52	2.49	<b>2.51</b>	≥2.30
Moisture & Impurities (M&I) (%)	Percentage	0.16	0.16	<b>0.17</b>	<0.25
Moisture (%)	Percentage	6.33	6.28	<b>6.00</b>	<7.00
Dirt & Shell (%)	Percentage	4.80	5.99	<b>5.70</b>	<6.00
<b>Research &amp; Development</b>					
Budget for R&D: Annual Expenditure	MYR ('000 000)	2.0	1.2	<b>1.17</b>	
<b>Fair Procurement Practices</b>					
Percentage of suppliers that were screened using environmental criteria	Percentage	3	0.7	<b>0.5</b>	
Number of suppliers assessed for environmental impacts	Number	51	13	<b>10</b>	
Percentage of suppliers that were screened using social criteria	Percentage	3	0.7	<b>0.5</b>	
Number of suppliers assessed for social impacts	Number	51	13	<b>10</b>	
<b>Anti-Corruption Practices</b>					
Number of confirmed corruption incidents	Number	0	0	<b>0</b>	
<b>Completion Rate - Training</b>					
Management Level	Percentage	79	87	<b>90</b>	
Executive	Percentage	75	86	<b>79</b>	
Non-executive/Technical staff	Percentage	29	51	<b>75</b>	
<b>Cybersecurity &amp; Data Protection</b>					
Number of substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	<b>0</b>	
<b>Waste Generation &amp; Disposal</b>					
Waste generated	Metric tonnes	Nil	462,616	<b>457,314</b>	Reutilised Biomass residue by 80%
Total waste diverted from disposal	Percentage	Nil	84	<b>81</b>	
Total waste directed to disposal	Percentage	Nil	16	<b>19</b>	

# Performance Data Table

Indicator	Unit	2023	2024	2025	Targets
<b>Energy Consumption</b>					
Non-renewable energy fuel (purchased & consumed)	GJ	5601.55	2,564.75	<b>4,364.41</b>	
Non-renewable energy electricity (purchased)	GJ	3,744.14	6,371.73	<b>9,211.77</b>	
Renewable energy (purchased/acquired & consumed)	GJ	153,917.28	157,752.56	<b>175,731.10</b>	
Total Renewable Energy (Generated)	GJ	49,970.81	31,201.06	<b>21,650.26</b>	
Total Energy	GJ	213,233.79	197,890.10	<b>210,957.53</b>	
<b>GHG emissions</b>					
Scope 1	tCO <sub>2</sub> e	Nil	156,907	<b>157,454</b>	
Scope 2	tCO <sub>2</sub> e	Nil	2,063	<b>1,838</b>	
Scope 3	tCO <sub>2</sub> e	Nil	628	<b>1,637</b>	
Total GHG emissions	tCO <sub>2</sub> e	Nil	160,598	<b>160,929</b>	
<b>Palm Oil Mill Effluent (“POME”) and Biological Oxygen Demand (“BOD”) Measurements</b>					
KS Bukit Lawiang	mg/L	54.00	52.00	<b>64.00</b>	<100 mg/L
KS Kota Bahagia	mg/L	70.00	84.00	<b>70.00</b>	<100 mg/L
KS Sungai Tenegang	mg/L	10.07	10.70	<b>12.16</b>	<20 mg/L
KS Ladang Mamahat	mg/L	9.55	13.58	<b>8.90</b>	<20 mg/L
KS Ladang Raja Udang	mg/L	15.38	14.78	<b>14.79</b>	<20 mg/L
KS Gedong	mg/L	18.20	18.05	<b>16.00</b>	<20 mg/L
Total POME generated	metric tonne	492,034.00	565,118.47	<b>527,157.96</b>	
<b>Water Consumption</b>					
Total Water Consumed at Mill Operations	Megalitres	1,176.032	1,349.754	<b>1,358.167</b>	
<b>Health &amp; Safety</b>					
<b>Employees</b>					
Total Hours Worked	Hours	11,814,153	16,860,674	<b>13,782,031</b>	
Number of Fatalities	Number	0	1	<b>0</b>	
Number of Lost Time Injuries	Number	377	297	<b>290</b>	
Lost Time Incident Rate (“LTIR”)	Rate	6.38	3.52	<b>4.21</b>	
<b>Contractors</b>					
Total Hours Worked	Hours	753,855	1,582,809	<b>419,651</b>	
Number of Fatalities	Number	0	0	<b>0</b>	
Number of Lost Time Injuries	Number	2	5	<b>1</b>	
Lost Time Incident Rate (“LTIR”)	Rate	0.53	0.63	<b>0.48</b>	
<b>Total</b>					
Total Hours Worked	Hours	12,568,008	18,443,483	<b>14,201,682</b>	
Number of Fatalities	Number	0	1	<b>0</b>	
Number of Lost Time Injuries	Number	379	302	<b>291</b>	
Lost Time Incident Rate (“LTIR”)	Rate	6.03	3.27	<b>4.10</b>	
Number of workers and contractors trained on health and safety standards	Number	6,282	6,269	<b>6,391</b>	

# Performance Data Table

Indicator	Unit	2023	2024	2025	Targets
<b>Supporting Our Foreign Workforce</b>					
Average monthly earnings per worker	MYR	1874	2,104	2,496	
<b>Our People</b>					
<b>Total No. of Employees (%) - Men</b>					
Management (Senior Management)	Percentage	50	67	80	
Employees (Management, Executives and Non-Executives)	Percentage	73	72	71	
Workers (Local)	Percentage	78	79	79	
Workers (Foreign)	Percentage	77	77	77	
<b>Total No. of Employees (%) - Women</b>					
Management (Senior Management)	Percentage	50	33	20	
Employees (Management, Executives and Non-Executives)	Percentage	27	28	29	
Workers (Local)	Percentage	22	21	21	
Workers (Foreign)	Percentage	23	23	23	
<b>Diversity, Equity &amp; Inclusion</b>					
<b>Total no. of employees by gender (including workers)</b>					
Male	Percentage	77	77	77	
Female	Percentage	23	23	23	
<b>Total percentage of employees by age category</b>					
<b>Management (Senior Management Team as per current)</b>					
Age under 30	Percentage	0	0	0	
Age 30-50	Percentage	25	22	10	
Age Above 50	Percentage	75	78	90	
<b>Employees (Management, Executives and Non-Executives)</b>					
Age under 30	Percentage	11	11	13	
Age 30-50	Percentage	70	68	68	
Age Above 50	Percentage	19	21	19	
<b>Workers</b>					
Age under 30	Percentage	32	30	29	
Age 30-50	Percentage	58	60	62	
Age Above 50	Percentage	10	10	9	
<b>Total percentage of BOD by gender</b>					
Male	Percentage	78	71	50	
Female	Percentage	22	29	50	
<b>Total percentage of BOD by age</b>					
Age under 30	Percentage	0	0	0	
Age 30-50	Percentage	33	29	17	
Age above 50	Percentage	67	71	83	

## Performance Data Table

Indicator	Unit	2023	2024	2025	Targets
<b>Benefits for Employees and Workers</b>					
<b>Total no. of employees who took parental leave</b>					
Men	Number	1	16	14	
Women	Number	1	9	3	
<b>Total no. of employees who returned to work in the reporting year after parental leave</b>					
Men	Number	1	11	14	
Women	Number	1	3	3	
<b>Career Development and Training</b>					
<b>Total Hours of Training</b>					
Management	Hours	441	6,102	350	
Employees	Hours	240	11,120	6,650	
Workers	Hours	53,150	48,621	72,981	
<b>Total number of employee turnover</b>					
Management	Number	3	0	4	
Employees	Number	78	47	42	
Workers	Number	769	1,536	1,071	
<b>Serving the Local Communities and Land Rights</b>					
Total amount of incentives paid to local communities, as part of land management	MYR	3,408,437.00	4,221,919.00	4,176,798.96	

# VALIDATED DATA & BASIS - TABLE FOR BURSA

Date & Time: 2026-03-10\_13:25:41  
FYE 31/12/2025

**TH Plantations Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	90	—	External (Limited)	Management
—	—	Percentage	79	—	External (Limited)	Executive
—	—	Percentage	75	—	External (Limited)	Non-executive/Technical Staff
—	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	—	External (Limited)	
—	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	Zero incidents of corruption annually	External (Limited)	
Community/ Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	51000	—	Internal	
—	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	471	—	Internal	
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	0	—	External (Limited)	Senior Management Under 30
—	—	Percentage	10	—	External (Limited)	Senior Management Between 30-50
—	—	Percentage	90	—	External (Limited)	Senior Management Above 50
—	—	Percentage	13	—	External (Limited)	Management to Non-Executives Under 30
—	—	Percentage	68	—	External (Limited)	Management to Non-Executives Between 30-50

Date & Time: 2026-03-10\_13:25:41  
FYE 31/12/2025

TH Plantations Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
—	—	Percentage	19	—	External (Limited)	Management to Non-Executives Above 50
—	—	Percentage	29	—	External (Limited)	Workers (Local & Foreign) Under 30
—	—	Percentage	62	—	External (Limited)	Workers (Local & Foreign) Between 30-50
* —	—	Percentage	9	—	External (Limited)	Workers (Local & Foreign) Above 50
Footnote Sustainability Matter						
Age Group by Employee Category						
—	—	Percentage	80	—	External (Limited)	Senior Management Male
—	—	Percentage	20	—	External (Limited)	Senior Management Female
—	—	Percentage	71	—	External (Limited)	Management to Non-Executives Male
—	—	Percentage	29	—	External (Limited)	Management to Non-Executives Female
—	—	Percentage	79	—	External (Limited)	Workers (Local) Male
—	—	Percentage	21	—	External (Limited)	Workers (Local) Female
—	—	Percentage	77	—	External (Limited)	Workers (Foreign) Male
* —	—	Percentage	23	—	External (Limited)	Workers (Foreign) Female
Footnote Sustainability Matter						
Gender Group by Employee Category						
—	Bursa C3(b) directors by gender and age group	Percentage	50	—	External (Limited)	Male
—	—	Percentage	50	—	External (Limited)	Female

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Page 2 of 4

## Validated Data & Basis - Table for Bursa

# Validated Data & Basis

## - Table for Bursa

Date & Time: 2026-03-10\_13:25:41  
FYE 31/12/2025

TH Plantations Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
—	—	Percentage	0	—	External (Limited)	Under 30
—	—	Percentage	17	—	External (Limited)	Between 30-50
—	—	Percentage	83	—	External (Limited)	Above 50
Energy Management	Bursa C4(a) Total energy consumption	Megawatt	56599.36	—	Internal	
Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	Zero Fatalities Annually	Internal	
—	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	41	—	Internal	
—	Bursa C5(c) Number of employees trained on health and safety standards	Number	6391	—	Internal	
Labor Practices and Standards	Bursa C6(a) Total hours of training by employee category	Hours	350	—	Internal	Management
—	—	Hours	6650	—	Internal	Employees
—	—	Hours	72981	—	Internal	Workers
—	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	—	Internal	
—	Bursa C6(c) Total number of employee turnover by employee category	Number	4	—	Internal	Management
—	—	Number	42	—	Internal	Employees
—	—	Number	1071	—	Internal	Workers

# Validated Data & Basis - Table for Bursa

Date & Time: 2026-03-10\_13:25:41  
FYE 31/12/2025

TH Plantations Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
—	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	Zero substantiated complaints concerning human rights violations annually	Internal	
Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	56	—	Internal	
Data Privacy and Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	External (Limited)	
Water	Bursa C9(a) Total volume of water used	Megalitres	1358	Maintain the water consumption rate below 1.5 cubic metres ("m <sup>3</sup> ")/metric tonne ("MT") of FFB annually	External (Limited)	
Waste Management	Bursa C10 (a) Total waste generated and a breakdown of the following	Metric tonnes	457314	Reutilise up to 80% of biomass residue annually	Internal	
—	C10 (a) (i) Total waste diverted from disposal	Metric tonnes	36885740	—	Internal	
—	C10 (a) (ii) Total waste directed to disposal	Metric tonnes	88456.94	—	Internal	
Emissions Management	C11(a) Scope 1	Metric tonnes CO <sub>2</sub> e	157454	Scope 1 emissions: 157,907 MT of carbon dioxide equivalents ("CO <sub>2</sub> e") - Financial Year 2024 baseline	Internal	
—	C11(b) Scope 2	Metric tonnes CO <sub>2</sub> e	1838	Scope 2 emissions: 2,063 MT of CO <sub>2</sub> e - Financial Year 2024 baseline	Internal	
—	C11(c) Scope 3 (business travel and employee commuting)	Metric tonnes CO <sub>2</sub> e	1637	Scope 3 emissions: 628 MT of CO <sub>2</sub> e - Financial Year 2024 baseline	Internal	

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Page 4 of 4

# GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number in this Report	
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	28-29
	2-2	Entities included in the organization's sustainability reporting	28
	2-3	Reporting period, frequency and contact point	Annual Report 2025
	2-4	Restatements of information	N/a
	2-5	External assurance	94
	2-6	Activities, value chain and other business relationships	Corporate Structure AR2025
	2-7	Employees	77-79
	2-8	Workers who are not employees	77-79
	2-9	Governance structure and composition	Corporate Governance Statement in AR2025
	2-10	Nomination and selection of the highest governance body	Corporate Governance Statement in AR2025
	2-11	Chair of the highest governance body	Corporate Governance Statement in AR2025
	2-12	Role of the highest governance body in overseeing the management of impacts	27
	2-13	Delegation of responsibility for managing impacts	27-28
	2-14	Role of the highest governance body in sustainability reporting	27-28
	2-15	Conflicts of interest	Our Board Leadership in AR 2025
	2-16	Communication of critical concerns	31-32
	2-17	Collective knowledge of the highest governance body	31-32
	2-18	Evaluation of the performance of the highest governance body	Chairman Statement, CEO's Management Discussion & Analysis.
	2-19	Remuneration policies	Board Nomination & Remuneration Committee Report
	2-20	Process to determine remuneration	118
	2-21	Annual total compensation ratio	N/a
	2-22	Statement on sustainable development strategy	35, 37-81
	2-23	Policy commitments	37-81
	2-24	Embedding policy commitments	37-81
	2-25	Processes to remediate negative impacts	37-81

# GRI

## Content Index

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page Number in this Report</b>	
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-26	Mechanisms for seeking advice and raising concerns	43-46
	2-27	Compliance with laws and regulations	37-81
	2-28	Membership associations	N/a
	2-29	Approach to stakeholder engagement	31-32
	2-30	Collective bargaining agreements	N/a
<b>Material topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	33
	3-2	List of material topics	34
<b>Economic Performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	38
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	38
<b>Anti-corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	44
<b>GRI 205: Anti-Corruption 2016</b>	205-1	Operations assessed for risks related to corruption	44-45
	205-2	Communication and training about anti-corruption policies and procedures	45
	205-3	Confirmed incidents of corruption and actions taken	45
<b>Health &amp; Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	63
<b>GRI 403: Occupational Safety and Health 2018</b>	403-1	Occupational health and safety management system	63
	403-4	Worker participation, consultation, and communication on occupational health and safety	64-70
	403-5	Worker training on occupational health and safety	70
	403-9	Work-related injuries	66
<b>Cybersecurity &amp; Data Protection</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	45-46
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	46
<b>Climate Change</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	56 & 58

# GRI

## Content Index

GRI Standard	Disclosure	Page Number in this Report
<b>Climate Change</b>		
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	58
	302-4 Reduction of energy consumption	58
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	56
	305-2 Energy indirect (Scope 2) GHG emissions	56
	305-3 Other indirect (Scope 3) GHG emissions	56
	305-5 Reduction of GHG emissions	56-57
<b>Employee Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	73
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	79
	404-2 Programme for upgrading employee skills and transition assistance programme	76
<b>Diversity, Equity &amp; Inclusion</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	73
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	77-78
<b>Human Rights</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	71
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	71-72
<b>Supply Chain Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	42
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	80
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	42
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	42

# GRI Content Index

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page Number in this Report</b>
<b>Waste Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	54
<b>Waste Management</b>		
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	54
	306-4 Waste diverted from disposal	54
	306-5 Waste directed to disposal	54
<b>Community Investment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	38
<b>Water Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	61
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	59 & 62

# ASSURANCE STATEMENT

## Assurance undertaken

In strengthening the credibility of the TH Plantations Berhad Sustainability Report 2025, selected indicators of this Report have been subjected to an internal review by the company's internal auditors.

## Subject matter

All Common Sustainability Matters and accompanying Indicators identified by Bursa for FY2025

## Scope

The boundary of the internal review includes all TH Plantations Berhad operations in Malaysia.

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion	
Internal Review	Our Sustainability Journey	Sustainability Governance Materiality Matrix	Operations assessed: • Malaysia	"Internal Audit has assessed the sources of the subject matter, the information reporting process, and the basis and methodology underpinning the disclosure, and is satisfied that they are appropriate and sufficient."	
	Product Quality & Operational Efficiency	Performance of CPO & Palm Kernel			
	Driving Economic Performance	Economic Performance Enhancing Good Agricultural Practice			
	Advancing Research and Development	R&D Expenditure			
	Traceability & Supply Chain Management	Procurement Assessment on Environmental, Social, and Governance (ESG)			
	Biodiversity & Conservation				Riparian Area Statement
					EIA
					Managing Our Peatlands
					Conservation of Coastal Forest & Peatlands
					Restoration of GAFFR through tree planting
					Biodiversity & High Conservation Value (HCV) Training
					HCV Internal Lead Assessor Training
					Wildlife Conservation & Management Awareness Programme
					Biodiversity Risk Assessment
					NDPE
	Waste Management				Waste Generation & Performance
					Reutilising Biomass
	GHG Emissions				GHG Emissions
					Energy Consumption
	Effluent & Water Discharge	POME Generation			
Water Management	Water consumption for FFB processing				
Safety & Health		Safety & Health			
		Hazard Identification, Risk Assessment & Risk Control Document Update			
		OSH Internal Audit			
		Holding Monthly OSH Coordinator Meetings			
		Data LTIR			
		OSH-related training, courses, talks and programmes			
Human Rights	Human Rights Commitment Workers' Support & Compliance Check				
Employee Welfare & Development		Welfare & Upskilling workers			
		a) Parental Leave			
		b) Training Hours c) Employee turnover			
Local Communities/ Community Investment	Promoting Local Entrepreneurship				
Land Rights	Empowering Indigenous Landowners				

# INDEPENDENT LIMITED ASSURANCE STATEMENT



## INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of TH Plantations Berhad

Holds Statement No: SRA840759

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Statement 2025 of TH Plantations Berhad.

### Scope

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

The assurance covers the information of the following subject matters in the TH Plantations Berhad's Sustainability Statement for 2025.

1. Anti-Corruption
  - Percentage of employees who have received training on anti-corruption by employee category
  - Percentage of operations assessed for corruption related risks
  - Confirmed incidents of corruption and action taken
2. Diversity
  - Percentage of employees by gender and age group, for each employee category
  - Percentage of directors by gender and age group
3. Data Privacy and Security
  - Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
4. Water
  - Total volume of water used

The selected information is reported in accordance with ISAE 3000 (Revised) and Bursa Reporting Guidelines (3<sup>rd</sup> Edition).

### 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) and Bursa Reporting Guidelines (3<sup>rd</sup> Edition).

# INDEPENDENT LIMITED ASSURANCE STATEMENT

## Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and Bursa Reporting Guidelines (3<sup>rd</sup> Edition). 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 Berhad policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staff on TH Plantations Berhad 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 Berhad 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 Berhad and has no financial interest in the operation of TH Plantations Berhad 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 Berhad 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 Berhad. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by TH Plantations Berhad 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.

# INDEPENDENT LIMITED ASSURANCE STATEMENT

Issue Date: 4 February 2026

For and on behalf of BSI:




Salmiah Hasbullah, Lead Assurer

Evelyn Chye, Managing Director BSI Malaysia

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

## Appendix A: Summary of Subject Matters Data for 2025 –TH Plantations Berhad

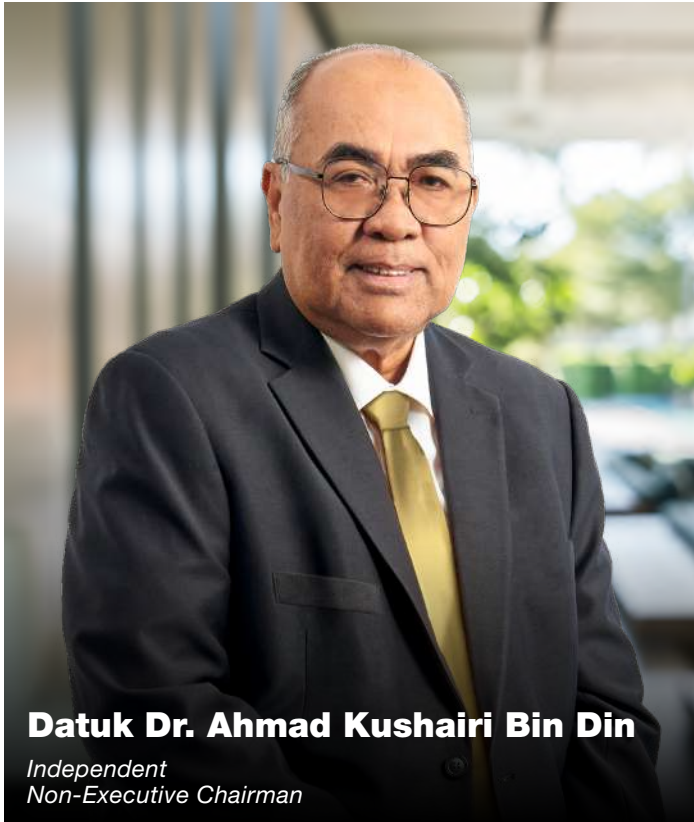
Subject Matters	2025	Units
<b>Anti-Corruption</b>		
A) Percentage of employees who have received training on anti-corruption by employee category		
• Management	90	%
• Executive	79	%
• Non-executive/Technical Staff	75	%
B) Percentage of operations assessed for corruption related risks	100	%
C) Confirmed incidents of corruption and action taken*	0	Number
<small>*Notes: In reference to the Bursa Reporting Guidelines (3<sup>rd</sup> Edition), a confirmed incident of corruption refers to a case that has been fully investigated and substantiated. Confirmed incidents do not include cases that remain under investigation during the reporting period. For 2025, two (2) cases were reported and are currently under investigation by the Malaysian Anti-Corruption Commission (MACC).</small>		

# INDEPENDENT LIMITED ASSURANCE STATEMENT

<b>Diversity</b>		
A) Percentage of employees by gender and age group, for each employee category		
Gender group by employee category:		
• Management (Senior Management) - Men	80	%
• Management (Senior Management) - Women	20	%
• Employees (Management, Executives and Non-Executives) - Men	71	%
• Employees (Management, Executives and Non-Executives) - Women	29	%
• Workers (Local) - Men	79	%
• Workers (Local) - Women	21	%
• Workers (Foreign) - Men	77	%
• Workers (Foreign) - Women	23	%
Total percentage by gender (All employees including workers):		
• Male	77	%
• Female	23	%
Age group by employee category		
• Management (Current Senior Management Team) - Under 30	0	%
• Management (Current Senior Management Team) - Between 30-50	10	%
• Management (Current Senior Management Team) - Above 50	90	%
• Employees (Management, Executives and Non-Executives) - Under 30	13	%
• Employees (Management, Executives and Non-Executives) - Between 30-50	68	%
• Employees (Management, Executives and Non-Executives) - Above 50	19	%
• Workers - Under 30	29	%
• Workers - Between 30-50	62	%
• Workers - Above 50	9	%
B) Percentage of directors by gender and age group		
• Male	50	%
• Female	50	%
• Under 30	0	%
• Between 30-50	17	%
• Above 50	83	%
<b>Data Privacy and Security</b>		
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0	Number
<b>Water</b>		
Total volume of water used	1,358.167	ML

# BOARD COMPOSITION

## EMPOWERING GROWTH THROUGH **LEADERSHIP EXCELLENCE**



# OUR BOARD LEADERSHIP



## DATUK DR. AHMAD KUSHAIRI BIN DIN

*Independent  
Non-Executive Chairman*

### Meeting Attendance



**13/14**

### Working Experience and Occupation

Datuk Dr. Ahmad Kushairi served the Malaysian Palm Oil Board (“MPOB”) since 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, the Director General’s Science Excellence Challenge Trophy, the Best Publication Award and the Innovation Award.

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

### Date of Appointment

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

### Length of Tenure as Director (as at 24 February 2026)

- 3 Year 11 Months

### Membership of Board Committees

- Chairman of the Board Appeal Committee

### Interest in Securities of the Company & its Subsidiaries

- Nil

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

#### Listed:

- Nil

#### Non – Listed:

- Bank Pertanian Malaysia Berhad (Agrobank)

### Qualifications

- PhD in Genetics, Universiti Kebangsaan Malaysia
- Master of Science (Genetics), Universiti Kebangsaan Malaysia
- Master of Science (Agronomy), Louisiana State University, USA
- Bachelor of Science in Agriculture (Agronomy), Universiti Pertanian Malaysia
- Diploma in Agriculture, Universiti Pertanian Malaysia

## Our Board Leadership



### NOR ADILA BINTI ISMAIL

*Non-Independent  
Non-Executive Director*

#### Meeting Attendance



#### Working Experience and Occupation

Nor Adila has over 30 years of experience in finance and risk management, primarily gained through her extensive service with the PETRONAS Group. She has held numerous senior leadership roles and possesses deep expertise in treasury management, financial risk governance, procurement strategy, and corporate oversight.

During her tenure with PETRONAS, she served as Chief Risk Officer from 2016 to 2020 and concurrently as Chairman of the Risk Management Committee, where she was responsible for enterprise-wide risk oversight and the implementation of financial risk governance frameworks. In 2021, she served as Head of Industry Shaping and Collaboration, Group Procurement, where she contributed to strategic procurement initiatives and industry collaboration efforts.

Earlier in her career, Nor Adila served as Custodian of Financial Risk Management and held various positions within the Group Treasury, where she gained broad experience in treasury operations, funding strategies and financial markets. She has also served on various boards and committees, including as a Member of the Board of Directors of the PETCO Group of Companies, a Member of the Board Audit Committee of PETRONAS LNG Sdn. Bhd., and a Member of the Trading Risk Committee of PETRONAS LNG Sdn. Bhd.

Currently, she sits on the Board of Lembaga Tabung Haji. Her professional background and experience support her contribution to the Board in the areas of finance, risk management and governance.

#### Date of Appointment

- 7 May 2025

#### Length of Tenure as Director (as at 24 February 2026)

- 9 Months

#### Membership of Board Committees

- Chairman of the Board Investment Committee
- Member of the Board Audit, Risk and Governance Committee
- Member of the Board Nomination and Remuneration Committee
- Member of the Board Tender Committee
- Member of the Board Level Disciplinary Committee

#### Interest in Securities of the Company & its Subsidiaries

- Nil

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

##### Listed:

- Nil

##### Non – Listed:

- Nil

#### Qualifications

- Master of Science in Accountancy, University of Missouri, Kansas City
- Bachelor of Science in Accountancy, Northern Illinois University, USA
- Strategic Leadership and Management, INSEAD School of Management, Kuala Lumpur and Singapore
- Advanced Risk Management Programme, Wharton School, University of Pennsylvania

## Our Board Leadership



### ROSLIN AZMY BIN HASSAN

*Non-Independent  
Non-Executive Director*

#### Meeting Attendance



#### Working Experience and Occupation

Roslin Azmy has over 40 years of experience in the plantation industry, having held a wide range of leadership and operational roles across Malaysia, Indonesia, and Liberia, primarily within the oil palm sector.

He began his career in 1984 as a Trainee Assistant with Golden Hope Plantations Berhad (“Golden Hope”). Over the years, he progressed through various operational and managerial roles, gaining extensive hands-on experience and deep insights into plantation management and sustainability practices. His managerial career commenced in 1997 with Golden Hope, during which he managed several estates across Johor, Perak, Sarawak, and Sabah.

In 2005, Roslin Azmy was appointed Plantation Adviser. Following the merger of Golden Hope with Sime Darby Plantations Berhad (“SD Plantations”) in 2007, he assumed the role of Senior General Manager for the Rajawali/Pekaka Zone in Sarawak from 2008 to 2013.

From 2013 to 2018, Roslin Azmy held several key leadership positions in SD Plantations’ international operations, including Head of Plantation Operations in Indonesia and Country Head in Liberia. In 2018, he was appointed Chief Executive Officer of Upstream Malaysia at SD Plantations, overseeing the Group’s upstream operations in Malaysia until his departure in May 2024.

Roslin Azmy is currently the Chief Executive of the Malaysian Palm Oil Association, a position he has held since July 2024. In this role, he continues to contribute to national policy advocacy, stakeholder engagement, and the promotion of best practices within the plantation sector.

Throughout his career, Roslin Azmy has demonstrated a strong commitment to advancing the growth, sustainability, and resilience of the palm oil industry.

#### Date of Appointment

- 23 July 2025

#### Length of Tenure as Director (as at 24 February 2026)

- 7 Months

#### Membership of Board Committees

- Member of the Board Appeal Committee

#### Interest in Securities of the Company & its Subsidiaries

- Nil

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

##### Listed:

- Nil

##### Non – Listed:

- Nil

#### Qualifications

- High-Performance Leadership Programme, International Institute for Management Development (IMD), Switzerland
- ASEAN Senior Management Development Programme, Harvard Business School Alumni Club of Malaysia
- Leadership Programme, Asian Institute of Management, Manila
- Diploma in Plantation Industry and Management, Universiti Teknologi MARA

## Our Board Leadership



### DR. NURMAZILAH BINTI DATO' MAHZAN

Independent  
Non-Executive Director

#### Meeting Attendance



#### Professional Affiliations

- Member of the Malaysian Institute of Accountants (“MIA”)
- Member of the Institute of Corporate Directors Malaysia
- Member of the Institute of Internal Auditors
- Member of the Malaysian Institute of Certified Public Accountants
- Member of ASEAN Chartered Professional Accountant
- Fellow of Chartered Global Management Accountant

#### Working Experience and Occupation

A highly accomplished and results-oriented leader with over 30 years of experience in diverse organizations, Dr. Nurmazilah brings a wealth of expertise to the boardroom. Her deep understanding of governance, strategy and finance is complemented by a strong commitment to sustainability and stakeholder engagement.

As a former CEO of MIA, Dr. Nurmazilah spearheads transformative initiatives in risk management, governance, technology adoption and branding. She also developed and executed strategic, operational and financial plans to enhance organizational effectiveness and efficiency.

She possesses extensive knowledge of auditing, accounting and regulatory functions, including financial statement review, audit quality and professional ethics. She has actively engaged with diverse stakeholders across various sectors, both locally and globally.

Dr. Nurmazilah is a highly effective communicator and collaborator with a passion for driving positive change. Her expertise and experience make her a valuable asset to any board seeking to enhance its governance, strategy and sustainability performance.

A recognized thought leader in Integrated Reporting, ESG and the future of corporate reporting, Dr. Nurmazilah currently serves as a Member of IFRS Foundation Integrated Reporting and Connectivity Council.

She was an Authority Member of the Sustainable Energy Development Authority (SEDA) Malaysia and a Director of CIMB Bank Berhad.

Currently, she sits on the boards of Malaysia Professional Accountancy Centre (MyPAC), BIMB Securities Sdn. Bhd. and Perbadanan Wakaf Selangor. She brings valuable boardroom experience and a proven track record of contributing to organizational success.

#### Date of Appointment

- 11 September 2023

#### Length of Tenure as Director (as at 24 February 2026)

- 2 Years 5 Months

#### Membership of Board Committees

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

#### Interest in Securities of the Company & its Subsidiaries

- Nil

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

##### Listed:

- Nil

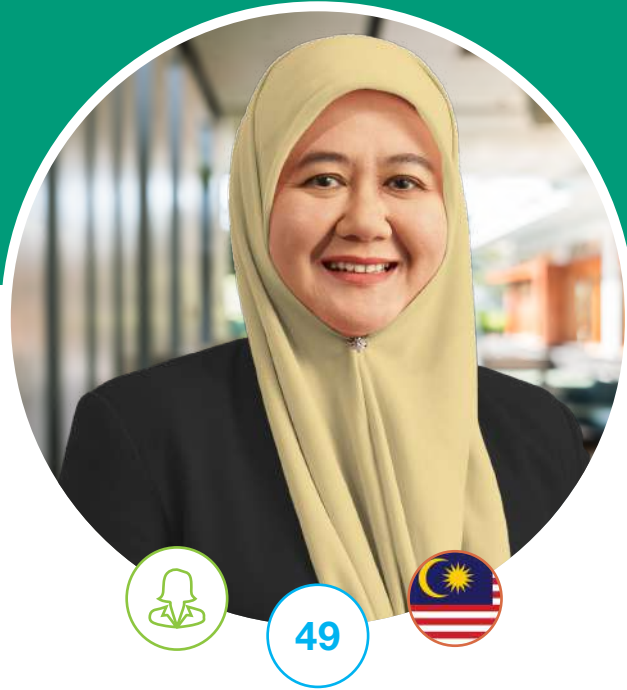
##### Non – Listed:

- Nil

#### Qualifications

- PhD in Accounting, University of Birmingham, United Kingdom
- Bachelor of Accounting, International Islamic University Malaysia
- Certified ESG Analyst
- Certified Risk Management and Assurance
- Certified Internal Auditor
- Certified Public Accountant
- Chartered Global Management Accountant

## Our Board Leadership



### FAHDA NUR BINTI AHMAD KAMAR

*Independent  
Non-Executive Director*

#### Meeting Attendance



#### Working Experience and Occupation

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 eighteen (18) years, she has served as the Managing Partner of her law firm, Fahda Nur & Yusmadi, where her key practice is centered in litigation, particularly in corporate, commercial and construction 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 a 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.

#### Date of Appointment

- 28 December 2023

#### Length of Tenure as Director (as at 24 February 2026)

- 2 Years 2 Months

#### Membership of Board Committees

- Chairman of the Board Nomination & Remuneration Committee
- Member of the Board Investment Committee
- Member of the Board Tender Committee
- Member of the Board Level Disciplinary Committee

#### Interest in Securities of the Company & its Subsidiaries

- Nil

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

##### Listed:

- Nil

##### Non – Listed:

- Nil

#### Qualifications

- Master of Laws, University College London, United Kingdom
- Bachelor of Laws, International Islamic University Malaysia
- Diploma in Shariah Law and Legal Practice, International Islamic University Malaysia

## Our Board Leadership



### KASMURI BIN SUKARDI

Independent  
Non-Executive Director

#### Meeting Attendance



#### Working Experience and Occupation

Kasmuri has over than 53 years of experience in various capacities involving plantation agribusiness namely oil palm, 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 / Plantation Advisor, General Manager, Director of Estates and Group Director, Plantations Agribusiness until his retirement in 2006.

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 plantations primarily from greenfields in Ketapang, Kalimantan Barat, Indonesia.

Currently, he is the Director and Principal Consultant & Trainer of KAZ Corporation Sdn. Bhd.

#### Date of Appointment

- 8 December 2023

#### Length of Tenure as Director (as at 24 February 2026)

- 2 Years 2 Months

#### Membership of Board Committees

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

#### Interest in Securities of the Company & its Subsidiaries

- Nil

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

##### Listed:

- Nil

##### Non – Listed:

- Nil

#### Qualifications

- Advanced Management Programme, Harvard Business School, Boston, Massachusetts, United States of America
- Master of Management, Asian Institute of Management, Manila, Philippines
- Associate Diploma, Incorporated Society of Planters, Malaysia
- Diploma in Planting Industry Management, University Teknologi MARA
- Certified Professional Trainer, Quest Group Asia & Institute of Professional Managers Association, United Kingdom
- Certified Professional Coach, Quest Group Asia & Institute of Business Coaches

#### Notes:

- Save as disclosed in the Profile of Directors, none of the Directors has:
  - any family relationship with any director and/or major shareholder of THP; and
  - any conflict of interest or potential conflict of interest with THP, including interest in any competing business, that the person has with THP or its subsidiaries.
- None of the Directors has:
  - been convicted for any offence (other than traffic offences) within the past five (5) years; and
  - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.
- Details of the Directors' attendance for the Board and Board Committees are provided in the Corporate Governance Overview Statement on pages 110 to 133 of this Report.

# CHIEF EXECUTIVE OFFICER



## DATUK Ts. BORHAN BACHI

*Chief Executive Officer*

### **Date of Appointment:**

17 November 2025



Datuk Ts. Borhan Bachi is the Chief Executive Officer and was appointed on 17 November 2025.

Datuk Ts. Borhan holds a Master of Business Administration (Strategic Management) and a Bachelor's Degree in Mechanical Engineering (Production) from Universiti Teknologi Malaysia. He has over 35 years of experience in the palm oil industry, having served in various leadership roles in mill operations, logistics, and corporate services.

Before joining TH Plantations Berhad, he was the Group Director of the Plantation Division at FGV Holdings Berhad, where he led 214 estates and 66 palm oil mills across Malaysia. He also previously served as the Chief Executive Officer of Pontian United Plantations Berhad Group of Companies, overseeing plantation and milling operations.

Currently, he is responsible for leading TH Plantations Berhad's overall strategic direction and operations, focusing on enhancing productivity, operational efficiency, and sustainability. He drives key transformation initiatives, strengthens stakeholder engagement, and ensures the Group's long-term growth aligns with its sustainability and governance commitments.

# OUR MANAGEMENT TEAM



**ALIKAMAL ABU HASSAN**  
Chief Operating Officer

Appointed on 10 February 2025

Alikamal Abu Hassan was appointed as Chief Operating Officer of THP on 10 February 2025.

He holds a Bachelor's Degree in Corporate Administration from Universiti Teknologi MARA and brings over 30 years of extensive experience in the plantation industry across Southeast Asia and the African continent.

Prior to joining THP, he served as Country CEO of Planting Naturals Gold Tree B.V., Sierra Leone, overseeing a collaboration involving more than 7,000 organic-certified oil palm smallholders. He was also the General Manager of Sime Darby Plantation Liberia from 2018 to 2020, and subsequently headed operations in Sarawak as General Manager at Sime Darby Plantation.

Alikamal is deeply committed to enhancing operational efficiency and human capital development. He strongly advocates mechanisation, automation, and digitalisation to address labour shortages while promoting structured and performance-driven working frameworks.

As Chief Operating Officer, he oversees the Group's overall plantation operations, ensuring excellence in estate and mill management, optimising yield performance, and driving THP's strategic and sustainable operational initiatives.



**MD ZAINI MD ZAKARIA**  
Chief Financial Officer

Appointed on 15 December 2025

Md Zaini Md Zakaria was appointed as the Chief Financial Officer of THP on 15 December 2025.

He brings over 25 years of senior financial leadership experience across public-listed companies and government-linked organisations, with exposure to diverse industries including plantation, technology, healthcare, rail transportation & engineering, and utilities. His expertise spans financial transformation & value creation, capital structure optimisation & governance, digital finance & ESG, and strategic restructuring in regulated & listed environments.

He holds a Bachelor of Arts (Honours) in Accounting and Finance from De Montfort University, United Kingdom, and is an alumnus of the Harvard Business School ASEAN Senior Management Development Programme. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a member of the Malaysian Institute of Certified Public Accountants (MICPA), and a Chartered Accountant of the Malaysian Institute of Accountants (CA(M)).

Prior to this appointment, he served as Group CFO of Censof Holdings Berhad. He previously held senior leadership roles at Malaysian Industry-Government Group for High Technology (MIGHT), IHH Healthcare (formerly Pantai Holdings), Scomi Rail Berhad, Sapura Resources Berhad, Ranhill Utilities Berhad, SAJ Holdings Sdn Bhd, and PriceWaterhouseCoopers.



