

SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)
Incorporated in Malaysia



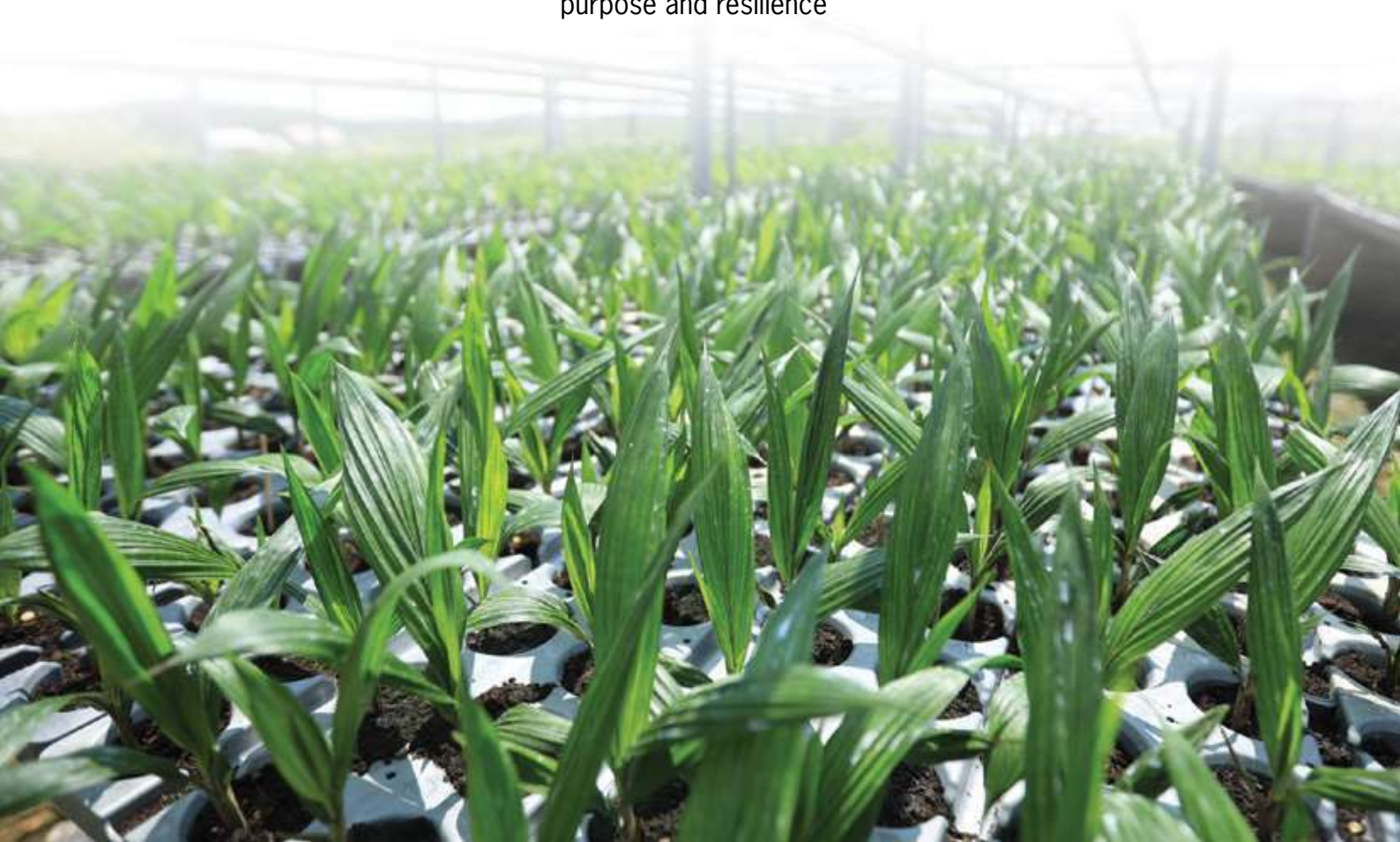
**REWRITING
THE NARRATIVE**

**ANNUAL REPORT
2024**

Cover Rationale



“Rewriting the Narrative” is about owning our future - shifting perspectives, embracing growth and continuously improving to shape our path with purpose and resilience



02	Corporate Profile	41	Sustainability Statement
03	Corporate Information	79	Audit Committee's Report
04	Vision	82	Corporate Governance Overview Statement
05	Mission	90	Statement On Risk Management And Internal Control
06	Corporate Values	93	Statement On Directors' Responsibility For Preparing The Annual Financial Statements
07	5 Years Financial Highlights	94	Financial Statements
08	Corporate Structure	180	Analysis Of Shareholdings
09	Organisational Structure	184	Other Compliance Information
10	Board Of Directors	188	Top 10 Properties
16	Conflict Of Interest	190	Cautionary Statement Regarding Forward Looking Statements
18	Key Senior Management	191	Notice Of Annual General Meeting
20	Message To Our Shareholders	195	Form Of Proxy
24	Management Review & Analysis By The Executive Director		
35	Financial Review By The Chief Financial Officer		

CORPORATE PROFILE



Sarawak Plantation Berhad (“SPB”) was incorporated in Malaysia on 28 October 1997 as a private limited company under the name of Sarawak Plantation Sdn. Bhd. and commenced business in the same year. SPB was converted into a public company on 1 February 2000 and assumed its present name.

The Group is principally engaged in the cultivation and processing of oil palm into crude palm oil and palm kernel. Other businesses include seed production, cattle integration, laboratory services, marketing services and property investment.

SPB is one of the pioneer players in the oil palm industry in Sarawak. Currently the Group has a total land bank of 42,166 hectares (“ha”) and 412 ha under a joint venture development with a government statutory body. The total plantable hectareage is around 36,232 ha.

The Group also owns and operates 2 palm oil mills with a total operating capacity of 140 metric tonne per hour (“mt/hour”), located at Niah and Mukah, respectively.

Details of the Group’s business and operations are contained in the Management Review & Analysis by the Executive Director section of this Annual Report.