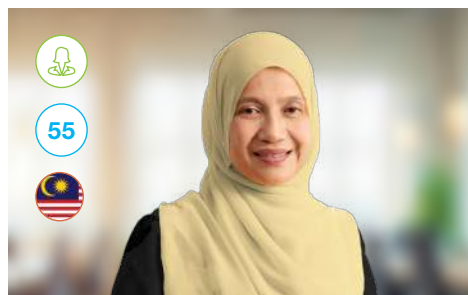
**ALIATUN MAHMUD**  
Head, Legal & Secretarial and the  
Company Secretary

Appointed on 1 January 2014

Aliatun Mahmud 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 and a Bachelor's Degree (Honours) of Laws, both from Universiti Teknologi MARA 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 Malaysia in 1994 before moving on to gain more experience in PEREMBA (Malaysia) 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 23 years. In her current capacity, she manages all legal and secretarial matters for the companies owned as well as those managed by the Group.

## Our Management Team



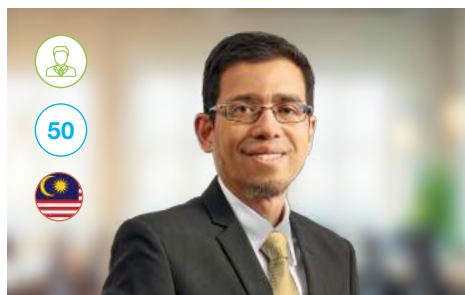
**MAIZURA MOHAMED**  
Head, Strategy & Corporate Services

Appointed on 1 January 2014

Maizura Mohamed 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 for overseeing strategic and corporate matters, business planning as well as managing special projects.



**MEGAT RIZAL EZZUDIN ABD MAULUD**  
Head of Procurement

Appointed on 23 January 2025

Megat Rizal Ezzudin is the Head of Procurement in THP. In this role, he is responsible for overseeing the Group's procurement function, including the formulation and implementation of effective procurement strategies to support operational efficiency and cost optimisation across the Group.

He holds a Bachelor's Degree (Honours) in Accountancy and Finance from the University of Warwick, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and the Association of Chartered Certified Accountants (ACCA), United Kingdom.

Megat Rizal began his career with accounting firms in Dublin, Ireland and Birmingham, United Kingdom, before returning to Malaysia to join PricewaterhouseCoopers in 2004. He joined THP's Internal Audit Department in December 2006 and has since held various roles within the Group.



**KHAIRUNIZAM HJ MUSA**  
Head of Human Resource & Administration

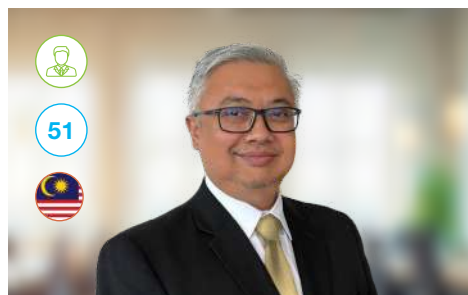
Appointed on 23 October 2025

Encik Khairunizam is the Head of Human Resource & Administration in THP appointed on 23 October 2025.

He holds a Bachelor of Business Administration (Finance) (Honours) from the International Islamic University Malaysia. He has more than 25 years of experience, including 15 years in senior capacity, in the field of strategic human resource management spanning various industries such as construction, property development, project management, infrastructure development, and manufacturing, within both leading local companies and multinational corporations (MNCs).

As Head of Human Resources & Administration, he oversees the Group's overall human resource and administrative functions, ensuring strategic alignment between people, performance, and organizational goals while fostering a culture of excellence, inclusivity, and continuous growth.

## Our Management Team



**EIZAM IZEIMI ARBAK**  
Head of Internal Audit

Appointed on 8 September 2025

Eizam Izeimi Arbak is the Head of Internal Audit in THP, appointed on 8 September 2025. He leads the Group's audit and assurance function, providing independent and objective assurance to the Board Audit, Risk & Governance Committee on the adequacy and effectiveness of the organisation's governance, risk management practices, and internal control system.

He began his career in internal audit in 1997 with Golden Hope Plantations Berhad and later joined KFC Holdings (Malaysia) Berhad (now QSR Brands (M) Holdings Berhad), where he oversaw the full spectrum of internal audit activities across the Group's integrated poultry, food manufacturing, trading, retail and restaurant businesses.

From 2019 to 2025, he served as the Group Chief Internal Auditor of UDA Holdings Berhad, leading the internal audit function across its diversified property development, asset management and hospitality operations.

Eizam holds a Master of Science in Information Management and a Bachelor of Accountancy (Honours) from Universiti Teknologi MARA. He is a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and a professional member of Malaysian Institute of Accountant (MIA) and the Institute of Internal Auditors Malaysia (IIAM).



**SAMSHUL BAHRI MUHAMMAD**  
Head of Sustainability

Appointed on 15 November 2020

Samshul Bahri 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 Malaysia. 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.



**MAZRUL MUHAMMAD**  
Assistant General Manager,  
Marketing

Appointed on 1 January 2023

Mazrul Muhammad 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 MARA University of Technology Malaysia. He began his career as a Business Development Executive with MM Vitals Sdn Bhd in 2001 rising through the ranks to Head of Marketing and subsequently moved to IOI Plantations as the Marketing Manager in 2011. He joined THP in 2013 as the Senior Manager, Marketing.

He has been with the Group for 11 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.

## Our Management Team



**ASMAD PUTRA ABDUL SAMAD**  
Head, Investor Relations & Corporate Communications

Appointed on 21 February 2024

Asmad Putra Abdul Samad is the Head of Investor Relations and Corporate Communications in THP, appointed on 21 February 2024.

Asmad Putra holds a Bachelor of Science Degree in Business Administration from Washington University, St Louis, United States of America. He started his career in 1993 as a Branch Executive with the Federation of Malaysian Manufacturers, Melaka. He has held several corporate communications positions in organisations such as Golden Hope Plantations Berhad, Negara Properties Berhad, MISC Berhad and Pantai Holdings Berhad from 1997 - 2009. He joined the Sime Darby Group in 2010 as the Senior Manager, Corporate Communications and was promoted as the Head of Corporate Branding in Sime Darby Plantations Berhad in 2018.

Asmad joined THP on 21 February 2024 and was appointed as the Head of Investor Relations and Corporate Communications responsible for overseeing the Group's Investor Relations and Corporate Communications functions.



**MOHD IZRAY IBRAHIM**  
Head of Risk & Compliance

Appointed on 8 September 2025

Mohd Izray Ibrahim is the Head of Risk & Compliance of THP, appointed on 8 September 2025.

Mohd Izray holds a Bachelor of Science (Honours) in Plantation Technology Management and a Diploma in Planting Industry Management from Universiti Teknologi MARA. He is an Associate Member of the Institute of Internal Auditors (IIA) and an Associate Member of the Association of Certified Fraud Examiners (ACFE). He is also a Professional Certified Business Continuity Manager (BCM).

He began his career with Golden Hope Plantation Berhad as an Internal Audit Executive in 2002, before joining Felda Technoplant in 2005. In 2010, he joined Boustead Holdings Bhd as an Assistant Manager in Group Internal Audit.

He previously served as Head of Internal Audit and is currently the Head of the Risk & Compliance Department, where he is responsible for developing, implementing and monitoring the Group's risk management, compliance and business continuity frameworks. His role includes promoting risk awareness, ensuring regulatory compliance, strengthening business resilience and recommending improvements to enhance governance, risk management, compliance and continuity practices across the Group.

#### Notes:

1. Save as disclosed in the Profile of Management Team, none of the members has:
  - i. any family relationship with any director and/or major shareholder of THP; and
  - ii. any conflict of interest or potential conflict of interest with THP, including interest in any competing business, that the person has with THP or its subsidiaries.
2. None of the members has:
  - i. been convicted for any offence (other than traffic offences) within the past five (5) years; and
  - ii. been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**The Board is committed to fostering effective corporate governance across THP Group, with the view that robust governance practices play a vital role in safeguarding shareholder value and strengthening investor confidence.**

These principles guide the Board's oversight of operational performance and strategic initiatives, placing ethical conduct and sustainable development at the core of the Group's objectives.

To discharge its responsibilities effectively, the Board operates within a comprehensive Governance and Integrity Framework, carefully structured to address the evolving needs of THP Group while aligning with leading industry standards. This

framework supports full compliance with the Malaysian Code on Corporate Governance 2021, the Main Market Listing Requirements of Bursa Malaysia, the Corporate Governance Guide issued by Bursa Malaysia, as well as the Companies Act 2016.

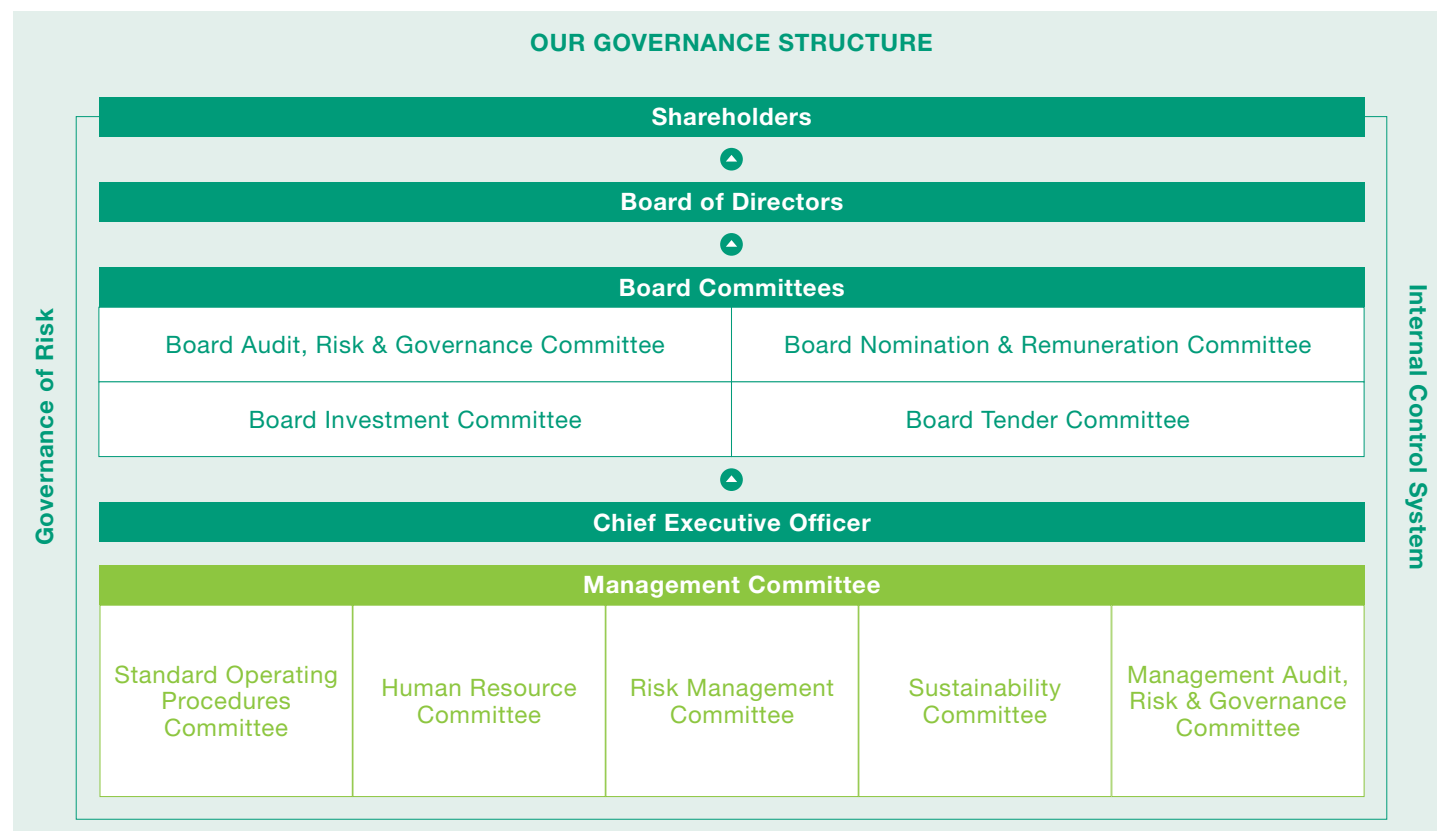
In line with the Guidelines on Adequate Procedures for Corporate Liability, THP's governance practices place strong emphasis on transparency, ethical decision making and accountability at every level of the organisation. These practices are subject to periodic review and enhancement to stay aligned with market expectations and responsive to stakeholder needs, reflecting the Group's focus on operational excellence and long-term sustainability.

This statement provides an overview of THP's corporate governance practices and highlights the key initiatives undertaken during FY2025.



This Corporate Governance Overview Statement is to be read together with the Corporate Governance Report which is available online at <https://thplantations.my>

## OUR GOVERNANCE STRUCTURE



# Corporate Governance Overview Statement

## SUSTAINABILITY GOVERNANCE

Sustainability forms a core priority for THP, supported by the strong commitment of the Board as custodians of the Group's long-term vision and value creation. The Board provides overall leadership and oversight on sustainability matters, ensuring that environmental, social and governance (ESG) considerations are embedded into the Group's strategy, risk management and decision-making processes.

To support the Board in the execution, oversight, evaluation and continuous refinement of the Group's sustainability policies and initiatives, specific responsibilities have been delegated to the Board Audit, Risk & Governance Committee ("BARGC"). The Terms of Reference of the BARGC explicitly incorporate sustainability governance within its scope of

functions and responsibilities, enabling structured oversight and accountability.

The Chief Executive Officer ("CEO"), through the Sustainability Committee, is responsible for implementing the strategic sustainability direction set by the Board and BARGC, as well as providing regular updates on sustainability performance. These updates include comprehensive reports from the Sustainability Committee, which detail sustainability management efforts and contribute to the preparation of the Sustainability Statement.



*The Sustainability Statement is outlined on pages 26 to 97 of this Report.*

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD CHARTER

The Group's governance framework is guided by its Board Charter, which incorporates key principles and recommendations from the Malaysian Code on Corporate Governance 2021. The Board Charter defines the Board's responsibilities, powers and duties, establishing a structured framework for oversight, leadership and decision-making.

As a key reference document, the Board Charter sets out the roles and procedures of the Board and its Committees, enabling them to perform their functions with due care, efficiency and accountability. This provides clear delegation of authority, functions and responsibilities from the Board to the respective Board Committees.

To maintain relevance and alignment with best practices, the Board Charter is subject to periodic review and updates, taking into account changes in applicable laws, regulations and governance developments. The last review was undertaken in December 2025.



*The Board Charter is available on the Company's website at <https://thplantations.my>*

### BOARD LEADERSHIP, ROLES AND RESPONSIBILITIES

The Board comprises highly experienced professionals who bring a broad range of expertise and diverse perspectives from their respective fields. Their collective knowledge, professional backgrounds and sound judgment play an important role in guiding the THP Group towards high standards of performance, accountability and ethical conduct, in line with stakeholder expectations.

**The Board holds ultimate responsibility for overseeing the Group's business operations, with its powers and duties set out in the Board Charter. These responsibilities include, but are not limited to, the following:**

- 1 Reviewing and adopting strategic plans for the THP Group, primarily the five-year rolling strategic plan.
- 2 Overseeing the conduct of the Company's business to support proper management. Key operational matters are deliberated during Board meetings, with expert or independent advice sought where appropriate.
- 3 Identifying principal risks and overseeing the implementation of suitable risk management systems.
- 4 Implementing succession planning, including the appointment and recruitment of Senior Management team members.
- 5 Developing and implementing an investor relations or shareholders' communication policy.
- 6 Reviewing the adequacy and integrity of internal control and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.
- 7 Developing and implementing a Sustainability Framework for the THP Group.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

To discharge its responsibilities effectively, the Board is supported by several committees established at both Board and management levels, as outlined in the governance structure on page 110 of this Report.

The Board is dedicated to cultivating a dynamic corporate culture guided by strong ethical values. This is demonstrated through the encouragement of active participation and structured dialogue across all levels of the organisation, promoting open communication and collaboration. Transparency in decision making and access to information are consistently upheld to support trust and accountability.

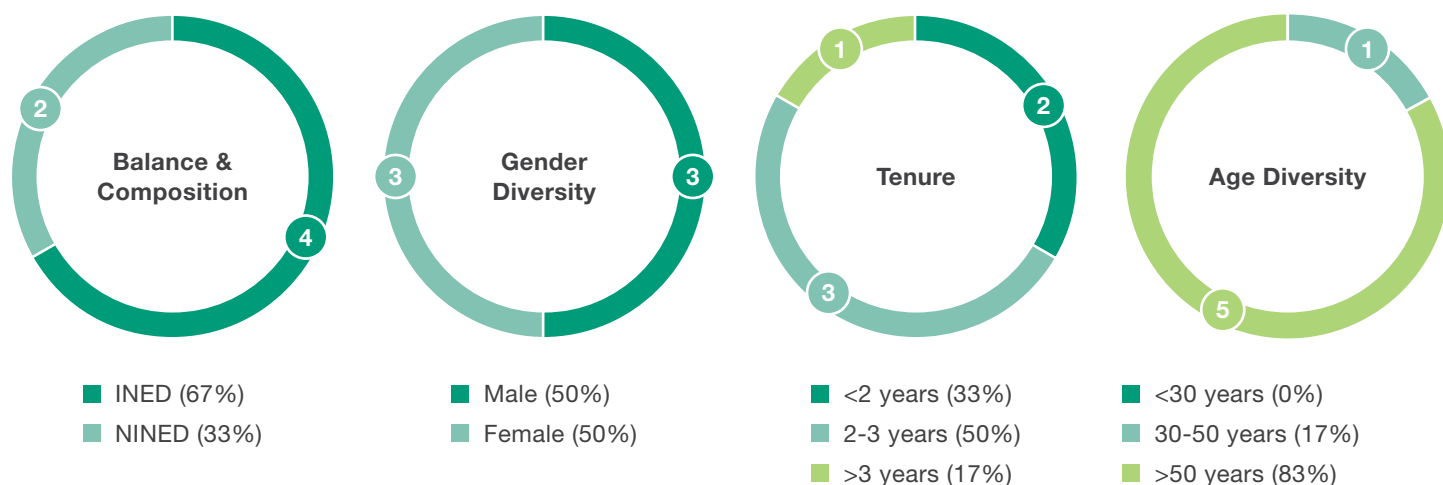
The corporate environment is further strengthened through value driven programmes that promote team cohesion and reinforce adherence to the Company’s core values. These initiatives reflect the Board’s focus on embedding a culture of integrity, accountability and excellence throughout the THP Group.

### BOARD COMPOSITION, INDEPENDENCE AND DIVERSITY

As at 31 December 2025, the Board comprised six (6) members, including four (4) Independent Non-Executive Directors (“INEDs”) and two (2) Non-Independent Non-Executive Directors (“NINEDs”). Taking into account the Company’s current scope of operations, the Board is of the view that its structure and composition provide an appropriate balance to support effective governance and sound decision making. In its deliberations, the Board places strong emphasis on safeguarding the interests of the THP Group’s customers, investors and other key stakeholders.



The profiles of each member of the Board are outlined on pages 99 to 104 of this Report.



The Board values independence and diversity as essential elements of effective governance. The presence of a majority of Independent Directors promotes objective judgement, constructive challenge and balanced deliberations during Board discussions. Diversity in skills, experience and professional backgrounds further strengthens the Board’s ability to assess issues from multiple perspectives and make well considered decisions.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### SEPARATION OF POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Leadership at the Board level is characterised by a clear division of responsibilities between the Chairman and the CEO. The Chairman leads the Board, sets meeting agendas, facilitates open and constructive discussions and oversees the overall effectiveness of the Board. In contrast, the CEO, supported by senior management, focuses on proposing strategic initiatives, managing day to day operations in line with the approved strategy and implementing decisions approved by the Board.

This clear separation of roles supports a balanced distribution of authority and reduces the risk of concentrated decision making. The distinction between the responsibilities of the Chairman and the CEO reflects a governance structure designed to promote accountability, transparency and operational effectiveness.

### BOARD MEETINGS

The annual schedule of Board meetings is determined in advance, before the close of each financial year, to enable Directors to plan their participation effectively. Additional meetings are convened when urgent matters or time sensitive proposals require prompt deliberation and decision making.

To support informed discussions, the Directors receive complete and timely information, with Board papers circulated at least five (5) days prior to each meeting. These papers provide detailed updates on the Group's financial performance, operational developments and material corporate matters, allowing Directors to review key issues in advance.

The key action points for the Management are prepared and communicated to the relevant person in charge within two (2) business days after the meeting concludes.

Proceedings and decisions from each meeting are formally documented in the minutes, which are circulated to all Directors for review before confirmation at the subsequent meeting. This process allows Directors to seek clarification or propose amendments where necessary. Once confirmed, the minutes are properly maintained by the Company Secretary as part of the Company's official records.

Senior Management is regularly invited to attend Board meetings to provide insights and explanations on specific agenda items. Where relevant, external advisors engaged by the Company are also invited to share their professional views on specialised matters. In addition, the Chairman of the BARGC provides updates to the Board on significant findings and recommendations arising from audit reviews that may require further attention or action.

In addition to its formal responsibilities, the Board deliberates on a broad range of strategic and operational matters, including financial performance, corporate planning, budget approvals, investments, acquisitions or disposals, as well as governance related updates such as revisions to policies and procedures.

During FY2025, the Board convened a total of fourteen (14) meetings. All Directors met the attendance requirements stipulated under Paragraph 15.05(3)(c) of the Main Market Listing Requirements. The detailed attendance record for each Director is set out below.

1	<b>Datuk Dr. Ahmad Kushairi bin Din</b> Chairman, Independent Non-Executive Director	13/14	6	<b>Kasmuri bin Sukardi</b> Independent Non-Executive Director	14/14
2	<b>Nor Adila binti Ismail<sup>1</sup></b> Non-Independent Non-Executive Director	10/11	7	<b>Datuk Syed Hamadah bin Syed Othman<sup>3</sup></b> Non-Independent Non-Executive Director	2/2
3	<b>Roslin Azmy bin Hassan<sup>2</sup></b> Non-Independent Non-Executive Director	7/8	8	<b>YM Tengku Dato' Seri Hasmuddin bin Tengku Othman<sup>4</sup></b> Non-Independent Non-Executive Director	3/3
4	<b>Dr. Nurmazilah binti Dato' Mahzan</b> Independent Non-Executive Director	14/14	9	<b>Dr. Shahril bin Simon<sup>5</sup></b> Non-Independent Non-Executive Director	6/6
5	<b>Fahda Nur binti Ahmad Kamar</b> Independent Non-Executive Director	14/14			

**Notes:**  
<sup>1</sup> Appointed as Director on 7 May 2025  
<sup>2</sup> Appointed as Director on 23 July 2025  
<sup>3</sup> Resigned as Director on 5 May 2025  
<sup>4</sup> Retired as Director on 6 May 2025  
<sup>5</sup> Resigned as Director on 23 July 2025

# Corporate Governance Overview Statement

## KEY BOARD DISCUSSION AND ACTIVITIES

The Board's activities focus on shaping the strategic direction of the THP Group while providing effective guidance and oversight to Management in executing the Group's objectives within a transparent governance framework.

During FY2025, the Board convened two (2) annual Board Retreats, which served as dedicated platforms for in depth strategic discussions and constructive engagement with Management. These retreats enabled the Board and senior management to assess business performance, evaluate strategic priorities and consider emerging risks and opportunities within the operating environment. They also provided a forum to review progress against the Group's long-term plans and to refine strategies in response to market developments.

Through these focused sessions, the Board was able to engage in forward looking discussions on key growth initiatives, capital allocation, sustainability priorities and organisational capabilities. The retreats further strengthened alignment between the Board and Management, supporting informed decision making and effective execution of the Group's strategic agenda.

Details of the Board Retreats held during the year are set out below:

Month	Topics
July 2025	<ol style="list-style-type: none"> <li>Megatrends &amp; Strategic Pathways for THP</li> <li>THP Performance Reporting</li> </ol>
October 2025	2026 Budget

Key matters considered by the Board in FY2025 were as follows:

### Financial

- THP's Statutory Financial Statements for the financial year ended 31 December 2024
- Final Dividend for the financial year ended 31 December 2024
- Quarterly Report on Consolidated Results for 2025
- Re-appointment of External Auditors for the financial year ending 31 December 2025
- Audit fee for THP and Group for the financial year ended 2024
- Changes in accounting standards and/or policies
- THP Group's Annual Budget, including cashflow projections

### Governance, Integrity and Policies

- Corporate Governance Report 2024
- 51<sup>st</sup> Annual General Meeting
- Revised THP Procurement Policy
- Integrity Pact
- Supplier Code of Ethics
- Organizational Anti-Corruption Plan 2025-2029
- Gift, Entertainment & Hospitality Policy
- Establishment of temporary board committees
- Terms of reference of the Board Committees
- Material litigation cases within the THP Group
- Material integrity cases within the THP Group
- Enhancement of Internal Control
- Review of Management Agreement

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Operation, Risk, Strategy, Sustainability

- Achievement of AL-Falah 22/22 for FY2025
- THP Group's operational performance
- Updates on land issues in Sarawak
- Updates on Risk Assessment
- Updates on the THP's Strategy Recovery Plan to stabilize and strengthen the THP Group's operations and finances
- Updates on sustainability matters
- Issues on labour shortage
- Updates on the construction of workers' quarters

### Appointment and Resignation

- Change of composition of the Board, including re-election of directors
- Change of composition of the Board Committees
- Change of composition of the Nominee Directors on the Boards of THP's subsidiaries
- Board Evaluation Assessment (assessment of the effectiveness of the Board, Board Committees, Individual Directors and Independent Directors of THP Board)
- Change in Key Senior Management

### Remuneration

- Annual fees for the Board and Board Committees
- Remuneration package of new directors
- Salary Package for newly appointed Senior Management
- Performance bonus for employees of the THP Group for FY2024

### Investment and Divestment

- Plantation performance validation reports by external consultant for the selected assets
- Valuation exercises by external valuers for the proposed disposal of assets
- Proposed investments in new business ventures in Renewable Energy
- Turnaround plan for Non-Performing Assets

### Others

- Reports for inclusion in the Annual Report 2024
- Circular to Shareholders in relation to the Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
- Issuance of show cause letter and garden leave
- Termination of contract and service of the Key Senior Management

## BOARD COMMITTEES

To support effective governance and focused oversight, specific responsibilities are delegated by the Board to its Board Committees, while key matters continue to be reserved for the Board's approval. This approach strengthens decision making processes and enables more detailed review of critical areas, without diminishing the Board's overall accountability.

Each Board Committee operates under clearly defined Terms of Reference, which outline their respective roles, authority and responsibilities in assisting the Board. Through in-depth scrutiny and deliberation, the Board Committees provide valuable insights across governance, risk management, investments and remuneration matters. Notwithstanding this delegation, accountability for all major decisions continues to rest with the Board.

# Corporate Governance Overview Statement

## The Board is supported by four (4) main Board Committees, namely:

- 1 Board Nomination & Remuneration Committee (“BNRC”)
- 2 Board Audit, Risk & Governance Committee (“BARGC”)
- 3 Board Investment Committee (“BIC”)
- 4 Board Tender Committee (“BTC”)



The Reports of BNRC, BARCG and BIC are outlined on pages 124 to 133 of this Report.

Key decisions and recommendations from each Board Committee are formally documented and presented to the Board as part of the Board Papers for consideration and decision during Board meetings.

Each Board Committee is supported by the Company Secretary, who facilitates meetings and ensures proceedings are properly recorded and conducted in accordance with the principles and practices set out in the Malaysian Code on Corporate Governance 2021. Attendance at the Board Committee meetings is restricted to the Board Committee members, although other Directors may attend at their discretion. External advisers and senior management are invited to participate when their expertise or input is required.

During FY2025, a Board Executive Committee (“Board EXCO”) was established on 18 July 2025 following the garden leave of the former CEO of THP. The Board EXCO was dissolved upon the appointment of the new CEO, Datuk Ts. Borhan bin Bachi, on 17 November 2025. Details on the composition of the Board EXCO and the attendance records of its members are set out below.

Name	Number of Meetings Attended
<b>Datuk Dr. Ahmad Kushairi bin Din</b> Chairman	15/15
<b>Kasmuri bin Sukardi</b> Member	15/15
<b>Nor Adila binti Ismail</b> Member	9/15
<b>Alikamal bin Abu Hassan<sup>1</sup></b> Member	12/15

### Notes:

<sup>1</sup> Chief Operating Officer of THP.

## The key activities of the Board EXCO were as follows:

- 1 Reviewing and recommending to the Board the Terms of Reference of the Board EXCO
- 2 Assessing and approving the proposals within the authority limit of the Chief Executive Officer
- 3 Monitoring the sales of crude palm oil, palm kernel, palm kernel shell and sludge oil
- 4 Human Resource matters
- 5 Reviewing the Terms of Reference of the Management Committees

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### ACCESS TO MANAGEMENT AND COMPANY SECRETARY

Open lines of communication are maintained between the Board and Management to support effective oversight and informed decision making. Directors are provided with unrestricted access to the Group's information and may engage directly with Senior Management whenever further clarification or insight is required. Where appropriate, guidance may also be sought from the Company Secretary, and independent professional advice may be obtained at the Group's expense when necessary.

Ahead of each meeting, the Board receives a balanced mix of quantitative and qualitative information to facilitate meaningful deliberations. This includes performance updates as well as analyses of external developments that could affect the Group's operations. Such comprehensive briefings equip Directors to address matters tabled at meetings with clarity and confidence.

An essential governance support function is performed by the Company Secretary, who coordinates and attends all Board meetings. Beyond advisory responsibilities, the Company Secretary ensures that Directors are furnished with clear, timely and concise materials well in advance, enabling structured discussions and effective decision making.

### DIRECTORS' REMUNERATION

A structured remuneration framework has been established to attract, motivate and retain Directors of high calibre with the experience and expertise required to guide the Company's performance.

**Designed to support the Group's long-term objectives, the remuneration policy aims to:**

- 1 Align with THP's strategic thrust and value drivers
- 2 Secure Directors with the appropriate skills and experience to meet governance responsibilities
- 3 Reinforce a value-based management philosophy

Periodic reviews of the remuneration framework are undertaken by the BNRC to maintain alignment with market practices and stakeholder expectations. Recommendations arising from these reviews are presented to the Board for approval.

Reflecting the scope of responsibilities and time commitment, the remuneration structure for Non-Executive Directors comprises monthly Directors' fees and meeting allowances for attendance at Board and Board Committee meetings. In addition, they receive benefits in kind, including medical and insurance coverage within Malaysia.

# Corporate Governance Overview Statement

The remuneration structure are outlined below:

## At the Company Level

### Director's Fees

Board/Board Committee	Monthly Fees (RM)	
	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



Board and Board Committee meetings of RM1,000 per meeting

#### Other Benefits



Medical and insurance coverage in Malaysia as well as monthly car allowance and telephone bill for Chairman

## At the Subsidiary Level

#### Director's Fees



The monthly fee of THP's subsidiaries ranges between RM300 to RM5,000 per month

#### Meeting Allowance



The meeting allowance of THP's subsidiaries ranges between RM250 to RM500 per seating

The remuneration of the CEO includes salary and emoluments, bonus and benefits-in-kind.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Details of remuneration (including benefits-in-kind) of each Director and CEO for the year ended 31 December 2025 are as follows:

	RM								Total
	Annual Director's Fee			Salary	Bonus	Others Emoluments	Meeting Allowances (including subsidiaries) <sup>c</sup>	Benefits-in-kind <sup>d</sup>	
	Board Board <sup>a</sup>	Committees <sup>a</sup>	Subsidiaries <sup>b</sup>						
<b>Chairman, Independent Non-Executive Director</b>									
Datuk Dr. Ahmad Kushairi bin Din	144,000	-	108,000	-	-	-	31,500	60,551	<b>344,051</b>
<b>Independent Non-Executive Directors</b>									
Dr. Nurmazilah binti Dato' Mahzan	60,000	24,000	162,000	-	-	-	65,500	6,551	<b>318,051</b>
Kasmuri bin Sukardi	60,000	12,000	212,968	-	-	-	77,750	39,619	<b>402,337</b>
Fahda Nur binti Ahmad Kamar	60,000	-	129,903	-	-	-	52,000	6,551	<b>248,454</b>
<b>Non-Independent Non-Executive Directors</b>									
Nor Adila binti Ismail <sup>1</sup>	39,032	7,806	105,065	-	-	-	48,250	4,755	<b>204,908</b>
Roslin Azmy bin Hassan <sup>2</sup>	26,452	-	-	-	-	-	8,000	3,829	<b>38,281</b>
Datuk Syed Hamadah bin Syed Othman <sup>3</sup>	-	-	-	-	-	-	2,000	1,350	<b>3,350</b>
YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman <sup>4</sup>	20,968	4,194	67,097	-	-	-	17,250	6,551	<b>116,060</b>
Dr. Shahril bin Simon <sup>5</sup>	-	-	-	-	-	-	8,000	1,350	<b>9,350</b>
<b>TOTAL</b>	<b>410,452</b>	<b>48,000</b>	<b>785,033</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310,250</b>	<b>131,107</b>	<b>1,684,842</b>

### Notes:

<sup>a</sup> Paid by THP.

<sup>b</sup> Paid by the respective THP's subsidiaries.

<sup>c</sup> Paid by THP and the respective THP's subsidiaries.

<sup>d</sup> Benefits in-kind of the Directors includes medical outpatient and premium insurance coverages and a monthly car allowance of RM4,500 per month for the Chairman.

<sup>1</sup> Appointed as Director on 7 May 2025.

<sup>2</sup> Appointed as Director on 23 July 2025.

<sup>3</sup> Resigned as Director on 5 May 2025 and being a management of TH, his monthly fee as Director is paid directly to TH.

<sup>4</sup> Retired as Director on 6 May 2025.

<sup>5</sup> Resigned as Director on 23 July 2025 and being a management of TH, his monthly fee as Director is paid directly to TH.

	RM								Total
	Annual Director's Fee			Salary	Bonus	Others Emoluments <sup>b</sup>	Meeting Allowances (including subsidiaries) <sup>a</sup>	Benefits-in-kind <sup>c</sup>	
	Board	Committees	Subsidiaries <sup>a</sup>						
<b>Chief Executive Officer</b>									
Datuk Ts. Borhan bin Bachi <sup>2</sup>	-	-	-	95,333	-	11,672	-	2,338	<b>109,343</b>
Mohamed Zainurin bin Mohamed Zain <sup>1</sup>	-	-	-	520,000	260,062	93,278	-	10,031	<b>883,371</b>
<b>TOTAL</b>				<b>615,333</b>	<b>260,062</b>	<b>104,950</b>		<b>12,369</b>	<b>992,714</b>

### Notes:

<sup>a</sup> CEO, being the Management of THP, is not entitled to receive Monthly Director's Fees and meeting allowance from the respective THP's subsidiaries.

<sup>b</sup> Other emoluments include Employer's contributions for EPF and SOCSO.

<sup>c</sup> Benefits in-kind includes medical outpatient and premium insurance coverages.

<sup>1</sup> Terminated as CEO on 26 August 2025.

<sup>2</sup> Appointed as CEO on 17 November 2025.

# Corporate Governance Overview Statement

Number of Directors whose remuneration falls within the following bands:

Ranges of Remuneration	Number of Directors
Less than RM50,000	3
RM50,001 to RM100,000	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	0
More than RM200,001	5

## BOARD PERFORMANCE

A formal Board Effectiveness Evaluation is conducted annually to assess the performance of the Board, its Committees and individual Directors. This evaluation provides an opportunity to review how effectively responsibilities are carried out in line with the roles and expectations set out within the governance framework.

The assessment process supports continuous improvement by identifying strengths, areas for enhancement and opportunities to strengthen Board dynamics and decision making. It also promotes accountability and encourages constructive feedback among Directors.

The evaluation is typically undertaken internally and guided by a structured methodology, which covers key aspects such as Board composition, meeting effectiveness, quality of information received, Committee performance and individual contributions. Details of the evaluation process are outlined 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

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 Committees and individual Directors.

### ▶ 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.

Following completion of the evaluation, the findings were reviewed and deliberated by the Board. These discussions affirmed the strength of the existing governance structure while identifying areas where further enhancements could be introduced. Consideration was also given to the mix of skills, attributes and diversity needed to support the Group's strategic direction.

For FY2025, the Board recorded its satisfaction with the overall effectiveness of Directors in carrying out their respective roles and responsibilities. Both the Board and its Committees were assessed to have functioned efficiently and in accordance with the provisions set out in the Board Charter and the respective Terms of Reference.

The Board also concluded that external directorships held by its members did not give rise to conflicts of interest or affect their ability to discharge their duties. Each Director demonstrated a high level of commitment and devoted sufficient time to fulfil responsibilities throughout FY2025.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### INDEPENDENT DIRECTORS

Strong governance is supported by the presence of four (4) INED who are not involved in the day-to-day management of the business. They do not engage in any commercial dealings with the Company and maintain no relationships that could compromise their independence. Their status is assessed in accordance with the criteria set out under the Main Market Listing Requirements, providing assurance that they are free from conflicts of interest and able to exercise objective judgement.

While collective responsibility for oversight rests with the entire Board, the contribution of the Independent Directors is particularly important. Their independent perspective enables robust challenge and constructive debate on strategies proposed by Management, with due consideration given to the Group's long-term interests. This approach helps safeguard the interests of shareholders as well as employees, customers, suppliers and other stakeholders connected to THP Group.

Ongoing assessments of independence are conducted by both the Board and the BNRC, based on the standards prescribed under the Main Market Listing Requirements. This process supports continued objectivity in decision making and reinforces confidence in the governance structure.

### TENURE OF INDEPENDENT DIRECTORS

In line with the Board Charter, the tenure of an INED is capped at a maximum of nine (9) years.

### BOARD INDUCTION AND TRAINING

A structured induction programme is provided to newly appointed Directors to familiarise them with the THP Group's business and governance environment. These briefings cover the Company's vision, mission, operational landscape, key challenges and long-term objectives, enabling new Directors to contribute effectively from the outset.

In accordance with the Main Market Listing Requirements, regular assessments are carried out to identify Directors' training needs. This supports continuous enhancement of knowledge and skills relevant to Board responsibilities and governance oversight.

Directors are also encouraged to participate in relevant conferences, seminars and training programmes to stay informed of industry developments, regulatory updates and evolving governance practices. This ongoing professional development strengthens the Board's overall effectiveness.

During FY2025, Directors attended various conferences, seminars and training programmes, including the following:

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

##### • 29 APRIL 2025

Knowledge Sharing Sessions on Climate Change: Board's Oversight Role in Climate Risk Management (I) - Requirements & Fiduciary Duty

*Organised by Agrobank & EY*

##### • 29 APRIL 2025

Knowledge Sharing Sessions on Climate Change: Board's Oversight Role in Climate Risk Management (II) - Monitoring & Disclosure

*Organised by Agrobank & EY*

##### • 27 MAY 2025

Knowledge Sharing Sessions on Climate Change: GHG Target Setting

*Organised by Agrobank & EY*

##### • 17-18 JUNE 2025

BNM Sasana Symposium

*Organised by BNM Sasana Symposium 2025 Secretariat*

##### • 3 JULY 2025

Corporate Liability: The Role of the Board in Combating Corruption

*Organised by Agrobank*

##### • 18 JULY 2025

Basic International Financial Reporting Standard ("IFRS") 17 on Takaful Accounting on Financial Statements.

*Organised by EY*

##### • 18 AUGUST 2025

Integrity Awareness Programme

*Organised by TH Plantations Berhad*

##### • 30 SEPTEMBER 2025

Crisis Management Plan and Cyber Drill Awareness For Board of Directors

*Organised by Agrobank & EC-Council Global Services*

# Corporate Governance Overview Statement

## 2 DR. NURMAZILAH BINTI DATO' MAHZAN

- **13 JANUARY 2025**  
Basel III Workshop for Board of Directors  
*Organised by CIMB*
- **15 - 16 JANUARY 2025**  
AI training for Board of Directors  
*Organised by CIMB*
- **7 FEBRUARY 2025**  
Global Internal Audit Standards Update and Workshop  
*Organised by UM UAD*
- **17 FEBRUARY 2025**  
Compliance to Section 17A Towards Good Governance Practices  
*Organised by MACC/TH*
- **20 FEBRUARY 2025**  
Boardroom Dynamics  
*Organised by Good Governance Institute*
- **24 FEBRUARY 2025**  
Audit insights  
*Organised by TH Audit Committee and Internal Audit*
- **3 APRIL 2025**  
IFRS Foundation Integrated Thinking and Reporting Conference  
*Organised by IFRS Foundation*
- **21 APRIL 2025**  
Engagement Session on Bank Negara Malaysia's 2024 Annual Report  
*Organised by FIDE FORUM*
- **30 APRIL 2025**  
Applying the Sustainability Standards  
*Organised by Sustainable Stock Exchange and IFC World Bank*
- **13 MAY 2025**  
PwC AI Leadership Conference 2025  
*Organised by PWC*
- **26 -27 MAY 2025**  
MIA International Conference  
*Organised by MIA*
- **28 MAY 2025**  
ASEAN Auditing Conference  
*Organised by Auditor General Malaysia*
- **11 JUNE 2025**  
e-Invoicing for BOD  
*Organised by Asia School of Business*
- **12 JUNE 2025**  
Cloud Security Management & Regulatory  
*Organised by CIMB*
- **30 JUNE – 3 JULY 2025**  
The Financial Institutions Directors' Education (FIDE) Core Programme Module A: Bank  
*Organised by Asia School of Business*
- **14 - 17 JULY 2025**  
The Financial Institutions Directors' Education (FIDE) Core Programme Module B: Bank  
*Organised by Asia School of Business*
- **7 AUGUST 2025**  
CAE Roundtable  
*Organised by The Institute of Internal Auditors, Malaysia*
- **18 AUGUST 2025**  
Integrity Awareness Programme  
*Organised by TH Plantations Berhad*
- **8 SEPTEMBER 2025**  
ACIIA CAE Roundtable 2025  
*Organised by The Institute of Internal Auditors, Malaysia*
- **29 SEPTEMBER 2025**  
Audit Committee Conference  
*Organised by The Institute of Internal Auditors, Malaysia and The Malaysian Institute of Accountants*
- **9 OCTOBER 2025**  
Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption  
*Organised by Institute of Corporate Directors Malaysia*
- **15 - 17 OCTOBER 2025**  
CIIF Chartered Fast-Track Masterclass  
*Organised by Chartered Institute of Islamic Finance Professionals*
- **30 OCTOBER 2025**  
Future Ready Shariah Committee  
*Organised by Institute of Corporate Directors Malaysia and Association of Shariah Advisers in Islamic Finance*
- **4 NOVEMBER 2025**  
Sustainability Reporting  
*Organised by United Nations Development Programme*

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 3 FAHDA NUR BINTI AHMAD KAMAR

- 29 – 30 APRIL 2025**  
 Mandatory Accreditation Programme Part II: Leading for Impact  
 Organised by Institute for Corporate Directors Malaysia
- 7 MAY 2025**  
 E-Invoicing for Law Firms  
 Organised by Selangor Bar
- 19 – 20 JULY 2025**  
 Advocacy Training  
 Organised by Malaysian Bar
- 18 AUGUST 2025**  
 Integrity Awareness Programme  
 Organised by TH Plantations Berhad
- 13 NOVEMBER 2025**  
 Leading for Impact – Alumni Sharing  
 Organised by Institute for Corporate Directors Malaysia
- 20 – 21 NOVEMBER 2025**  
 Legal Writing Conference  
 Organised by Malaysian Bar
- 4 DECEMBER 2025**  
 Undang-undang & Pentadbiran  
 Organised by Wanita Berdaya Selangor

### 4 KASMURI BIN SUKARDI

- 10 – 12 JULY 2025**  
 High Impact Performance Enhancement Training and Workshop Series 2 for Estate & Mill Management  
 Organised by TH Plantations Berhad
- 18 AUGUST 2025**  
 Integrity Awareness Programme  
 Organised by TH Plantations Berhad
- 9 OCTOBER 2025**  
 Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption  
 Organised by Institute of Corporate Directors Malaysia
- 4 – 8 NOVEMBER 2025**  
 High Impact Performance Enhancement Training and Workshop Series 3 for Estate & Mill Management  
 Organised by TH Plantations Berhad

### 5 NOR ADILA BINTI ISMAIL

- 22 – 23 JULY 2025**  
 Mandatory Accreditation Programme Part I  
 Organised by Institute of Corporate Directors Malaysia
- 18 AUGUST 2025**  
 Integrity Awareness Programme  
 Organised by TH Plantations Berhad
- 26 - 27 NOV 2025**  
 Mandatory Accreditation Programme Part II: Leading for Impact  
 Organised by Institute of Corporate Directors Malaysia

### 6 ROSLIN AZMY BIN HASSAN

- 10 – 11 SEPTEMBER 2025**  
 Mandatory Accreditation Programme Part I  
 Organised by Institute of Corporate Directors Malaysia
- 18 AUGUST 2025**  
 Integrity Awareness Programme  
 Organised by TH Plantations Berhad
- 14-15 OCTOBER 2025**  
 Stewarding Governance Excellence: Balancing Judgement, Integrity and Foresight  
 Organised by Institute of Corporate Directors Malaysia
- 4 - 8 NOVEMBER 2025**  
 High Impact Performance Enhancement Training and Workshop Series 3 for Estate & Mill Management  
 Organised by TH Plantations Berhad

All Directors have successfully completed the MAP Part I and majority Directors have successfully completed MAP Part II as prescribed by Bursa Malaysia Securities Berhad.

# Corporate Governance Overview Statement

## Board Nomination & Remuneration Committee Report

Oversight of Board composition and leadership succession is entrusted to the BNRC, which supports the Board in maintaining an effective balance of skills, experience and expertise among its members. In addition, the BNRC oversees succession planning, human capital development initiatives and the design of the remuneration framework for the Directors, Senior Management and employees across the THP Group.

While the BNRC undertakes detailed assessments and makes recommendations, final decisions on appointments to the Board, Board Committees and the boards of THP subsidiaries rest with the Board. To uphold objectivity, the CEO does not participate in discussions relating to his own remuneration. Similarly, Non-Executive Directors abstain from deliberations concerning their individual remuneration. Any revision to Directors' fees, allowances or benefits, including those payable to the Non-Executive Chairman, is subject to approval by shareholders at a general meeting.



The Terms of Reference of the BNRC are available on the Company's website at <https://thplantations.my>

## COMPOSITION

The BNRC comprises solely Non-Executive Directors, with a majority being Independent Non-Executive Directors, in line with the requirements of the Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2021. During FY2025, the BNRC held a total of thirteen (13) meetings. Details of its composition and attendance records are set out below.

Name of Members	Number of Meetings Attended
<b>Fahda Nur binti Ahmad Kamar</b> Chairman	13/13
<b>Dr. Nurmazilah binti Dato' Mahzan</b> Member	13/13
<b>Kasmuri bin Sukardi</b> Member	13/13
<b>Nor Adila binti Ismail<sup>1</sup></b> Member	7/9
<b>YM Tengku Dato' Seri Hasmuddin bin Tengku Othman<sup>2</sup></b> Member	4/4

### Notes:

<sup>1</sup> Appointed as Member on 7 May 2025.

<sup>2</sup> Retired as Member on 6 May 2025.

BNRC meetings are attended by the CEO, while other members of Senior Management are invited to attend to facilitate in-depth discussions on a specific agenda.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The key activities of the BNRC are as follows:

### Nomination Matters

- a) Assessing and recommending to the Board the continuation of service of the Directors seeking re-election at the AGM.
- b) Reviewing and assessing the annual performance and effectiveness of the Board.
- c) Assessing and recommending to the Board the appointment of new members on the Board Committees.
- d) Reviewing and recommending to the Board on the composition of the Board of Directors of THP Group's subsidiaries.
- e) Assessing and recommending to the Board on the appointment of new Key Senior Management.
- f) Reviewing and recommending to the Board the changes, movements, promotions and extension of the contract of Senior Management in the Head Office.
- g) Reviewing and recommending to the Board any matters relating to the continuation in office, including suspension and termination of service of Senior Management.
- h) Reviewing and recommending to the Board on the changes to the organisation structure.

### Remuneration Matters

- a) Reviewing and recommending to the Board the annual directors' remuneration.
- b) Reviewing and recommending to the Board the employees' salary increments, bonuses, allowances, appointments and promotions.

### Other Matters

- a) Reviewing the disclosure in the Annual Report on the BNRC Report.

## APPOINTMENT AND RESIGNATION

Oversight of Board appointments forms a key part of the BNRC's mandate, with a structured process in place to support effective succession planning. Clear selection criteria guide the identification of potential Directors, taking into account the skills, expertise, experience and industry knowledge required to support the Group's strategic direction. In addition, candidates are assessed on their character, integrity, competence, time commitment and availability, in accordance with the Board Fit and Proper Policy.

All Directors are expected to uphold high standards of professionalism, integrity and credibility in carrying out their duties. INED are also required to demonstrate objective judgement, free from any business or personal relationships that could interfere with their independence, reinforcing sound governance practices.

As part of its succession planning role, the BNRC conducts periodic reviews of the Board's composition, including its size, mix of skills, experience, gender diversity and overall balance.

# Corporate Governance Overview Statement

**During FY2025, several changes took place within the composition of the Board, as follows:**

- 1 Resignation of Datuk Syed Hamadah bin Syed Othman
- 2 Retirement of YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman
- 3 Appointment of Nor Adila binti Ismail
- 4 Resignation of Dr. Shahril bin Simon
- 5 Appointment of Roslin Azmy bin Hassan

As at 31 December 2025, female representation on the Board reached 50 per cent, exceeding the minimum target of 30 per cent set under the Malaysian Code on Corporate Governance 2021.

Findings from the Board Effectiveness Evaluation for FY2025 affirmed the effective performance of individual Directors, the Board collectively and its Committees. The evaluation also confirmed that the Board possesses an appropriate mix of skills, knowledge and experience to steer the Group's strategic direction.

The Company Secretary supports the appointment process by securing all required documentation and ensuring compliance with governance and regulatory requirements, including statutory and Main Market Listing Requirements obligations. Internal records are maintained in a timely and accurate manner.

## RE-ELECTION OF DIRECTORS

The re-election process provides shareholders with the opportunity to assess the performance and composition of the Board. In accordance with the Company's Constitution, at least one third (1/3) of the Directors retire annually, with each Director subject to re-election at least once every three (3) years. Retiring Directors are eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

At the forthcoming 52<sup>nd</sup> Annual General Meeting, Dr Nurmazilah binti Dato' Mahzan is due for the retirement by rotation pursuant to Clause 89 of the Company's Constitution. However, she has expressed her intention not to seek for re-election. Accordingly, Dr. Nurmazilah binti Dato' Mahzan shall retire as INED of THP at the conclusion of the 52<sup>nd</sup> AGM of the Company.

In addition, the Company's Constitution provides that the Board shall, at anytime appoint Directors to fill the casual vacancy or as an addition to the existing Board and Directors appointed under Clause 94 shall hold office only until the next AGM of the Company and shall then be eligible for re-election. Accordingly, the following Directors appointed since the 51<sup>st</sup> AGM will retire by casual vacancy pursuant to Clause 94 and, being eligible, have offered themselves for re-election at the 52<sup>nd</sup> AGM:

- 1 Nor Adila binti Ismail
- 2 Roslin Azmy bin Hassan

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### BOARD AUDIT, RISK & GOVERNANCE COMMITTEE

Oversight of audit, risk and governance matters is undertaken by the BARGC. As at 31 December 2025, the BARGC comprised two (2) INED and one (1) NINED.

During FY2025, the BARGC convened ten (10) meetings, providing a structured forum for detailed deliberations on key areas such as financial reporting, internal and external audit findings and enterprise risk management matters. A comprehensive disclosure of the BARGC's roles, responsibilities and activities is set out in the BARGC Report on pages 128 to 131 of this Report.

### FINANCIAL REPORTING

The Board places strong emphasis on transparent, balanced and comprehensive financial disclosures to shareholders, investors and regulatory authorities. This is achieved through the timely publication of quarterly financial results, audited financial statements, annual reports and material announcements, in line with the Main Market Listing Requirements.

Supporting this process, the BARGC undertakes detailed reviews of financial disclosures to confirm accuracy, clarity and compliance with applicable accounting standards. This oversight supports the presentation of a true and fair view of the Group's financial position and performance.

### RELATIONSHIP WITH THE EXTERNAL AUDITORS

A professional and transparent working relationship is maintained with the External Auditors, with management and the BARGC seeking their expert guidance to support compliance with Malaysian accounting standards.

For preparation of Audited Financial Statements for FY2025, BARCC convened several discussion with the External Auditors, without the Management present, to address matters arising from the audit process and any additional issues the auditors wished to raise.

Regular assessments are conducted by the BARGC to evaluate the auditors' independence, performance, quality of work and timeliness of service delivery. Reviews also cover non audit services provided, where applicable, to confirm that auditor objectivity and independence are not compromised in any manner.

### INTERNAL CONTROLS

Oversight of business performance and internal control effectiveness sits with the Board, with specific responsibilities delegated to the BARGC. This includes monitoring the adequacy of the Group's risk management and internal control systems.

The BARGC is supported in this role by the Internal Audit Department ("IAD"), which provides independent assurance on the effectiveness of internal controls and governance processes.



*Further details on the Group's Risk Management Framework and Internal Control system are presented in the Statement on Risk Management and Internal Control on pages 134 to 141 of this Report.*

### INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the IAD, led by the Head of Internal Audit for the Group. Its primary role is to provide independent assurance to the Board, through the Committee, on the adequacy and effectiveness of risk management, internal control and governance frameworks.



*A summary of internal audit activities is set out in the BARGC Report on page 127 to 131 of this Report.*

### WHISTLEBLOWING POLICY

The Company's Whistleblowing Policy provides a structured channel for employees, agents, vendors, contractors, suppliers, consultants, customers, and the public to report any improper conduct within the THP Group. The policy ensures the anonymity and confidentiality of whistleblowers' identities and outlines protections against retaliation or reprisal, including immunity from disciplinary action.

Under the policy, employees of the THP Group are encouraged to raise concerns regarding issues such as financial irregularities, regulatory non-compliance, breaches of internal policies, or any other form of misconduct. This framework formalises the process for addressing and investigating reported issues in a transparent and secure manner.

# Corporate Governance Overview Statement

Reports received are assessed and investigated in accordance with established procedures, with appropriate escalation to Management, the BARGC and the Board, where required. This oversight ensures that reported concerns are addressed independently, objectively and in a timely manner.

## GOVERNANCE ENHANCEMENTS ARISING FROM INTEGRITY MATTERS

The Board recognises the importance of continuously strengthening corporate governance to uphold integrity and ethical conduct across the THP Group. During the financial year, and arising from integrity-related matters, the Board undertook initiatives to further enhance the Group's governance framework in line with regulatory expectations and best practices.

These enhancements focused on the establishment and strengthening of integrity and anti-corruption frameworks, policies and standard operating procedures to institutionalise ethical standards, reinforce accountability and ensure consistent application across the Group. The initiatives were designed to embed integrity within the Group's governance structure and support ethical decision-making at all levels of the organisation.

## SUSTAINABILITY

Sustainability strengthens audit and risk management by expanding the risk coverage to include material ESG risks, enabling early identification and mitigation of operational issues and supporting long-term value creation and resilience.



The Sustainability Statement is outlined on pages 26 to 97 of this Report.

## RISK MANAGEMENT

Through the BARGC, oversight is exercised over the Group's risk management framework to ensure that principal and emerging risks are systematically identified, assessed, monitored and managed within acceptable risk levels, with regular reviews and timely escalation to support effective oversight and decision-making.

## Board Audit, Risk & Governance Committee Report

The BARGC plays a central role in overseeing the integrity of the Group's financial reporting and overall performance. Its responsibilities include reviewing the effectiveness of both external and internal audit functions, as well as monitoring the adequacy of the internal control environment. In addition, the BARGC provides oversight on the Group's risk management approach, integrity standards and governance practices.



The Terms of Reference of the BARGC are available on the Company's website at <https://thplantations.my>

## COMPOSITION

The BARGC comprises solely Non-Executive Directors, with a majority being Independent Directors, in line with regulatory and governance best practices. During FY2025, the BARGC convened ten (10) meetings to discharge its responsibilities effectively. Details on the BARGC's composition and the attendance records of its members are set out below.

Name of Members	Number of Meetings Attended
<b>Dr. Nurmazilah binti Dato' Mahzan</b> Chairman	10/10
<b>Kasmuri bin Sukardi</b> Member	10/10
<b>Nor Adila binti Ismail<sup>1</sup></b> Member	7/7
<b>YM Tengku Dato' Seri Hasmuiddin bin Tengku Othman<sup>2</sup></b> Member	3/3

### Notes:

<sup>1</sup> Appointed as Member on 7 May 2025.

<sup>2</sup> Retired as Member on 6 May 2025.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The composition of the BARGC is in line with Paragraphs 15.09 and 15.10 of the MMLR and Practice 9.1 and 9.2 of the MCCG 2021, as follows:

### MMLR

- i. All three (3) members are Non-Executive Directors and the majority of them are Independent Directors
- ii. The Chairman is a member of the Malaysian Institute of Accountants (MIA)
- iii. No alternate director is appointed as a member of the BARGC
- iv. The Chairman of the BARGC is an Independent Director

### MCCG 2021

- i. The Chairman of the BARGC is not the Chairman of the Board
- ii. None of the BARGC members is a former audit partner of the Group's external auditor

### SUMMARY OF ACTIVITIES OF THE BARGC

The key activities undertaken by the BARGC during FY2025 were as follows:

#### FINANCIAL REPORTING

- 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 follows;

#### QUARTERLY RESULT/FINANCIAL STATEMENT REVIEWED:

##### 24 February 2025

- Unaudited fourth quarter results for the year ended 31 December 2024
- Audited Financial Statement for the financial year ended 31 December 2024

##### 22 May 2025

Unaudited first quarter results for the period ended 31 March 2025

##### 21 August 2025

Unaudited second quarter results for the period ended 30 June 2025

##### 13 November 2025

Unaudited third quarter results for the period ended 30 September 2025

- 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 Group's financial statements; and
- c) Reviewed and evaluated the quarterly and yearly operational and financial performances of the Group, as presented by Management.

#### INTERNAL AUDIT

- a) Reviewed and approved the annual internal audit plan, budget, and resource requirements to ensure comprehensive coverage of the Group's operations and risk exposures.
- b) Reviewed significant observations reported by the IAD, evaluated management's corrective action plans and consequence management, and monitored the status and performance of internal audit activities.
- c) Assessed the adequacy and effectiveness of management's responses, controls, and measures in addressing identified issues, ensuring that all significant audit matters were resolved promptly and effectively.
- d) Reviewed the sufficiency of internal audit resources and the competency of personnel to ensure that audit engagements were conducted efficiently and in accordance with professional standards.

From time to time, the BARGC assessed the performance, independence and objectivity of the IAD, including any potential impairment that could arise from conflicts of interest.

The BARGC concluded that the Group's internal audit function remained effective and operated with full independence throughout the year.

# Corporate Governance Overview Statement

## RISK MANAGEMENT & INTERNAL CONTROL

- a) Conducted a review of the existing risk management and internal control system, and discussed the risks and corresponding controls that should be put in place to minimize the identified risks;
- b) Evaluated and analysed the adequacy and efficiency of Management's internal control measures in recognising, evaluating, mitigating, and overseeing both financial and non-financial risks;
- c) Reviewed the revised and expanded TOR of the BARGC prior to recommending to the Board for approval;
- d) Reviewed and approved the Company's revised risk management framework, policy and procedures;
- e) Assessed the organization's corporate risk profile and provided updated reports on the current risk status, along with recommended action plans to reduce the potential risks; and
- f) Promoted awareness and sound risk management culture within the Company.

## EXTERNAL AUDITORS

- a) Reviewed the external auditor's scope of works and audit plan for the 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 Group's yearly financial statements to the MMLR, 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.

- g) Held independent meetings with the internal auditors, without the presence of management to discuss significant findings identified during the course of their audit.

The external auditors provided assurance to the BARGC that they had maintained independence throughout the audit engagement for 2025, in full compliance with all relevant professional and regulatory requirements.

The BARGC expressed its satisfaction with the external auditors' performance, citing the quality of their work, adequacy of resources, adherence to agreed timelines set by Management, and their demonstration of independence, professionalism, and expertise.

## INTEGRITY & GOVERNANCE

- a) Reviewed and endorsed THP's Organisational Anti-Corruption Plan 2025–2029, which sets out the Group's strategic direction and initiatives to prevent corruption, strengthen governance practices, and reinforce a culture of integrity across THP's operations.
- b) Reviewed and endorsed the SOPs for the Integrity and Governance Unit, as well as THP's anti-bribery and anti-corruption policies, to ensure continued alignment with regulatory requirements, prevailing laws, and industry best practices.
- c) Reviewed the progress of THP's compliance with the Adequate Procedures as mandated under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, including updates on implementation status and areas for enhancement.
- d) Conducted a review of the Corruption Risk Assessment and deliberated on the identified corruption risks, together with the adequacy of existing and proposed controls, to ensure effective mitigation measures are in place.
- e) Reviewed the "*Laporan Fungsi Teras Unit Integriti dan Governans*" prior to its submission to the Malaysian Anti-Corruption Commission, ensuring the report accurately reflects THP's integrity initiatives and compliance status.
- f) Reviewed internal investigation reports and provided guidance to Management on appropriate actions to address reported concerns, misconduct, or wrongdoing, in line with THP's policies and governance framework.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

g) Promoted integrity and anti-corruption awareness across the Group, including oversight of awareness programmes, communications, and initiatives aimed at strengthening ethical conduct, reinforcing zero tolerance towards bribery and corruption, and fostering a culture of integrity at all levels of the organisation.

### OTHER DUTIES

As part of its oversight responsibilities, the BARGC undertook reviews of related party transactions and potential conflict of interest situations during the year. These assessments were conducted to confirm compliance with the Main Market Listing Requirements, MFRS, the Companies Act 2016 and the Group's internal policies. The reviews verified that transactions were executed on normal commercial terms, providing assurance that the interests of minority shareholders were protected and that internal control procedures governing such transactions were adequate and effective.

In addition, the BARGC plays an active role in overseeing the Group's sustainability agenda. This includes monitoring compliance with stakeholder driven ESG standards, reviewing sustainability related matters across operations and providing strategic guidance on emerging regulatory and market expectations. The BARGC also evaluates the quality and completeness of sustainability disclosures in line with Bursa Malaysia's reporting requirements.

### INTERNAL AUDIT FUNCTION AND ACTIVITIES

The IAD serves as an independent assurance function for THP Group of Companies, reports directly to and supports the BARGC in upholding its fiduciary responsibilities.

Through objective evaluations, IAD provides assurance on the adequacy and effectiveness of governance, risk management, and control processes, including the Group's compliance with applicable laws, regulations, policies, and standards.

IAD follows the guiding principles and best practices (the Standards) promulgated by the Global Institute of Internal Auditors ("Global IIA"). THP's Internal Audit Charter, approved by BARGC in 2023, clearly defines IAD's role, authority, responsibilities, and independence, consistent with the Standards.

The audit coverage included estate and mill activities, as well as business enabler functions such as procurement, contracting, finance and accounting, human resources, and administration. Beyond the assurance role, IAD collaborated with the Integrity & Governance Unit to investigate allegations of financial irregularities and suspicious activities.

#### During the FY2025, the IAD played a pivotal role in the following key activities:

- 1 Developed and presented the Annual Audit Plan and Budget for the review and approval by BARGC in line with the Group's strategic objectives and risk priorities.
- 2 Conducted operational and compliance audits across 18 estates and 4 mills to assess conformance to established regulatory requirement, policies and procedures.
- 3 Performed corporate and/or thematic audits targeting high-risk areas such as procurement, contracting, disbursement, inventory and financial controls to safeguard integrity and accountability.
- 4 Coordinated IT audits and validate Sustainability Report, reinforcing objectivity and compliance with best practices through co/outsourcing arrangement with external service providers.
- 5 Reported significant audit observations, including associated risks and potential consequences, and presented agreed management action plans during BARGC meetings. Monitored and followed up on management's action plans, providing regular updates to BARGC until full resolution to ensure timely oversight and accountability.
- 6 Undertook ad-hoc and special assignments at the request of BARGC and/or Management, with findings communicated transparently to BARGC to support informed decision-making.

# Corporate Governance Overview Statement

The IAD is headed by a Certified Internal Auditor and Certified Fraud Examiner, with all auditors being members of the Institute of Internal Auditors Malaysia. Demonstrating its commitment to continuous professional development, THP provides financial supports for internal auditors to pursue the Certified Internal Auditor (“CIA”) programme, ESG Certificate for Internal Auditing and participation in public conferences and external training programmes to enhance proficiency and maintain alignment with global best practices.

For FY2025, THP incurred a total cost of RM1.54 million to support the IAD function.

This BARGC Report was reviewed and approved by the THP Board on 27 January 2026.

## Board Investment Committee Report

Oversight of the Group’s investment and divestment activities sits with the BIC, which supports the Board by reviewing and recommending the Investment Policy, strategic direction and plans relating to asset acquisitions and disposals. The BIC also monitors key matters that may affect the Group’s business continuity.

A core focus of the BIC is the assessment of proposals for new investments and major disposals. Each proposal is evaluated to confirm alignment with the Group’s Strategic Plan and its potential to generate returns above the established risk adjusted hurdle rate and performance premium. In addition, the BIC provides guidance on transactions exceeding thresholds set by the Board, including significant investments, divestments, capital expenditure commitments and related project financing arrangements.



The Terms of Reference of the BIC are available on the Company’s website at <https://thplantations.my>

## COMPOSITION

In line with its Terms of Reference, membership of the BIC comprises at least three (3) Non-Executive Directors. During FY2025, the BIC convened four (4) meetings to discharge its responsibilities. Details of its composition and attendance records are set out below:

Name of Members	Number of Meetings Attended
<b>Nor Adila binti Ismail<sup>1</sup></b> Chairman	2/2
<b>Dr. Nurmazilah binti Dato’ Mahzan<sup>2</sup></b> Member	4/4
<b>Fahda Nur binti Ahmad Kamar</b> Member	4/4
<b>Dr. Shahril bin Simon<sup>3</sup></b> Member	2/2

### Notes:

- <sup>1</sup> Appointed as Chairman on 7 May 2025.  
<sup>2</sup> Redesignated as Member on 7 May 2025.  
<sup>3</sup> Resigned as Member on 23 July 2025.

The BIC meetings are attended by the CEO, while other members of Senior Management are invited to attend to facilitate in-depth discussions on a specific agenda.

## The key activities of the BIC amongst others are summarised below:

- 1 Reviewing the Valuation Reports prepared by external valuers on THP’s assets proposed for disposal.
- 2 Reviewing the plantation performance validation reports by external valuers on selected THP’s assets.
- 3 Reviewing the proposed investments in new business ventures in Renewable Energy.

# Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### COMMUNICATION WITH STAKEHOLDERS

A transparent and timely communication approach guides the Company's engagement with shareholders and the broader investment community. Disclosure practices follow the Corporate Disclosure Guide issued by Bursa Securities and fully comply with the Main Market Listing Requirements. Material information is released promptly to support fair and equitable access for all stakeholders.

Regular engagements are held with stakeholders, research analysts and bankers to share updates on the Group's performance, business developments and strategic priorities. Throughout these interactions, strict safeguards are maintained to protect price sensitive information, ensuring compliance with regulatory requirements and market integrity.

### LEVERAGING TECHNOLOGY FOR INFORMATION DISSEMINATION

The Company's corporate website serves as a central platform for public access to corporate and financial information. Quarterly financial results, regulatory announcements, disclosures required under the Main Market Listing Requirements and other corporate updates are made readily available online. Shareholders and members of the public are encouraged to submit enquiries through the contact channels provided on the website.

### CONDUCT OF GENERAL MEETINGS

The AGM provides an important forum for direct engagement between shareholders and the Board. Notification of the AGM and publication of the Annual Report are communicated in writing, either electronically or in hardcopy form, at least 28 days prior to the meeting. Shareholders are provided with a dedicated link to download the relevant documents and may request a printed copy through the prescribed channel.

The 51<sup>st</sup> AGM, held on 6 May 2025, marked the Company's return to a physical meeting format following a five-year hiatus due to the COVID 19 pandemic. This in person session enabled direct interaction between shareholders and the Board. The Chairman chaired the meeting, with full attendance from Directors and Senior Management to address shareholder questions.

During the AGM, the CEO presented a comprehensive overview of the Company's operational and financial performance, together with an outline of the strategic recovery plan. Visual and graphical presentations were used to enhance understanding of key performance highlights.

An extensive question and answer session followed, allowing shareholders to engage directly with the Board. All questions raised were documented and published on the Company's website. To promote voting transparency and efficiency, electronic polling was implemented during the meeting. The minutes of the AGM proceedings were subsequently published on the corporate website for shareholders' reference.

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

Under the Main Market Listing Requirements, the Board of Directors is obligated to issue a statement outlining its responsibilities in preparing the audited financial statements. Pursuant to the Companies Act 2016, the Directors are also required to ensure that audited financial statements are prepared annually, providing a true and fair view of the financial position of the THP Group as at the financial year-end, as well as the financial performance of the Company and the Group for the year under review.

#### In preparing these audited financial statements, the Directors have:

- 1 Used appropriate accounting policies and consistently applied them;
- 2 Made judgments and estimates that are reasonable and prudent; and
- 3 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 maintaining accurate and proper accounting records that provide a clear and timely representation of the THP Group's financial position. These records are essential to ensure compliance with the Companies Act 2016 and the approved accounting standards applicable in Malaysia. Furthermore, the Directors are tasked with implementing necessary measures to protect the Group's assets and to mitigate the risk of fraud or other irregularities.

This statement was approved by the THP Board on 27 January 2026.

# STATEMENT ON 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 of Directors (“the Board”) is pleased to present here with the Statement on Risk Management and Internal Control of the Group for the financial year under review. This statement has been 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 to safeguard shareholders’ interests and the Group’s assets. For effective oversight, the Board sets the tone and culture towards effective risk management and internal control environment.

### The Board’s primary responsibilities include:

- 1 Institutionalizing risk management process and capabilities across all aspects of the Group’s activities;
- 2 Identify principal risks and ensure the implementation of appropriate systems to manage these risks within the acceptable level;
- 3 Overseeing adequacy and effectiveness of risk management and internal control system; and
- 4 Establishing a structured reporting and monitoring mechanism.

Board Audit, Risk & Governance Committee (“BARGC”) oversees the effectiveness of the Group’s risk management and internal control in accordance with its Terms of Reference (“ToR”), with the support from the Risk Management Committee (“RMC”).

Risk & Compliance Department (“RCD”) assists the Board and Management in reviewing, monitoring, and reporting on the Group’s risk management and compliance initiatives, managing the process of risk management and activities within the Group. Additionally, the RCD is responsible for revising, updating, and implementing THP’s Enterprise Risk Management Policy (“ERMP”), Risk Management Framework (“RMF”), and Risk Management Report (“RMR”) for the Group.

In view of the inherent limitations of any risk management and internal control system, the Board recognises that such systems are designed to manage, rather than eliminate, the risks encountered in pursuing the Group’s objectives. Accordingly, the system being designed to mitigate the likelihood and impact of risks to levels that are acceptable and justifiable within the context of the Group’s business environment. Ultimately, the system can provide reasonable, but not absolute, assurance against material misstatements, financial losses, operational failures, fraud, and non-compliance with laws and regulations.

## MANAGEMENT RESPONSIBILITY

### Risk Management Committee

The Board delegates to the RMC the responsibility for reviewing and monitoring the vital enterprise risks. The RMC plays a main role in ensuring the effective implementation of the objectives outlined in ERMP and compliance throughout the Group.

Chaired by the Chief Executive Officer (“CEO”) and supported by key Senior Management from 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 and ensures that appropriate mitigation strategies are in place.

# Statement on Risk Management and Internal Control

Its primary roles and responsibilities, as outlined in the ERMP, include the following (among others):

- 1 Allocate the necessary resources required for effective risk management activities;
- 2 Actively monitor the progress and status of risk management initiatives;
- 3 Convene quarterly meetings with the RCD to discuss key risks;
- 4 Identify and evaluate new strategic risks including corporate matters (e.g., regulatory, business development) and key operational risks;
- 5 Assist the Board in implementing the objectives set out in the risk management policy;
- 6 Assist the Board in reviewing and updating the existing risk profile;
- 7 Assist the Board in reviewing and reporting on the status of completion of action plans;
- 8 Provide information to the Board through quarterly risk management report;
- 9 Prepare quarterly risk management reports for submission to the Board;
- 10 Ensure that the finalised risk profile incorporates and reflects the comments and feedback of the Board;
- 11 Champion risk awareness and promote risk management training initiatives across the Group;
- 12 Ensure Management provides periodic updates to the BARGC on the Group’s risk profile and related action plans; and
- 13 Report to the BARGC on any material or significant changes to the risk profile that require immediate attention and/or notification.

## Risk & Compliance Department (“RCD”)

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

The RCD, in collaboration with the RMC, identifies new risks and reviews existing risks by assessing the magnitude of potential financial and non-financial impacts against the likelihood of occurrence, to determine whether such risks are within acceptable levels, and reports the outcomes to the BARGC.

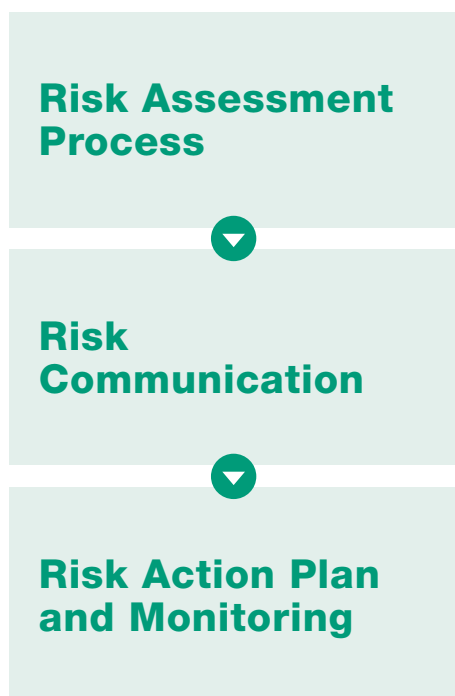
The following is the Risk Management oversight structure for the Group:



# Statement on Risk Management and Internal Control

## RISK MANAGEMENT FRAMEWORK

The review, monitoring and reporting process in the Group’s Risk Management Framework (“RMF”) involves the following key processes:

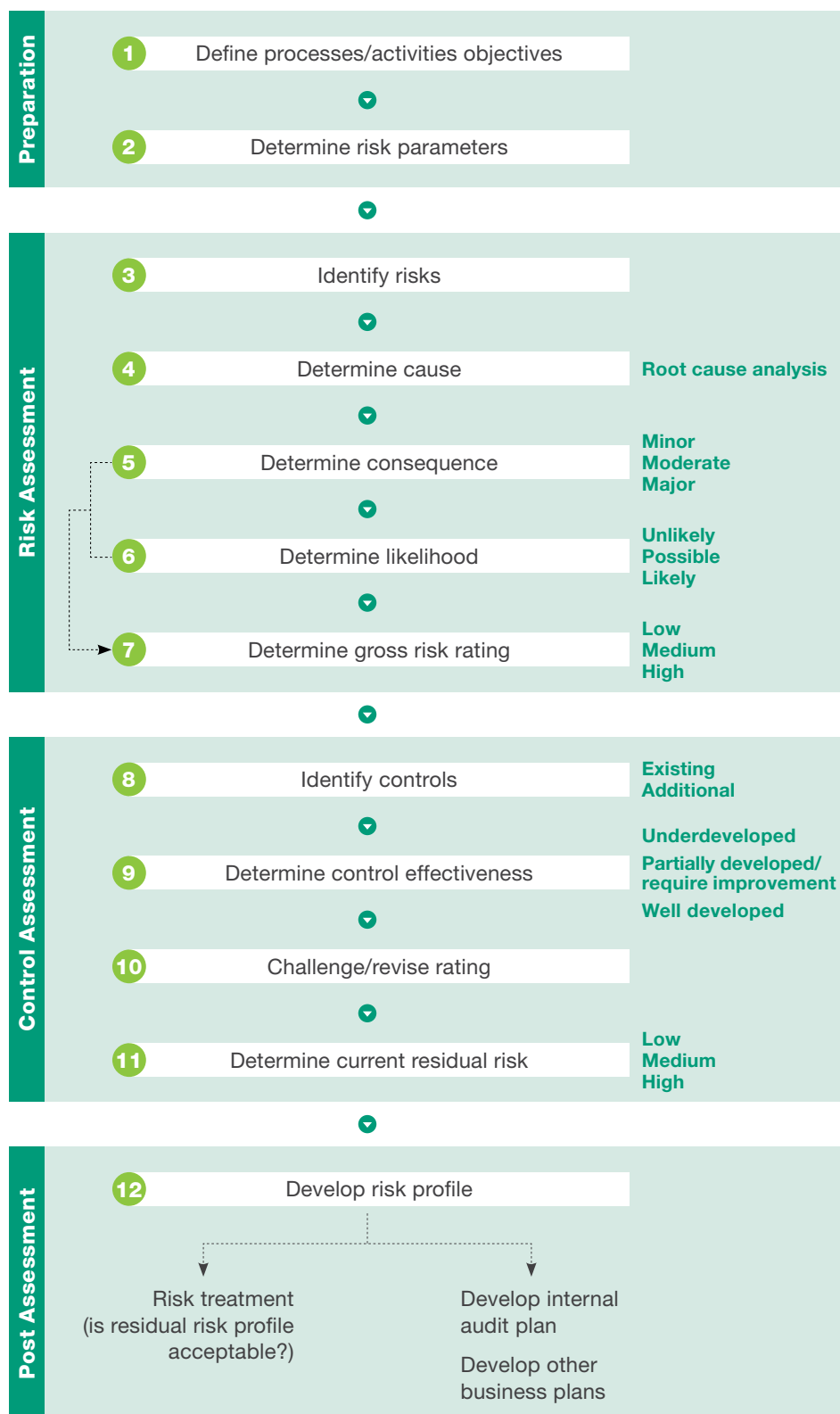


These processes enable the Group to identify, evaluate, and monitor the status of the risk profile and changes in the risk context, while ensuring that the risk treatment and control measures are adequately designed, appropriately implemented, and operating effectively.

### Risk Assessment

Risk assessment is a structured process that encompasses risk identification, risk analysis, and risk evaluation. It should be conducted systematically, iteratively, and collaboratively, drawing upon the knowledge and perspectives of relevant stakeholders. The assessment should also be based on the best available information, supplemented by further enquiry and validation where necessary.

Our risk assessment process is illustrated in the following diagram:



# Statement on Risk Management and Internal Control

Risk Owners are required to identify key business risks, both existing risks and potential future risks related to the processes within their respective business areas, and to classify them under the following categories:



## Risk Communication

Communication and consultation are essential at every stage of the risk management process. A communication plan should be developed at the earliest stage to ensure that all internal and external stakeholders are appropriately informed and engaged.

Any urgent or material issues related to risk management must be reported and discussed at the Management level, the Board level, or both—depending on the significance of the risk and the business area involved.

## Risk Action Plan and Monitoring

Monitoring and review are integral components of all stages of the risk management process. Ongoing risk monitoring and periodic reviews provide reasonable assurance that the Group’s risks are being managed in an effective and consistent manner.