BOARD OF DIRECTORS

Executive Chairman

Datuk Amar Abdul Hamed bin Sepawi

Executive Director

Dato Wong Kuo Hea

Non-Independent Non-Executive Director

Datu Hasmawati binti Sapawi

Independent Non-Executive Directors

Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)

Dato Chia Chu Fatt

Datu Haji Abdul Razak bin Mohd. Tready

Company Secretary

Datin Trina Tan Yang Li (0666-KT032)
SSM Practicing Certificate No. 202008004432

Registered Office

8th Floor, Wisma NAIM, 2½ Mile, Rock Road,
93200 Kuching, Sarawak, Malaysia.
Tel: 6 082-233550 Fax: 6 082-233670
Email: spb@spbgroup.com.my

Business Office

Wisma SPB, Lot 1174, Block 9,
MCLD Miri Waterfront, Jalan Permaisuri,
98000 Miri, Sarawak, Malaysia.
Tel: 6 085-413814 Fax: 6 085-416192
Email: spb@spbgroup.com.my

Company Website

www.spbgroup.com.my

Share Registrar

TRICOR INVESTOR & ISSUING HOUSE
SERVICES SDN. BHD.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South No.8,
Jalan Kerinchi, 59200 Kuala Lumpur.
Tel: 6 03-27839299 Fax: 6 03-27839222
Email: is.enquiry@my.tricorglobal.com

Auditors

KPMG PLT (LLP0010081-LCA & AF0758)
Level 2, Lee Onn Building,
Jalan Lapangan Terbang,
93250 Kuching, Sarawak, Malaysia.
Tel: 6 082-268305

Principal Bankers

AMBANK (M) BERHAD
No. 162, 164, 166 & 168,
1st Floor, Jalan Abell, 93100 Kuching
P.O. Box 3240, 93762 Kuching,
Sarawak, Malaysia.
Tel: 6 082-244791

CIMB BANK BERHAD
1st Floor, Lot 2691-2, Block 10 KLCD, 3rd Mile,
Rock Road, 93200 Kuching, Sarawak, Malaysia.
Tel: 6 082-419072

Stock Exchange Listing

MAIN MARKET OF BURSA MALAYSIA
SECURITIES BERHAD
on 28 August 2007
Sector: Plantation
Stock Code: 5135
Stock Name: SWKPLNT

VISION

**TO BE A FULLY
INTEGRATED HIGH
PERFORMING
ENTERPRISE
WITH DIVERSIFIED
BUSINESSES**

MISSION

**WE MAXIMISE
STAKEHOLDERS'
VALUES THROUGH
SUSTAINABLE
DEVELOPMENT BY
ACTIVELY ENGAGING
THE BEST BUSINESS
PRACTICES**

CORPORATE VALUES

INTEGRITY...

**TRUSTWORTHY AND
ACCOUNTABLE**

WE STAND BY HIGH MORAL VALUES AND PRINCIPLES, EMPHASISING TRANSPARENCY IN ALL OUR CONDUCT, BEING FAITHFUL AND HONEST, AND BEING ACCOUNTABLE AND TAKING FULL RESPONSIBILITY FOR OUR BUSINESS DECISIONS AND RESULTS.

PROFESSIONALISM...

**ETHICAL APPLICATION
OF KNOWLEDGE**

WE STRESS ON ETHICAL CONDUCT IN THE DISCHARGE OF OUR DUTIES, ENSURING HIGH QUALITY SERVICE BOTH WITHIN AND OUTSIDE THE ORGANISATION.

EXCELLENCE & RESULT ORIENTED...

**ALWAYS BE DRIVEN TO
ACHIEVE RESULTS
BEYOND STAKEHOLDERS'
EXPECTATIONS**

WE ARE RESULT ORIENTED, SETTING HIGH PERFORMANCE STANDARDS FOR OURSELVES. WE FOCUS ON OUTCOMES AND ACHIEVEMENTS, DELIVERING SUPERIOR PERFORMANCE TO STAKEHOLDERS THROUGH SUSTAINABLE DEVELOPMENT, HENCE BUILDING A SOCIALLY RESPONSIBLE ORGANISATION.

TEAM SPIRIT...

RESPECT AND SHARING

WE RESPECT EACH OTHER AND RECOGNISE CONTRIBUTIONS BY EACH INDIVIDUAL. WE ENCOURAGE EFFECTIVE WORKING RELATIONSHIPS VIA AN ENVIRONMENT WHICH ENCOURAGES MUTUAL SUPPORT AND CARE, CO-OPERATION AND SHARING OF KNOWLEDGE AND EXPERIENCE.

INNOVATIVE...

**GROWING THROUGH
CHANGE AND MOVING
AHEAD OF THE TIMES**

WE ENCOURAGE CREATIVITY IN OUR BUSINESS TO PRODUCE SIGNIFICANT ORGANISATIONAL IMPROVEMENTS, WE WELCOME NEW IDEAS AND BELIEVE IN BEING FORWARD LOOKING IN OUR BUSINESS.

5 YEARS FINANCIAL HIGHLIGHTS

Year	2024	2023	2022	2021	2020
Revenue (RM'000)	551,441	570,677	710,912	790,524	465,750
Profit before tax (RM'000)	124,367	87,443	134,213	168,391	83,055
Profit attributable to owners of the Company (RM'000)	92,034	64,443	96,713	127,826	61,421
Total assets (RM'000)	1,030,189	954,664	950,677	974,683	878,007
Net assets (RM'000)	779,366	748,541	712,002	671,095	585,124
Total equity attributable to owners of the Company (RM'000)	779,366	748,541	712,002	671,095	585,124
Total number of shares ('000)	280,000	280,000	280,000	280,000	280,000
Net assets per share (RM)	2.79	2.68	2.55	2.40	2.09
Basic earnings per share (sen)	32.98	23.10	34.66	45.81	22.01
Dividend per share (sen)	20.00	10.00	15.00	20.00	10.00
Gearing (%)	5	1	2	10	18

CORPORATE STRUCTURE



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)
Incorporated in Malaysia

Investment Holding



ORGANISATIONAL STRUCTURE



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

Incorporated in Malaysia



BOARD OF DIRECTORS



Datuk Amar Abdul Hamed Bin Sepawi

Non Independent Executive Chairman
Board Sustainability Committee, Chairman
Risk Management Committee, Member

Age: 76
Nationality: Malaysian

Datuk Amar Abdul Hamed (male), was appointed as our Director on 30 August 2005 and redesignated as Non Executive Chairman on 11 March 2011. On 1 November 2017, he was redesignated to the position of Executive Chairman.

Educated at Malay College, Kuala Kangsar, he holds a BSc from the University of Malaya, a BSc (Forestry) from the Australian National University, Canberra, and a Master's degree in Forest Products Utilisation from Oregon State University, United States.

He has more than 35 years of experience in forestry and plantation management and the manufacturing of forest products. For the last 28 years, he has been actively involved in various industries such as construction, property development, oil and gas, oil palm plantations and information and communication technology. In particular, in the area of planting of oil palm in Sarawak, he has more than 26 years of experience.

He was the recipient of the Sarawak State Entrepreneur of the Year Award for 2004 and 2005 and was nominated for the Malaysia Entrepreneur of the Year Award 2005.