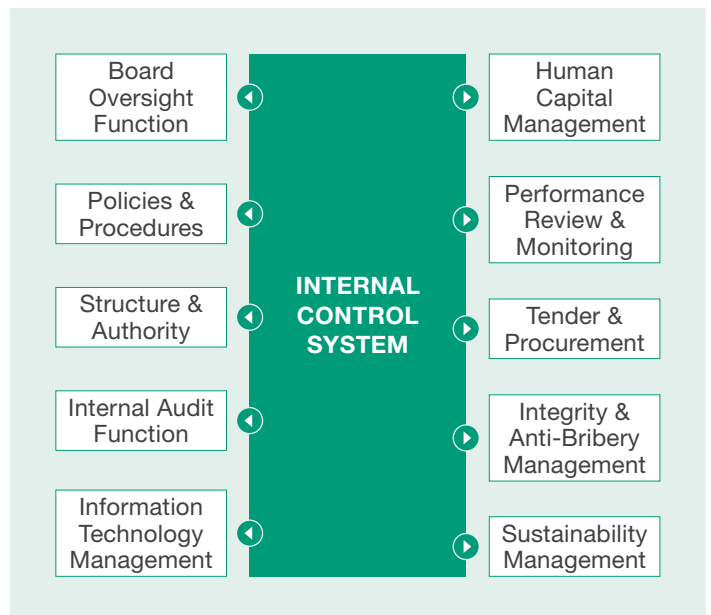
The implementation of risk treatments and control measures, as well as the review of risk management strategies and action plans, are monitored and reported as necessary or as required by the Board.

## INTERNAL CONTROL SYSTEM

The internal control system is designed to safeguard the integrity of assets, promote accountability and enhance the efficiency of operations within the Group’s risk management framework. The system is developed and maintained with reference to relevant laws, rules and regulations, as well as industry practices and guidelines, to manage and mitigate risks at levels considered acceptable to the Group. The RMC and RCD continuously review, monitor and update the existing risks, including identifying new or emerging risks exposed to the Group and report them to the BARGC periodically.

The Group has established and implemented appropriate internal controls to ensure that its operations are conducted in an effective and efficient manner, with the aim of achieving the Group’s business objectives and safeguarding the Group’s assets and interests.

Set out below are the key elements underpinning the Group’s system of internal control:



## Board's Oversight Function

The Board exercises its oversight role by monitoring the Group’s performance and ensuring the effectiveness of its internal control system. This is carried out through regular reviews of financial and management reports, including Progress Reports and Quarterly Financial Reports prepared by management, as well as reports from both external and internal auditors. Any significant issues identified are escalated to the BARGC for deliberation and direction, after which the BARGC reports these matters to the Board.

# Statement on Risk Management and Internal Control

## Policies and Procedures

The Board and Management acknowledge the critical importance of robust Policies and Procedures as fundamental control mechanisms to ensure effective implementation and compliance. The Standard Operating Procedures (“SOPs”) are in place to provide clear guidance on control and compliance measures. These SOPs are designed to mitigate risks associated with financial and operational activities, including fraud prevention and the avoidance of material misstatements, thereby reinforcing the Group’s commitment to sound governance and risk management practices.

The Group’s Policies and Procedures are subject to periodic review and updates as necessary to ensure their continued relevance and effectiveness in response to evolving business environments, emerging risks, and organizational needs. This proactive approach reinforces the Group’s commitment to maintaining robust governance and risk management practices.

## Structure and Authority

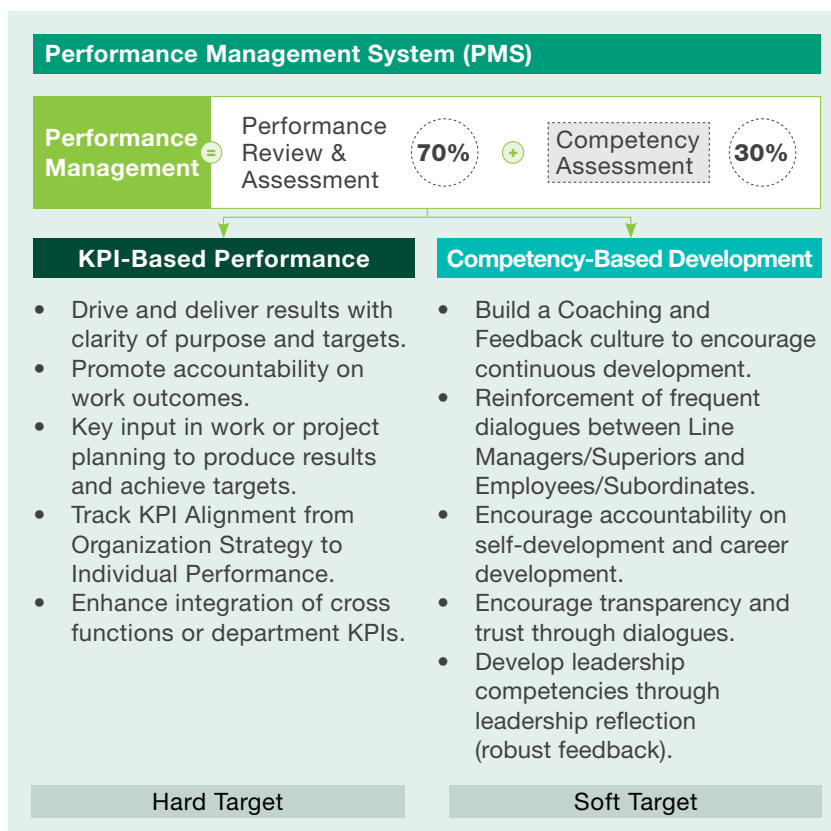
The Group’s organizational structure encompasses its business operations and functional support units, designed to ensure a clear separation of duties, well-defined reporting lines, and distinct roles and responsibilities that promote accountability and ownership.

In addition, formal policies and procedures are established to support the organizational structure, complemented by a formal delegation of authority governing the review, approval, planning, execution, control, and monitoring of business operations and associated risks. Both the organizational structure and the delegation of authority are reviewed periodically to ensure continued relevance and effectiveness in addressing emerging business risks and operational needs.

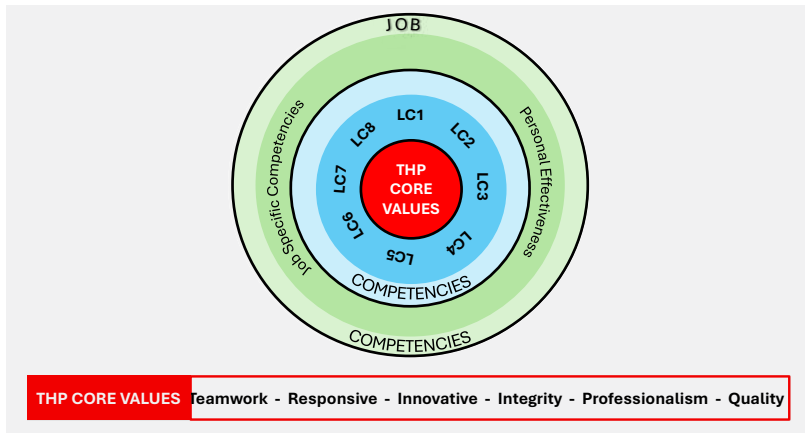
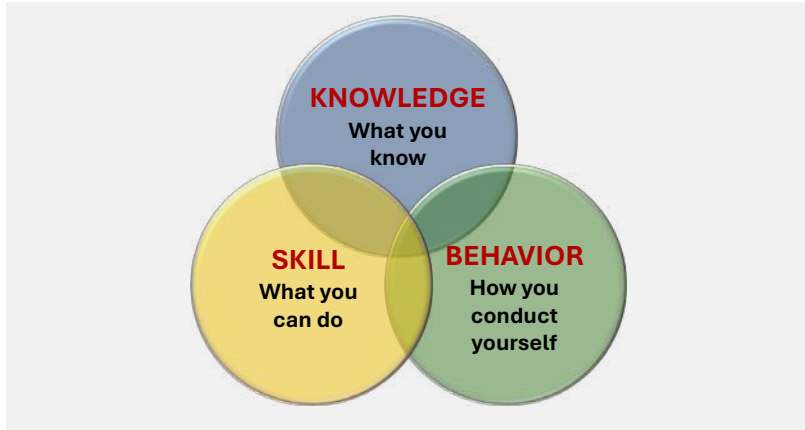
## HUMAN RESOURCES MANAGEMENT

Human Resources and Administration Department (“HRAD”) supports the Group’s sustainability and performance objectives through effective human resources governance, risk management and internal control. For FY2025, HRAD’s initiatives were guided by the HRAD 5-Year Strategic Blueprint (2024–2028), reinforcing HRAD’s role as a strategic business partner in driving organizational effectiveness and a high-performance culture.

- Talent Availability and Succession Risk**  
 Leadership and critical role gaps are mitigated through a structured Succession Planning Framework, with a targeted 2:1 successor ratio for mission-critical positions and periodic monitoring of talent readiness.
- Capability and Competency Risk**  
 A structured Competency Framework covering leadership and functional competencies is integrated into the Performance Management System (“PMS”) and development planning to address current and future capability requirements.
- Performance Management and Productivity Risk**  
 The enhanced PMS was fully embedded across the Group in FY2025, integrating KPI, Competency and Individual Development Plan (“IDP”) components. The system adopts a Balanced Scorecard approach and a formal calibration process to promote consistency, fairness and accountability.



# Statement on Risk Management and Internal Control



- Workforce Sustainability and Operational Risk**  
 Workforce risks are managed through initiatives such as Project LOKAL, the Cadet Planters Programme and Job Rotation Programme, supporting local talent development, skills diversification and long-term operational sustainability.
- Monitoring and Internal Control**  
 Human resources risks and mitigation measures are monitored through regular management reviews, reporting to relevant Management and Board Committees, periodic assessment of PMS outcomes and succession readiness and adherence to approved policies, SOPs and HR governance processes.

Through structured human resources strategies and robust performance management practices, HRAD continues to strengthen internal controls and mitigate people-related risks, supporting THP’s strategic objectives and long-term value creation.

## Tender and Procurement

The Board and Board Tender Committee (“BTC”) is responsible for reviewing, deliberation and approval of tenders, contracts and the procurement of goods and services as part of the Group’s internal control framework.

The authority and approval limits are stipulated in the THP Procurement Policy as approved by the Board. In another development, the “Peraturan Pembelian, Tender & Kontrak 2019”, serving as the key procedural reference for procurement since 2019, is currently undergoing a comprehensive review to ensure its continued relevance and effectiveness in driving execution and compliance with the Policy.

The Management is also entrusted with the authority to approve tenders, contracts, and the procurement of goods and services, subject to the prescribed approval limits set within the same governance framework.

2024 PMS Key Issues (From Diagnostic)	2025 Control Actions Implemented	2025 Outcome/ Status
<p>Non-Smart KPIs &amp; blanket KPIs</p>	<p>Group KPI Governance &amp; SMART KPI workshops</p>	<p>Improved KPI quality &amp; differentiation</p>
<p>Too many KPIs/low weightage</p>	<p>KPI rationalisation &amp; max KPI limits</p>	<p>Clearer focus &amp; accountability</p>
<p>Halo effect &amp; inconsistent ratings</p>	<p>Formal calibration process (multi-level)</p>	<p>Fair &amp; consistent ratings</p>
<p>Competencies not measured</p>	<p>Competency embedded into PMS</p>	<p>Holistic performance assessment</p>
<p>Weak performance dialogue</p>	<p>Mandatory year-end reviews</p>	<p>Stronger feedback culture</p>

# Statement on Risk Management and Internal Control

## INFORMATION TECHNOLOGY MANAGEMENT

The Board, through the BARGC, provides oversight over the Group's information technology ("IT") risks and exposures. Management, through the Information Technology Department ("IT Dept"), is responsible for implementing appropriate IT policies, controls, and procedures, including those relating to access management, system change management, cybersecurity measures, data backup, and business continuity management.

The IT-related controls are subject to ongoing monitoring by Management and the RCD. During the financial year under review, an external audit conducted by PKF Advantage identified several areas for enhancement, including IT Governance and Management, IT Service Management, IT Programme Delivery, Cyber Security Maturity and IT Risk Management.

In recognising these gaps, Management is strengthening its compliance with globally recognised standards and practices to enhance risk management capabilities and to ensure the effective delivery of system objectives and outcomes.

## SUSTAINABILITY MANAGEMENT

Sustainability related risks and opportunities, including environmental, social and governance ("ESG") matters, are identified, assessed and managed within the Group's overall risk management framework.

The Board provides oversight on sustainability matters with Management responsible for integrating relevant sustainability considerations into business strategies, operations and risk management processes in line with applicable regulatory guidance. Key sustainability risks are monitored through established governance and reporting mechanisms, while progress on sustainability initiatives is reviewed periodically by the Board. The Board acknowledges that sustainability management is an evolving area and remains committed to strengthening the Group's sustainability practices over time. Based on the processes in place, the Board is satisfied that sustainability-related risks were managed in a reasonable and appropriate manner during the financial year under review.

## INTEGRITY & ANTI-BRIBERY MANAGEMENT

Integrity and anti-bribery risks are managed through established governance structures, policies and procedures, including the Code of Ethics and Conduct, conflict of interest guidelines and a formal whistleblowing mechanism that provides secure and confidential channels for reporting suspected misconduct. Oversight of integrity and anti-bribery management is exercised by the Board through the BARGC while Management is responsible for implementation and enforcement.

During the financial year under review, the Group received several whistleblowing complaints relating to alleged non-compliance with internal policies and procedures. The complaints were managed in accordance with the Group's Whistleblowing Policy and applicable standard operating procedures, with appropriate escalation to the relevant governance committees and addressed within the prescribed timelines to ensure effective oversight and monitoring of ethical standards.

The Integrity and Governance Unit ("IGU") continued to strengthen the Group's integrity framework through the implementation of key integrity and anti-bribery policies, including the Integrity Pact, Supplier Code of Ethics, and Gift, Entertainment, and Hospitality Policy, alongside standard operating procedures for whistleblower complaint management, detection and verification, integrity enhancement, and integrity governance. The Group also appointed Integrity Ambassadors across its operations to champion ethical practices, promote awareness, and serve as points of contact for integrity-related matters, further embedding a culture of integrity throughout the organisation.

The Group further reinforced its zero-tolerance stance towards bribery and corruption through the establishment of the 5-Year Organisational Anti-Corruption Plan ("OACP") 2025–2029 and the conduct of a Corruption Risk Assessment ("CRA"), with outcomes reported to the BARGC. These initiatives reflect the Group's ongoing commitment to ethical conduct, transparency and compliance with the Malaysian Anti-Corruption Commission Act 2009 and its Adequate Procedures Guidelines.

A comprehensive CRA was conducted, with outcomes reported biannually to the BARGC, demonstrating transparency and accountability in managing critical risk areas. Integrity awareness campaigns were carried out across all regions, reaching headquarters, estates, and mills, to promote awareness and embed a culture of integrity throughout the Group. Additionally, the Integrity, Governance, and Anti-Corruption Survey was successfully designed and implemented, further strengthening oversight and monitoring mechanisms.

Collectively, these initiatives reflect the Group's ongoing commitment to fostering a corruption-free corporate culture, in full alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and its Adequate Procedures Guidelines.

## INTERNAL AUDIT FUNCTION

The Internal Audit Department ("IAD") serves as an independent, in-house function that provides objective assurance, advisory services, and insights to enhance and safeguard organizational value. As the third line of defence, IAD operates independently and reports directly to the BARGC, ensuring transparency and accountability.

# Statement on Risk Management and Internal Control

IAD fulfills its mandate through the Internal Audit Charter approved by BARGC and the Annual Audit Plan, which enables IAD to deliver objective assurance on key business processes and controls across the Group's business operation, recommending improvement to strengthen governance, risk management and compliance.

Audits are carried out using a risk-based approach that aligns with the Group's strategic objectives, policies, regulatory requirements, risk profile, and risk appetite, while also considering input from the Board and Senior Management. Significant audit findings and the status of management's action plans are escalated to the BARGC for review and direction. Following these deliberations, IAD facilitates Management in tracking and validating the implementation of agreed actions, ensuring timely resolution and effective risk mitigation, while fostering a culture of accountability and continuous improvement.

## STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the 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 Group for the year ended 31 December 2025, 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 the Group, in all material respects:

- A** has not been prepared in accordance with the disclosures required by section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or;
- B** 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 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.

## CHIEF EXECUTIVE OFFICER'S ASSURANCE

The Group's risk management and internal control systems, covering financial, operational, compliance and information technology matters are in place and functioning to manage risks appropriately during the financial year under review.

This assurance was derived from the Group's established risk management framework, active Board oversight, ongoing management monitoring and review processes undertaken in collaboration with the RCD function, and independent assurance provided by the IAD, which collectively form an integral part of the Group's governance and control ecosystem.

With respect to the identified gaps and areas for improvement, appropriate remedial actions have been implemented or are in the process of being implemented.

Management acknowledges that any system of risk management and internal control is subject to inherent limitations and is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives.

## CONCLUSION

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 Group's risk management and internal control system in safeguarding the shareholders' investments and the Group's assets.

The Board has received reasonable assurance from the CEO that the Group's risk management and internal control systems are operating adequately and effectively, in all material respects, based on the established risk management and internal control framework of the 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 27 January 2026.



# ADDITIONAL COMPLIANCE INFORMATION

## a. Utilisation of Proceeds from Corporate Proposals

There is no proceed from Corporate Proposals during the financial year ended 31 December 2025.

## 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 RM745,000 and RM187,000 respectively.

## c. Material Contracts

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive officer and major shareholder, either still subsisting at the end of the financial year, ended 31 December 2025 or entered into since the end of the previous financial year, save as disclosed below:

On 13 June 2024, THP via its wholly-owned subsidiary, THP Applications & Services Sdn. Bhd. ("THPAS") had entered into a Shareholders' Agreement with Cenergi RE Sdn. Bhd. ("Cenergi RE") to regulate the relationship inter se of shareholders in Cenergi Lawiang Sdn. Bhd. ("Cenergi Lawiang"), a joint venture company wherein THPAS and Cenergi hold 40% and 60% equity interests respectively.

Cenergi Lawiang as a Special Purpose Vehicle shall undertake the following acts:

- (a) constructing and operating the biogas plant which utilizes the palm oil mill effluent ("POME") from Bukit Lawiang Palm Oil Mill owned by THP; and
- (b) processing the POME to generate electricity which shall be sold to the Tenaga Nasional Berhad under the Sustainable Energy Development Authority Malaysia ("SEDA") programme and under the Renewable Energy Act, 2011, the rate of which shall be in accordance with the Feed-In-Tariff set by SEDA.

## d. Recurrent Related Party Transactions

The aggregate value of the Recurrent Related Party Transactions of a revenue or trading nature conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2025 between the THP and/or its subsidiary companies with related parties are set out below:-

THP and/or Subsidiaries Transacting with Related Parties	Related Parties	Relationship with THP and/or Subsidiaries	Type of Transaction	Aggregate Value of Transaction RM'000
THP	TH	Holding Company	Lease of land	2,147
	Syarikat Takaful Malaysia Am Berhad	Related Company	Purchase of insurance	1,553
THPAM	TH Travel Services Sdn. Bhd.			Purchase of flight tickets
	TH	Holding Company	Lease of office space	1,076

# PERFORMANCE STATISTICS

## FFB Produced (Mt)



## CPO Production (Mt)



## FFB Processed (Mt)



## PK Production (Mt)



# Performance Statistics

## Group 5-Year Plantation Statistics

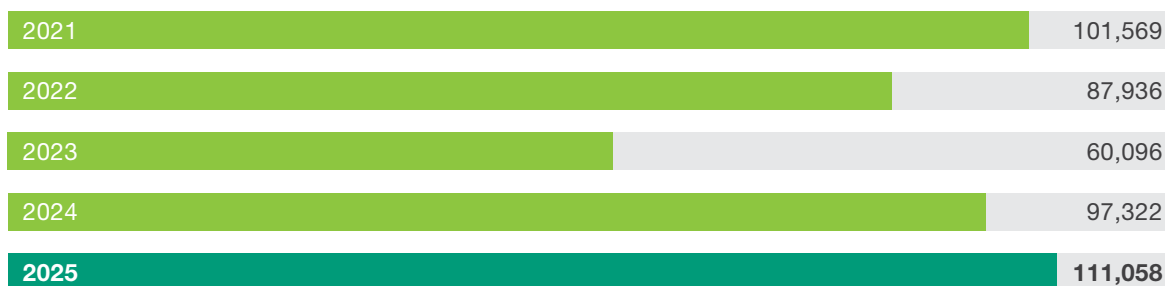
	2025	2024	2023	2022	2021
<b>Production (metric tonnes)</b>					
FFB produced - total	<b>809,391</b>	809,519	787,741	695,824	701,251
FFB processed - total	<b>906,102</b>	917,898	801,085	804,902	779,436
FFB Purchased	<b>185,418</b>	197,581	177,377	186,864	171,823
<b>Yield and Extraction Rates</b>					
FFB yield ( tonnes per mature hectare)	<b>15.73</b>	15.76	15.18	13.21	13.36
OER (%)	<b>19.40</b>	18.99	19.17	19.19	19.71
KER (%)	<b>4.79</b>	4.47	4.92	4.79	4.72
<b>Average Selling prices (RM per tonne)</b>					
Crude palm oil	<b>4,278</b>	4,133	3,669	4,476	3,762
Palm Kernel	<b>3,327</b>	2,575	1,948	2,884	2,768
FFB	<b>863</b>	822	678	1,023	842
<b>Area Statement (Hectares)</b>					
Oil Palm					
- mature	<b>51,452</b>	51,376	51,875	52,656	52,470
- immature	<b>3,123</b>	2,900	2,261	3,491	4,411
Planted Area	<b>54,575</b>	54,276	54,136	56,147	56,881
Other crops					
- mature	-	-	-	-	-
- immature	<b>10,380</b>	10,380	10,380	10,380	10,380
Planted Area	<b>10,380</b>	10,380	10,380	10,380	10,380
<b>Total Planted Area</b>	<b>64,955</b>	64,656	64,516	66,527	67,261
<b>In Course of Planting</b>	<b>1,181</b>	1,448	1,579	805	500
Reserve land, building sites etc	<b>31,636</b>	31,669	31,686	30,477	30,460
Titled Area	<b>97,772</b>	97,773	97,781	97,809	98,221

## Performance Statistics

### Profit Before Tax (RM'000)



### Profit After Tax (RM'000)



### Basic Earning Per Share (sen)



### Revenue (RM'000)



### Net Assets Per Share (RM)



## Performance Statistics

### Net Debt to Equity Ratio (times)

2021	1.22
2022	0.60
2023	0.58
2024	0.50
2025	0.41

### Group 5-Year Key Financial Indicators

	2025	2024	2023	2022	2021
<b>Profitability and returns</b>					
Gross profit margin (%)	<b>31.29</b>	29.98	21.47	28.56	33.23
Profit before tax margin (%)	<b>18.62</b>	17.79	11.42	14.28	18.12
Profit after tax and minority interest margin (%)	<b>9.55</b>	8.34	6.20	7.80	9.22
Return on average shareholders' equity (%)	<b>11.59</b>	10.20	6.60	10.20	11.42
Return on Capital Employed (%)	<b>16.09</b>	14.12	8.73	12.36	11.13
Net assets per share (RM)	<b>0.93</b>	0.86	0.81	0.79	0.73
<b>Solvency and liquidity</b>					
Debt to equity ratio (times)	<b>0.41</b>	0.50	0.58	0.60	1.22
Interest cover (times)	<b>4.60</b>	4.04	2.56	2.69	2.67
Current ratio (times)	<b>3.19</b>	3.91	4.21	3.86	1.66
<b>Financial Market</b>					
EPS (sen)					
- basic	<b>8.36</b>	6.47	3.29	6.75	7.94
- diluted	<b>8.36</b>	6.47	3.29	6.75	7.94
Gross dividend payout per share (sen)	<b>3.00</b>	3.00	2.00	3.00	-
Gross dividend rate (%)	<b>3.07</b>	3.07	2.05	3.07	0.00
Gross dividend yield (%)	<b>5.45</b>	4.41	4.12	5.71	0.00
Net dividend payout rate (%)	<b>3.07</b>	3.07	2.05	3.07	0.00
Price-to-earnings ratio (times)	<b>6.58</b>	10.51	14.75	7.78	7.56
Price-to-book ratio (times)	<b>0.59</b>	0.79	0.60	0.66	0.82

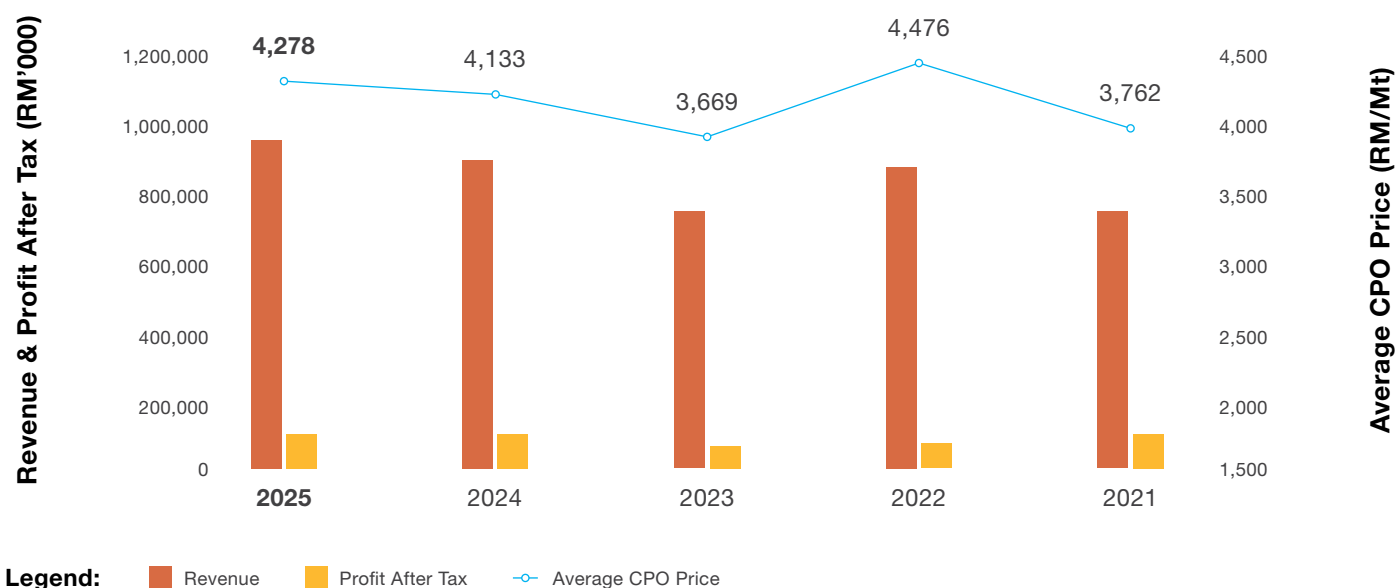
# Performance Statistics

## Group 5-Year Key Financial Indicators

### Statement of Income Statement Highlights (RM'000)

	2025	2024	2023	2022	2021
Revenue	<b>961,237</b>	901,671	752,027	881,259	760,804
Results from operating activities	<b>221,466</b>	206,968	135,054	194,618	215,421
Profit margin income from short term investments and receivables	<b>5,638</b>	4,693	3,647	3,432	3,120
Finance cost	<b>(48,117)</b>	(51,241)	(52,794)	(72,242)	(80,672)
<b>Profit before tax</b>	<b>178,987</b>	160,420	85,907	125,808	137,869
Tax expense	<b>(67,929)</b>	(63,098)	(25,811)	(37,872)	(36,300)
<b>Net profit for the year</b>	<b>111,058</b>	97,322	60,096	87,936	101,569
Attributable to :					
Owners of the Company	<b>91,800</b>	75,178	46,618	68,771	70,166
Non-controlling interests	<b>19,258</b>	22,144	13,478	19,165	31,403
<b>Net profit for the year</b>	<b>111,058</b>	97,322	60,096	87,936	101,569

## Group 5-Year Profit vs Average CPO Price



# Performance Statistics

## Group 5-Year Key Financial Indicators

### Statement of Financial Position Highlights (RM'000)

	2025	2024	2023	2022	2021
<b>ASSETS</b>					
Other non-current assets	1,584,884	1,598,016	1,622,581	1,654,818	1,691,145
<b>Total non-current assets</b>	<b>1,584,884</b>	1,598,016	1,622,581	1,654,818	1,691,145
Other current assets	1,052,353	1,022,866	921,272	909,429	910,542
Cash and cash equivalents	97,289	71,962	82,465	116,200	260,219
<b>Total current assets</b>	<b>1,149,642</b>	1,094,828	1,003,737	1,025,629	1,170,761
<b>Total assets</b>	<b>2,734,526</b>	2,692,844	2,626,318	2,680,447	2,861,906
<b>EQUITY</b>					
Share capital	862,752	862,752	862,752	862,752	862,752
Other reserves	(80,663)	(80,663)	(80,663)	(80,663)	(80,658)
Translation reserve	12,425	(3,270)	(10,105)	(9,664)	(13,054)
Retained earnings/(Accumulated losses)	29,103	(18,241)	(57,753)	(73,566)	(119,986)
<b>Total equity attributable to owners of the Company</b>	<b>823,617</b>	760,578	714,231	698,859	649,054
Perpetual sukuk	300,000	300,000	300,000	300,000	-
Non-controlling interests	310,625	308,322	298,932	308,249	295,832
<b>Total equity</b>	<b>1,434,242</b>	1,368,900	1,313,163	1,307,108	944,886
<b>LIABILITIES</b>					
Long term borrowings	644,116	755,644	791,323	824,358	925,131
Other long term liabilities	296,231	288,027	283,414	283,402	285,975
<b>Total non-current liabilities</b>	<b>940,347</b>	1,043,671	1,074,737	1,107,760	1,211,106
Other current liabilities	245,727	241,523	202,418	233,579	259,350
Loans and borrowings	114,210	38,750	36,000	32,000	446,564
<b>Total current liabilities</b>	<b>359,937</b>	280,273	238,418	265,579	705,914
<b>Total liabilities</b>	<b>1,300,284</b>	1,323,944	1,313,155	1,373,339	1,917,020
<b>Total equity and liabilities</b>	<b>2,734,526</b>	2,692,844	2,626,318	2,680,447	2,861,906

# Performance Statistics

## Group 5-Year Key Financial Indicators

### Statement of Cash Flow Highlights (RM'000)

	2025	2024	2023	2022	2021
<b>Profit before tax</b>	<b>178,987</b>	160,420	85,907	125,809	137,869
Adjustment for non-cash items	<b>138,240</b>	112,838	108,989	159,968	160,266
Changes in working capital	<b>(1,607)</b>	10,221	5,756	(17,267)	(117,824)
<b>Cash generated from operations</b>	<b>315,620</b>	283,479	200,652	268,510	180,311
Profit margin income from short term investments and receivables	<b>5,638</b>	4,693	3,647	3,432	3,120
Profit margin expenses on payables, borrowing cost, tax and zakat paid	<b>(101,939)</b>	(105,264)	(86,264)	(129,471)	(119,906)
<b>Net cash generated from operating activities</b>	<b>219,319</b>	182,908	118,035	142,471	63,525
Acquisition of property, plant and equipment	<b>(33,238)</b>	(32,939)	(27,315)	(24,902)	(18,824)
Plantation development expenditure	<b>(38,959)</b>	(26,687)	(19,725)	(20,279)	(25,568)
Proceeds from disposal of property, plant and equipment	-	-	896	-	6
Proceeds from disposal of right-of-use-assets	-	-	3,563	-	306
(Increase)/Decrease in other investment	<b>(28,388)</b>	(59,466)	(31,972)	10,412	(35,634)
Subscription of shares in an associate	<b>(1,120)</b>	(200)	-	-	-
Dividend received	<b>10</b>	91	109	456	182
<b>Net cash used in investing activities</b>	<b>(101,695)</b>	(119,201)	(74,444)	(34,313)	(79,532)
Proceeds from drawdown of loans and borrowings	-	-	-	708,345	317,476
Issuance of perpetual sukuk	-	-	-	300,000	-
Repayments of loans and borrowings	<b>(38,750)</b>	(35,500)	(31,500)	(1,226,067)	(111,750)
Dividends paid to owners of the Company	<b>(26,348)</b>	(17,740)	(13,204)	(13,144)	-
Dividends paid to non-controlling interests	<b>(18,136)</b>	(13,269)	(22,434)	(9,683)	(5,279)
Decrease in amount due to holding corporation	-	-	-	(11,948)	(6,293)
(Decrease)/Increase in amount due to related companies	-	-	-	(1,728)	122
Payment of lease liabilities	<b>(9,143)</b>	(9,083)	(8,586)	1,491	(2,305)
<b>Net cash (used in)/generated from financing activities</b>	<b>(92,377)</b>	(75,592)	(75,724)	(252,734)	191,971
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>25,247</b>	(11,885)	(32,133)	(144,576)	175,964

# Performance Statistics

## Group Quarterly Performance

### Financial Performance (RM'000)

	Q4	Q3	Q2	Q1
<b>2025</b>				
<b>Revenue</b>	<b>302,527</b>	<b>259,570</b>	<b>220,015</b>	<b>179,125</b>
Results from operating activities	80,092	64,650	40,001	36,723
Profit margin income from short term investments and receivables	1,710	1,353	1,259	1,316
Finance cost	(11,353)	(12,012)	(12,260)	(12,492)
<b>Profit before tax</b>	<b>70,449</b>	<b>53,991</b>	<b>29,000</b>	<b>25,547</b>
Taxation	(28,145)	(17,300)	(12,292)	(10,192)
<b>Net profit for the quarter</b>	<b>42,304</b>	<b>36,691</b>	<b>16,708</b>	<b>15,355</b>
Attributable to :				
Owners of the Company	35,564	31,602	11,788	12,846
Non-controlling interests	6,740	5,089	4,920	2,509
<b>Net profit for the quarter</b>	<b>42,304</b>	<b>36,691</b>	<b>16,708</b>	<b>15,355</b>
Earnings per share (sen)				
- basic	3.52	3.06	0.83	0.95
- diluted	3.52	3.06	0.83	0.95
<b>2024</b>				
<b>Revenue</b>	294,354	251,985	198,025	157,307
Results from operating activities	76,206	54,034	36,875	39,853
Profit margin income from short term investments and receivables	1,461	1,178	1,004	1,050
Finance cost	(12,363)	(12,707)	(12,927)	(13,244)
<b>Profit before tax</b>	65,304	42,505	24,952	27,659
Taxation	(26,000)	(14,313)	(13,201)	(9,584)
<b>Net profit for the quarter</b>	39,304	28,192	11,751	18,075
Attributable to :				
Owners of the Company	30,183	21,546	10,409	13,040
Non-controlling interests	9,121	6,646	1,342	5,035
<b>Net profit for the quarter</b>	39,304	28,192	11,751	18,075
Earnings per share (sen)				
- basic	2.90	1.93	0.67	0.97
- diluted	2.90	1.93	0.67	0.97



# FINANCIAL STATEMENTS

152	Directors' Report
156	Statements of Financial Position
158	Statements of Profit or Loss and Other Comprehensive Income
159	Consolidated Statement of Changes in Equity
161	Statement of Changes in Equity
162	Statements of Cash Flows
166	Notes to The Financial Statements
248	Statement by Directors
249	Statutory Declaration
250	Independent Auditors' Report to the Members of TH Plantations Berhad
256	Properties Owned by THP Group
262	Corporate Directory Owned by THP Group
267	Analysis of Shareholdings
270	Disclosure of Financial Data for Shariah Screening
273	Notice of 52 <sup>nd</sup> Annual General Meeting
279	Administrative Guide

# DIRECTORS' REPORT

For The Year Ended 31 December 2025

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 2025.

## 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

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year attributable to:		
Owners of the Company	91,800	55,755
Non-controlling interests	19,258	-
	<b>111,058</b>	<b>55,755</b>

## 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 2024 as reported in the Directors report of that year was the final ordinary dividend of 3.00 sen per ordinary share totaling RM26,516,000 declared on 28 February 2025 and paid on 2 May 2025.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2025 is 3.00 sen per ordinary share, tax exempt under the single-tier tax system, totaling RM26,516,000.

# Directors' Report

For The Year Ended 31 December 2025

## 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	
Dr. Nurmazilah binti Dato' Mahzan	
Kasmuri bin Sukardi	
Fahda Nur binti Ahmad Kamar	
Nor Adila binti Ismail	(Appointed on 7 May 2025)
Roslin Azmy bin Hassan	(Appointed on 23 July 2025)
Datuk Syed Hamadah bin Syed Othman	(Resigned on 5 May 2025)
Dr. Shahril bin Simon	(Resigned on 23 July 2025)
YM Tengku Dato' Seri Hasmuddin bin Tengku Othman	(Retired on 6 May 2025)

## 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	
Dato' Abang Ariffin bin Abang Bohan	
Datuk Bolhassan bin Di @ Ahmad bin Di	
George Lentton Anak Indang	
Yeo Kian Kok	
Dato' Posa bin Haji Majais	
Alam Shah bin Abdul Rahman	
Bibi Umizah binti Osman	
Datu Sr. Zaidi bin Haji Mahdi	
Datuk Sapawi bin Amat Wasali @ Ahmad	
Sainuri bin Yahmin	
Sayed Ismail Nasiruddin bin Wan Hashim	
Ahmad Faizal Yaman bin Ahmad Shafiee	(Appointed on 28 February 2025)
Alikamal bin Abu Hassan	(Appointed on 18 July 2025)
Maizura binti Mohamed	(Appointed on 18 July 2025)
AK Kamarul Zaman bin PG Zainal Abidin	(Appointed on 18 July 2025)
Datuk Ts. Borhan bin Bachi	(Appointed on 13 February 2026)
Angeline Chia Poh Lin	(Resigned on 28 February 2025)
Mohd Azahar bin Yasin	(Resigned on 9 May 2025)
Marliyana binti Omar	(Resigned on 18 July 2025)
Aliatun binti Mahmud	(Resigned on 28 July 2025)
Hazem Mubarak bin Musa	(Resigned on 24 December 2025)
Mohamed Zainurin bin Mohamed Zain	(Removed on 4 December 2025)

# Directors' Report

For The Year Ended 31 December 2025

## Directors' interests in shares

None of the Directors holding office at 31 December 2025 had any interest in the shares of the Company and of its related corporations during the financial year.

None of the other Directors of the subsidiaries holding office at 31 December 2025 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 2025 are as follows:

	<b>From the Company RM'000</b>	<b>From subsidiary companies RM'000</b>
Directors of the Company:		
Remuneration	826	1,373

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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

# Directors' Report

For The Year Ended 31 December 2025

At the date of this report, the Directors are not aware of any circumstances:

- i) 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 Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) 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 liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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.

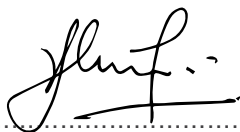
In the opinion of the Directors, the financial performance of the Group and the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval 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 RM745,000 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**

Director



.....  
**Dr. Nurmazilah binti Dato' Mahzan**

Director

Kuala Lumpur,

Date: 9 March 2026

# STATEMENTS OF FINANCIAL POSITION

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
Property, plant and equipment	3	779,287	822,434	105,801	106,473
Right-of-use assets	4	621,682	629,804	47,803	48,748
Plantation development expenditure	5	75,446	57,680	-	3,247
Forestry	6	84,692	63,899	-	-
Investments in subsidiaries	7	-	-	1,295,394	1,307,804
Investments in an associate	8	1,320	200	-	-
Other investments	9	4,432	1,825	4,432	1,825
Deferred tax assets	10	18,025	22,174	-	-
Finance lease receivable	11	-	-	46,577	46,596
<b>Total non-current assets</b>		<b>1,584,884</b>	<b>1,598,016</b>	<b>1,500,007</b>	<b>1,514,693</b>
Inventories	12	16,941	11,598	1,586	1,208
Biological asset	13	26,721	27,519	5,656	5,164
Current tax assets		11,365	12,730	8,933	8,210
Other investments	9	147,749	119,361	146,380	118,010
Finance lease receivable	11	-	-	19	18
Trade and other receivables	14	38,574	38,601	282,090	284,826
Prepayments and other assets		4,575	4,453	128	117
Cash and cash equivalents	15	97,289	71,962	80,857	55,947
		<b>343,214</b>	<b>286,224</b>	<b>525,649</b>	<b>473,500</b>
Assets classified as held for sale	16	806,428	808,604	-	-
<b>Total current assets</b>		<b>1,149,642</b>	<b>1,094,828</b>	<b>525,649</b>	<b>473,500</b>
<b>Total assets</b>		<b>2,734,526</b>	<b>2,692,844</b>	<b>2,025,656</b>	<b>1,988,193</b>

# Statements of Financial Position

As At 31 December 2025  
(Continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Equity</b>					
Capital and reserve	17	794,514	778,819	762,623	762,623
Retained earnings/ (Accumulated losses)		29,103	(18,241)	330,214	300,975
<b>Equity attributable to owners of the Company</b>		<b>823,617</b>	760,578	<b>1,092,837</b>	1,063,598
Perpetual sukuk	18	300,000	300,000	-	-
Non-controlling interests		310,625	308,322	-	-
<b>Total equity</b>		<b>1,434,242</b>	1,368,900	<b>1,092,837</b>	1,063,598
<b>Liabilities</b>					
Loans and borrowings	19	644,116	755,644	-	-
Lease liabilities		76,672	74,209	60,796	59,042
Employee benefits	20	110	60	-	-
Deferred tax liabilities	10	196,290	193,282	31,259	32,902
Trade and other payables	21	23,159	20,476	335,266	378,822
<b>Total non-current liabilities</b>		<b>940,347</b>	1,043,671	<b>427,321</b>	470,766
Loans and borrowings	19	114,210	38,750	-	-
Lease liabilities		3,633	3,195	1,621	1,621
Current tax liabilities		103	7	-	-
Trade and other payables	21	99,358	89,594	503,877	452,208
		217,304	131,546	505,498	453,829
Liabilities classified as held for sale	16	142,633	148,727	-	-
<b>Total current liabilities</b>		<b>359,937</b>	280,273	<b>505,498</b>	453,829
<b>Total liabilities</b>		<b>1,300,284</b>	1,323,944	<b>932,819</b>	924,595
<b>Total equity and liabilities</b>		<b>2,734,526</b>	2,692,844	<b>2,025,656</b>	1,988,193

The notes on pages 166 to 247 form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	Restated	2025 RM'000	2024 RM'000
			2024 RM'000		
Revenue	22	961,237	901,671	315,908	292,156
Fair value changes on forestry	6	20,793	23,399	-	-
Fair value changes on biological asset	13	(1,591)	7,251	492	1,047
Cost of sales	23	(679,631)	(662,025)	(181,874)	(178,663)
<b>Gross profit</b>		<b>300,808</b>	<b>270,296</b>	<b>134,526</b>	<b>114,540</b>
Other income		9,506	4,288	4,699	1,850
Administrative expenses		(45,218)	(45,798)	(23,707)	(9,782)
Other expenses		(7,204)	(5,911)	(1,580)	(2,651)
Unrealised foreign exchange loss		(25,586)	(13,920)	-	-
Impairment loss		(10,840)	(1,987)	-	-
Impairment loss on amount due from subsidiaries		-	-	(22,376)	(37,284)
Impairment loss on investment in a subsidiary		-	-	(12,410)	-
<b>Results from operating activities</b>		<b>221,466</b>	<b>206,968</b>	<b>79,152</b>	<b>66,673</b>
Finance income	24	5,638	4,693	37,380	35,293
Finance costs	25	(48,117)	(51,241)	(46,992)	(46,869)
<b>Net finance costs</b>		<b>(42,479)</b>	<b>(46,548)</b>	<b>(9,612)</b>	<b>(11,576)</b>
<b>Profit before tax</b>		<b>178,987</b>	<b>160,420</b>	<b>69,540</b>	<b>55,097</b>
Tax expense	26	(67,929)	(63,098)	(13,785)	(11,469)
<b>Profit for the year</b>	27	<b>111,058</b>	<b>97,322</b>	<b>55,755</b>	<b>43,628</b>
<b>Other comprehensive income, net of tax</b>					
<b>Items that are or may be reclassified subsequently to profit or loss, net of tax</b>					
Foreign currency translation differences for foreign operations	28	16,876	7,350	-	-
		16,876	7,350	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>16,876</b>	<b>7,350</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>127,934</b>	<b>104,672</b>	<b>55,755</b>	<b>43,628</b>
<b>Profit attributable to:</b>					
Owners of the Company		91,800	75,178	55,755	43,628
Non-controlling interests		19,258	22,144	-	-
<b>Profit for the year</b>		<b>111,058</b>	<b>97,322</b>	<b>55,755</b>	<b>43,628</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		107,495	82,013	55,755	43,628
Non-controlling interests		20,439	22,659	-	-
<b>Total comprehensive income for the year</b>		<b>127,934</b>	<b>104,672</b>	<b>55,755</b>	<b>43,628</b>
<b>Basic / Diluted earnings per ordinary share (sen)</b>	29	<b>8.36</b>	6.47	-	-

The notes on pages 166 to 247 form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2025

Group	Note	Attributable to owners of the Company					Non-distributable				Total equity RM'000
		Share capital RM'000	Other reserves RM'000	Foreign currency translation reserves RM'000	Total capital reserve RM'000	Accumulated (losses)/ profit RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interest RM'000		
<b>At 1 January 2024</b>		862,752	(80,663)	(10,105)	771,984	(57,753)	714,231	300,000	298,932	1,313,163	
Foreign currency translation differences for foreign operations		-	-	6,835	6,835	-	6,835	-	515	7,350	
Total other comprehensive income for the year		-	-	6,835	6,835	-	6,835	-	515	7,350	
Profit for the year		-	-	-	-	75,178	75,178	-	22,144	97,322	
<b>Total comprehensive income for the year</b>		-	-	6,835	6,835	75,178	82,013	-	22,659	104,672	
Profit distribution of perpetual sukuk		-	-	-	-	(17,989)	(17,989)	-	-	(17,989)	
<i>Contribution by and distribution to owners of the Company</i>											
Dividend to owner of the Company	30	-	-	-	-	(17,677)	(17,677)	-	(13,269)	(30,946)	
<b>Total transactions with owners of the Company</b>		-	-	-	-	(17,677)	(17,677)	-	(13,269)	(30,946)	
<b>At 31 December 2024</b>		862,752	(80,663)	(3,270)	778,819	(18,241)	760,578	300,000	308,322	1,368,900	

# Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2025  
(Continued)

Group	Note	Attributable to owners of the Company					Non-distributable			
		Share capital RM'000	Other reserves RM'000	Foreign currency translation reserves RM'000	Total capital reserve RM'000	Accumulated (losses)/profit RM'000	Total Perpetual sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000	
<b>At 1 January 2025</b>		862,752	(80,663)	(3,270)	778,819	(18,241)	760,578	300,000	308,322	1,368,900
Foreign currency translation differences for foreign operations		-	-	15,695	15,695	-	15,695	-	1,181	16,876
Total other comprehensive income for the year		-	-	15,695	15,695	-	15,695	-	1,181	16,876
Profit for the year		-	-	-	-	91,800	91,800	-	19,258	111,058
<b>Total comprehensive income for the year</b>		-	-	15,695	15,695	91,800	107,495	-	20,439	127,934
Profit distribution of perpetual sukuk		-	-	-	-	(17,940)	(17,940)	-	-	(17,940)
<i>Contribution by and distribution to owners of the Company</i>										
Dividend to owner of the Company	30	-	-	-	-	(26,516)	(26,516)	-	(18,136)	(44,652)
<b>Total transactions with owners of the Company</b>		-	-	-	-	(26,516)	(26,516)	-	(18,136)	(44,652)
<b>At 31 December 2025</b>		862,752	(80,663)	12,425	794,514	29,103	823,617	300,000	310,625	1,434,242

# STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2025  
(Continued)

Company	Note	← Attributable to owners of the Company →				
		← Non-distributable →			Distributable	
		Share capital RM'000	Other reserves RM'000	Total capital reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2024</b>		862,752	(100,129)	762,623	275,024	1,037,647
Profit for the year		-	-	-	43,628	43,628
<b>Total comprehensive income for the year</b>		-	-	-	43,628	43,628
<i>Contribution by and distribution to owners of the Company</i>						
Dividends to owners of the Company	30	-	-	-	(17,677)	(17,677)
<b>Total transactions with owners of the Company</b>		-	-	-	(17,677)	(17,677)
<b>At 31 December 2024/ 1 January 2025</b>		<b>862,752</b>	<b>(100,129)</b>	<b>762,623</b>	<b>300,975</b>	<b>1,063,598</b>
Profit for the year		-	-	-	55,755	55,755
<b>Total comprehensive income for the year</b>		-	-	-	55,755	55,755
<i>Contribution by and distribution to owners of the Company</i>						
Dividends to owners of the Company	30	-	-	-	(26,516)	(26,516)
<b>Total transactions with owners of the Company</b>		-	-	-	(26,516)	(26,516)
<b>At 31 December 2025</b>		<b>862,752</b>	<b>(100,129)</b>	<b>762,623</b>	<b>330,214</b>	<b>1,092,837</b>

# STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		178,987	160,420	69,540	55,097
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3.1	69,086	67,596	7,310	6,954
Property, plant and equipment written off		116	113	20	-
Property, plant and equipment written off in relation to assets held for sale		116	311	-	-
Depreciation of right-of-use assets	4	10,925	10,738	945	945
Impairment loss on property, plant and equipment	3	10,840	-	-	-
Impairment loss on forestry	6	-	1,987	-	-
Change in fair value of forestry	6	(20,793)	(23,399)	-	-
Impairment loss on amount due from subsidiaries	27	-	-	22,376	37,284
Impairment loss on investment in a subsidiary	7	-	-	12,410	-
Change in fair value of biological asset	13	1,591	(7,251)	(492)	(1,047)
Change in fair value of other investment	9	(2,607)	-	(2,607)	-
Expenses related to retirement benefit plan	27	50	35	-	-
Dividend income	22	(10)	(91)	(60,352)	(62,646)
Profit margin income from short-term investments and other receivables	24	(5,638)	(4,693)	(33,558)	(31,469)
Finance income on finance lease receivable	24	-	-	(3,822)	(3,824)
Unrealised foreign exchange loss	27	25,586	13,920	-	-
Finance costs	25	39,202	42,334	42,017	42,027
Finance costs on lease liabilities	25	8,915	8,907	4,975	4,842
Zakat expense		861	2,331	(163)	1,227
<b>Operating profit before changes in working capital</b>		<b>317,227</b>	<b>273,258</b>	<b>58,599</b>	<b>49,390</b>
Change in inventories		(5,343)	(14)	(378)	432
Change in trade and other payables		36,899	57,108	8,881	9,308
Change in trade and other receivables, prepayments and other assets		(29,295)	(33,599)	(23,470)	43,228
Change in employee benefits		50	35	-	-
Change in assets held for sale		2,176	(25,413)	-	-
Change in liabilities held for sale		(6,094)	12,104	-	-
<b>Cash generated from operations</b>		<b>315,620</b>	<b>283,479</b>	<b>43,632</b>	<b>102,358</b>

# Statements Of Cash Flows

For The Year Ended 31 December 2025  
(Continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
<b>(continued)</b>					
Profit margin income from short-term investments and other receivables		5,638	4,693	33,558	31,469
Finance income on finance lease receivable		-	-	3,822	3,824
Finance costs		(39,202)	(42,334)	(42,017)	(42,027)
Finance costs on lease liabilities		(8,915)	(8,907)	(4,975)	(4,842)
Zakat paid		(2,088)	(2,045)	(1,065)	(941)
Tax paid		(55,591)	(52,075)	(16,858)	(16,470)
Tax refund		3,857	97	707	-
<b>Net cash generated from operating activities</b>		<b>219,319</b>	<b>182,908</b>	<b>16,804</b>	<b>73,371</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	3	(28,217)	(27,205)	(3,411)	(2,569)
Acquisition of property, plant and equipment in relation to assets held for sale	16	(5,021)	(5,734)	-	-
Plantation development expenditure	(i)	(33,911)	(26,687)	-	(1,131)
Plantation development expenditure in relation to assets held for sale	16.1.3	(5,048)	-	-	-
Increase in other investments		(28,388)	(59,466)	(28,370)	(59,450)
Capital contribution to a subsidiary	7	-	-	-	(281,801)
Subscription of shares in an associate	8	(1,120)	(200)	-	-
Dividends received		10	91	60,352	62,646
<b>Net cash (used in) / generated from investing activities</b>		<b>(101,695)</b>	<b>(119,201)</b>	<b>28,571</b>	<b>(282,305)</b>

# Statements Of Cash Flows

For The Year Ended 31 December 2025  
(Continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from financing activities</b>					
Dividends paid to non-controlling interests	21.5	(18,136)	(13,269)	-	-
Dividend paid to owners of the Company	21.5	(26,348)	(17,740)	(26,348)	(17,740)
Loan repayment	19	(38,750)	(35,500)	-	-
Increase in amounts due to subsidiaries	21.6	-	-	5,264	216,033
Payment of lease liabilities		(9,143)	(9,083)	(3,221)	(3,221)
Proceed from lease receivable	11	-	-	3,840	3,840
<b>Net cash (used in) / generated from financing activities</b>		<b>(92,377)</b>	<b>(75,592)</b>	<b>(20,465)</b>	<b>198,912</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>					
		<b>25,247</b>	<b>(11,885)</b>	<b>24,910</b>	<b>(10,022)</b>
Cash and cash equivalents at 1 January	(ii)	72,351	84,236	55,947	65,969
<b>Cash and cash equivalents at 31 December</b>	(ii)	<b>97,598</b>	<b>72,351</b>	<b>80,857</b>	<b>55,947</b>

## Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Included in net cash from operating activities</b>					
Finance costs on lease liabilities	25	8,915	8,907	4,975	4,842
<b>Included in net cash from financing activities</b>					
Payment of lease liabilities		(9,143)	(9,083)	(3,221)	(3,221)
<b>Total cash outflows for leases</b>		<b>(228)</b>	<b>(176)</b>	<b>1,754</b>	<b>1,621</b>

Reconciliation of movements of lease liabilities to cash flows arising from financing activities

	At 1 January 2025 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Other changes RM'000	At 31 December 2025 RM'000
<b>Group</b>					
Lease liabilities	77,404	(228)	3,040	89	80,305
<b>Company</b>					
Lease liabilities	60,663	1,754	-	-	62,417

# Statements Of Cash Flows

For The Year Ended 31 December 2025  
(Continued)

	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Other changes RM'000	At 31 December 2024 RM'000
<b>Group</b>					
Lease liabilities	77,490	(176)	7	83	77,404
<b>Company</b>					
Lease liabilities	59,042	1,621	-	-	60,663

## (i) Plantation development expenditure

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Additions of plantation development expenditure	5	(32,972)	(26,121)	-	(1,142)
Additions of nurseries	5	(1,768)	(1,247)	-	-
Depreciation of property, plant and equipment	5	772	642	-	11
Depreciation of right-of-use asset	5	57	39	-	-
		(33,911)	(26,687)	-	(1,131)

## (ii) Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits		224,049	146,611	222,680	145,260
Less: Other investments	9	(147,749)	(119,361)	(146,380)	(118,010)
	15	76,300	27,250	76,300	27,250
Cash and bank balances		21,298	45,101	4,557	28,697
		97,598	72,351	80,857	55,947
Assets classified as held for sale	16.1	(309)	(389)	-	-
	15	97,289	71,962	80,857	55,947

The notes on pages 166 to 247 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates.

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.

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 9 March 2026.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting 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.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - > Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - > Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - > Amendments to MFRS 9, *Financial Instruments*
  - > Amendments to MFRS 10, *Consolidated Financial Statements*
  - > Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

# Notes to The Financial Statements

## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- 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*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, except for Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity* which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027, except for Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency* which is not applicable to the Group and the Company.

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 consolidated 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

### (c) Functional and presentation currency

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.

# Notes to The Financial Statements

## 1. Basis of preparation (continued)

### (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.

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) Measurement of the recoverable amount of plantation assets comprising bearer plants, plantation development expenditure, right-of-use assets and other assets within the cash-generating units

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.

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 in Note 3, 4 and 5.

#### (ii) Valuation of forestry

The fair value of forestry is determined by using valuation prepared by an independent external valuer. The valuation by independent external 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, casualties and estimated land rental. As such, this estimated fair value less cost to sell is subject to significant uncertainty. Significant assumptions used to derive fair value are as shown in Note 6.

#### (iii) Valuation of deferred tax assets

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years taxable income and assessing the ability to utilise tax benefits through future earnings. The actual utilisation of tax benefits may be different from expected as disclosed in Note 10.

# Notes to The Financial Statements

## 1. Basis of preparation (continued)

### (d) Use of estimates and judgements (continued)

#### (iv) Measurement of expected credit losses (“ECL”) of amounts due from subsidiaries and related companies

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 32.4.

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) the related companies and subsidiaries are unlikely to repay their loans or advances to the Group and Company in full;
- b) the related companies and subsidiaries loans and advances are overdue for more than 365 days; or
- c) the related companies and subsidiaries are continuously loss-making and has a deficit in shareholders' fund.

#### (v) Valuation of assets classified as held for sale

The fair value less costs to sell of assets held for sale is determined based on valuation conducted by independent external valuer as disclosed in Note 16.

## 2. Material accounting policy information

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

#### (i) Subsidiaries

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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (a) Basis of consolidation (continued)

#### (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.

#### (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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (a) Basis of consolidation (continued)

#### (v) Associate

Associate is an entity, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (a) Basis of consolidation (continued)

#### (vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to 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. Non-controlling 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 non-controlling 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.

#### (vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange 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.

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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (b) Foreign currency (continued)

#### (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 retributed 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.

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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (c) Financial instruments (continued)

#### (ii) Financial instrument categories and subsequent measurement (continued)

##### *Financial assets (continued)*

##### **(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)(i)) 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.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(j)(i)).

##### **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.

# Notes to The Financial Statements

## 2. Material accounting policy information (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):

##### (a) *Amortised cost (continued)*

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.

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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (c) Financial instruments (continued)

#### (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:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable 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.

#### (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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (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.

#### (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	27 years
• building	5-30 years
• plant, machinery and equipment	10-15 years
• motor vehicles	5-10 years
• computer equipment	3-5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as 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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (e) Leases (continued)

#### (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.

### (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.

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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (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.

### (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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (j) Impairment (continued)

#### (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.

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 cash-generating 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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (k) Equity instruments (continued)

#### Perpetual sukuk (continued)

Profit distribution on perpetual sukuk is recognised in the consolidated statement of changes in equity in the period in which it is declared.

### (l) 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:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company performs;
- (b) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (c) 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.

### (m) Biological asset

Biological asset comprises 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.

# Notes to The Financial Statements

## 2. Material accounting policy information (continued)

### (n) Earnings per ordinary share (continued)

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.

### (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

Group	Note	Plant, machinery and Computer equipment						Total RM'000
		Bearer plant RM'000	Buildings RM'000	equipment RM'000	Motor Vehicles RM'000	Work-in- progress RM'000		
<b>Cost</b>								
At 1 January 2024		1,123,677	204,323	161,494	15,580	57,625	4,210	1,566,909
Additions		-	3,546	2,464	278	4,304	16,613	27,205
Transfer from plantation development expenditure	5	59,934	-	-	-	-	-	59,934
Written off		(6,136)	(851)	(4,313)	(134)	(3,967)	-	(15,401)
Transfers from work-in- progress		-	8,448	3,502	651	-	(12,601)	-
Effect of movement in exchange rate		(6,025)	(2,107)	(25)	(12)	(36)	(53)	(8,258)

# Notes to The Financial Statements

## 3. Property, plant and equipment (continued)

Group	Note	Bearer plant RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor Vehicles RM'000	Work-in- progress RM'000	Total RM'000
At 31 December 2024/ 1 January 2025		<b>1,171,450</b>	<b>213,359</b>	<b>163,122</b>	<b>16,363</b>	<b>57,926</b>	<b>8,169</b>	<b>1,630,389</b>
Additions		-	3,649	2,854	47	3,607	18,060	28,217
Transfer from plantation development expenditure	5	16,974	-	-	-	-	-	16,974
Written off		(4,409)	(591)	(1,205)	(343)	(586)	-	(7,134)
Transfers from work-in- progress		-	12,218	1,809	99	-	(14,126)	-
Effect of movement in exchange rate		(10,436)	(3,732)	(39)	(12)	(65)	(101)	(14,385)
At 31 December 2025		<b>1,173,579</b>	<b>224,903</b>	<b>166,541</b>	<b>16,154</b>	<b>60,882</b>	<b>12,002</b>	<b>1,654,061</b>
At 1 January 2024								
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
Depreciation for the year	3.1	49,193	8,603	7,219	331	2,892	-	68,238
Impairment loss transfer from plantation development expenditure	5	55,146	-	-	-	-	-	55,146
Written off		(6,130)	(803)	(4,288)	(133)	(3,934)	-	(15,288)
Effect of movement in exchange rate		(3,277)	(103)	(21)	(11)	(30)	-	(3,442)
At 31 December 2024								
Accumulated depreciation		426,938	92,453	102,140	14,810	38,038	-	674,379
Accumulated impairment loss		133,576	-	-	-	-	-	133,576
		560,514	92,453	102,140	14,810	38,038	-	807,955

## Notes to The Financial Statements

### 3. Property, plant and equipment (continued)

Group	Note	Plant, machinery and equipment						Total RM'000
		Bearer plant RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor Vehicles RM'000	Work-in-progress RM'000	
At 1 January 2025								
Accumulated depreciation		426,938	92,453	102,140	14,810	38,038	-	674,379
Accumulated impairment loss		133,576	-	-	-	-	-	133,576
		560,514	92,453	102,140	14,810	38,038	-	807,955
Depreciation for the year	3.1	49,015	9,957	7,266	389	3,231	-	69,858
Impairment loss during the year	3.2	10,840	-	-	-	-	-	10,840
Written off		(4,409)	(550)	(1,159)	(333)	(567)	-	(7,018)
Effect of movement in exchange rate		(6,338)	(407)	(40)	(21)	(55)	-	(6,861)
At 31 December 2025								
Accumulated depreciation		465,206	101,453	108,207	14,845	40,647	-	730,358
Accumulated impairment loss		144,416	-	-	-	-	-	144,416
		609,622	101,453	108,207	14,845	40,647	-	874,774
<b>Carrying amounts</b>								
At 1 January 2024		658,095	119,567	62,264	957	18,515	4,210	863,608
At 31 December 2024/ 1 January 2025		610,936	120,906	60,982	1,553	19,888	8,169	822,434
At 31 December 2025		563,957	123,450	58,334	1,309	20,235	12,002	779,287

# Notes to The Financial Statements

## 3. Property, plant and equipment (continued)

Company	Note	Bearer plant RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Computer equipment RM'000	Motor Vehicles RM'000	Work-in- progress RM'000	Total RM'000
<b>Cost</b>								
At 1 January 2024		113,023	20,701	22,854	347	7,323	1,127	165,375
Additions		-	71	330	66	787	1,315	2,569
Transfer from plantation development expenditure	5	6,396	-	-	-	-	-	6,396
Transfer from work-in- progress		-	1,541	529	-	-	(2,070)	-
Written off		-	-	(148)	(6)	(87)	-	(241)
At 31 December 2024/ 1 January 2025		<b>119,419</b>	<b>22,313</b>	<b>23,565</b>	<b>407</b>	<b>8,023</b>	<b>372</b>	<b>174,099</b>
Additions		-	83	538	9	535	2,246	3,411
Transfer from plantation development expenditure	5	3,247	-	-	-	-	-	3,247
Transfer from work-in- progress		-	312	2	-	-	(314)	-
Written off		-	-	(152)	-	(50)	-	(202)
At 31 December 2025		<b>122,666</b>	<b>22,708</b>	<b>23,953</b>	<b>416</b>	<b>8,508</b>	<b>2,304</b>	<b>180,555</b>
<b>Accumulated depreciation</b>								
At 1 January 2024		25,389	13,776	16,942	317	4,478	-	60,902
Depreciation for the year	3.1	5,424	372	697	15	457	-	6,965
Written off		-	-	(148)	(6)	(87)	-	(241)
At 31 December 2024/ 1 January 2025		<b>30,813</b>	<b>14,148</b>	<b>17,491</b>	<b>326</b>	<b>4,848</b>	-	<b>67,626</b>
Depreciation for the year	3.1	5,657	404	735	26	488	-	7,310
Written off		-	-	(150)	-	(32)	-	(182)
At 31 December 2025		<b>36,470</b>	<b>14,552</b>	<b>18,076</b>	<b>352</b>	<b>5,304</b>	-	<b>74,754</b>
<b>Carrying amounts</b>								
At 1 January 2024		87,634	6,925	5,912	30	2,845	1,127	104,473
At 31 December 2024/ 1 January 2025		88,606	8,165	6,074	81	3,175	372	106,473
At 31 December 2025		<b>86,196</b>	<b>8,156</b>	<b>5,877</b>	<b>64</b>	<b>3,204</b>	<b>2,304</b>	<b>105,801</b>

# Notes to The Financial Statements

## 3. Property, plant and equipment (continued)

### 3.1 Breakdown of depreciation charge for the year, are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss		69,086	67,596	7,310	6,954
Capitalised in plantation development expenditure	5	772	642	-	11
		69,858	68,238	7,310	6,965

### 3.2 Impairment testing on plantation assets cash-generating unit ("CGU")

For impairment testing purposes, the Group identified a subsidiary engaged in oil palm plantation activities as a cash-generating unit ("CGU"), being the lowest level at which independent cash inflows are generated. During the financial year, the subsidiary did not perform in line with the Group's expectations and accordingly, an impairment assessment was performed.

As at 31 December 2025, the carrying amount of the CGU amounted to RM54,815,000 (2024: RM67,809,000), comprising bearer plants, right-of-use assets ("ROU") and other related assets. The CGU comprises both the planted oil palm area and the plantable land.

The recoverable amount of the CGU was determined based on its fair value less costs to sell ("FVLCTS"), as assessed by an independent registered external valuer. The fair value measurement is categorised within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs.

The following table summarises the valuation methods and key assumptions applied in determining the FVLCTS, including the significant unobservable inputs used in the valuation model.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Plantations assets</b>		
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.	<ul style="list-style-type: none"> <li>Expected projected FFB yield (2.72 MT/ha – 6.60 MT/ha)</li> <li>FFB sales price (RM750/mt – RM812/mt)</li> <li>Upkeep and maintenance cost (RM1,807/ha – RM4,285/ha)</li> <li>Pre-tax discount rate (10%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <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>
<b>Land</b>		
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.	<ul style="list-style-type: none"> <li>Planted area value per hectare (RM9,883/ha)</li> <li>Unplanted area value per hectare (RM5,978/ha)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>The price per hectare is higher/(lower).</li> </ul>

# Notes to The Financial Statements

## 3. Property, plant and equipment (continued)

### 3.2 Impairment testing on plantation assets cash-generating unit (“CGU”) (continued)

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 recoverable amount of the CGU was lower than its carrying amount and an impairment loss of RM10,840,000 (2024: Nil) for the CGU was recognised in profit or loss.

The above impairment assessment is particularly sensitive in the following cases:

- A reduction in price of FFB by 1% would have resulted in an increase of impairment loss of RM2,244,000.
- A reduction in yield per hectare by 1% would have resulted in an increase of impairment loss of RM3,361,000.
- An increase in cost by 1% would have resulted in an increase of impairment loss of RM3,388,000.
- An increase in discount rate by 1% would have resulted in an increase of impairment loss of RM530,000.

**3.3** Certain property, plant and equipment of Group and Company amounting to RM96,816,000 (2024: RM100,226,000) are pledged as securities for borrowing as disclosed in Note 18 and Note 19.

## 4. Right-of-use assets

	Note	Group RM'000
At 1 January 2024		640,677
Addition		7
Depreciation for the year	4.2	(10,777)
Effect of movement in exchange rate		(103)
At 31 December 2024/1 January 2025		<b>629,804</b>
Addition		<b>3,040</b>
Depreciation for the year	4.2	<b>(10,982)</b>
Effect of movement in exchange rate		<b>(180)</b>
At 31 December 2025		<b>621,682</b>

	Note	Company RM'000
1 January 2024		49,693
Depreciation for the year	4.2	(945)
At 31 December 2024/1 January 2025		<b>48,748</b>
Depreciation for the year	4.2	<b>(945)</b>
At 31 December 2025		<b>47,803</b>

**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 RM11,311,000 (2024: RM11,568,000) are pledged as securities for borrowings as disclosed in Note 18 and Note 19.

# Notes to The Financial Statements

## 4. Right-of-use assets (continued)

4.2 Breakdown of depreciation charge for the year, are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss		10,925	10,738	945	945
Capitalised in plantation development expenditure	5	57	39	-	-
		<b>10,982</b>	<b>10,777</b>	<b>945</b>	<b>945</b>

## 4.3 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.

Group	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
<b>2025</b>		
Lands	10,463	8,926
Buildings	2,722	2,734
<b>2024</b>		
Lands	11,316	8,304
Buildings	722	2,879

## 4.4 Impairment testing on plantation assets CGU

For impairment testing purposes, the Group identified a subsidiary engaged in oil palm plantation activities as a CGU, being the lowest level at which independent cash inflows are generated. During the financial year, the subsidiary did not perform in line with the Group’s expectations and, accordingly, an impairment assessment was performed.

As at 31 December 2025, the carrying amount of the CGU amounted to RM54,815,000 (2024: RM67,809,000), comprising bearer plants, ROU and other related assets. The CGU comprises both the planted oil palm area and the plantable land.

# Notes to The Financial Statements

## 4. Right-of-use assets (continued)

### 4.4 Impairment testing on plantation assets CGU (continued)

The recoverable amount of the CGU has been determined based on its fair value less costs to sell. An impairment loss of RM10,840,000 (2024: Nil) for the CGU was recognised in profit or loss as the carrying amount of the CGU exceeds the recoverable amount.

The fair value less costs to sell was determined based on valuation techniques that incorporate management's estimates and assumptions regarding the expected future economic benefits of the assets. The valuation was performed by an independent registered external valuer with appropriate recognised professional qualifications and recent experience in the location and category of the assets being valued.

The fair value less costs to sell is categorised as a Level 3 fair value measurement. Further details of the key assumptions used in determining the fair value less costs to sell are disclosed in Note 3.2.

## 5. Plantation development expenditure

Group	Note	Oil palm	
		2025 RM'000	2024 RM'000
At 1 January		57,680	90,246
Additions during the year	5.1	32,972	26,121
Addition of nurseries		1,768	1,247
Transfer to property, plant and equipment	3	(16,974)	(59,934)
At 31 December		75,446	57,680
<b>Accumulated impairment loss</b>			
At 1 January		-	55,146
Transfer of impairment loss to property, plant and equipment	3	-	(55,146)
At 31 December		-	-
<b>Carrying amount</b>			
At 31 December		75,446	57,680

Company	Note	Oil palm	
		2025 RM'000	2024 RM'000
At 1 January		3,247	8,501
Additions during the year	5.1	-	1,142
Transfer to property, plant and equipment	3	(3,247)	(6,396)
At 31 December		-	3,247

# Notes to The Financial Statements

## 5. Plantation development expenditure (continued)

### 5.1 Additions

Included in additions during the year are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment	3.1	772	642	-	11
Depreciation of right-of-use assets	4	57	39	-	-
Personnel expenses:					
- Wages, salaries and others		14,202	8,720	-	257
- Contribution to EPF		540	389	-	8
Finance cost*	25	3,932	2,905	-	421
Management fees capitalised		-	-	-	25

\* The finance cost is capitalised based on profit margin 4.87% - 5.40% (2024: 4.87% - 5.40%) per annum.

**5.2** During the financial year, no plantation development expenditure was pledged as security for borrowings (2024: RM3,247,000). The plantation development expenditure previously pledged has been transferred to property, plant and equipment upon maturity.

## 6. Forestry

	Note	Group	
		2025 RM'000	2024 RM'000
At 1 January		63,899	42,487
Additions during the year		16,598	16,441
Additions charged to profit or loss		(16,598)	(16,441)
Change in fair values recognised to profit or loss		20,793	23,399
Impairment loss	6.1	-	(1,987)
At 31 December		84,692	63,899

### 6.1 Impairment loss on forestry

In prior year, the Group recognised an impairment loss of RM1,987,000 in the profit or loss on a forestry asset previously measured at FVLCTS, based on Director's valuation, based on an offer letter received. The offer is no longer valid and based on management assessment, no future income is expected to be generated from the forestry. Subsequent to this, the recoverable amount is reassessed as RM Nil and the carrying amount is fully impaired.

# Notes to The Financial Statements

## 6. Forestry (continued)

### 6.2 Fair value information

Fair values of forestry is capitalised as follows:

	Level 3	
	2025 RM'000	2024 RM'000
Forestry	84,692	63,899

As at 31 December 2025, the fair values of forestry are determined by external independent professional valuer on an annual basis.

#### 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 style="list-style-type: none"> <li>• Expected clear bole volume (142 tonne/ha – 379 tonne/ha)</li> <li>• General charges (RM90/ha – RM110/ha)</li> <li>• Upkeep and maintenance (RM120/ha – RM160/ha)</li> <li>• Clear bole price (RM203/tonne)</li> <li>• Log extraction cost (RM90/tonne)</li> <li>• Pre-tax discount rate (10%)</li> <li>• Land rental rate (3%)</li> </ul>	<ul style="list-style-type: none"> <li>• Expected clear bole volume (142 tonne/ha – 379 tonne/ha)</li> <li>• General charges (RM90/ha – RM110/ha)</li> <li>• Upkeep and maintenance (RM120/ha – RM160/ha)</li> <li>• Clear bole price (RM198/tonne)</li> <li>• Log extraction cost (RM90/tonne)</li> <li>• Pre-tax discount rate (10%)</li> <li>• Land rental rate (3%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>• Expected clear bole volume were higher/(lower);</li> <li>• General charges lower/(higher);</li> <li>• Upkeep and maintenance lower/(higher);</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.

# Notes to The Financial Statements

## 6. Forestry (continued)

### 6.2 Fair value information (continued)

#### Valuation processes applied by the Group for Level 3 fair value (continued)

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). Consistent with prior year, the assumption on casualties of the rubber trees was no longer considered in the valuation of forestry assets. Management determined that the mortality rate for mature rubber trees used for logging purposes is negligible and does not have material impact on the valuation. Changes in the key assumptions compared to prior year are as the result from the changes in the market condition and the revised assessment of the assets' characteristics.

The above estimates are particularly sensitive in the following cases:

- A reduction of timber volume by 5% would have resulted in a decrease in the change of fair value by RM5,331,000.
- A reduction of timber price by 5% would have resulted in a decrease in the change of fair value by RM5,331,000.
- An increase of 1% in the discount rate would have resulted in a decrease in fair value gain by RM3,936,000.
- An increase of 1% in casualties rate would have resulted in a decrease in fair value gain by RM9,032,000.

## 7. Investments in subsidiaries

	Note	Company	
		2025 RM'000	2024 RM'000
<b>At cost</b>			
Unquoted shares		<b>1,026,003</b>	1,026,003
Capital contribution to a subsidiary	7.1	<b>281,801</b>	281,801
Impairment in Investment in a subsidiary	7.2	<b>(12,410)</b>	-
		<b>1,295,394</b>	1,307,804

**7.1** In the previous financial year, the Company reclassified an advance to its subsidiary as an investment in the subsidiary. The reclassification reflects the substance of the transaction, as the repayment of the amount is solely at the discretion of the subsidiary, effectively representing a long-term source of capital. The advance is unsecured, non-interest bearing and does not have a fixed repayment term. The contribution is accounted for as part of the Company's shareholders' investments in the subsidiary and is stated at cost.

**7.2** As at 31 December 2025, the Company performed an impairment assessment on its investment in a subsidiary, which is accounted for using the equity method, following the subsidiary's continued underperformance. The recoverable amount of the investment was determined based on the FVLCTS of the underlying plantation assets, as assessed by an independent external valuer.

Based on this assessment, an impairment loss of RM12,410,000 (2024: Nil) was recognised in profit or loss as the carrying amount of the investment exceeded its recoverable amount. Further details of the key assumptions used in determining the fair value less costs to sell are disclosed in Note 3.2.

# Notes to The Financial Statements

## 7. Investments in subsidiaries (continued)

7.3 Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2025 %	2024 %	
<b>Direct subsidiaries</b>				
THP Ibok Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and marketing of FFB.
THP Sabaco Sdn. Bhd.	Malaysia	51	51	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP Bukit Belian Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and marketing of FFB.
THP Saribas Sdn. Bhd.	Malaysia	80	80	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP Kota Bahagia Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
THP Agro Management Sdn. Bhd.	Malaysia	100	100	Management services.
Hydroflow Sdn. Bhd.	Malaysia	70	70	Cultivation of oil palm and marketing of FFB.
TH Ladang (Sabah & Sarawak) Sdn. Bhd.	Malaysia	100	100	Investment holding.
Bumi Suria Ventures Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and marketing of FFB.
Maju Warisanmas Sdn. Bhd.	Malaysia	100	100	Letting of investment property.
THP Suria Mekar Sdn. Bhd.	Malaysia	100	100	Special purpose vehicle.
Manisraya Sdn. Bhd.	Malaysia	100	100	Tradelines services in dealing and trading of FFB.
PT Persada Kencana Prima <sup>#</sup>	Indonesia	93	93	Cultivation of oil palm and marketing of FFB.
THP Applications & Services Sdn. Bhd.	Malaysia	100	100	Investment and collaboration with companies involved in potential biogas plant project.

<sup>#</sup> Not audited by KPMG PLT

# Notes to The Financial Statements

## 7. Investments in subsidiaries (continued)

7.3 Details of the subsidiaries are as follows (continued):

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2025 %	2024 %	
<b>Direct subsidiaries held through TH Ladang (Sabah &amp; Sarawak) Sdn. Bhd.</b>				
Ladang Jati Keningau Sdn. Bhd.	Malaysia	<b>82.53</b>	82.53	Teak.
TH-Bonggaya Sdn. Bhd.	Malaysia	<b>100</b>	100	Forestry.
TH-USIA Jatimas Sdn. Bhd.	Malaysia	<b>70</b>	70	Forestry.
Halus Riang Sdn. Bhd.	Malaysia	<b>100</b>	100	Dormant.
Kuni Riang Sdn. Bhd.	Malaysia	<b>100</b>	100	Dormant.
TH PELITA Meludam Sdn. Bhd.	Malaysia	<b>60</b>	60	Cultivation of oil palm and marketing of FFB.
Cempaka Teratai Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding.
Kee Wee Plantation Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding.
TH PELITA Gedong Sdn. Bhd.	Malaysia	<b>70</b>	70	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
TH PELITA Sadong Sdn. Bhd.	Malaysia	<b>70</b>	70	Cultivation of oil palm and marketing of FFB.
TH PELITA Simunjan Sdn. Bhd.	Malaysia	<b>60</b>	60	Cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB.
TH PELITA Beladin Sdn. Bhd.	Malaysia	<b>55</b>	55	Cultivation of oil palm and marketing of FFB.