He was awarded the Panglima Gemilang Bintang Kenyalang in September 1999 and the Datuk Amar Bintang Kenyalang in September 2012. In 2014, he was the winner of the Inaugural 2014 Sarawak State Outstanding Entrepreneurship Award and in 2015, he was adjudged The BrandLaureate "Man of the Year" Brand ICON Leadership Award. In 2022, he was awarded the "Outstanding Global Muslim Entrepreneur Lifetime Achievement Award" and in 2023 the "Malaysia Global Business Icon Leadership Award" and the "Global Muslim Leader of the Year Award 2023". He also received from the State of Sarawak the "Diamond Jubilee Commemorative Independence Medal (Silver)" in 2023.

He is the Executive Chairman of Ta Ann Holdings Berhad, a forestry and plantation company based in Sarawak, and Chairman of Naim Holdings Berhad, a property and construction company, both of which are listed on the Main Market of Bursa Malaysia.

Family Relationship with any Director and/or major shareholder

None

Conflict of Interest

Please refer to page 16

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

BOARD OF DIRECTORS



Dato Wong Kuo Hea

Executive Director
Remuneration Committee, Member
Board Sustainability Committee, Member

Age: 74

Nationality: Malaysian

Dato Wong Kuo Hea (male), was appointed as our Executive Director on 28 March 2018.

Dato Wong has immense experience and exposure in both the timber and oil palm industries.

His persistence and drive for excellence continuously pushes the Company to better performance. At the forefront of management, Dato Wong communicates well and has the learning agility to quickly adapt to the everchanging landscape of the oil palm industry. His leadership skills have also put the Group in good standing in the marketplace.

Dato Wong was conferred the 2021 Sarawak State Entrepreneur of the Year Award in 2022.

He holds the position of Group Managing Director in Ta Ann Holdings Berhad, a company listed on the Main Market of Bursa Malaysia.

Family Relationship with any Director and/or major shareholder

None

Conflict of Interest

Please refer to page 17

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

BOARD OF DIRECTORS



Datu Hasmawati Binti Sapawi

Non Independent Non Executive Director
Nomination Committee, Member

Age: 57

Nationality: Malaysian

Datu Hasmawati Sapawi (female), was appointed as our Director on 25 November 2011.

She holds a Bachelor of Arts (Hons, Economics) Canada, a Master of Business Administration Australia and a Master of Environment Management (Development Planning), Malaysia.

Datu Hasmawati Sapawi was conferred the Pingat Perkhidmatan Cemerlang (Emas) in 2021, the Darjah Jasa Bakti Sarawak in 2023 and the Pingat Peringatan Terpuji Jubli Intan (Gangsa) bersempena 60 Tahun Sarawak Merdeka in 2024.

She is currently the Deputy State Financial Secretary of Sarawak.

She joined the State Financial Secretary's Office in 2006, prior to which she had worked in a state agency and a government-linked company. She also sits on the Board of several state government-linked companies.

Family Relationship with any Director and/or major shareholder

None

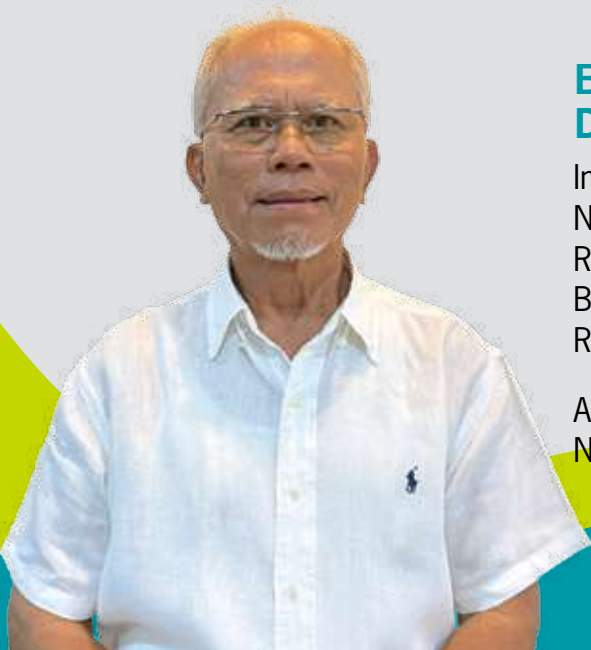
Conflict of Interest

None

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

BOARD OF DIRECTORS



Brigadier General Dato' Muhammad Daniel Bin Abdullah (Retired)

Independent Non Executive Director
Nomination Committee, Chairman
Remuneration Committee, Chairman
Board Audit Committee, Member
Risk Management Committee, Member

Age: 70

Nationality: Malaysian

Brigadier General Dato' Muhammad Daniel (male), was appointed as our Director on 1 March 2019.

Brigadier General Dato' Muhammad Daniel graduated from The Royal Military Academy Sandhurst ("RMAS"), Camberley, United Kingdom and is also a graduate in Defence and Strategic Studies from University of Malaya.

Brigadier General Dato' Muhammad Daniel had a distinguished career in the Malaysian Armed Forces for 39 years, before retiring from active military service on 15 June 2015. He served and held numerous Commands, Staff and Training appointments in the Malaysian Special Service Group, Malaysian Armed Forces and Ministry of Defence. He was also actively involved in a number of Civil Affairs activities, natural disaster relief activities, heart-and-mind and socio-communal activities notably amongst the indigenous tribes nationwide.

Internationally, Brigadier General Dato' Muhammad Daniel was appointed the Liaison Officer of Kuwait while serving as a Military Observer under the United Nations International Monitoring Group in Kuwait and Iraq (UNIKOM 1993-1994).

Family Relationship with any Director and/or major shareholder

None

Conflict of Interest

None

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

BOARD OF DIRECTORS



Dato Chia Chu Fatt

Independent Non Executive Director
Risk Management Committee, Chairman
Board Audit Committee, Chairman
Nomination Committee, Member
Remuneration Committee, Member

Age: 71
Nationality: Malaysian

Dato Chia Chu Fatt (male), was appointed as our Director on 5 April 2021.

An accountant by profession, Dato Chia Chu Fatt is a Fellow of the Chartered Association of Certified Accountants (UK), a member of the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia. He is also the Managing Partner of Andy Chia & Co., a chartered accountants firm which he established in 1987. He has 45 years of working experience in chartered accountants' firms, 4 of which were with a medium-sized firm in London, UK.

He was conferred the honorary Johan Bintang Sarawak ("JBS") and Ahli Bintang Sarawak ("ABS") by T.Y.T Yang diPertua Negeri Sarawak in 2010 and 1994 respectively. In 2022, he was awarded the "Panglima Setia Bintang Sarawak".