# Notes to The Financial Statements

## 7. Investments in subsidiaries (continued)

### Non-controlling interests in subsidiaries

The Group's subsidiaries that have a material non-controlling interests ("NCI") are as follows:

Subsidiary name	NCI percentage of ownership interest and voting interest (%)	Carrying amount of NCI RM'000	Profit / (Loss) allocated to NCI RM'000
<b>2025</b>			
THP Sabaco Sdn. Bhd.	49	229,755	19,329
THP Saribas Sdn. Bhd.	20	(19,977)	2,646
Hydroflow Sdn. Bhd.	30	20,779	(515)
TH PELITA Gedong Sdn. Bhd.	30	88,342	5,102
TH PELITA Sadong Sdn. Bhd.	30	69,037	5,425
TH PELITA Meludam Sdn. Bhd.	40	(5,616)	1,147
TH PELITA Simunjan Sdn. Bhd.	40	(57,629)	(8,587)
TH PELITA Beladin Sdn. Bhd.	45	(18,376)	(3,038)
Other individually immaterial subsidiaries	-	4,310	(2,251)
<b>Total</b>		<b>310,625</b>	<b>19,258</b>
<b>2024</b>			
THP Sabaco Sdn. Bhd.	49	219,990	13,574
THP Saribas Sdn. Bhd.	20	(22,623)	2,763
Hydroflow Sdn. Bhd.	30	21,457	230
TH PELITA Gedong Sdn. Bhd.	30	86,863	5,853
TH PELITA Sadong Sdn. Bhd.	30	68,398	5,738
TH PELITA Meludam Sdn. Bhd.	40	(6,764)	1,384
TH PELITA Simunjan Sdn. Bhd.	40	(49,043)	(4,249)
TH PELITA Beladin Sdn. Bhd.	45	(15,338)	(685)
Other individually immaterial subsidiaries	-	5,382	(2,464)
<b>Total</b>		<b>308,322</b>	<b>22,144</b>

# Notes to The Financial Statements

## 7. Investments in subsidiaries (continued)

### Non-controlling interests in subsidiaries (continued)

Subsidiary name	Summarised financial information before intra-group elimination												
	As at 31 December 2025					Year ended 31 December 2025							
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets/ (liabilities)	Revenue	Profit/ (loss) for the year	Total comprehensive income/ (expense)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net increase/ (decrease) in cash and cash equivalents	Dividends paid to NCI
	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.	359,099	155,357	(30,180)	(15,387)	468,889	183,733	39,447	39,447	41,981	(22,467)	(19,519)	(5)	9,564
THP Saribas Sdn. Bhd.	231,340	37,170	(291,413)	(76,980)	(99,883)	192,364	13,230	13,230	51,930	(7,126)	(44,788)	16	-
Hydroflow Sdn. Bhd.	88,613	2,251	(20,122)	(1,477)	69,265	19,513	(1,718)	(1,718)	1,289	(751)	(543)	(5)	163
TH PELITA Gedong Sdn. Bhd.	195,413	119,372	(11,527)	(8,784)	294,474	131,589	17,005	17,005	19,383	(7,381)	(12,076)	(74)	3,623
TH PELITA Sadong Sdn. Bhd.	105,981	133,072	(4,498)	(4,433)	230,122	46,583	18,082	18,082	17,366	(1,397)	(15,952)	17	4,786
TH PELITA Meludam Sdn. Bhd.	151,017	1,834	(87,011)	(79,881)	(14,041)	39,403	2,869	2,869	1,607	(1,599)	-	8	-
TH PELITA Simunjan Sdn. Bhd.	98,892	1,403	(117,946)	(109,625)	(127,276)	15,087	(21,467)	(21,467)	10,659	(55)	(10,624)	(20)	-
TH PELITA Beladin Sdn. Bhd.	22,332	724	(29,558)	(29,885)	(36,387)	6,627	(6,752)	(6,752)	2,654	-	(2,679)	(25)	-

# Notes to The Financial Statements

## 7. Investments in subsidiaries (continued)

### Non-controlling interests in subsidiaries (continued)

Subsidiary name	Summarised financial information before intra-group elimination						Year ended 31 December 2024						
	As at 31 December 2024			Year ended 31 December 2024									
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets/(liabilities)	Revenue	Profit/(loss) for the year	Total comprehensive income/(expense)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net increase/(decrease) in cash and cash equivalents	Dividends paid to NCI
	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.	350,533	141,696	(27,370)	(15,899)	448,960	144,851	27,701	27,701	42,538	(17,015)	(25,480)	43	12,485
THP Saribas Sdn. Bhd.	256,834	32,280	(346,562)	(55,666)	(113,114)	186,197	13,814	13,814	49,263	(5,312)	(43,722)	229	-
Hydroflow Sdn. Bhd.	91,568	2,505	(20,367)	(2,181)	71,525	18,652	765	765	1,846	(1,840)	-	6	-
TH PELITA Gedong Sdn. Bhd.	188,102	126,375	(12,089)	(12,843)	289,545	150,775	19,509	19,509	956	(2,269)	-	(1,313)	-
TH PELITA Sadong Sdn. Bhd.	104,631	133,550	(4,672)	(5,517)	227,992	44,396	19,127	19,127	13,345	(1,185)	(12,204)	(44)	784
TH PELITA Meludam Sdn. Bhd.	148,198	2,058	(95,737)	(71,429)	(16,910)	36,169	3,461	3,461	9,895	(1,583)	(8,335)	(23)	-
TH PELITA Simunjan Sdn. Bhd.	89,695	2,584	(117,974)	(96,912)	(122,607)	15,539	(10,624)	(10,624)	11,917	(559)	(11,342)	16	-
TH PELITA Beladin Sdn. Bhd.	21,471	408	(29,581)	(26,381)	(34,083)	5,978	(1,523)	(1,523)	2,968	-	(2,987)	(19)	-

# Notes to The Financial Statements

## 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:

	Group	
	2025 RM'000	2024 RM'000
Cash and cash equivalents	5,677	5,662
Right-of-use assets	6,654	6,821
At 31 December	12,331	12,483

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 Company, 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 19.

## 8. Investments in an associate

	Group	
	2025 RM'000	2024 RM'000
<b>At cost</b>		
Unquoted shares	1,320	200
	1,320	200

In the previous financial year, THP Applications & Services Sdn. Bhd. ("THPAS"), a wholly-owned subsidiary of the Company, entered into a Shareholders' Agreement with Cenergi RE Sdn. Bhd. in relation to Cenergi Lawiang Sdn. Bhd., which was established to undertake the design, engineering, financing, construction, commissioning, ownership, operation and maintenance of a biogas power plant located at Bukit Lawiang Palm Oil Mill.

During the financial year, THPAS subscribed for an additional 1,120,000 ordinary shares (2024: 200,000 ordinary shares), maintaining a 40% equity interest in the associate. The Group has determined that it has significant influence over Cenergi Lawiang Sdn. Bhd. and accordingly accounts for the investment using the equity method. Cenergi Lawiang Sdn. Bhd. commenced commercial operations on 26 December 2025.

## Notes to The Financial Statements

### 8. Investments in an associate (continued)

Details of the associate are as follows:

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2025 %	2024 %	
<b>Direct subsidiaries</b>				
Cenergi Lawiang Sdn. Bhd.#	Malaysia	40	40	Construction of a biogas power plant.

# Not audited by KPMG PLT

### 9. Other investments

Note	Group		Company		
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	
<b>Non-current</b>					
Fair value through profit or loss	9.1	4,432	1,825	4,432	1,825
<b>Current</b>					
Amortised cost	9.2	147,749	119,361	146,380	118,010

**9.1** This represents the Group's and the Company's investment in unquoted shares in Malaysia, which is measured at fair value through profit or loss. The fair value is categorised within Level 3 of the fair value hierarchy and was determined using the net asset value approach based on the latest available financial information. During the financial year, a fair value gain of RM2,607,000 was recognised in profit or loss under other income.

**9.2** Included in other investments of the Group and of the Company are deposits placed with licensed banks with a profit margin ranging from 2.50% to 3.90% (2024: 2.70% to 3.90%). Included in the deposit placed with licensed banks are RM107,779,000 (2024: RM98,040,000) which are maintained by the Group and the Company with a related corporation.

# Notes to The Financial Statements

## 10. Deferred tax (assets) / liabilities

### Recognised deferred tax (assets) / liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Group</b>						
Property, plant and equipment	(4,478)	(12,566)	158,280	161,282	153,802	148,716
Fair value adjustment on initial recognition of financial liabilities	-	-	9,236	9,236	9,236	9,236
Unabsorbed capital allowances	(33,600)	(33,323)	-	-	(33,600)	(33,323)
Unutilised tax losses	(2,457)	(1,561)	-	-	(2,457)	(1,561)
Biological assets	-	-	6,387	6,555	6,387	6,555
Right-of-use assets	(84)	(64)	13,327	13,705	13,243	13,641
Lease liabilities	(19,239)	(18,759)	-	-	(19,239)	(18,759)
Plantation development expenditure	-	-	57,122	50,124	57,122	50,124
Others	(6,229)	(3,521)	-	-	(6,229)	(3,521)
Tax (assets) / liabilities	(66,087)	(69,794)	244,352	240,902	178,265	171,108
Set off tax	48,062	47,620	(48,062)	(47,620)	-	-
Net tax (assets) / liabilities	(18,025)	(22,174)	196,290	193,282	178,265	171,108

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Company</b>						
Property, plant and equipment	-	-	11,904	12,401	11,904	12,401
Biological assets	-	-	1,358	1,239	1,358	1,239
Right-of-use assets	-	-	10,933	11,151	10,933	11,151
Lease liabilities	(14,979)	(14,559)	-	-	(14,979)	(14,559)
Finance lease receivable	-	-	11,183	11,187	11,183	11,187
Plantation development expenditure	-	-	11,053	11,632	11,053	11,632
Others	(193)	(149)	-	-	(193)	(149)
Tax (assets) / liabilities	(15,172)	(14,708)	46,431	47,610	31,259	32,902
Set off tax	15,172	14,708	(15,172)	(14,708)	-	-
Net tax liabilities	-	-	31,259	32,902	31,259	32,902

# Notes to The Financial Statements

## 10. 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):

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax loss carry-forwards	(518,412)	(492,670)
Unabsorbed capital allowances	(185,521)	(186,085)
At 31 December	(703,933)	(678,755)
Tax at 24% (2024: 24%)	(168,944)	(162,901)

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 (10th) year will be disregarded. The unutilised tax losses will expire in the year 2029 to year 2034, after which they will be disregarded respectively. Tax losses can only be utilised once capital allowance has been fully exhausted. Accordingly, deferred tax assets have not been recognised in respect for tax loss carry-forwards amounting to RM518,412,000 (2024: RM492,670,000) and unabsorbed capital allowances amounting to RM185,521,000 (2024: RM186,085,000) 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

Group	Recognised in profit or loss		At 31.12.2024 / 1.1.2025		Recognised in profit or loss At 31.12.2025	
	At 1.1.2024 RM'000	(Note 26.1) RM'000	RM'000	RM'000	RM'000	RM'000
Unabsorbed capital allowances	(33,906)	583	(33,323)	(277)	(33,600)	
Property, plant and equipment	129,763	18,953	148,716	5,086	153,802	
Fair value adjustment on initial recognition						
of financial liabilities	9,665	(429)	9,236	-	9,236	
Unutilised tax losses	(808)	(753)	(1,561)	(896)	(2,457)	
Biological assets	5,252	1,303	6,555	(168)	6,387	
Right-of-use assets	11,660	1,981	13,641	(398)	13,243	
Lease liabilities	(16,613)	(2,146)	(18,759)	(480)	(19,239)	
Plantation development expenditure	53,429	(3,305)	50,124	6,998	57,122	
Others	(6,130)	2,609	(3,521)	(2,708)	(6,229)	
	152,312	18,796	171,108	7,157	178,265	

# Notes to The Financial Statements

## 10. Deferred tax (assets) / liabilities (continued)

### Movement in temporary differences during the year (continued)

Company	At	Recognised in	At	Recognised in	At
	1.1.2024	profit or loss (Note 26.1)	31.12.2024 / 1.1.2025	profit or loss (Note 26.1)	31.12.2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	12,730	(329)	12,401	(497)	11,904
Biological assets	988	251	1,239	119	1,358
Right-of-use assets	11,369	(218)	11,151	(218)	10,933
Lease liabilities	(14,170)	(389)	(14,559)	(420)	(14,979)
Finance lease receivable	11,191	(4)	11,187	(4)	11,183
Plantation development expenditure	11,807	(175)	11,632	(579)	11,053
Others	(133)	(16)	(149)	(44)	(193)
	33,782	(880)	32,902	(1,643)	31,259

## 11. Finance lease receivable

### Net investment in lease

Company	2025 RM'000	2024 RM'000
At 1 January	46,614	46,630
Finance income	3,822	3,824
Lease payments received	(3,840)	(3,840)
At 31 December	46,596	46,614

The lease payments to be received are as follows:

	2025 RM'000	2024 RM'000
<b>Minimum lease payments</b>		
Within one year	3,840	3,840
1 – 2 years	7,680	7,680
2 – 5 years	11,520	11,520
Over 5 years	235,201	239,041
Total undiscounted lease payments	258,241	262,081
Less: Unearned finance income	(211,645)	(215,467)
At 31 December	46,596	46,614

# Notes to The Financial Statements

## 11. Finance lease receivable (continued)

	2025 RM'000	2024 RM'000
<b>Comprising:</b>		
Current	19	18
Non-current	46,577	46,596
<b>Total finance lease receivable</b>	<b>46,596</b>	46,614

For the financial year ended 31 December 2025, the Company recognised finance lease income of RM3,822,000 (2024: RM3,824,000) in the profit or loss.

## 12. Inventories

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>At cost</b>				
Finished goods	7,816	4,151	1,357	1,027
Stores	9,125	7,447	229	181
	<b>16,941</b>	11,598	<b>1,586</b>	1,208
Recognised in profit or loss:				
Inventories recognised as cost of sales	<b>94,231</b>	87,695	<b>8,871</b>	9,713

## 13. Biological asset

	2025 RM'000	2024 RM'000
<b>Group</b>		
At 1 January	27,519	21,940
Change in fair value recognised in profit or loss	(786)	5,594
Effect of movement in exchange rate	(12)	(15)
	<b>26,721</b>	27,519
<b>Company</b>		
At 1 January	5,164	4,117
Change in fair value recognised in profit or loss	492	1,047
At 31 December	<b>5,656</b>	5,164

## Notes to The Financial Statements

### 13. Biological asset (continued)

13.1 Breakdown of changes in fair value of biological assets recognised in profit or loss for the year, are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Biological asset		(786)	5,594	492	1,047
Biological asset classified as assets held for sale	16	(805)	1,657	-	-
		(1,591)	7,251	492	1,047

13.2 During the financial year, the Group and the Company harvested approximately 809,391 tonnes (2024: 809,519 tonnes) and 115,245 tonnes (2024: 106,366 tonnes) of FFB respectively.

13.3 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.

The significant unobservable inputs used in the valuation models include FFB price (2025: RM677/mt – RM844/mt) (2024: RM704/mt – RM931/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 RM4,826,000 and RM701,000 respectively.

# Notes to The Financial Statements

## 14. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amounts due from subsidiaries	14.1	-	-	<b>364,655</b>	388,897
Impairment loss on amounts due from subsidiaries		-	-	<b>(364,655)</b>	(388,897)
		-	-	-	-
<b>Current</b>					
<b>Trade</b>					
Trade receivables		<b>36,238</b>	32,488	<b>10,181</b>	9,900
Impairment loss on trade receivables		<b>(6)</b>	(6)	-	-
		<b>36,232</b>	32,482	<b>10,181</b>	9,900
<b>Current</b>					
<b>Non-trade</b>					
Amounts due from subsidiaries	14.2	-	-	<b>339,045</b>	294,927
Amounts due from related companies	14.3	<b>4,774</b>	4,774	<b>4,268</b>	4,268
Other receivables		<b>15,034</b>	18,811	<b>6,685</b>	7,202
		<b>19,808</b>	23,585	<b>349,998</b>	306,397
Impairment loss on amounts due from subsidiaries		-	-	<b>(67,339)</b>	(20,721)
Impairment loss on amounts due from related companies		<b>(4,774)</b>	(4,774)	<b>(4,268)</b>	(4,268)
Impairment loss on other receivables		<b>(12,692)</b>	(12,692)	<b>(6,482)</b>	(6,482)
		<b>2,342</b>	6,119	<b>271,909</b>	274,926
		<b>38,574</b>	38,601	<b>282,090</b>	284,826

**14.1** The amounts due from subsidiaries are unsecured, subjected to profit margin of 5.44% (2024: 5.44%). The amount is to be repaid after ten (10) years (2024: eleven (11) years).

**14.2** The amounts due from subsidiaries are unsecured, subjected to profit margin of 5.44% (2024: 5.44%) and repayable on demand.

**14.3** The amounts due from related companies are unsecured, no profit margin applied and repayable on demand.

# Notes to The Financial Statements

## 15. Cash and cash equivalents

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	15.1	76,300	27,250	76,300	27,250
Cash and bank balances	15.2	20,989	44,712	4,557	28,697
		<b>97,289</b>	71,962	<b>80,857</b>	55,947

**15.1** Deposits which are placed with licensed banks for the Group and the Company have profit margins ranging between 2.50% to 3.90% (2024: 2.70% to 3.90%) are maintained by the Group and the Company with a related corporation.

**15.2** Included in the bank balances are RM5,216,000 (2024: RM29,900,000) and RM4,152,000 (2024: RM28,549,000) which are maintained by the Group and the Company respectively with a related corporation.

## 16. Assets classified as held for sale

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 part of a single disposal group ("the disposal group held for sale"). The disposal forms part of the Group's strategic restructuring plan. Efforts to sell the disposal group commenced in prior years and the sale is now anticipated to be completed in the financial year ending 2026. The assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are as below:

	Note	Group	
		2025	2024
		RM'000	RM'000
<b>Assets classified as held for sale</b>			
Property, plant and equipment		550,194	545,289
Right-of-use assets		204,163	204,163
Plantation development expenditure		5,048	-
Deferred tax assets		22,498	32,406
Biological assets		6,732	7,538
Inventories		9,939	4,883
Current tax assets		764	-
Trade and other receivables		6,670	13,900
Prepayments and other assets		111	36
Cash and cash equivalents		309	389
At 31 December	16.1	<b>806,428</b>	808,604

# Notes to The Financial Statements

## 16. Assets classified as held for sale (continued)

Liabilities classified as held for sale are as below:

	Note	Group	
		2025 RM'000	2024 RM'000
<b>Liabilities classified as held for sale</b>			
Deferred tax liabilities		78,206	78,943
Payables and accruals		28,123	32,561
Current tax payable		1,050	1,880
Lease liabilities		35,254	35,343
At 31 December	16.1	142,633	148,727

### 16.1 Movement of assets and liabilities classified as held for sale during the year

	Note	At 1.1.2024 RM'000	Movement during the year RM'000	At 31.12.2024 / 1.1.2025 RM'000	Movement during the year RM'000	At 31.12.2025 RM'000
Assets classified as held for sale						
Property, plant and equipment	16.1.1	539,866	5,423	545,289	4,905	550,194
Right-of-use assets	16.1.2	204,163	-	204,163	-	204,163
Plantation development expenditure	16.1.3	-	-	-	5,048	5,048
Deferred tax assets	16.1.4	30,180	2,226	32,406	(9,908)	22,498
Biological assets		5,880	1,657	7,537	(805)	6,732
Inventories		1,254	3,629	4,883	5,056	9,939
Current tax assets		-	-	-	764	764
Trade and other receivables		63	13,837	13,900	(7,230)	6,670
Prepayments and other assets		14	23	37	74	111
Cash and cash equivalents		1,771	(1,382)	389	(80)	309
Total		783,191	25,413	808,604	(2,176)	806,428
<b>Liabilities classified as held for sale</b>						
Deferred tax liabilities	16.1.4	79,439	(496)	78,943	(737)	78,206
Payables and accruals		20,581	11,980	32,561	(4,438)	28,123
Current tax payable		1,177	703	1,880	(830)	1,050
Lease liabilities		35,426	(83)	35,343	(89)	35,254
Total		136,623	12,104	148,727	(6,094)	142,633

# Notes to The Financial Statements

## 16. Assets classified as held for sale (continued)

### 16.1 Movement of assets and liabilities classified as held for sale during the year (continued)

The disposal group is measured at the lower of its carrying amount and fair value less costs to sell. As at 31 December 2025, the carrying amount of the disposal group was RM759,405,000 (2024: RM749,452,000).

The Group engaged an independent registered valuer to determine the fair value less costs to sell, which is categorised within Level 3 of the fair value hierarchy. The fair value less costs to sell exceeded the carrying amount and accordingly, no impairment was recognised.

#### 16.1.1 Property, plant and equipment

The movement of property, plant and equipment comprise the following:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	545,289	539,866
Additions during the year	5,021	5,734
Written off during the year	(116)	(311)
At 31 December	<b>550,194</b>	545,289

# Notes to The Financial Statements

## 16. Assets classified as held for sale (continued)

### 16.1.2 Right-of-use assets

The movement of right-of-use assets comprise the following:

	Group	
	2025 RM'000	2024 RM'000
At 1 January / 31 December	204,163	204,163

### 16.1.3 Plantation development expenditure

The movement of plantation development expenditure comprise the following

	Group	
	2025 RM'000	2024 RM'000
At 1 January	-	-
Addition during the year	1,550	-
Additions of nurseries	3,498	-
At 31 December	5,048	-

### 16.1.4 Deferred tax (assets) / liabilities

#### Movement in temporary differences during the year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 26.1) RM'000	At 31.12.2024 / 1.1.2025 RM'000	Recognised in profit or loss (Note 26.1) RM'000	At 31.12.2025 RM'000
<b>Group</b>					
Unabsorbed capital allowances	(58,832)	(15)	(58,847)	30,468	(28,379)
Property, plant and equipment	109,482	(2,977)	106,505	(23,916)	82,589
Biological assets	1,412	398	1,810	(412)	1,398
Right-of-use assets	1,718	(38)	1,680	(1,680)	-
Lease liabilities	(8,500)	20	(8,480)	8,480	-
Plantation development expenditure	-	-	-	431	431
Other	3,979	(110)	3,869	(4,200)	(331)
	49,259	(2,722)	46,537	9,171	55,708

# Notes to The Financial Statements

## 16. Assets classified as held for sale (continued)

### 16.1.4 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):

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax loss carry-forwards	(185,475)	(168,680)
Unabsorbed capital allowances	(53,399)	-
At 31 December	(238,874)	(168,680)
Tax at 24% (2024: 24%)	(57,330)	(40,483)

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 (10th) year from the respective year of assessment will be disregarded. The unutilised tax losses which will expire in the year 2028 to year 2034, after which they will be disregarded respectively. Tax losses can only be utilised once capital allowance has been fully exhausted. Accordingly, deferred tax assets have not been recognised in respect for tax loss carry-forwards amounting to RM185,475,000 (2024: RM168,680,000) and unabsorbed capital allowances amounting to RM53,399,000 (2024: Nil) as it is no longer probable that future taxable profit will be available against which the Group can utilise the benefits there from.

## 17. Capital and reserves

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Share capital	17.1	862,752	862,752	862,752	862,752
Other reserves	17.2	(80,663)	(80,663)	(100,129)	(100,129)
Foreign currency translation reserves		12,425	(3,270)	-	-
		794,514	778,819	762,623	762,623

### 17.1 Share capital

	Group and Company			
	Number of shares	Amount	Number of shares	Amount
	2025	2025	2024	2024
	'000	RM'000	'000	RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January / 31 December	883,851	862,752	883,851	862,752

# Notes to The Financial Statements

## 17. Capital and reserves (continued)

### 17.1 Share capital (continued)

#### Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### 17.2 Other reserves

Other reserves relate to fair value adjustment on initial recognition of financial instruments and adjustment to the premium of share issued for the acquisition of subsidiaries.

## 18. Perpetual Sukuk

	Group	
	2025 RM'000	2024 RM'000
Nominal value		
At 1 January / 31 December	300,000	300,000

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 Al-Istithmar ("Sukuk Wakalah") with unconditional and irrevocable corporate guaranteed by TH Plantations Berhad.

#### Security

The perpetual sukuk, which was obtained by subsidiary of the Company, is secured over:

- (i) The leasehold land with the carrying amount of RM2,082,000 (2024: RM2,116,000) (see Note 4);
- (ii) During the financial year, no plantation development expenditure was pledged as security for borrowings (2024: RM3,247,000). The plantation development expenditure previously pledged has been transferred to property, plant and equipment upon maturity. (see Note 5); and
- (iii) The property, plant and equipment with the carrying amount of RM71,992,000 (2024: RM73,255,000) (see Note 3).

Details of the perpetual sukuk are as follows:

- (a) The perpetual sukuk has no fixed redemption date and the subsidiary has an option to redeem all part of the perpetual sukuk at the end of the twelve (12) 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 stepped-up margin of 0.25% per annum until the redemption of the perpetual sukuk. There shall be no further increase to the then prevailing stepped-up periodic distribution rate applicable to the relevant tranche of perpetual sukuk during its tenure;

# Notes to The Financial Statements

## 18. Perpetual Sukuk (continued)

Details of the perpetual sukuk are as follows: (continued)

- (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:
  - i) 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
  - ii) Any payments under managements pertaining to the SUKUK Wakalah (unless in the case of Perpetual Sukuk Wakalah any 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.

## 19. Loans and borrowings

	Note	Group	
		2025 RM'000	2024 RM'000
<b>Non-current</b>			
<b>Secured</b>			
Commodity Murabahah Term Financing-i	19.1	-	54,047
Sukuk Wakalah Medium Term Notes	19.2	590,000	650,000
<b>Unsecured</b>			
Term Financing	19.3	54,116	51,597
		<b>644,116</b>	<b>755,644</b>
<b>Current</b>			
<b>Secured</b>			
Commodity Murabahah Term Financing-i	19.1	54,210	38,750
Sukuk Murabahah Medium Term Notes	19.2	60,000	-
		<b>114,210</b>	<b>38,750</b>
		<b>758,326</b>	<b>794,394</b>

# Notes to The Financial Statements

## 19. Loans and borrowings (continued)

### 19.1 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 RM6,654,000 (2024: RM6,821,000) (see Note 4).

##### *Significant covenants*

The Commodity Murabahah Term Financing-i loan facility is subject to the fulfilment of the following significant covenants:

- (a) not to grant any financings, loans, advance, provide security or guarantee any person except for normal trade credit or trade guarantee in the ordinary course of business;
- (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 by operation of law and in the normal course of business which in the financier opinion is not material);
- (d) not to dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of its business, on ordinary commercial terms and on arm's length basis; and
- (e) not to declare any dividends in excess of ten percent (10%) of its paid-up capital or any amount in excess of fifty percent (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.
- (f) to maintain Group financing equity ratio of not more than 1.5 times on a consolidated basis.

The Group's bank loan with a carrying amount of RM54,210,000 at 31 December 2025 (2024: RM92,797,000) contains a covenant that requires the Group to maintain financing equity ratio of not more than 1.5 times on a consolidated basis. The covenant is tested annually on 31 December. The loan becomes repayable on demand if the threshold is not met at 31 December 2025 (see Note 33).

The subsidiary complied with the threshold when it was tested on 31 December 2025. As at 31 December, the subsidiary has no indication that it will have difficulty complying with these covenants.

# Notes to The Financial Statements

## 19. Loans and borrowings (continued)

### 19.2 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 the subsidiary, is secured over:

- (i) The leasehold land with the carrying amount of RM2,575,000 (2024: RM2,631,000) (see Note 4);
- (ii) Memorandum of charge over the following shares 1,131,428 units of TH PELITA Beladin Sdn. Bhd., 4,900,000 units of TH 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.; and
- (iii) The property, plant and equipment with the carrying amount of RM24,824,000 (2024: RM26,971,000) (see Note 3).

#### Significant covenants

- (a) not to incur or permit to exist any indebtedness for borrowed monies and Islamic financing, nor give any guarantees in respect of any indebtedness 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;
- (c) not to sell, transfer or otherwise dispose any of its assets, save for:
  - i) where the sale, transfer or disposal is solely for the purposes of facilitating Shariah-compliant financing;
  - ii) sale, transfer or disposal as contemplated by the terms of the transaction documents; and
  - iii) 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 Guarantor);
- (d) not to obtain or permit to exist any loans or advances from its shareholder(s), unless these loans and advances are subordinated to the Sukuk Wakalah;
- (e) not to declare or pay any dividends to its shareholders if:
  - i) 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
  - ii) 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 as a consequence of default by the Issuer; or
  - iii) a Dividend and Capital Stopper event is continuing.

The subsidiary complied with the threshold when it was tested on 31 December 2025. As at 31 December, the subsidiary has no indication that it will have difficulty complying with these covenants.

# Notes to The Financial Statements

## 19. Loans and borrowings (continued)

### 19.3 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 and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>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 paid 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.</p>	<ul style="list-style-type: none"> <li>• Profit margin rate (7.76%)</li> <li>• Repayment period (15 years after drawdown)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <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 2025 was RM79,297,000 (2024: RM79,297,000).

#### Security

The term loan facility is a conventional loan granted by Forest Plantation Development Sdn. Bhd., a government agency.

#### Significant covenants

The term loan facility is subject to the fulfilment of the following significant covenants:

The subsidiary will not do or cause to be done the following except with the express written consent by Forest Plantation Development Sdn. Bhd. ("FPDSB"):

- (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

# Notes to The Financial Statements

## 19. Loans and borrowings (continued)

### 19.3 Term Financing (continued)

#### TH-Bonggaya Sdn. Bhd. (continued)

##### Significant covenants (continued)

- (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 sub-contractors to carry out various works or activities in relation to the implementation of the Project.

The subsidiary complied with the threshold when it was tested on 31 December 2025. As at 31 December, the subsidiary has no indication that it will have difficulty complying with these covenants.

### 19.4 Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 January 2025 RM'000	Loan repayment RM'000	Other changes RM'000	At 31 December 2025 RM'000
<b>Group</b>				
Commodity Murabahah Term Financing-i	92,797	(38,750)	163	54,210
Sukuk Wakalah Medium Term Notes	650,000	-	-	650,000
Term Financing	51,597	-	2,519	54,116
	<b>794,394</b>	<b>(38,750)</b>	<b>2,682</b>	<b>758,326</b>

	At 1 January 2024 RM'000	Loan repayment RM'000	Other changes RM'000	At 31 December 2024 RM'000
<b>Group</b>				
Commodity Murabahah Term Financing-i	128,134	(35,500)	163	92,797
Sukuk Wakalah Medium Term Notes	650,000	-	-	650,000
Term Financing	49,189	-	2,408	51,597
	<b>827,323</b>	<b>(35,500)</b>	<b>2,571</b>	<b>794,394</b>

# Notes to The Financial Statements

## 20. Employee benefits

	Group	
	2025 RM'000	2024 RM'000
Defined benefit obligations	110	60

The Staff Retirement Benefits Scheme (“the Scheme”) provides pension benefits for eligible employees upon retirement. A subsidiary of the Company participated in making contributions to the Scheme.

## 21. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amounts due to subsidiaries	21.1	-	-	335,266	378,822
Accrued expenses	21.2	23,159	20,476	-	-
		<b>23,159</b>	20,476	<b>335,266</b>	378,822
<b>Current</b>					
<b>Trade</b>					
Trade payables		31,474	27,427	6,490	7,451
<b>Non-trade</b>					
Amounts due to subsidiaries	21.3	-	-	480,184	431,364
Other payables	21.4	43,725	37,429	15,446	12,747
Accrued expenses		23,886	24,633	1,484	541
Dividend payables	21.5	273	105	273	105
		<b>67,884</b>	62,167	<b>497,387</b>	444,757
		<b>99,358</b>	89,594	<b>503,877</b>	452,208
		<b>122,517</b>	110,070	<b>839,143</b>	831,030

# Notes to The Financial Statements

## 21. Trade and other payables (continued)

**21.1** The amounts due to subsidiaries are unsecured, subject to profit margin ranges from 4.87% to 5.40% (2024: 4.87% to 5.40%). The amount is to be repaid after eight (8) years (2024: nine (9) years).

**21.2** The accrued expenses are in relation to interest accrued for term financing of a subsidiary. The amount is to be repaid fifteen (15) years after drawdown (see Note 19.3).

**21.3** The amounts due to subsidiaries are unsecured, subject to profit margin ranges from 3.36% to 3.85% (2024: 2.70% to 3.90%) and are repayable on demand.

**21.4** Other payables of the Group and the Company mainly consists of estates and mills payables, provision and security deposits.

### 21.5 Reconciliation of movement of dividend payables included in other payables

	Non- controlling interest RM'000	Owners of the Company RM'000	Total RM'000
<b>2025</b>			
<b>Group</b>			
At 1 January	-	105	105
Dividend declared during the year	18,136	26,516	44,652
Dividend paid	(18,136)	(26,348)	(44,484)
At 31 December	-	273	273
<b>2024</b>			
<b>Group</b>			
At 1 January	-	168	168
Dividend declared during the year	13,269	17,677	30,946
Dividend paid	(13,269)	(17,740)	(31,009)
At 31 December	-	105	105

# Notes to The Financial Statements

## 21. Trade and other payables (continued)

### 21.6 Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 January 2025 RM'000	Net changes from financing cash flows RM'000	At 31 December 2025 RM'000
<b>Company</b>			
Amounts due to subsidiaries	810,186	(5,264)	815,450
	810,186	(5,264)	815,450

	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	At 31 December 2024 RM'000
<b>Company</b>			
Amounts due to subsidiaries	594,153	(216,033)	810,186
	594,153	(216,033)	810,186

## 22. Revenue

	Group		Company	
	2025 RM'000	Restated 2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	961,227	901,580	255,556	229,510
Other revenue:				
Dividend income	10	91	60,352	62,646
Total revenue	961,237	901,671	315,908	292,156

# Notes to The Financial Statements

## 22. Revenue (continued)

### 22.1 Disaggregation of revenue

Group	Oil palm plantations		Other segments		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Primary geographical markets</b>						
Malaysia	958,012	898,598	-	-	958,012	898,598
Indonesia	3,215	2,982	-	-	3,215	2,982
	<b>961,227</b>	<b>901,580</b>	<b>-</b>	<b>-</b>	<b>961,227</b>	<b>901,580</b>
<b>Major products</b>						
Crude Palm Oil (“CPO”)	739,880	723,610	-	-	739,880	723,610
Palm Kernel (“PK”)	145,099	104,370	-	-	145,099	104,370
Fresh Fruits Bunches (“FFB”)	76,248	73,600	-	-	76,248	73,600
	<b>961,227</b>	<b>901,580</b>	<b>-</b>	<b>-</b>	<b>961,227</b>	<b>901,580</b>
<b>Timing and recognition</b>						
At a point in time	961,227	901,580	10	91	961,237	901,671
<b>Revenue from contracts with customers</b>	961,227	901,580	-	-	961,227	901,580
<b>Other revenue</b>	-	-	10	91	10	91
<b>Total revenue</b>	<b>961,227</b>	<b>901,580</b>	<b>10</b>	<b>91</b>	<b>961,237</b>	<b>901,671</b>

Company	Oil palm plantations		Other segments		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Major products</b>						
Crude Palm Oil (“CPO”)	196,136	183,825	-	-	196,136	183,825
Palm Kernel (“PK”)	40,285	27,568	-	-	40,285	27,568
Fresh Fruits Bunches (“FFB”)	19,135	18,117	-	-	19,135	18,117
	<b>255,556</b>	<b>229,510</b>	<b>-</b>	<b>-</b>	<b>255,556</b>	<b>229,510</b>
<b>Timing and recognition</b>						
At a point in time	255,556	229,510	60,352	62,646	315,908	292,156
<b>Revenue from contracts with customers</b>	255,556	229,510	-	-	255,556	229,510
<b>Other revenue</b>	-	-	60,352	62,646	60,352	62,646
<b>Total revenue</b>	<b>255,556</b>	<b>229,510</b>	<b>60,352</b>	<b>62,646</b>	<b>315,908</b>	<b>292,156</b>

# Notes to The Financial Statements

## 22. Revenue (continued)

### 22.2 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
CPO	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.
PK	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.

## 23. Cost of sales

	Group		Company	
	2025 RM'000	Restated 2024 RM'000	2025 RM'000	2024 RM'000
Oil palm plantations	676,869	658,944	181,874	178,663
Forestry	2,762	3,081	-	-
	679,631	662,025	181,874	178,663

# Notes to The Financial Statements

## 24. Finance income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit margin income on financial assets that are not at fair value through profit or loss:				
- intercompany receivables	-	-	27,938	26,791
- loans and receivables	5,638	4,693	5,620	4,678
Finance income on finance lease receivable	-	-	3,822	3,824
Recognised in profit or loss	5,638	4,693	37,380	35,293

## 25. Finance cost

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance cost on financial liabilities that are not at fair value through profit or loss:				
- loans and borrowings	43,134	45,239	25,988	26,060
- finance costs on lease liabilities	8,915	8,907	4,975	4,842
- profit margin expense on subsidiaries	-	-	16,029	16,388
	52,049	54,146	46,992	47,290
Recognised in profit or loss	48,117	51,241	46,992	46,869
Capitalised in plantation development expenditure* (Note a)	3,932	2,905	-	421
	52,049	54,146	46,992	47,290

a. Included in capitalised in plantation development expenditure are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance cost capitalised in plantation development expenditure	5.1	3,932	2,905	-	421
		3,932	2,905	-	421

\* The finance cost is capitalised at profit margin 4.87% to 5.40% (2024: 4.87% to 5.40%) per annum.

# Notes to The Financial Statements

## 26. Tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Income tax expense</b>				
Malaysia				
- current year	51,827	47,070	15,466	12,370
- over provision in prior year	(226)	(46)	(38)	(21)
Total income tax recognised in profit or loss	51,601	47,024	15,428	12,349
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	(6,177)	2,058	(1,219)	(651)
Over provision in prior year	(385)	(964)	(424)	(229)
Effect of deferred tax assets not recognised	22,890	14,980	-	-
Total deferred tax recognised in profit or loss (Note 26.1)	16,328	16,074	(1,643)	(880)
Total tax expense	67,929	63,098	13,785	11,469
<b>Reconciliation of tax expense</b>				
Profit for the year	111,058	97,322	55,755	43,628
Total tax expense	67,929	63,098	13,785	11,469
Profit excluding tax	178,987	160,420	69,540	55,097
Tax calculated using Malaysian tax rate of 24% (2024: 24%)	42,957	38,501	16,690	13,223
Non-taxable income	-	-	(23,214)	(20,124)
Non-deductible expenses	2,693	10,627	20,771	18,620
Effect of deferred tax assets not recognised	22,890	14,980	-	-
Over provided in prior years:				
- current tax	(226)	(46)	(38)	(21)
- deferred tax	(385)	(964)	(424)	(229)
Total tax expense	67,929	63,098	13,785	11,469

26.1. Included in total deferred tax recognised in profit or loss are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax recognised in profit or loss	7,157	18,796	(1,643)	(880)
Deferred tax in relation to assets held for sale recognised in profit or loss	9,171	(2,722)	-	-
	16,328	16,074	(1,643)	(880)

# Notes to The Financial Statements

## 27. Profit for the year

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Profit for the year is arrived at after charging / (crediting)</b>				
<b>Auditors' remuneration</b>				
Audit fees:				
- KPMG PLT	745	730	150	150
Non-audit fees:				
- KPMG Tax Services Sdn. Bhd.	167	171	20	20
- KPMG PLT	20	20	20	20
<b>Material expenses / (income)</b>				
Personnel expenses (including key management personnel):				
- Wages, salaries and others	161,906	155,464	22,842	20,136
- Contribution to Employees Provident Fund	15,136	10,979	1,279	1,087
Depreciation of property, plant and equipment	69,086	67,596	7,310	6,954
Property, plant and equipment written off	116	113	20	-
Property, plant and equipment in relation to assets held for sale written off	116	311	-	-
Depreciation of right-of-use assets	10,925	10,738	945	945
Impairment loss on property, plant and equipment	10,840	-	-	-
Impairment loss on forestry	-	1,987	-	-
Impairment loss on investment in a subsidiary	-	-	12,410	-
Change in fair value of forestry	(20,793)	(23,399)	-	-
Finance income on finance lease receivable	-	-	(3,822)	(3,824)
Change in fair value of biological asset	1,591	(7,251)	(492)	(1,047)
Expenses related to retirement benefit plan	50	35	-	-
Dividend income	(10)	(91)	(60,352)	(62,646)
Profit margin income from short-term investments and other receivables	(5,638)	(4,693)	(33,558)	(31,469)
Unrealised foreign exchange loss	25,586	13,920	-	-
Finance costs	39,202	42,334	42,017	42,027
Finance costs on lease liabilities	8,915	8,907	4,975	4,842
Rental income from property	-	-	(6)	(9)
Change in fair value of other investment	(2,607)	-	(2,607)	-
<b>Impairment of financial instruments</b>				
Impairment loss on amount due from subsidiaries	-	-	22,376	37,284

# Notes to The Financial Statements

## 28. Other comprehensive income

Group	Before tax RM'000	Tax credit RM'000	Net of tax RM'000
<b>2025</b>			
<b>Item that is or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	16,876	-	16,876
<b>2024</b>			
<b>Item that is or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	7,350	-	7,350

## 29. Earnings per ordinary share

The calculation of basic and diluted earnings per share for the year ended 31 December 2025 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit for the year attributable to shareholders	91,800	75,178
Profit margin on perpetual sukuk	(17,940)	(17,989)
	73,860	57,189
Weighted average number of ordinary shares		
	Group	
	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December	883,851	883,851
Weighted average number of ordinary shares (diluted)		
	Group	
	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December	883,851	883,851
	Group	
	2025 Sen	2024 Sen
Basic earnings per ordinary share	8.36	6.47

There is no dilution in earnings per ordinary share as the Group has no shares or other instruments with potential dilutive effect as at 31 December 2025 and 31 December 2024.