He was formerly a councillor of the Miri Municipal Council for 11 years. He served in various capacities as a Board Member of the Sarawak Land Development Board from 2008 to 2017 and was the former Chairman of the Miri Basketball Association. Currently, he serves as Secretary of the Piasau Camp Miri Nature Park Society.

Family Relationship with any Director and/or major shareholder

None

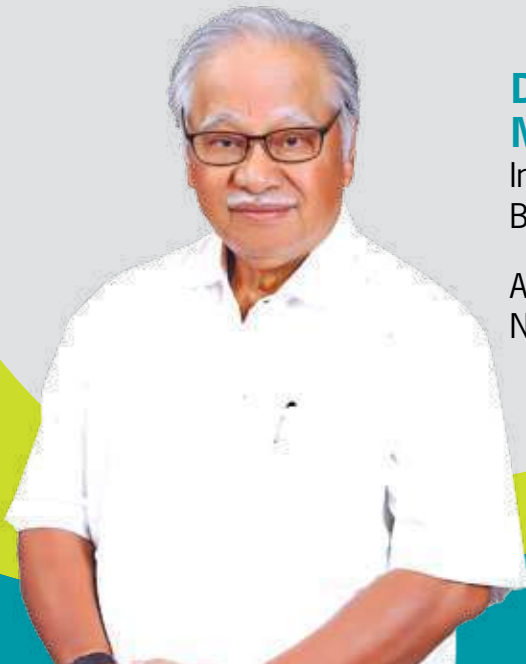
Conflict of Interest

None

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

BOARD OF DIRECTORS



Datu Haji Abdul Razak bin Mohd. Tready

Independent Non Executive Director
Board Audit Committee, Member

Age: 71

Nationality: Malaysian

Datu Razak (male) was appointed our Director on 15 January 2025.

He holds a Bachelor of Laws (Hons) degree from the University of Malaya. He has also attended the Legislative Drafting Course at the Institute of Advanced Legal Studies, University of London and the Executive Programme at the Kennedy School of Government, Harvard University.

He was conferred the Darjah Jasa Bakti Sarawak (D.J.B.S) in 2008.

Datu Razak started his career in 1978 as the Registrar of Titles of the Land and Survey Department (HQ) Sarawak. In 1982, he became the Legal Officer of the Land and Survey Department (HQ) Sarawak. He took up the position of the Senior Legal Officer of the State Legal Department Sarawak in 1984. In 1987 and 1989, Datu Razak was the Acting Deputy State Attorney General, State Legal Department Sarawak. In 1990, he practiced as an Advocate in the firm Messrs. Abdul Rahim, Sarkawi, Razak Tready, Fadillah & Company, Advocates at Kuching Sarawak. He then returned to the State Legal Department Sarawak as the Deputy State Attorney General and was the State Attorney General of Sarawak from 2008 to 2016.

Datu Razak has been a Member of the Board of Trustees of the Lembaga Amanah Kebajikan Darul Falah and the Sarawak State Pardons Board since 2017. He was a Member of the Judicial Appointments Commission Malaysia from 4 September 2022 till 3 September 2024.

Family Relationship with any Director and/or major shareholder

None

Conflict of Interest

None

Conviction of Offences within the past 5 years/ Public Sanction or Penalty

None

CONFLICT OF INTEREST

This is a list of conflict of interest or potential conflict of interest, including interest in a competing business which the Directors named herein have with the Group. The companies listed here are in the same line of business with the Group hence the interest of the Directors may interfere or appear to interfere with the interest of the Group or alternatively the Director has interest that may make it difficult for him to perform his role objectively or effectively.

Save as disclosed below, none of our other Directors have any conflict of interest or potential conflict of interest, including interest in a competing business with the Group.

Company	Principal Activities	Major Products
Datuk Amar Abdul Hamed bin Sepawi		
Ta Ann Holdings Berhad	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ta Ann Plantation Sdn. Bhd.	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ta Ann Plywood Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Mega Bumimas Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Multi Maximum Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Durin Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Igan Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Silas Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Assan Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Pelitama Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Baleh Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Ngemah Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Butrasemari Sdn. Bhd.	Oil palm plantation	Palm oil products
Europalm Sdn. Bhd.	Oil palm plantation	Palm oil products
Zumida Oil Palm Sdn. Bhd.	Oil palm plantation	Palm oil products
Manis Oil Sdn. Bhd.	Operation of palm oil mill	Palm oil products
Igan Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products
Palmhead Holdings Sdn. Bhd.	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ladang Selezu Sdn. Bhd.	Oil palm plantation	Palm oil products
Sebubu Sdn. Bhd.	Oil palm plantation	Palm oil products
Palmhead Sdn. Bhd.	Oil palm plantation	Palm oil products
Medan Sepadu Sdn. Bhd.	Investment holding The company holds 30% equity interest in KUB Sepadu Sdn. Bhd. whose principal activity is the cultivation of oil palm	Palm oil products
Pekan Semangat Sdn. Bhd.	Investment holding (cultivation of oil palm via its subsidiary)	Palm oil products
Agrogreen Ventures Sdn. Bhd.	Cultivation of oil palm	Palm oil products
TBS Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products
PSS Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products