# Notes to The Financial Statements

## 30. Dividend

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2025</b>			
Final 2024 ordinary (net of tax)	3.00	26,516	2 May 2025
<b>2024</b>			
Final 2023 ordinary (net of tax)	2.00	17,677	2 May 2024

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.

	Sen per share	Total amount RM'000
<b>2025</b>		
Final 2025 ordinary (net of tax)	3.00	26,516

## 31. Operating segments

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* Includes cultivation of oil palm, processing of FFB, marketing of CPO, PK and FFB.
- *Forestry* Harvesting of rubberwood.

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.

# Notes to The Financial Statements

## 31. Operating segments (continued)

### 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.

### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

	Oil palm plantations		Forestry		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Group</b>						
<b>Segment profit</b>	<b>361,898</b>	328,527	<b>19,750</b>	20,785	<b>381,648</b>	349,312
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	<b>961,227</b>	901,580	-	-	<b>961,227</b>	901,580
Fair value change on biological asset	<b>(1,591)</b>	7,251	-	-	<b>(1,591)</b>	7,251
Fair value change on forestry	-	-	<b>20,793</b>	23,399	<b>20,793</b>	23,399
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>						
Depreciation	<b>(80,376)</b>	(78,548)	<b>(464)</b>	(467)	<b>(80,840)</b>	(79,015)
Finance costs	<b>(135,508)</b>	(136,888)	<b>(16,335)</b>	(15,747)	<b>(151,843)</b>	(152,635)
Profit margin income from short-term investments and receivables	<b>74,765</b>	71,820	<b>17</b>	14	<b>74,782</b>	71,834
<b>Segment assets</b>	<b>4,895,332</b>	4,856,018	<b>102,073</b>	81,646	<b>4,997,405</b>	4,937,664
Additions to non-current assets other than financial instrument and deferred tax assets	<b>76,066</b>	60,175	-	-	<b>76,066</b>	60,175

# Notes to The Financial Statements

## 31. Operating segments (continued)

### Reconciliations of reportable segment revenues, profit or loss, assets and other material items

Group	2025 RM'000	2024 RM'000
<b>Profit or loss</b>		
Total profit or loss for reportable segments	381,648	349,312
Other non-reportable segments	10	91
Depreciation and amortisation	(80,011)	(78,334)
Finance cost	(48,117)	(51,241)
Finance income	5,638	4,693
Unallocated (expenses) / income:		
Corporate expenses	(45,218)	(45,798)
Impairment loss on property, plant and equipment	(10,840)	-
Unrealised foreign exchange loss	(25,586)	(13,920)
Others	1,463	(4,383)
Consolidated profit before tax	178,987	160,420

	Fair value gain on biological asset RM'000	Fair value gain on forestry RM'000	External revenue RM'000	Depreciation RM'000	Finance costs RM'000	Profit margin income RM'000	Segment assets RM'000	Additions to non- current assets RM'000
<b>2025</b>								
Total reportable segments	(1,591)	20,793	961,227	(80,840)	(151,843)	74,782	4,997,405	76,066
Other non-reportable segments	-	-	10	-	-	-	8,892	-
Elimination of inter-segment transaction or balances	-	-	-	-	99,794	(69,144)	(2,271,771)	-
Consolidated total	(1,591)	20,793	961,237	(80,840)	(52,049)	5,638	2,734,526	76,066
<b>2024</b>								
Total reportable segments	7,251	23,399	901,580	(79,015)	(152,635)	71,834	4,937,664	60,175
Other non-reportable segments	-	-	91	-	-	-	5,657	-
Elimination of inter-segment transaction or balances	-	-	-	-	98,489	(67,141)	(2,250,477)	-
Consolidated total	7,251	23,399	901,671	(79,015)	(54,146)	4,693	2,692,844	60,175

# Notes to The Financial Statements

## 31. Operating segments (continued)

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current assets	
	2025 RM'000	Restated 2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	958,012	898,598	1,506,292	1,506,008
Indonesia	3,215	2,982	54,815	67,809
	<b>961,227</b>	901,580	<b>1,561,107</b>	1,573,817

### Major customers

The following are major customers with revenue equal of more than 10% of the Group's total revenue:

	2025 RM'000	2024 RM'000	Segment
Customer A	187,757	205,037	Oil palm plantations
Customer B	113,547	113,204	Oil palm plantations
Customer C	86,795	86,699	Oil palm plantations

## 32. Financial instruments

### 32.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2025 categorised as follows:

- (a) Fair value through profit or loss ("FVTPL"); and
- (b) Amortised cost ("AC").

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.1 Categories of financial instruments (continued)

2025	Carrying amount RM'000	AC RM'000	FVTPL RM'000
<b>Group</b>			
<b>Financial assets</b>			
Other investments	152,181	147,749	4,432
Trade and other receivables	38,574	38,574	-
Cash and cash equivalents	97,289	97,289	-
	<b>288,044</b>	<b>283,612</b>	<b>4,432</b>
<b>Financial liabilities</b>			
Loans and borrowings	(758,326)	(758,326)	-
Trade and other payables	(122,517)	(122,517)	-
	<b>(880,843)</b>	<b>(880,843)</b>	<b>-</b>
<b>Company</b>			
<b>Financial assets</b>			
Other investments	150,812	146,380	4,432
Trade and other receivables	282,090	282,090	-
Cash and cash equivalents	80,857	80,857	-
	<b>513,759</b>	<b>509,327</b>	<b>4,432</b>
<b>Financial liabilities</b>			
Trade and other payables	(839,143)	(839,143)	-
	<b>(839,143)</b>	<b>(839,143)</b>	<b>-</b>
<b>2024</b>			
<b>Group</b>			
<b>Financial assets</b>			
Other investments	121,186	119,361	1,825
Trade and other receivables	38,601	38,601	-
Cash and cash equivalents	71,962	71,962	-
	<b>231,749</b>	<b>229,924</b>	<b>1,825</b>
<b>Financial liabilities</b>			
Loans and borrowings	(794,394)	(794,394)	-
Trade and other payables	(110,070)	(110,070)	-
	<b>(904,464)</b>	<b>(904,464)</b>	<b>-</b>
<b>Company</b>			
<b>Financial assets</b>			
Other investments	119,835	118,010	1,825
Trade and other receivables	284,826	284,826	-
Cash and cash equivalents	55,947	55,947	-
	<b>460,608</b>	<b>458,783</b>	<b>1,825</b>
<b>Financial liabilities</b>			
Trade and other payables	(831,030)	(831,030)	-
	<b>(831,030)</b>	<b>(831,030)</b>	<b>-</b>

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains / (losses) on:				
Financial assets at amortised cost:				
- Finance income	5,638	4,693	33,558	31,469
- Net impairment loss on financial assets	-	-	(22,376)	(37,284)
	5,638	4,693	11,182	(5,815)
Financial liabilities at amortised cost:				
- Finance cost	(39,202)	(42,334)	(42,017)	(42,448)
- Net foreign exchange loss	(25,586)	(13,920)	-	-
	(64,788)	(56,254)	(42,017)	(42,448)
	(59,150)	(51,561)	(30,835)	(48,263)

### 32.3 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

### 32.4 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.

#### Trade receivable

*Risk management objectives, policies and processes for managing the risk*

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 respect of financial assets.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.4 Credit risk (continued)

#### Trade receivable (continued)

##### *Risk management objectives, policies and processes for managing the risk (continued)*

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.

##### *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.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.4 Credit risk (continued)

#### Trade receivable (continued)

*Recognition and measurement of impairment losses (continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025 which are grouped together as they are expected to have similar risk nature.

	Gross RM'000	Loss allowances RM'000	Net RM'000
<b>2025</b>			
<b>Group</b>			
Not past due	36,232	-	36,232
<b>Credit impaired</b>			
Individually impaired	6	(6)	-
	<b>36,238</b>	<b>(6)</b>	<b>36,232</b>
<b>Company</b>			
Not past due	10,181	-	10,181
<b>2024</b>			
<b>Group</b>			
Not past due	32,482	-	32,482
<b>Credit impaired</b>			
Individually impaired	6	(6)	-
	32,488	(6)	32,482
<b>Company</b>			
Not past due	9,900	-	9,900

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

	Net RM'000
<b>Group</b>	
At 1 January 2024 / 31 December 2024 / 1 January 2025	6
Net remeasurement of loss allowance	-
At 31 December 2025	6

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.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.4 Credit risk (continued)

#### 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 in the current year.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	12,692	12,692	6,482	6,482
Net remeasurement of loss allowance	-	-	-	-
At 31 December	12,692	12,692	6,482	6,482

#### 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
- the subsidiary is continuously loss making and has a deficit shareholders' fund.

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.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.4 Credit risk (continued)

#### 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.

#### Inter-company and related company loans and advances

*Risk management objectives, policies and processes for managing the risk*

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.

The Company also manage credit on net investment in a lease together with its leasing arrangement with its subsidiary.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Inter-companies and related company loans and advances provided are not secured by any collateral or supported by any 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;
- b) the related company and subsidiary's loans and advances are overdue for more than 365 days; or
- c) the related company and subsidiary are continuously loss making and has a deficit in shareholders' fund.

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

## 32. Financial instruments (continued)

### 32.4 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
<b>Lifetime ECL</b>		
At 1 January 2024	4,774	376,602
Net remeasurement of loss allowance	-	37,284
At 31 December 2024 / 1 January 2025	4,774	413,886
Net remeasurement of loss allowance	-	22,376
At 31 December 2025	4,774	436,262

The increase in net remeasurement of loss allowance during the year was mainly attributable to updates in the expected credit loss model including revisions to forward-looking assumptions and credit risk parameters applied to the underlying exposures.

#### 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 is no impairment loss on net investment in a lease during the year.

### 32.5 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.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.5 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
<b>2025</b>							
<i>Non-derivative financial liabilities</i>							
Sukuk Wakalah							
Medium Term Notes	650,000	4.87 – 5.40	723,809	30,838	129,595	358,134	205,242
Term Financing	54,116	3.00	124,405	-	-	24,791	99,614
Commodity							
Murabahah Term Financing-i	54,210	5.34 – 6.15	56,006	56,006	-	-	-
Trade and other payables	122,517	-	122,517	122,517	-	-	-
Lease liabilities	80,305	6.00 – 8.20	469,854	5,324	5,325	16,677	442,528
	<b>961,148</b>		<b>1,496,591</b>	<b>214,685</b>	<b>134,920</b>	<b>399,602</b>	<b>747,384</b>
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
Sukuk Wakalah							
Medium Term Notes	650,000	4.87 – 5.40	819,779	33,760	93,048	373,567	319,404
Term Financing	51,597	3.00	124,405	-	-	24,791	99,614
Commodity							
Murabahah Term Financing-i	92,797	5.34 – 6.15	99,304	43,298	56,006	-	-
Trade and other payables	110,070	-	110,070	110,070	-	-	-
Lease liabilities	77,404	6.00 – 8.20	474,852	5,001	5,323	16,323	448,205
	<b>981,868</b>		<b>1,628,410</b>	<b>192,129</b>	<b>154,377</b>	<b>414,681</b>	<b>867,223</b>

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.5 Liquidity risk (continued)

*Maturity analysis (continued)*

Company	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
<b>2025</b>							
<i>Non-derivative financial liabilities</i>							
Amount due to subsidiary	335,266	4.87 – 5.40	255,952	30,302	42,203	40,565	142,882
Amount due to subsidiaries	480,184	3.36 – 3.85	495,550	495,550	-	-	-
Trade and other payables	23,693	-	23,693	23,693	-	-	-
Corporate guarantee	-	-	111,871	111,871	-	-	-
Lease liabilities	62,417	8.20	454,886	3,543	3,543	11,337	436,463
	<b>901,560</b>		<b>1,341,952</b>	<b>664,959</b>	<b>45,746</b>	<b>51,902</b>	<b>579,345</b>
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
Amount due to subsidiary	378,822	4.87 – 5.40	266,949	10,997	30,302	42,203	183,447
Amount due to subsidiaries	431,364	2.70 – 3.90	445,599	445,599	-	-	-
Trade and other payables	20,844	-	20,844	20,844	-	-	-
Corporate guarantee	-	-	51,661	51,661	-	-	-
Lease liabilities	60,663	8.20	458,107	3,221	3,543	10,983	440,360
	<b>891,693</b>		<b>1,243,160</b>	<b>532,322</b>	<b>33,845</b>	<b>53,186</b>	<b>623,807</b>

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.6 Market risk

Market risk is the risk that changes in market prices, such as profit margin rate that will affect the Group's financial position or cash flows.

#### 32.6.1 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:

	Denominated in IDR	
	2025 RM'000	2024 RM'000
<b>Group</b>		
<b>Balances recognised in the statement of financial position</b>		
Trade payables	452	1,236
<b>Net exposure</b>	<b>452</b>	<b>1,236</b>

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.

#### 32.6.2 Profit margin risk

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 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

## 32. Financial instruments (continued)

### 32.6 Market risk (continued)

#### 32.6.2 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:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Fixed rate instruments</b>				
Financial assets	<b>224,049</b>	146,611	<b>222,680</b>	145,260
Financial liabilities	<b>(784,421)</b>	(779,001)	<b>(397,683)</b>	(439,485)
	<b>(560,372)</b>	(632,390)	<b>(175,003)</b>	(294,225)
<b>Floating rate instruments</b>				
Financial assets	-	-	<b>271,707</b>	274,206
Financial liabilities	<b>(54,210)</b>	(92,797)	<b>(480,184)</b>	(431,364)
	<b>(54,210)</b>	(92,797)	<b>(208,477)</b>	(157,158)

As at 31 December 2025, 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 21, Note 19 and Note 14.

#### **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.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.6 Market risk (continued)

#### 32.6.2 Profit margin risk (continued)

##### Profit margin risk sensitivity analysis (continued)

##### Cash flow sensitivity analysis for variable rate instruments

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 constant.

	Profit or loss			
	100 bp increase 2025 RM'000	100 bp decrease 2025 RM'000	100 bp increase 2024 RM'000	100 bp decrease 2024 RM'000
<b>Group</b>				
Floating rate instruments	(412)	412	(705)	705
<b>Company</b>				
Floating rate instruments	(1,584)	1,584	(1,194)	1,194

### 32.7 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.

Group	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2025</b>					
<b>Financial assets</b>					
Unquoted shares	-	-	4,432	4,432	4,432
<b>2024</b>					
<b>Financial assets</b>					
Unquoted shares	-	-	1,825	1,825	1,825

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.7 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).

Group	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2025</b>					
<b>Financial liabilities</b>					
Sukuk Wakalah Medium Term Notes – secured	-	-	(639,170)	(639,170)	(650,000)
Term Financing	-	-	(55,961)	(55,961)	(54,116)
	-	-	(695,131)	(695,131)	(704,116)
<b>2024</b>					
<b>Financial liabilities</b>					
Sukuk Wakalah Medium Term Notes – secured	-	-	(638,211)	(638,211)	(650,000)
Term Financing	-	-	(52,051)	(52,051)	(51,597)
Commodity Murabahah Term Financing-i	-	-	(50,376)	(50,376)	(54,047)
	-	-	(740,638)	(740,638)	(755,644)

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.7 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).

Company	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2025</b>					
<b>Financial assets</b>					
Unquoted shares	-	-	4,432	4,432	4,432
<b>2024</b>					
<b>Financial assets</b>					
Unquoted shares	-	-	1,825	1,825	1,825
Company	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2025</b>					
<b>Financial liabilities</b>					
Amount due to subsidiary	-	-	(322,509)	(322,509)	(335,266)
<b>2024</b>					
<b>Financial liabilities</b>					
Amount due to subsidiary	-	-	(339,549)	(339,549)	(378,822)

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

Type	Description of valuation technique and inputs used
<ul style="list-style-type: none"> <li>Amount due to subsidiaries and related companies</li> <li>Loans and borrowings</li> </ul>	Discounted cash flows using a rate based on the current market rate of borrowing of the Group and Company at the entities reporting date.
<ul style="list-style-type: none"> <li>Unquoted shares</li> </ul>	Net assets value at the entities reporting date.

# Notes to The Financial Statements

## 32. Financial instruments (continued)

### 32.7 Fair value information (continued)

#### *Interest rates used to determine financial instrument*

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2025	2024
Loans and borrowings, amount due from subsidiaries and related companies and finance lease receivable	5.44%	5.44%
Lease liabilities	5.44% - 8.20%	5.44% - 8.20%

## 33. 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.

The debt-to-equity ratios at 31 December 2025 and at 31 December 2024 were as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Total borrowings	19	758,326	794,394
Lease liabilities		80,305	77,404
Less: Cash and cash equivalents	15	(97,289)	(71,962)
Less: Other investments	9	(147,749)	(119,361)
Net debt		593,593	680,475
Total equity		1,434,242	1,368,900
Debt-to-equity ratios		0.41	0.50

The Group has to maintain Group financing equity ratio of not more than 1.5 times on a consolidated basis (see note 19.1(f)).

There was no change in the Group's approach to capital management during the financial year.

# Notes to The Financial Statements

## 34. Capital and other commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Property, plant and equipment</b>				
<i>Authorised but not contracted for:</i>				
Within one year	85,604	88,517	9,992	11,258
<b>Plantation development expenditure</b>				
<i>Authorised but not contracted for:</i>				
Within one year	43,044	32,744	-	-
	<b>128,648</b>	<b>121,261</b>	<b>9,992</b>	<b>11,258</b>

## 35. 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 14 and 21.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>A. Holding corporation</b>				
<b>Expenses</b>				
Rental of land	(2,147)	(3,221)	(2,147)	(3,221)
Rental of office space	(1,076)	(1,015)	-	-
<b>B. Related companies</b>				
<b>Expenses</b>				
Purchase of insurance	(1,553)	(1,500)	(179)	(176)
Purchase of flight tickets	(673)	(857)	(22)	(96)
<b>C. Subsidiaries companies</b>				
<b>Income</b>				
Profit margin income from subsidiaries receivables	-	-	27,938	26,791
<b>Expenses</b>				
Management fees	-	-	(20,252)	(7,680)
Profit margin expense from subsidiaries payables	-	-	(16,029)	(16,388)

# Notes to The Financial Statements

## 35. Related parties (continued)

### Significant related party transactions (continued)

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 14 and 21. (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>D. Key management personnel</b>				
<b><i>Non-executive directors</i></b>				
- Remuneration	(2,199)	(2,280)	(826)	(902)
<b><i>Other key management personnel</i></b>				
- Short-term employee benefits	(1,887)	(1,700)	(1,887)	(1,700)
	<b>(4,086)</b>	<b>(3,980)</b>	<b>(2,713)</b>	<b>(2,602)</b>

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.

# Notes to The Financial Statements

## 36. Contingencies

The cases involved are as follows:

### Litigation Related to Native Customary Rights (Case Reference: KCH-22NCvC-43-11 / 2023 (HC3))

TH PELITA Simunjan Sdn. Bhd. (“Affected Entity”), a subsidiary, is currently involved in legal proceedings alongside LCDA Holdings Sdn. Bhd. and Mohd Najib bin Arbi @ Nigel Anak Abi (collectively, “the Defendants”). The case has been brought by nine (9) individuals representing Native Customary Rights (“NCR”) landowners from Kampung Ruan Surik, Simunjan, Sarawak (collectively, “the Plaintiffs”).

The plaintiffs are asserting NCR over a parcel of land in Semalatong, Simunjan, Sarawak, and are seeking declarations of ownership, an injunction to prevent further development, and monetary damages amounting to:

- i. RM184,200,000 in special damages for alleged trespass and loss of profits.
- ii. RM46,050,000 in aggravated damages.

Subsequently, the Group has counterclaimed RM144,100,000, asserting its lawful possession and management rights under a Joint Venture Agreement. An Injunction Order issued by the High Court on 21 March 2024 restrains the plaintiffs from trespassing or interfering with the Group’s operations. The trial for the case has been fixed on 6 April 2026 to 10 April 2026 and 18 May 2026 to 22 May 2026.

The Directors are of the opinion that the Group has a strong defense based on preliminary rulings favoring the Group and supporting evidence. The possibility of the Group suffering an economic outflow from the abovesaid case is remote.

## 37. Comparative figures

In previous financial years, certain revenue and cost of sales balances were misclassified. The following comparative figures have been restated to conform to the current year’s presentation.

### Statement of profit or loss and other comprehensive income

	31.12.2024	1.1.2024
	As restated RM’000	As previously reported RM’000
<b>Group</b>		
Revenue	901,671	877,732
Cost of goods sold	(662,025)	(638,086)

The above reclassification does not have any impact on the earnings of the Group.

# STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 156 to 247 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the 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 2025 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**

Director



**Dr. Nurmazilah binti Dato' Mahzan**

Director

Kuala Lumpur,

Date: 9 March 2026

# STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Md Zaini bin Md Zakaria**, 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 156 to 247 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 Md Zaini bin Md Zakaria, NRIC: 730616-12-5691, MIA CA 49705, in Kuala Lumpur in the Federal Territory on 9 March 2026.



.....  
**Md Zaini bin Md Zakaria**

Before me:



Commissioner for Oaths

Kedai 5, Aras G,  
Kompleks KDN, WPKL,  
Jalan Sri Hartamas 1,  
50480 KUALA LUMPUR

# INDEPENDENT AUDITORS' REPORT

To The Members of TH Plantations Berhad  
(Registration No. 197201001069 (12696-M))  
(Incorporated in Malaysia)

## 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 2025 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 156 to 247.

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 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting 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"), as applicable to audits of financial statements of public interest entities, 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.

#### (i) Group – Assets classified as held for sale

Refer to Note 2(o) – Material accounting policy information – Non-current assets held for sale or distribution to owners and Note 16 – Assets classified as held for sale.

#### The key audit matter

As at 31 December 2025, the Group has classified certain assets amounting to RM806,428,000 as assets classified as held for sale. The assets have been classified as held for sale for an extended period. Under MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, non-current assets may be classified as held for sale only when their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and when the sale is highly probable within 12 months from the date of classification. Extensions beyond one year are permitted only if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell.

# Independent Auditors' Report

To The Members of TH Plantations Berhad  
(Registration No. 197201001069 (12696-M))  
(Incorporated in Malaysia)

## Key Audit Matters (continued)

### (i) Group – Assets classified as held for sale (continued)

#### The key audit matter (continued)

While the Group engaged an independent registered external valuer and the fair value less costs of disposal exceeded the carrying amount, the significant judgement relates to whether the criteria for continued classification as held for sale remain satisfied, particularly given the prolonged disposal period.

Given the materiality of the balance and the significant judgement involved in assessing whether the sale remains highly probable and whether the conditions for continued classification under MFRS 5 are met at the reporting date, we considered this matter to be a key audit matter.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the Group's assessment of whether the disposal group continues to meet the criteria for classification as held for sale under MFRS 5, particularly the requirement that the sale remains highly probable.
- Assessed the feasibility and progress of the proposed disposal by reviewing Board minutes, correspondence with prospective buyers and documentation evidencing ongoing negotiations.
- Read non-binding offers received from prospective buyers and assessed whether the offers indicate that the disposal is sufficiently advanced to support continued classification.
- Interviewed management and the transaction agent to understand the status of negotiations, expected timeline for completion and reasons for delays in the disposal process.
- Evaluated whether delays in completion were attributable to circumstances beyond the Group's control and whether the Group remains committed to the disposal plan.
- Assessed whether the assets continue to be actively marketed at a price reasonable in relation to their current market value.
- Evaluated the competency, capabilities and objectivity of the registered valuer engaged by management.
- Read the valuation report and discussed with the valuer to understand the methodology adopted and the key assumptions applied.
- Evaluated the reasonableness of key assumptions used in the discounted cash flow model, including commodity prices, projected production quantities, upkeep and maintenance costs, cash flow period and discount rate.
- Checked the accuracy and relevance of key input data provided by the Group to the valuer.
- Assessed the sensitivity of the valuation to changes in key assumptions.
- Evaluated whether the Group's disclosures appropriately describe the significant judgements applied in determining continued classification as held for sale and the valuation methodology used, in accordance with MFRS 5.

# Independent Auditors' Report

To The Members of TH Plantations Berhad  
(Registration No. 197201001069 (12696-M))  
(Incorporated in Malaysia)

## Key Audit Matters (continued)

### (ii) Group – Impairment of plantation assets

Refer to Note 1 (d)(i) – Basis of preparation: Use of estimates and judgements - Measurement of the recoverable amount of plantation assets comprising bearer plants, plantation development expenditure, right-of-use assets and other assets within the cash-generating units, Note 2(j) – Material accounting policy information: Impairment, Note 3 – Property, plant and equipment, Note 4 – Right-of-use assets, Note 5 – Plantation development expenditure and Note 16 – Assets classified as held for sale.

#### The key audit matter

During the financial year, the Group has performed impairment assessment on plantation assets of the disposal group (refer to Note 16 – Assets classified as held for sale) and certain cash generating units of plantation assets (refer to Note 3 – Property, plant and equipment, Note 4 – Right-of-use assets and Note 5 – Plantation development expenditure).

The recoverable amounts of these plantation assets were determined based on valuations performed by independent registered external valuers, using fair value less costs to sell.

As disclosed in Note 3.2, the Group recognised impairment losses of RM10,840,000 on certain CGUs of plantation assets during the financial year, based on the recoverable amounts determined.

The impairment assessments involve significant judgement and estimation, particularly in relation to key assumptions applied in the valuation models. These include assumptions such as projected commodity prices, production volumes and yields, operating and upkeep costs, cash flow forecast periods and discount rates. The valuation outcomes are sensitive to changes in these assumptions, and variations could have a material impact on the recoverable amounts of the plantation assets and the impairment losses recognised.

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 registered external valuer 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.

# Independent Auditors' Report

To The Members of TH Plantations Berhad  
(Registration No. 197201001069 (12696-M))  
(Incorporated in Malaysia)

## Key Audit Matters (continued)

### (ii) Group – Impairment of plantation assets (continued)

Refer to Note 1 (d)(i) – Basis of preparation: Use of estimates and judgements - Measurement of the recoverable amount of plantation assets comprising bearer plants, plantation development expenditure, right-of-use assets and other assets within the cash-generating units, Note 2(j) – Material accounting policy information: Impairment, Note 3 – Property, plant and equipment, Note 4 – Right-of-use assets, Note 5 – Plantation development expenditure and Note 16 – Assets classified as held for sale (continued).

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

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;
- 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;
- Obtained and reviewed legal counsel's response to confirm the status, ownership, and recoverability of the encroached land.

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.

# Independent Auditors' Report

To The Members of TH Plantations Berhad  
(Registration No. 197201001069 (12696-M))  
(Incorporated in Malaysia)

## 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 MFRS Accounting 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.

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.

# 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: (continued)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Requirements

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



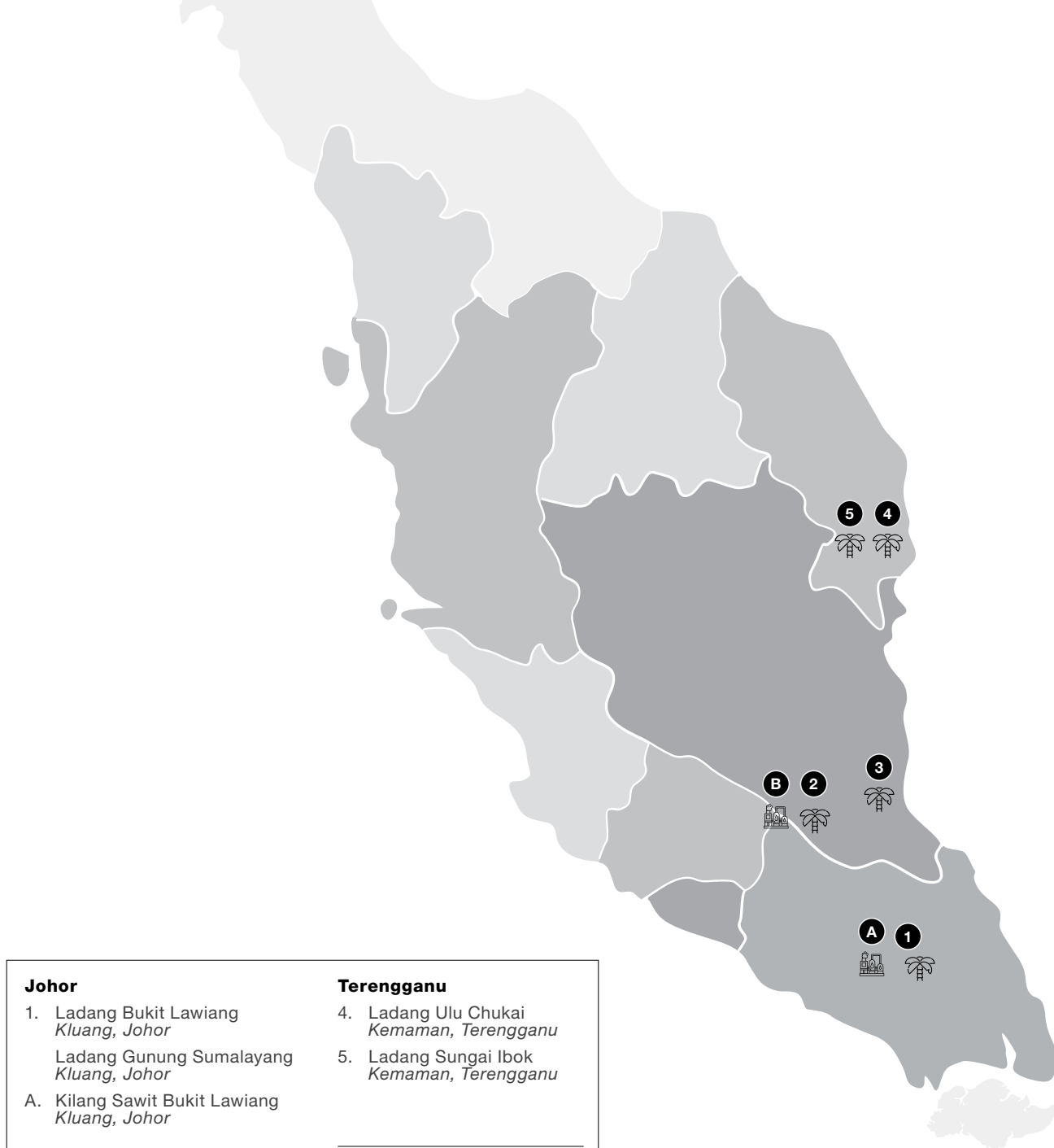
.....  
**Nabeel bin Ghazi**  
Approval Number: 03850/10/2026 J  
Chartered Accountant

Petaling Jaya

Date: 9 March 2026

# PROPERTIES OWNED BY THP GROUP

At 31 December 2025



## Johor

1. Ladang Bukit Lawiang  
*Kluang, Johor*
- Ladang Gunung Sumalayang  
*Kluang, Johor*
- A. Kilang Sawit Bukit Lawiang  
*Kluang, Johor*

## Pahang

2. Ladang Kota Bahagia  
*Keratong, Pahang*
- Ladang Sungai Mengah  
*Keratong, Pahang*
- Ladang Sungai Buan  
*Keratong, Pahang*
- B. Kilang Sawit Kota Bahagia  
*Keratong, Pahang*
3. Ladang Sungai Merchong  
*Muadzam Shah, Pahang*

## Terengganu

4. Ladang Ulu Chukai  
*Kemaman, Terengganu*
5. Ladang Sungai Ibok  
*Kemaman, Terengganu*

## Indicators:



Oil Palm



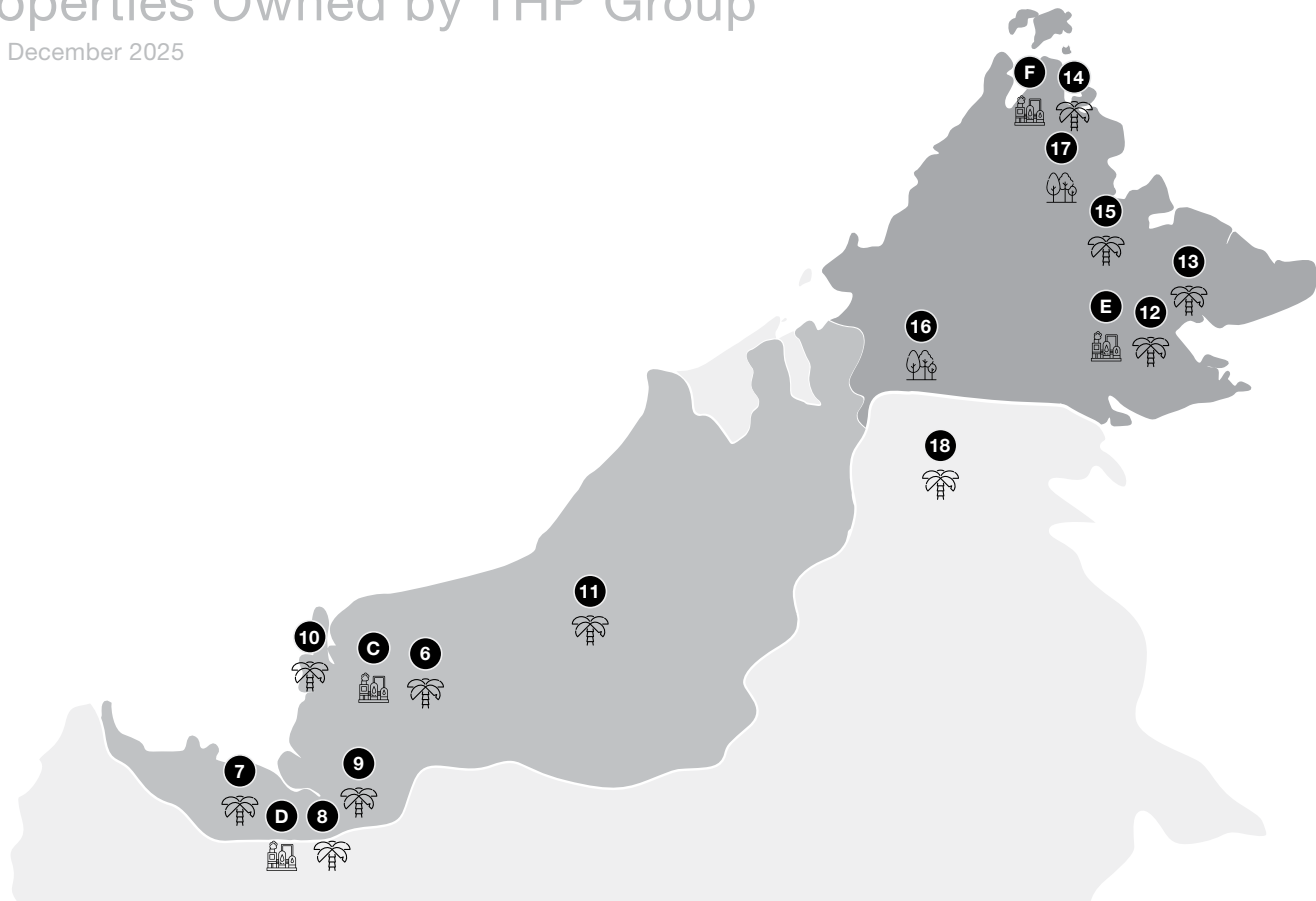
Forestry



Palm Oil Mill

# Properties Owned by THP Group

At 31 December 2025



## Sarawak

- 6. Ladang Kenyalang Pusa, Sarawak  
Ladang Raja Udang Pusa, Sarawak  
Ladang Enggang Pusa, Sarawak  
Ladang Merbok Pusa, Sarawak  
Ladang NCR Saribas Pusa, Sarawak
- C. Kilang Sawit Ladang Raja Udang Pusa, Sarawak
- 7. Ladang Sungai Kerian Serian, Sarawak
- 8. Ladang Gedong Serian, Sarawak  
Ladang Sematan Serian, Sarawak  
Ladang Sadong Serian, Sarawak  
Ladang Lupar Serian, Sarawak
- D. Kilang Sawit Gedong Serian, Sarawak
- 9. Ladang Kepayang Simunjan, Sarawak  
Ladang Semalatong Simunjan, Sarawak

- 10. Ladang NCR Beladin, Sarawak  
Ladang Tanjung Lilin Meludam, Sarawak  
Ladang Semarang Meludam, Sarawak
- 11. Ladang Sungai Arip Bintulu, Sarawak  
Ladang Sungai Karangan Bintulu, Sarawak

## Sabah




- 12. Ladang Sungai Tenegang Lahad Datu, Sabah  
Ladang Sungai Koyah Lahad Datu, Sabah
- E. Kilang Sawit Sungai Tenegang Lahad Datu, Sabah
- 13. Ladang Bukit Gold Lahad Datu, Sabah
- 14. Ladang Mamahat Kota Marudu, Sabah
- F. Kilang Sawit Ladang Mamahat Kota Marudu, Sabah
- 15. Ladang Bukit Belian Sandakan, Sabah
- 16. Ladang Jati Keningau Keningau, Sabah

- 17. Ladang Klagan 1 Sandakan, Sabah  
Ladang Klagan 2 Sandakan, Sabah  
Ladang Klagan 3 Sandakan, Sabah  
Ladang Klagan 4 Sandakan, Sabah  
Ladang Klagan 5 Sandakan, Sabah  
Ladang Jatimas Sandakan, Sabah