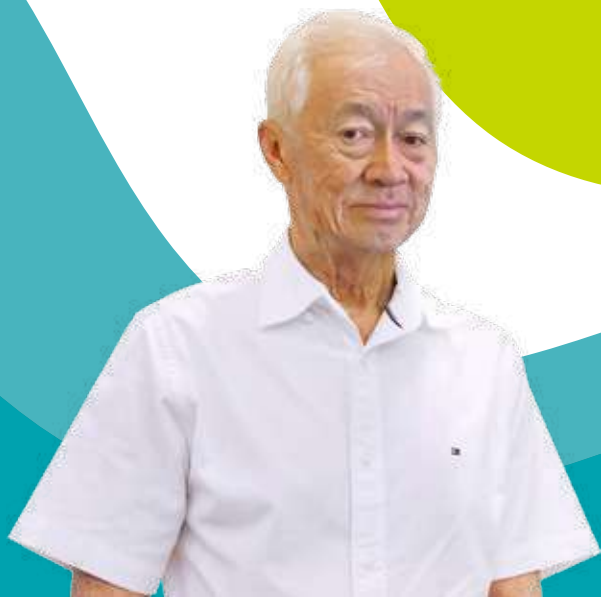
CONFLICT OF INTEREST

Company	Principal Activities	Major Product
Dato Wong Kuo Hea		
Ta Ann Holdings Berhad	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ta Ann Plantation Sdn. Bhd.	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ta Ann Plywood Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Mega Bumimas Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Multi Maximum Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Durin Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Igan Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Silas Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Assan Plantation Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Pelitama Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Baleh Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Ta Ann Pelita Ngemah Sdn. Bhd.	Cultivation of oil palm	Palm oil products
Butrasemari Sdn. Bhd.	Oil palm plantation	Palm oil products
Europalm Sdn. Bhd.	Oil palm plantation	Palm oil products
Zumida Oil Palm Sdn. Bhd.	Oil palm plantation	Palm oil products
Manis Oil Sdn. Bhd.	Operation of palm oil mill	Palm oil products
Igan Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products
Palmhead Holdings Sdn. Bhd.	Investment holding (cultivation of oil palm and milling of palm oil via its subsidiaries)	Palm oil products
Ladang Selezu Sdn. Bhd.	Oil palm plantation	Palm oil products
Sebubu Sdn. Bhd.	Oil palm plantation	Palm oil products
Palmhead Sdn. Bhd.	Oil palm plantation	Palm oil products
Agrogreen Ventures Sdn. Bhd.	Cultivation of oil palm	Palm oil products
TBS Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products
PSS Oil Mill Sdn. Bhd.	Operation of palm oil mill	Palm oil products

Additional Information

- For our Directors' attendance at Board Meetings held during the year in review, please refer to page 85 of this Annual Report.
- For our Directors' securities holdings in SPB, please refer to page 183 of this Annual Report.

KEY SENIOR MANAGEMENT



Dato Wong Kuo Hea

Executive Director

Dato Wong Kuo Hea (male), aged 74, was appointed as the Executive Director of the Company on 28 March 2018. He leads the Management in running and managing the day to day operation of the Group. His detailed profile is in the Board of Directors section of this Annual Report.



Iswandi Bin Ayub

Chief Operating Officer

Iswandi Bin Ayub (male), aged 38, is one of our key senior management personnel since 22 August 2017. He holds a Bachelor of Engineering in Chemical and Nanotechnology from Massey University, New Zealand.

He worked as a Residential Advisor with Massey University Halls Community Group in 2009 - 2010 and as a Business Analyst with ANZ Bank in 2010 - 2011. He joined the Group in 2012 as a trainee at Niah Palm Oil Mill and was appointed as a Research Executive in 2013. He set up the Strategic Innovation Centre for the Group in 2014. He was appointed Acting Head Plantation Operation on 22 August 2017 and as the Chief Operating Officer on 2 April 2018.

He does not hold any directorships in public companies.

KEY SENIOR MANAGEMENT



Koay Bee Eng

Chief Financial Officer

Koay Bee Eng (female), aged 56, is one of our key senior management personnel since 2012. She holds a Bachelor Degree (Hons) in Accountancy from Universiti Utara Malaysia. She is a Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

She worked with PricewaterhouseCoopers from 1994 to 2006 and has accounting and auditing experience in various industries. She joined the Group as its Corporate Finance Manager in 2007. She was appointed the Chief Financial Officer in March 2014.

She does not hold any directorships in public companies.



Datin Trina Tan Yang Li

Human Resource, Legal and Secretarial Manager

Datin Trina Tan Yang Li (female), aged 58, is one of our key senior management personnel since 2008. She holds a Bachelor of Laws Degree (Hons) and a Master of Laws, both from Queen Mary College, University of London. She is a Member of the Middle Temple, London and has also been admitted to the High Court of Malaya and the High Court of Sabah and Sarawak.

She began practising law in 1992 and joined the Group as its Legal Officer in 2000. She was appointed the Corporate Legal and Secretarial Manager in February 2008 and the Human Resource, Legal and Secretarial Manager in August 2018.

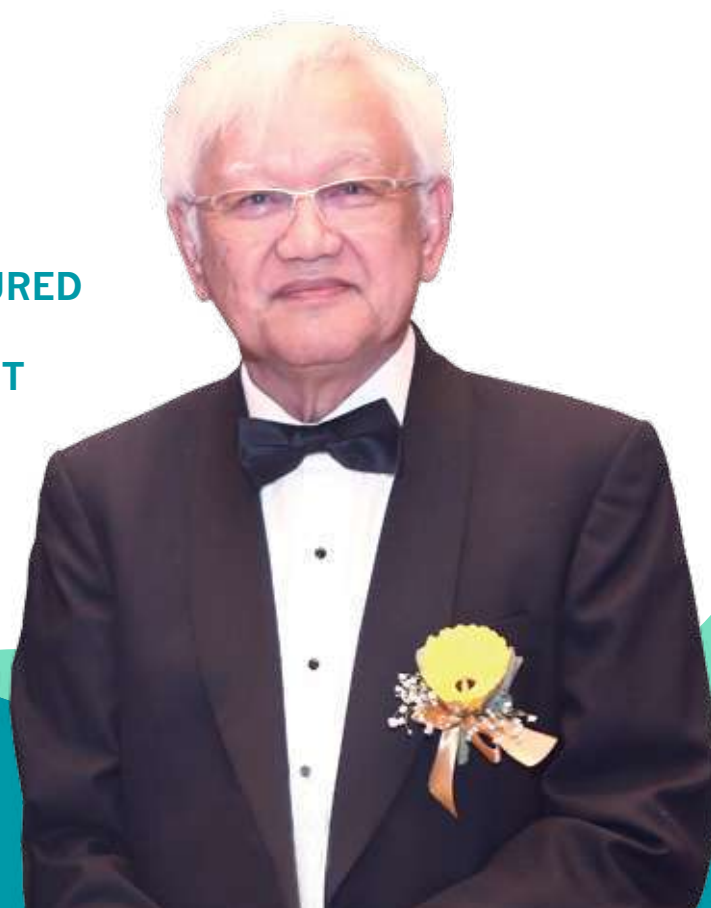
She does not hold any directorships in public companies.

- All Key Management Personnel are Malaysian citizens.
- None of our Key Management Personnel have:
 - Any conviction for offences in the past 5 years nor were any public sanction or penalty imposed on them by relevant regulatory bodies during the financial year;
 - Any conflict of interest or potential conflict of interest, including interest in any competing business with the Group (with the exception of the Executive Director whose conflict of interest or potential conflict of interest is declared on page 17 of this Annual Report);
 - Any family relationship with any Directors / Major Shareholders of the Group except Iswandi bin Ayub who is the grand nephew of the Executive Chairman.

MESSAGE TO OUR SHAREHOLDERS

Dear Shareholders,

**ON BEHALF OF THE BOARD
OF DIRECTORS, I AM HONoured
TO PRESENT TO YOU THE
COMPANY'S ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2024.**



2024 - Navigating Through Challenges

As we reflect on the year under review, we are mindful of the challenges and opportunities that have shaped our journey. Despite a dynamic and unpredictable economic environment, our commitment to deliver value to our stakeholders has remained steadfast. We have continued to innovate and adapt, positioning ourselves for sustainable growth and long term success.

I am pleased to share with you the progress that we have made in the year under review.

Financial Performance For the Year

In 2024, the Group recorded a lower revenue of RM551.4 million compared to 2023 of RM570.7 million, primarily due to a reduction in the sales volume of crude palm oil ("CPO") and palm kernel ("PK"). Nevertheless, the Group demonstrated resilience and achieved a net profit of RM 92.0 million, marking a 43% increase compared to RM64.4 million recorded in 2023. This net profit translated into an earnings per share of 32.98 sen per share for 2024.

MESSAGE TO OUR SHAREHOLDERS



Dividends

In line with our improved financial performance, we are pleased to mention that two interim dividends totaling 20 sen per share were declared and paid for the financial year 2024. This reflects our ongoing commitment to providing consistent returns to our esteemed shareholders.

With a dividend payout of around 60% of the current year's net profit, we continue to demonstrate our confidence in the Company's future growth prospects.

Operating Performance For the Year

Our fresh fruit bunches ("FFB") production increased by 6% from 318,775 metric tonne ("mt") in 2023 to 337,661 mt in 2024. The growth was brought about by better performance of the estates coupled with around 1,500 hectares ("ha") declared matured during the year under review. This is a notable achievement amid challenging operational and environmental constraints faced during the year.

In our commitment to sustainable long term growth, we continued our replanting efforts, replacing aging palms and enhancing less performing areas. We remain focused on increasing productivity and operational efficiency while minimising costs.

In addition, we are dedicated to expand our investment into research and development to advance our mechanisation initiatives which will in turn support our long term strategy for sustainable growth.

MESSAGE TO OUR SHAREHOLDERS

Embracing Innovation

- Launch of LIPAN, Our Harvesting Machines

During the year under review, the Group launched its oil palm harvesting machines under the brand name “LIPAN” to modernise oil palm harvesting. The harvesting machines are equipped with wireless control, enabling an operator to manage the harvesting process easily and efficiently.

We were honoured to have the Right Honourable Premier of Sarawak, Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg, officiate the launching of our “LIPAN” at our Subis Estate in October 2024. Shifting from the traditional labour intensive harvesting methods, such innovation will alleviate labour dependency and boost productivity.

Our research and operation team is dedicated to work alongside our strategic partner to advance our research and development initiatives in enhancing the machines’ productivity. Further, research initiatives were carried out for other field activities as well. For instance, we have currently on trial, an articulated 6 wheeler adopted from the logging operations but modified to suit our operation and to handle rugged and hilly terrain for FFB evacuation. Upon further design iteration, the result of improvement trial efforts, we envisage that this machine will serve our new planting areas which are designed for mechanisation in the future.

Sustainability and Governance

As we continue to advance within the oil palm industry, sustainability and strong governance remain at the forefront of our strategy. We recognise the importance of sustainable practices in all aspects of our operations, from cultivation to production, and ensuring that our growth benefits not only our stakeholders but also the environment and communities around us.

Throughout the year, we have reinforced our commitment to sustainable practices by adhering to recognised standards with our estates and mills being fully certified under the Malaysian Sustainable Palm Oil (“MSPO”).

As we look towards the future, our long term commitment to consistently integrate the principles of integrity, transparency and accountability in all our conduct is aimed at fostering sustainable growth and creating long term value for our stakeholders.



MESSAGE TO OUR SHAREHOLDERS



Prospects and Outlook

The economic outlook remains unpredictable amid geopolitical developments, tariff and trade policy uncertainties, fluctuations in commodity prices and climate change concerns. Similarly, the palm oil industry continues to face several challenges particularly unfavourable weather conditions that could lead to disruption in palm oil supply.

CPO price is anticipated to maintain, supported by possible global vegetable oil supply constraints resulting from adverse weather condition. Moreover, the demand for oil palm is expected to experience growth driven by rising edible oil consumption as well as ongoing biodiesel mandates.

We remain vigilant and cautious in our decision-making and face the future with an optimistic mindset while upholding our values.

Appreciation

Following another year of growth and achievement, I would like to convey my sincere gratitude and appreciation to our shareholders, stakeholders and the dedicated directors and employees of SPB Group for their unwavering trust and support.

On behalf of the Board and the Management, I would also like to extend our heartfelt thanks to Yang Berhormat Senator Dato' Awang Bemee Bin Awang Ali Basah, who resigned from our Board during the year under review, for his valuable contributions and commitment to the Group. We wish him all the best in his future endeavours.

Together, we have laid a solid foundation for a sustainable future and we look forward to achieving even greater success in the years to come.

Thank you.

Datuk Amar Abdul Hamed Bin Sepawi
Executive Chairman

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Bukut Estate

OVERVIEW OF BUSINESS AND OPERATION

Core Businesses

Oil Palm Plantation and Mill Operation

The primary operations of the Group involve cultivation of oil palm and processing of fresh fruit bunches (“FFB”) into crude palm oil (“CPO”) and palm kernel (“PK”). The oil palm business consists of two core segments, namely estate operation and mill operation. This contributes to over 99% of the Group’s revenue and earnings.

The Group owns 13 oil palm estates with a total land size of 42,166 hectares (“ha”). Moreover, the Group has another estate of 412 ha under a joint venture with one Sarawak State Agency.

The estates are located at Northern Region and Central Region of Sarawak. The total plantable hectareage is around 36,232 ha.

The Group’s two palm oil mills are located at Niah and Mukah, respectively. Niah Palm Oil Mill’s capacity is 80 metric tonne per hour (“mt/hr”) whereas Mukah Palm Oil Mill has a capacity of 60 mt/hr, contributing to a total milling capacity of 140 mt/hr.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

Other Activities

Seed Production Unit

The Group's oil palm seed production unit produces high yielding seeds which carry the brand name "Surea DxP". Its genetically superior seeds have demonstrated to be high FFB and oil yielding. In addition, they have been tested and confirmed to exhibit a moderately slow height increment.

The Group's superior quality seeds guarantee a stable yield over time while minimising the risk of disease outbreaks in the estates.

These seeds are certified by SIRIM and licensed for sale by the Malaysian Palm Oil Board ("MPOB").