## Indonesia

- 18. PT Persada Kencana Prima Kalimantan, Indonesia

## Indicators:

-  Oil Palm
-  Forestry
-  Palm Oil Mill

# Properties Owned by THP Group

At 31 December 2025

Location	Approximate Age of Building	Tenure	Year of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
<b>PENINSULAR MALAYSIA</b>						
<b>TH Plantations Berhad</b>						
Ladang Ulu Chukai Kemaman, Terengganu	-	Leasehold	2051	902	Oil Palm Estate	16,207
Ladang Bukit Lawiang Ladang Gunung Sumalayang Kluang, Johor	-	Leasehold	2091	4,058	Oil Palm Estate	80,153
Kilang Sawit Bukit Lawiang Kluang, Johor	36	Leasehold	2091	10 <sup>^</sup>	Palm Oil Mill	10,436
<b>THP Kota Bahagia Sdn. Bhd.<sup>1</sup></b>						
Ladang Kota Bahagia Keratong, Pahang	-	Leasehold	2071 and 2073	1,858	Oil Palm Estate	29,056
Kilang Sawit Kota Bahagia Keratong, Pahang	49	Leasehold	2071	9.804 <sup>^</sup>	Palm Oil Mill	8,552
Ladang Sungai Mengah Keratong, Pahang	-	Leasehold	2073, 2090 and 2093	2,196	Oil Palm Estate	31,705
Ladang Sungai Buan Keratong, Pahang	-	Leasehold	2093 and 2108	1,795	Oil Palm Estate	33,818
Ladang Sungai Merchong Muadzam Shah, Pahang	-	Leasehold	2085	1,720	Oil Palm Estate	30,292
<b>THP Ibok Sdn. Bhd.<sup>2</sup></b>						
Ladang Sungai Ibok Kemaman, Terengganu	-	Leasehold	2042 and 2052	924	Oil Palm Estate	15,490
<b>SABAH</b>						
<b>THP Sabaco Sdn. Bhd.</b>						
Ladang Sungai Tenegang Ladang Sungai Koyah Lahad Datu, Sabah	-	Leasehold	2083	3,886	Oil Palm Estate	146,084
Kilang Sawit Sungai Tenegang Lahad Datu, Sabah	33	Leasehold	2083	50 <sup>^</sup>	Palm Oil Mill	13,236
Ladang Bukit Gold Lahad Datu, Sabah	-	Leasehold	2076	2,020	Oil Palm Estate	93,025
Ladang Mamahat Kota Marudu, Sabah	-	Leasehold	2096, 2098 and 2099	2,936	Oil Palm Estate	89,952
Kilang Sawit Ladang Mamahat Kota Marudu, Sabah	16	Leasehold	2096	25 <sup>^</sup>	Palm Oil Mill	8,398
<b>THP Bukit Belian Sdn. Bhd.</b>						
Ladang Bukit Belian Sandakan, Sabah	-	Leasehold	2887	1,088	Oil Palm Estate	48,383

## Properties Owned by THP Group

At 31 December 2025

Location	Approximate Age of Building	Tenure	Year of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
<b>SABAH</b>						
<b>TH-Bonggaya Sdn. Bhd.</b>						
Ladang Klagan 1						
Ladang Klagan 2						
Ladang Klagan 3	-	Licensed for 100 years	2098	10,117	Forestry	127,320
Ladang Klagan 4						
Ladang Klagan 5						
Sandakan, Sabah						
<b>TH-USIA Jatimas Sdn. Bhd.</b>						
Ladang Jatimas	-	Licensed for 100 years	2098	4,046	Forestry	49,232
Sandakan, Sabah						
<b>Ladang Jati Keningau Sdn. Bhd.</b>						
Ladang Jati Keningau	-	Leasehold	2078	1,550	Teak Estate	26,078
Sandakan, Sabah						
<b>SARAWAK</b>						
<b>THP Saribas Sdn. Bhd.</b>						
Ladang Kenyalang						
Ladang Raja Udang						
Ladang Enggang	-	Leasehold	2060	9,956 <sup>≈</sup>	Oil Palm Estate	265,648
Ladang Merbok						
Ladang NCR Saribas						
Pusa, Sarawak						
Kilang Sawit Ladang Raja Udang Pusa, Sarawak	12	Leasehold	2060	9 <sup>^</sup>	Palm Oil Mill	34,334
<b>Hydroflow Sdn. Bhd.</b>						
Ladang Sungai Kerian Samarahan, Sarawak	-	Leasehold	2064 and 2067	5,553	Oil Palm Estate	113,317
<b>TH PELITA Gedong Sdn. Bhd.</b>						
Ladang Gedong			2058	7,967	Oil Palm Estate	234,982
Ladang Sematan Serian, Sarawak	-	Leasehold				
Kilang Sawit Gedong Serian, Sarawak	20	N/a <sup>^</sup>	N/a	217 <sup>*</sup>	Palm Oil Mill	33,785
<b>TH PELITA Sadong Sdn. Bhd.</b>						
Ladang Sadong			2060	4,543	Oil Palm Estate	165,200
Ladang Lupar Serian, Sarawak	-	Leasehold				

# Properties Owned by THP Group

At 31 December 2025

PLANTATIONS						
Location	Approximate Age of Building	Tenure	Year of Expiry	Titles Area Hectares	Description	Net Book Value RM'000
<b>SARAWAK</b>						
<b>TH PELITA Simunjan Sdn. Bhd.</b>						
Ladang Kepayang Ladang Semalatong Samarahan, Sarawak	-	Not available as the estate - is located on NCR land. Perimeter survey had been completed. LCDA is finalizing the participant list before Principle Deed and Trust Deed finalized.		9,630 <sup>3</sup>	Oil Palm Estate	127,541
		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				
<b>TH PELITA Beladin Sdn. Bhd.</b>						
Ladang NCR Beladin, Sarawak	-	Not available as the estate - is located on NCR land. Principle Deed and Trust Deed had been finalized on 28 October 2020. However LCDA reviewed the Principle Deed and Trust Deed for amended.		1,577 <sup>4</sup>	Oil Palm Estate	30,979
		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				
<b>TH PELITA Meludam Sdn. Bhd.</b>						
Ladang Tanjung Lilin Ladang Semarang Meludam, Sarawak	-	Leasehold	2066	6,009	Oil Palm Estate	161,870
<b>Bumi Suria Ventures Sdn. Bhd.</b>						
Ladang Sungai Arip Ladang Sungai Karangan Sibu-Bintulu, Sarawak	-	Leasehold	2065 and 2066	6,514	Oil Palm Estate	129,423
<b>PT Persada Kencana Prima</b>						
Ladang Menjelutung	-	Leasehold	2052	6,929	Oil Palm Estate	51,443

## Properties Owned by THP Group

At 31 December 2025

<b>HOSPITALITY</b>					
<b>Location</b>	<b>Approximate Age of Building</b>	<b>Tenure</b>	<b>Area Sq feet</b>	<b>Description</b>	<b>Net Book Value RM'000</b>
<b>PENINSULAR MALAYSIA</b>					
Tanjung Tuan Resort, Port Dickson, Negeri Sembilan	35	-	1,222	1 Unit 3 Rooms Apartment	7
Awana Kijal Resort, Kijal, Terengganu	22	-	816	1 Unit 3 Rooms Apartment	25

**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 RM3.68 million
- N/a Not applicable

# CORPORATE DIRECTORY OWNED BY THP GROUP

Company	Office / Estates	Designation	Mailing Address	Location Address
<b>Chief Operating Officer</b>	<b>Chief Operating Officer</b> Tel No.: 03-26034777	Alikamal Abu Hasan Chief Operating Officer	Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur	Level 23 Menara TH Selborn 153 Jalan Tun Razak 50400 Kuala Lumpur
	<b>Peninsular Region</b> <b>Plantation Controller (Peninsular Office)</b> HP No.: 019-7738079 Email : rizuan@thplantations.com pcsem@thplantations. onmicrosoft.com	Mohd Rizuan b Razman Plantation Controller Peninsular Region	Karung Berkunci 522 86009 Kluang, Johor	Lot PTD 4747, 4748, 4749, 4750, 4751, 4752 KM20, Jalan Kluang - Kota Tinggi 86000 Kluang Johor
<b>TH Plantations Berhad</b>	<b>Ladang Bukit Lawiang</b> Tel No.: 07-7863063 / 7891658 Email : llawiang@thplantations.com	Mohd Johari b Md Daud (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	Azma Syhihan b Ariffin (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 b Masrom (Manager)	Peti Surat 2 24107 Kijal, Kemaman Terengganu	Jalan Jerangau - Jabor (Penghantar 2) 24000 Kemaman Terengganu
	<b>Kilang Sawit Bukit Lawiang</b> Tel No.: 07-7892909 Email : klawiang@thplantations.com	Muhamad Murshid b Mukhtar (Manager)	Peti Surat 114 86007 Kluang Johor	KM 20, Jalan Kluang - Kota Tinggi 86007 Kluang Johor
	<b>THP Kota Bahagia Sdn Bhd</b>	<b>Ladang Kota Bahagia</b> Tel No.: 09-4524826 Email : lkbahagia@thplantations.com	Mohd Hazree Bin Haron (Acting Manager)	Peti Surat 19 26700 Muadzam Shah Pahang
	<b>Ladang Sungai Mengah</b> Tel No.: 09-4524979 Email : lsgmengah@thplantations.com	Mohd Farizal Hazley b Mat Yaacob (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 b 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 b Shahrudin (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	Izuan Nizam b Abdul Rahman (Manager)	Peti Surat 20 26700 Muadzam Shah Pahang	Lot PT 289 Bandar 14 Kota Bahagia Muadzam Shah 26700 Rompin Pahang

# Corporate Directory

## Owned by THP Group

Company	Office / Estates	Designation	Mailing Address	Location Address
<b>THP Ibok Sdn Bhd</b>	<b>Ladang Sungai Ibok</b> Tel No.: 09-8676543 Email : libok@thplantations.com	Hj. Mahya b Masrom (Manager)	Peti Surat 2 24107 Kijal, Kemaman Terengganu	Jalan Jerangau - Jabor (Penghantar 2) 24000 Seri Bandi Kemaman Terengganu
<b>Sabah Region</b>	<b>Plantation Controller (Sabah Region Office)</b> HP No.: 019-775 3310 Email : asyaari@thplantations.com	Abdullah Asya'ari b Junoh Plantation Controller Sabah Region	Block 1, 1 <sup>st</sup> Floor Lot 7, Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan Sabah	Block 1, 1 <sup>st</sup> Floor Lot 7, Utama Zone 3 Commercial Mile 6, North Road 90000 Sandakan Sabah
<b>THP Sabaco Sdn Bhd</b>	<b>Ladang Sungai Tenegang</b> Tel No.: 089-959124 Email : lstenegang@thplantations.com	Juna b Palatuwi (Senior Manager)	Beg Berkunci No.12 91109 Lahad Datu Sabah	KM 41 Jalan Lahad Datu - Sandakan Mukim Tenegang / Koyah 91109 Lahad Datu Sabah
	<b>Ladang Sungai Koyah</b> Tel No : 089-959814 Email : lsgkoyah@thplantations.com	Mohd Rushdi b Munar (Manager)	Beg Berkunci No 6 91109 Lahad Datu Sabah	KM 41 Jalan Lahad Datu - Sandakan 91109 Lahad Datu Sabah
	<b>Ladang Bukit Gold</b> Tel No.: 089-959818 Email : lbgold@thplantations.com	Abdul Kahar b Sariman (Senior Manager)	Peti Surat 60389 91113 Lahad Datu Sabah	KM 20 Jalan Jeroco Off KM20, Jalan Lahad Datu-Sandakan 91113 Lahad Datu Sabah
	<b>Ladang Mamahat</b> Tel No.: 089-278013 Email : lmamahat@thplantations.com	Ahmad Mazwan b Jamaludin (Acting Senior Manager)	PPM 184 Jalan Elopura 90000 Sandakan Sabah	KM 158 Jalan Telupid Paitan Beluran Sabah
	<b>Kilang Sawit Sungai Tenegang</b> Tel No.: 089-959812 Email : kstenegang@thplantations.com	Aizuddin b Abdul Hamid (Manager)	Peti Surat 60626 91115 Lahad Datu Sabah	KM 41 Jalan Lahad Datu - Sandakan 91115 Lahad Datu Sabah
	<b>Kilang Sawit Ladang Mamahat</b> Tel No.: 089-278023 Email : kmamahat@thplantations.com	Ir. Ts. Mohamad Haziq B. Azeman (Manager)	Beg Berkunci No.29 89109 Kota Marudu Sabah	KM158 Jalan Telupid - Paitan Labuk/ Sugut 90000 Beluran Sabah
	<b>THP Bukit Belian Sdn Bhd</b>	<b>Ladang Bukit Belian</b> Tel No.: 089-278030 Email : lbelian@thplantations.com	Harisfadzillah b Lamat (Manager)	WDT 167 Kota Kinabatangan 90200 Sandakan Sabah

## Corporate Directory Owned by THP Group

Company	Office / Estates	Designation	Mailing Address	Location Address
<b>TH- Bonggaya Sdn Bhd</b>	<b>Ladang Klagan 1</b> Tel No.: 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Bin Zainol (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
	<b>Ladang Klagan 2</b> Tel No.: 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Bin Zainol (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
	<b>Ladang Klagan 3</b> Tel No.: 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Bin Zainol (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
	<b>Ladang Klagan 4</b> Tel No.: 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Bin Zainol (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
	<b>Ladang Klagan 5</b> Tel No.: 089-278018 Email : lklagan@thplantations.com	Mohd Zaki Bin Zainol (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
<b>TH-Usia Jatimas Sdn Bhd</b>	<b>Ladang Jatimas</b> Tel No.: 089-278036 Email : ljatimas@thplantations.com	Mohd Zaki Bin Zainol (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
<b>Ladang Jati Keningau Sdn Bhd</b>	<b>Ladang Jati Keningau</b> Tel No.: 089-278036 Email : keningau@thplantations.com	Mohd Zaki Bin Zainol (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

Company	Office / Estates	Designation	Mailing Address	Location Address
<b>Sarawak Region 1</b>	<b>Plantation Controller (Sarawak Region 1 Office)</b> Tel No.: 010-4251101 HP No.: 013-8385848 Email : alias.bakir@thplantations.com pcw1@thplantations.com	Alias b Bakir Acting Plantation Controller (Sarawak Region 1)	1 <sup>st</sup> , SL 25 Jalan Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok Sarawak	1 <sup>st</sup> , SL 25 Jalan Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok Sarawak
<b>THP Saribas Sdn Bhd</b>	<b>Ladang Kenyalang</b> Tel No.: 083-474917 Email : lkenyalang@thplantations.com	Suardi b Abdurrachman (Acting Senior Manager)	KM 20 Jalan Pusa - Sessang 94950 Pusa Sarawak	KM 20 Jalan Pusa - Sessang 94950 Pusa Sarawak
	<b>Ladang Raja Udang</b> Tel No : 013-8627147 Email : lrudang@thplantations.com	Syamsul Izwan b Asri (Manager)	KM 11 Jalan Pusa - Sessang 94950 Pusa Sarawak	KM 11 Jalan Pusa - Sessang 94950 Pusa Sarawak
	<b>Ladang Enggang</b> Tel No.: 083-474910 Email : lenggang@thplantations.com	Muhammad Ishaq b Ismail (Acting Manager)	KM 6 Jalan Pusa - Sessang, 94950 Pusa Sarawak	KM 6 Jalan Pusa - Sessang, 94950 Pusa Sarawak
	<b>Ladang Merbok</b> Tel No.: 083-485901 / 013-8033213 Email : lmerbok@thplantations.com	Sazali b Zainol (Manager)	KM 7 Jalan Besar Pusa 94950 Pusa Sarawak	Lot 446, Blok 18 Awik Krian Land District Betong Sarawak
	<b>Ladang NCR Saribas</b> Tel No.: 083-474917 Email : lkenyalang@thplantations.com	Suardi b Abdurrachman (Acting Senior Manager)	KM 20 Jalan Pusa - Sessang 94950 Pusa Sarawak	KM 20 Jalan Pusa - Sessang 94950 Pusa Sarawak
	<b>Kilang Sawit Ladang Raja Udang</b> Tel No.: 083-485930 / 016-7631802 Email : kru@thplantations.com	Abdul Naziz Ashady b Abd Rahman (Manager)	Blok 3, Lot No. 44 & 45 Sablör Land District 94950 Pusa Sarawak	Blok 3, Lot No. 44 & 45 Sablör Land District 94950 Pusa Sarawak
<b>TH PELITA Meludam Sdn Bhd</b>	<b>Ladang Tanjung Lilin</b> Tel No.: 083-474914 Email : tglilin@thplantations.com	Md Faizal Bin Yusuf (Manager)	KM 4 Jalan Pusa - Beladin 94950 Pusa Sarawak	KM 4 Jalan Pusa - Beladin 94950 Pusa Sarawak
	<b>Ladang Semarang</b> Tel No.: 019-8546030 Email : semarang@thplantations.com	Muhammad 'Alimi b Su'od (Acting Manager)	KM 18 Jalan Pusa - Meludam 94950 Pusa Sarawak	KM 18 Jalan Pusa - Meludam 94950 Pusa Sarawak
<b>TH PELITA Beladin Sdn Bhd</b>	<b>Ladang NCR</b> Tel No.: 083-474914 Email : tglilin@thplantations.com	Md Faizal Bin Yusuf (Manager)	KM 4 Jalan Pusa - Beladin 94950 Pusa Sarawak	KM 4 Jalan Pusa - Beladin 94950 Pusa Sarawak

## Corporate Directory Owned by THP Group

Company	Office / Estates	Designation	Mailing Address	Location Address
<b>Bumi Suria Ventures Sdn Bhd</b>	<b>Ladang Sungai Karangan</b> Tel No. : 084-375831 Email : lskarangan@thplantations.com	Mohadzari b Johari (Manager)	KM 91 Jalan Bintulu - Sibul P.O. Box 3325 97000 Bintulu Sarawak	Lot 5, Block 16 Sangan Land District & Lot 2, Block 8 Anap Land District 97200 Bintulu Sarawak
	<b>Ladang Sungai Arip</b> Tel No. : 084-375830 Email : lsarip@thplantations.com	Mohamad Safri b Alwi Umar (Manager)	KM 91 Jalan Bintulu - Sibul P.O. Box 3325 97000 Bintulu Sarawak	Lot 1, Block 19 & 20 Lot 2, Block 20 Arip Land District 97000 Bintulu Sarawak
<b>Sarawak Region 2</b>	<b>Plantation Controller (Sarawak Region 2 Office)</b> Tel No. : 010-4251101 HP No. : 013-8377682 Email : saifulhadi@thplantations.com opswak@thplantations.com	Abang Ahmad Saifulhadi b Abang Iskandar Plantation Controller (Sarawak Region 2)	1 <sup>st</sup> , SL 25 Jalan Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok Sarawak	1 <sup>st</sup> , SL 25 Jalan Feeder Taman Muhibah SL 25, Lt 522 Saratok Town District 95400 Saratok Sarawak
<b>TH PELITA Gedong Sdn Bhd</b>	<b>Ladang Gedong</b> Tel No. : 019-8185513 Email : lgedong@thplantations.com	Baharin b. Salleh (Acting Senior Manager)	P.O Box 32 94700 Serian Sarawak	KM 8, Jalan Gedong 94700 Serian Sarawak
	<b>Ladang Sematan</b> Tel No. : 019-8243657 Email : lsematan@thplantations.com	Nazim b Abdul Hamid (Acting Senior Manager)	KM 8 Jalan Gedong Serian P.O Box 32 94700 Serian Sarawak	Lot No. 2, Blok 6 Mukim Melikin Land Lubuk Meringang & Sungai Tampui Batang Kerang 94700 Serian Sarawak
	<b>Kilang Sawit Gedong</b> Tel No. : 082-882908 Email : ksgedong@plantations.com	Mohammad Saidani Dandan Satia (Manager)	KM 8 Jalan Gedong Serian P.O Box 32 94700 Serian Sarawak	Lot 3031 & Lot 3032 Melikin Land District 94700 Serian Sarawak
<b>TH PELITA Sadong Sdn Bhd</b>	<b>Ladang Sadong</b> Tel No. : 082-882919 Email : lsadong@thplantations.com	Mohamad Jamil b Mohid (Acting Manager)	P.O Box 32 94700 Serian Sarawak	KM 8, Jalan Gedong - Serian P.O. Box 32 94700 Serian Sarawak
	<b>Ladang Lupar</b> Tel No. : 019-8898657 Email : llupar@thplantations.com	Mohd Safwan b Abdul Aziz (Acting Manager)	P.O Box 32 94700 Serian Sarawak	KM 8, Jalan Gedong - Serian 94700 Serian Sarawak
<b>TH PELITA Simunjan Sdn Bhd</b>	<b>Ladang Kepadang</b> Tel No. : 019-8624737 Email : kepadang@plantations.com	Mutawally b Jolhan (Manager)	KM 21, Kpg Isu 94800 Simunjan Sarawak	KM 21, Kpg Isu 94800 Simunjan Sarawak
	<b>Ladang Semalatong</b> Tel No. : 082-804905 / 013-8165305 Email : semalatong@thplantations.com	Mutawally b Jolhan (Manager)	KM 25 Kampung Semalatong 94800 Simunjan Sarawak	KM 25 Kampung Semalatong 94800 Simunjan Sarawak
<b>Hydroflow Sdn Bhd</b>	<b>Ladang Sungai Kerian</b> Tel No. : 013-8373431 (office) Email : kerian@thplantations.com	Singgat Anak Birai (Manager)	Lot 1227 Jalan Kg Hulu Gedong 94700 Serian Sarawak	Lot 1227 Jalan Kg Hulu Gedong 94700 Serian Sarawak
<b>PT Persada Kencana Prima</b>	<b>PT Persada Kencana Prima</b> Tel No. : 013-8886583 Email : girman@thplantations.com	Girman @ Perman b Sirah (Operation Director)	WR Supratman RT 66 No 82, Kel. KR Anyar Kec. Tarakan Barat, Kota Tarakan Kalimantan Utara	Kecamatan, Sesayap Hilir Kecamatan, Tana Tidung Kalimantan Utara

# ANALYSIS OF SHAREHOLDINGS

As at 24 February 2026

## Shareholding Structure

Issued Shares : 883,851,470 Ordinary Shares

Voting Rights : One vote per one ordinary shares held

## Analysis by Size of Shareholdings

Size of Shareholdings	No. of Holders	%	No. of Issued Shares	%
Less than 99	390	3.79	5,023	0.00
100 to 1,000	1,420	13.78	660,689	0.07
1,001 to 10,000	6,170	59.90	27,523,980	3.11
10,001 to 100,000	2,020	19.61	63,538,325	7.19
100,001 to less than 5% of issued shares	300	2.91	139,528,822	15.79
5% and above of issued shares	1	0.01	652,594,631	73.84
<b>Total</b>	<b>10,301</b>	<b>100.00</b>	<b>883,851,470</b>	<b>100.00</b>

## Direct and Indirect Interests in the Company

### 1. Directors

No. Name	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
1. Datuk Dr. Ahmad Kushairi bin Din	Nil	Nil	Nil	Nil
2. Nor Adila binti Ismail	Nil	Nil	Nil	Nil
3. Roslin Azmy bin Hassan	Nil	Nil	Nil	Nil
4. Dr. Nurmazilah binti Dato' Mahzan	Nil	Nil	Nil	Nil
5. Fahda Nur binti Ahmad Kamar	Nil	Nil	Nil	Nil
6. Kasmuri bin Sukardi	Nil	Nil	Nil	Nil

### 2. Key Senior Management

No. Name	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
1. Datuk Ts. Borhan bin Bachi	Nil	Nil	Nil	Nil
2. Alikamal bin Abu Hassan	Nil	Nil	Nil	Nil
3. Md Zaini bin Md Zakaria	Nil	Nil	Nil	Nil

## Substantial Shareholder

No. Substantial Shareholder	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
1. Lembaga Tabung Haji	652,594,631	73.84	Nil	Nil

# Analysis of Shareholdings

As at 24 February 2026

## Top Thirty Shareholders

No. Shareholders	No. of Shares Held	%
1. Lembaga Tabung Haji	652,594,631	73.84
2. Chong Yiew On	21,574,600	2.44
3. Pertubuhan Peladang Negeri Terengganu	5,870,294	0.66
4. Wong Yu @ Wong Wing Yu	5,059,500	0.57
5. Neoh Choo Ee & Company, Sdn. Bhd.	4,600,000	0.52
6. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (8092812)	4,100,000	0.46
7. Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yayasan Pok dan Kassim	3,780,000	0.43
8. Md.Shah bin Abu Hasan	2,936,000	0.33
9. IFAST Nominees (Tempatan) Sdn. Bhd. Exempt an for Webull Securities Sdn. Bhd.	2,773,300	0.31
10. CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Tekad Maju Sdn. Bhd. (PB)	2,747,000	0.31
11. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for VM Team Engineering Sdn. Bhd.	2,711,100	0.31
12. Amin Baitulmal Johor	2,400,000	0.27
13. Majlis Agama Islam Wilayah Persekutuan	2,400,000	0.27
14. Kenanga Nominees (Tempatan) Sdn. Bhd. Chin Kiam Hsung	1,488,300	0.17
15. Chua Soh Peng	1,416,000	0.16
16. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Poh Kwee	1,405,400	0.16
17. Dynaquest Sdn. Bhd.	1,200,000	0.14
18. AMSEC Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad for Lim Huat Bee (6720-1502)	1,156,900	0.13
19. Tai Yat Choy	1,018,600	0.12

# Analysis of Shareholdings

As at 24 February 2026

## Top Thirty Shareholders (continued)

No. Shareholders	No. of Shares Held	%
20. Shireen Mardziah Hashim	1,000,000	0.11
21. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Hooi Hak	892,700	0.10
22. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Kiam Hsung	861,900	0.10
23. Tan Aik Choon	840,100	0.10
24. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Gee Kim	800,000	0.09
25. Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for Acadian Emerging Markets Small Cap Equity Fund, LLC	783,200	0.09
26. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Kim Tee @ Tee Ching Tee (TEE0063C)	754,000	0.09
27. Goh Poh Chee	734,500	0.08
28. Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lam Min Hao	732,600	0.08
29. Kong Kok Choy	700,000	0.08
30. Lee Eng Eng	700,000	0.08
<b>Total</b>	<b>730,030,625</b>	<b>82.60</b>

# DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are relevant financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

## (a) Group Total Income and Total Assets

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Total Income</b>			
Revenue		961,237	901,671
Other Income		9,506	4,288
Finance Income		5,638	4,693
Others (please specify in the remarks columns)	Fair value change on forestry	20,793	23,399
Others (please specify in the remarks columns)	Fair value changes on biological asset	(1,591)	7,251
<b>Total</b>		<b>995,583</b>	941,302
<b>Total Assets</b>		<b>2,734,526</b>	2,692,844

## (b) Business Activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Shariah Non-Compliant Activities</b>			
Shariah Non-Compliant Activities		N/A	N/A
<b>Total</b>		<b>N/A</b>	N/A

## Disclosure of Financial Data for Shariah Screening

### (c) Component of Financial Position

#### (i) Cash Component

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Islamic Account / Instruments</b>			
Cash at bank (exclude cash in hand)		20,389	44,528
Asset classified as held for sale: Cash and cash equivalents	Exclude cash in hand	148	122
Deposits with licensed bank		76,300	27,250
Cash in hand		27	23
Cash in hand	Asset classified as held for sale	82	77
<b>Total</b>		<b>96,946</b>	<b>72,000</b>
<b>Conventional Account / Instruments</b>			
Cash at bank (exclude cash in hand)		573	161
Asset classified as held for sale: Cash and cash equivalents	Exclude cash in hand	79	190
<b>Total</b>		<b>652</b>	<b>351</b>

#### (ii) Debt Component

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Islamic Financing</b>			
<b>Current</b>			
Bank borrowings	RHB Islamic Bank & HLIB Islamic Bank	54,210	38,750
Sukuk		60,000	–
<b>Non-Current</b>			
Bank borrowings	RHB Islamic Bank & HLIB Islamic Bank	–	54,047
Sukuk		590,000	650,000
<b>Total</b>		<b>704,210</b>	<b>742,797</b>

## Disclosure of Financial Data for Shariah Screening

### (c) Component of Financial Position (continued)

#### (ii) Debt Component (continued)

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Conventional Borrowing</b>			
<b>Current</b>		N/A	N/A
<b>Total</b>		N/A	N/A
<b>Non-Current</b>			
Term loans	Forest Plantation Development Sdn. Bhd.	54,116	51,597
<b>Total</b>		54,116	51,597

# NOTICE OF 52<sup>ND</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Second Annual General Meeting (“52<sup>nd</sup> AGM”) of TH Plantations Berhad (“THP” or “the Company”) will be held at the **Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur** on **Wednesday, 6 May 2026** at **10.00 a.m.** to transact the following businesses:

## As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2025, together with Reports of the Directors and the Auditors thereon.
2. To approve the payment of Directors’ fees and benefits payable of up to RM1.2 million for the period from 7 May 2026 until the next Annual General Meeting of the Company to be held in May 2027. Ordinary Resolution 1
3. To re-elect the following Directors who shall retire by casual vacancy in accordance with Clause 94 of the Constitution of the Company and being eligible, offer themselves for re-election:
  - i. Nor Adila binti Ismail Ordinary Resolution 2
  - ii. Roslin Azmy bin Hassan Ordinary Resolution 3
4. To re-appoint Messrs. KPMG PLT as Auditors of the Company in respect of the financial year ending 31 December 2026 and to authorise the Board of Directors to determine the Auditors’ remuneration. Ordinary Resolution 4

## As Special Business

To consider, and if deemed fit, to pass with or without modification, the following Resolution:

5. **Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPTs”) and Proposed New Shareholders’ Mandate for Additional RRPTs** Ordinary Resolution 5

“**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 3 April 2026 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;

**THAT** a new Shareholders’ Mandate be and is hereby granted for the Company and/or its Subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2 of the Circular to Shareholders dated 3 April 2026 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 52<sup>nd</sup> Annual General Meeting

**THAT** such approval granted shall take effect immediately upon passing of this Resolution and shall continue to be in force until:

- i. 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;
- ii. the expiration of the period within which the next AGM of the Company after the 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
- iii. 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.”

6. 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, speak and vote at the 52<sup>nd</sup> AGM, the Company shall request 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 28 April 2026. Only depositors whose names appear on the ROD as at 28 April 2026 shall be entitled to attend, speak and vote at the 52<sup>nd</sup> AGM or appoint a 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: 3 April 2026

# Notice of 52<sup>nd</sup> Annual General Meeting

## NOTES:

### 1. Physical Meeting

The Company's 52<sup>nd</sup> AGM will be held at the **Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur**, and Members, proxies, and corporate representatives are required to attend the 52<sup>nd</sup> AGM physically in person at the designated venue.

Please follow the procedure as set out in the Administrative Guide for the 52<sup>nd</sup> AGM.

### 2. Members Entitled to Attend

Only Members whose names appear on the ROD as at 28 April 2026 shall be entitled to attend, speak and vote at the 52<sup>nd</sup> AGM or appoint proxy(ies) on his/her behalf.

### 3. Proxy and Entitlement of Participation

- i. A Member of the Company entitled to attend, speak and vote at the 52<sup>nd</sup> AGM may appoint not more than two (2) proxies to attend, speak and vote 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.

Where a Member of the Company is an Exempt Authorised Nominee that 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.

- iii. 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.
- iv. The instrument in appointing a proxy may be made in a hard copy form or by electronic means as specified below and must be received by the Company not less than 24 hours before the time set for holding the 52<sup>nd</sup> AGM or **no later than Tuesday, 5 May 2026 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:

a. Hard Copy

The original signed Proxy Form must be deposited at the Company's Registered Office at **Tingkat 23, Menara TH Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur**.

b. Electronic

The Proxy Form can be electronically lodged/submitted via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.

# Notice of 52<sup>nd</sup> Annual General Meeting

## 4. Item 1 of the Agenda Audited Financial Statements for the year ended 31 December 2025

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**.

## 5. Item 2 of the Agenda Directors' Fees and Benefits Payable

The fees and benefits to the Directors of the Company are paid based on the following Remuneration Structure which has not been changed since the last AGM:

### Director's Fees

Board/Board Committees	Monthly Fees	
	Chairman (RM)	Members (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

<b>Meeting Allowance</b>	Board and Board Committees meetings: RM1,000.00 per meeting
<b>Other benefits</b>	Medical and insurance coverage in Malaysia as well as a monthly car allowance and telephone bill for the Chairman

At the 51<sup>st</sup> AGM of the Company held on 6 May 2025, the shareholders had approved the directors' fees and benefits payable of up to RM1.2 million for the period from 7 May 2025 until the 52<sup>nd</sup> AGM of the Company to be held in May 2026. The expected total amount to be utilised is approximately RM896,000.00 or equivalent to 75% of the approved amount.

At the 52<sup>nd</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 2026 until the next AGM in May 2027. Hence, there is no increase in the directors' fees and benefits payable compared to the mandate obtained at the 51<sup>st</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 reflecting 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 for the 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.

# Notice of 52<sup>nd</sup> Annual General Meeting

## 6. Item 3 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, or if the number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3), 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. Clause 91 of the Constitution of the Company states that directors who have been longest in office since their last election shall be retired.

Dr. Nurmazilah binti Dato' Mahzan is due for retirement by rotation at the 52<sup>nd</sup> AGM of the Company in accordance with Clause 89 of the Constitution of the Company. However, she has expressed her intention not to seek for re-election. Accordingly, Dr. Nurmazilah binti Dato' Mahzan shall retire as an Independent Non-Executive Director of the Company at the conclusion of the 52<sup>nd</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.

Nor Adila binti Ismail and Roslin Azmy bin Hassan are due for retirement by casual vacancy at the 52<sup>nd</sup> AGM of the Company in accordance with Clause 94 of the Constitution of the Company. Being eligible, both of them have offered themselves for re-election at the 52<sup>nd</sup> AGM of the Company.

The Board has endorsed the BNRC's recommendations to re-elect the abovementioned directors as per **Ordinary Resolutions 2 and 3** 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 profile of the Director standing for re-election is set out on pages 99 to 104 of the 2025 Annual Report.

## 7. Item 4 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 quality and effectiveness and also the audit fees, as well as any re-appointment to be recommended to the Board for approval.

Upon due assessment, the BARGC is 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 an external audit within an agreed timeline fixed by the Management.

In respect of the financial year ending 31 December 2026, the Board has endorsed the BARGC's recommendation to seek for the shareholders' approval on the re-appointment of KPMG PLT as per **Ordinary Resolution 4**.

# Notice of 52<sup>nd</sup> Annual General Meeting

## 8. Item 5 of the Agenda

### **Proposed Renewal of Shareholders' Mandate for Existing RRPTs and Proposed New Shareholders' Mandate for Additional RRPTs ("Proposed Shareholders' Mandates")**

The proposed **Ordinary Resolution 5**, if passed, will allow the Company and/or its Subsidiaries to enter into the existing and additional 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.

For further information, the shareholders are advised to refer to the Circular to Shareholders on the Proposed Shareholders' Mandates dated 3 April 2026.

# ADMINISTRATIVE GUIDE

52<sup>nd</sup> Annual General Meeting

Date	: Wednesday, 6 May 2026
Time	: 10.00 a.m.
Venue	: Pacific Ballroom, Level 2 Seri Pacific Hotel Kuala Lumpur Jalan Putra 50350 Kuala Lumpur

## 1. MEMBERS ENTITLED TO ATTEND

Only Members whose names appear on the Record of Depositors (“ROD”) as at 28 April 2026 shall be entitled to attend, speak and vote at the 52<sup>nd</sup> Annual General Meeting (“52<sup>nd</sup> AGM”).

## 2. PROXY AND ENTITLEMENT OF PARTICIPATION

- i. If a Member is unable to attend the 52<sup>nd</sup> AGM in person, the Member may appoint a proxy or proxies, or the Chairman of the Meeting, to attend, speak and vote on his/her behalf by completing and submitting the Proxy Form in accordance with the instructions stated therein.
- ii. A Member of the Company entitled to attend, speak and vote at the 52<sup>nd</sup> AGM may appoint not more than two (2) proxies to attend, speak and vote 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 the Member specifies the proportion of 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 that 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 may be made in a hard copy form or by electronic means as specified below and must be received by the Company not less than 24 hours before the time set for holding the 52<sup>nd</sup>AGM or **no later than Tuesday, 5 May 2026 at 10.00 a.m.** or any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid:
  - a. Hard Copy

The original signed Proxy Form must be deposited at the Company’s Registered Office at **Tingkat 23, Menara TH Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur.**

- b. Electronic

The Proxy Form can be electronically lodged/submitted via the Boardroom Smart Investor Portal at **<https://investor.boardroomlimited.com>**.

# Administrative Guide

52<sup>nd</sup> Annual General Meeting

## 3. REGISTRATION

i. Registration will start at 8.00 a.m. and will remain open until the commencement of e-polling or such time as may be determined by the Chairman of the Meeting.

ii. Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration.

**Only** the original MyKad/ Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/ Identification Card or passport thereafter.

iii. No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.

iv. Upon verification and registration:

(a) attendance will be recorded and an identification wristband will be provided at the registration counter;

(b) a special QR code will be generated for shareholders and proxies to scan and access to the e-polling system;

(c) if you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and

(d) No person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.

v. After registration, please proceed to the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur.

## 4. PARKING

**NO** parking reimbursement will be provided to the shareholders and proxies as the AGM venue at Seri Pacific Hotel Kuala Lumpur is accessible by public transportation (e.g. bus, LRT, MRT, Grab, etc.). Additionally, any cost incurred in relation to the use of public transportation to attend the AGM will not be reimbursed by the Company.

## 5. RECORDING OR PHOTOGRAPHY

**NO** recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

## 6. 2025 ANNUAL REPORT, CIRCULAR TO SHAREHOLDERS AND 2025 CORPORATE GOVERNANCE REPORT

The following documents are available at <https://www.thplantations.my>:

1. 2025 Annual Report
2. Circular to Shareholders on the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") and Proposed New Shareholders' Mandate for Additional RRPTs
3. 2025 Corporate Governance Report
4. Notice of the 52<sup>nd</sup> AGM, Administrative Guide, Proxy Form and Request Form

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**TH PLANTATIONS BERHAD**Registration No. 197201001069 (12696-M)  
(Incorporated in Malaysia)**PROXY FORM**52<sup>ND</sup> ANNUAL GENERAL MEETING

I/We, \_\_\_\_\_ (FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. \_\_\_\_\_ of \_\_\_\_\_  
(RESIDENTIAL ADDRESS) (EMAIL ADDRESS)being member/members of TH PLANTATIONS BERHAD (“the 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. \_\_\_\_\_ of \_\_\_\_\_  
(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 Fifty-Second Annual General Meeting (“52<sup>nd</sup> AGM”) of the Company to be held at the **Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur** on **Wednesday, 6 May 2026** at **10.00 a.m.** or at any adjournment thereof.

My/our proxy is to vote as indicated below:

RESOLUTION NO.	ORDINARY BUSINESS	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 2026 until the next Annual General Meeting of the Company to be held in May 2027.		
Ordinary Resolution 2	To re-elect Nor Adila binti Ismail as a Director of the Company		
Ordinary Resolution 3	To re-elect Roslin Azmy bin Hassan as a Director of the Company		
Ordinary Resolution 4	To re-appoint Messrs. KPMG PLT as Auditors of the Company in respect of the financial year ending 31 December 2026 and to authorise the Board of Directors to determine their remuneration.		
RESOLUTION NO.	SPECIAL BUSINESS	FOR	AGAINST
Ordinary Resolution 5	To approve the Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPTs”) and Proposed New Shareholders’ Mandate for Additional 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:

	NO. OF SHARES	PERCENTAGE
Proxy 1		
Proxy 2		
TOTAL		100%

<b>CDS Account No.</b>	
<b>Number of Shares Held</b>	
<b>Mobile No.</b>	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature/Common Seal of Shareholder

**NOTES:**

- i. Only Members whose names appear on the ROD as at 28 April 2026 shall be entitled to attend, speak and vote at the 52<sup>nd</sup> AGM or appoint proxy(ies) on his/her behalf.
- ii. A Member of the Company entitled to attend, speak and vote at the 52<sup>nd</sup> AGM may appoint not more than two (2) proxies to attend, speak and vote 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 may be made in a hard copy form or by electronic means as specified below and must be received by the Company not less than 24 hours before the time set for holding the 52<sup>nd</sup> AGM or **no later than Tuesday, 5 May 2026 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:

a. Hard Copy

The original signed proxy form must be deposited at the Company's Registered Office at **Tingkat 23, Menara TH Selborn, 153 Jalan Tun Razak, 50400 Kuala Lumpur.**

b. Electronic

The proxy form can be electronically lodged/submitted via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.

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**STAMP**

**The Company Secretary  
TH Plantations Berhad  
Tingkat 23  
Menara TH Selborn  
153 Jalan Tun Razak  
50400 Kuala Lumpur**

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

<https://thplantations.my>