In order to produce high quality seeds, the Group's Seed Production Unit carries out a series of production processes. Producing good quality seeds begins with the careful selection of mother palms. This is a crucial process to ensure genetic quality and health of the seeds produced subsequently. Performance of mother palms is closely monitored through yield recording, bunch analysis and vegetative measurement. Pollen viability tests and controlled pollination techniques are also in place to ensure high purity of the seeds.

At the Group's Seed Production Unit, harvested bunches from mother palms are transformed into premium seeds through various treatment and germination processes.

With the current production capacity of 2.5 to 3.0 million seeds a year, the Seed Production Unit supplies good quality seeds to the Group's own estates as well as selling to other oil palm companies, particularly in Sarawak.

Oil Palm Nursery

The Group operates 3 oil palm nurseries with 2 located in Northern Region and 1 in Central Region respectively. These nurseries have a capacity of growing up to 1.2 million seedlings per year.

The Group's nurseries provide conducive environments to support healthy seedling growth. Its quality control and management practices ensure the production of high quality seedlings with enhanced resistance to pest attack and diseases, improve growth rate and strengthen overall efficiency.

These nurseries cater mainly for the Group's own replanting needs.

Cattle Integration

The Group's cattle integration is an effective and sustainable method for weed control, bringing benefits to the participating estates. Cattle integration helps minimise chemical use in weed control programmes which also enhance soil fertility through grazing. This approach continues to be one of our key environmentally friendly practices and sustainability initiatives.

Strategic Innovation/Productivity Centre

Research and development remains a vital innovation strategy for advancing towards a sustainable future.

The primary goal of the Group's Strategic Innovation/Productivity Centre is to serve as a platform for enhancing productivity through creativity and innovation.

The main focus of estate mechanisation is to improve operational efficiency, reduce reliance on labour and simultaneously boost yield and productivity.

With the unwavering commitment from the Board and the Management, the Group continues its collaboration with the technical partners to enhance research and development in mechanisation that are suited for harvesting and field operations.

PERFORMANCE OVERVIEW

In 2024, the price of CPO averaged at approximately RM4,100 per mt, reflecting a rise of 8% from the preceding year's average of around RM3,800 per mt. The price increase led to a better financial performance recorded by the Group for the financial year ended 31 December 2024.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

REVIEW OF FINANCIAL PERFORMANCE

Revenue and profits

Despite higher average CPO price, the Group registered a lower revenue of RM551.4 million in 2024 compared to RM570.7 million in the preceding year, marking a 3% decline in 2024. This was principally attributable to lower sale volume of CPO and PK.

Nevertheless, the Group achieved a higher operating profit before tax of RM100.2 million compared to RM87.5 million recorded in 2023, a rise of 15% which arose mainly from better results achieved by the estate operation following higher selling prices and higher production.

In line with higher operating profit before tax coupled with a gain in fair value of biological assets of RM18.2 million recognised in 2024, the Group reported a profit before tax of RM124.4 million compared to RM87.4 million in 2023, a surge of 42%.

Correspondingly, net profit of the Group increased by 43% from RM64.4 million in 2023 to RM92.0 million in 2024.

Capital management

The Group aims to manage its capital effectively by maintaining a strong capital base and ensuring long term viability. This approach safeguards the Group's ability to continue as a going concern, reinforces its investors', stakeholders' and market confidence and supports the continued growth and development of the business.

The Group leverages on its strong financial standing and has adequate borrowing facilities to partially fund its capital expenditure.

Capital expenditure

During the current financial year, the Group incurred RM54.0 million on replanting expenditure as well as maintenance of its existing immature areas. In addition, the Group also spent on other capital expenditure of around RM18.3 million mainly for purchase of mobile equipment, plant and machinery and construction of quarters to meet operational requirements.

Cash flows and liquidity

As at end of 2024, the Group demonstrated a solid financial position marked by low gearing, strong liquidity and in net cash position. The Group's profitability, along with an effective cash flows management, underpins its financial stability and ensures long term growth and sustainability.

REVIEW OF OPERATING PERFORMANCE

The Group's operation team and supporting workforce have demonstrated resilience, adaptability and a strong commitment to delivering results.

Physical operational meetings and field visits are essential for the Management to gain valuable insights into the operations. At these meetings and visits, issues were highlighted and deliberated. Various strategies were explored and decisive actions were taken to address these issues promptly. Additionally, the performance of the estates and mills was assessed with key areas for improvement identified for further improvements.

Furthermore, monthly costing meetings were conducted to review and analyse costs and financial performances of the estates and mills. Through comprehensive cost analysis, operational inefficiencies were identified and cost savings initiatives were implemented to minimise costs and further enhance overall performance.

In addition, the Group continues to harness information technology to strengthen data collection and reporting. This facilitates data driven decision making, streamlines work flows and optimise business processes.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

REVIEW OF OPERATING PERFORMANCE (continued)

Key milestones attained in 2024

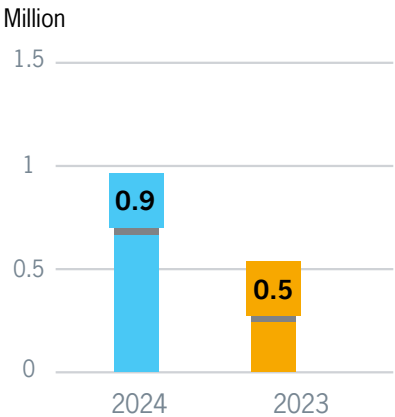
With this unwavering dedication from the Board, the Management and all employees, the Group has successfully attained key milestones during the current financial year.

Continuous positive growth in seed sales

Apart from supplying to its own nurseries, the Group sold around 930,000 seeds to external parties, reflecting an increase of 86% from the previous year's sale of 500,000 seeds. This achievement serves as a testament to the Group's dedication in producing superior quality seeds.

With its proficient and highly skilled team, the Group continues to breed high quality seeds through right Dura mother palm selection, proper management practices and effective seed production techniques.

Volume of seeds sold to external parties



The Group plans to scale up its seed production capacity in order to fulfill its replanting needs as well as to expand its customer base leading to revenue growth.



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

REVIEW OF OPERATING PERFORMANCE

(continued)

Key milestones attained in 2024 (continued)

Replanting achievement

Replanting is a significant milestone for the Group because it ensures long term sustainable growth. Low yielding old mature fields as well as severe ganoderma infested areas are replanted in stages.

These areas were replanted with high yielding seeds, leading to increased production over time. The Group adopts sustainable agriculture practices and enhances existing practices through innovative approaches. The Group acknowledges the importance and long term advantages of mechanising its operations. Accordingly, it implemented replanting strategies that accommodate mechanisation practices thus ensuring optimal yield potential. These diverse practices and measures maximise resource utilisation, enabling the Group to achieve higher productivity as the palms reach maturity.

Through meticulous planning and efficient execution, the Group successfully exceeded its replanting target by around 5%, covering approximately 4,200 ha during the current financial year. These replanted areas are expected to drive up production growth in the coming years.

Accomplishment in mechanisation initiatives

Through collaboration over the years, the Group has reached key milestones in its research and development activities. The harvesting machines bearing the brand name of LIPAN were launched in October 2024. These machines were assembled and constructed based on the design and structure worked out with the technical partners. Currently the Group operates 10 harvesting machines in its estates.

Besides the LIPAN, the Group has also undertaken the development of other mechanised machines designed for field activities, primarily to facilitate the crop evacuation process.

The Group remains committed to advancing its research and development initiatives, aiming at further improving the efficiency of its harvesting machines along with broadening the scope of research and development.

Normalisation of enhancement areas

Since 2018, the Group started to identify areas in need of improvement and enhancement. The common issues faced at such enhancement areas include stunted palm growth, inaccessibility due to high flooding, weed and other upkeep issues. These areas are mostly young mature fields in critical need of rehabilitation.

A total of around 6,000 ha were identified for enhancement in prior years. As at 31 December 2024, the Group successfully normalised almost all of such areas. This is inclusive of around 400 ha being normalised in 2024.

Only around 20 ha remain as enhancement areas at end of 2024 and these areas are expected to be normalised in the coming year.

Recovery of part of encumbered areas

Certain areas of the Group's estates were encumbered by the locals from previous years. Since 2018, the Group's dedicated team engaged with the locals at these affected areas. As at end of 2024, the Group had managed to recover approximately 4,300 ha, inclusive of 100 ha recovered during the current financial year. The matured areas remaining encumbered were around 2,100 ha.

Despite numerous challenges faced in recovering these encumbered areas, the Group remains dedicated in recovering all or at least the most part of these encumbered areas.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

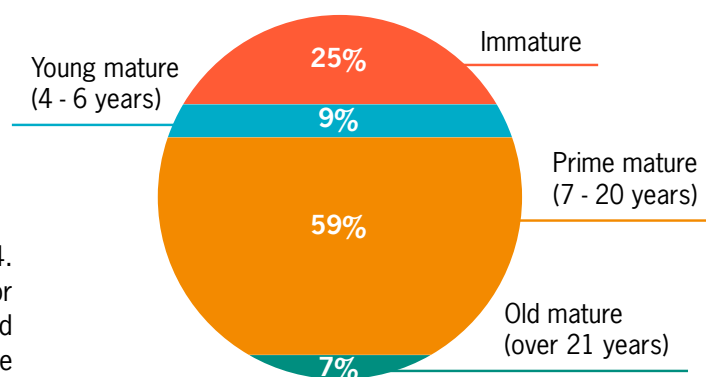
REVIEW OF OPERATING PERFORMANCE

(continued)

Estate Performance

Age profile for immature, harvestable and enhancement areas

About 1,500 ha were declared matured during 2024. Both young and prime mature fields account for around 68% of the total immature, harvestable and enhancement areas of 28,015 ha. These areas are anticipated to contribute to production growth in the foreseeable future.



FFB production and yield

Region	2024 Harvestable WHa	2023 Harvestable WHa	2024 FFB Mt	2023 FFB Mt	Changes %
Northern Region	9,943	9,149	153,447	147,005	4
Central Region	11,274	10,358	184,214	171,770	7
Total	21,217	19,507	337,661	318,775	6

Region	2024 Yield Mt/WHa	2023 Yield Mt/WHa	Changes %
Northern Region	15.43	16.07	-4
Central Region	16.34	16.58	-2
Total	15.91	16.34	-3

WHa - Weighted average hectarage

Mt - Metric tonne

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



REVIEW OF OPERATING PERFORMANCE (continued)

Estate Performance (continued)

The Group posted a rise of about 6% in its production, with an increase from 318,775 mt in 2023 to 337,661 mt in 2024. Better performance of the prime mature fields coupled with newly matured areas assisted to increase production. However, FFB yield dropped 3% compared to 2023. The decline in FFB yield was a result of newly declared matured areas of around 1,500 ha.

Labour sufficiency has long been one of the key challenges for the industry. The Group remains committed to work force retention by offering competitive remuneration and providing well equipped accommodation and other amenities for its workers.

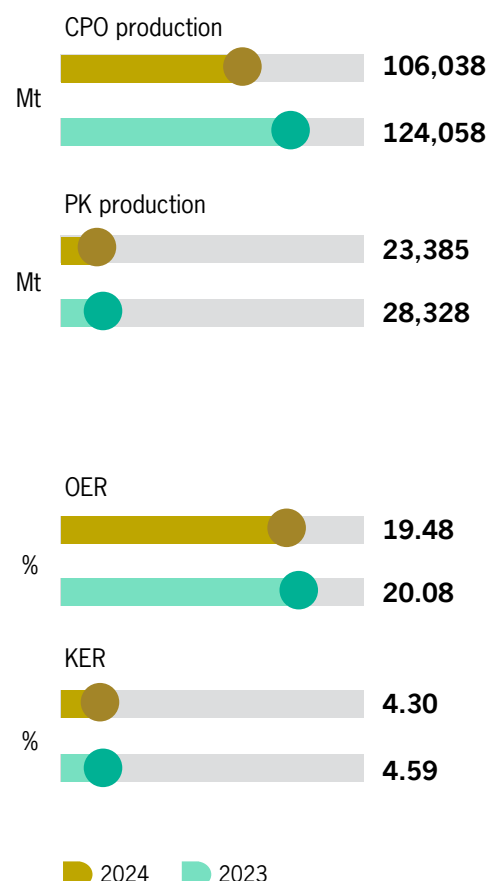
Workers are provided with on the job trainings to develop relevant skills and to enhance their efficiency. On top of that, incentives are granted based on their productivity and performance.

As for workers' recruitment, the Group continues to adopt a proactive approach of engaging with the relevant authorities to ensure continuation of the recruitment drive.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

REVIEW OF OPERATING PERFORMANCE (continued)

Mill Performance



Niah Palm Oil Mill		2024	2023	Changes (%)
FFB processed	Mt	356,959	392,417	-9
CPO production	Mt	70,877	79,805	-11
PK production	Mt	15,213	17,777	-14
Oil Extraction Rate ("OER")	%	19.86	20.34	-2
Kernel Extraction Rate ("KER")	%	4.26	4.53	-6

Mukah Palm Oil Mill		2024	2023	Changes (%)
FFB processed	Mt	187,483	225,270	-17
CPO production	Mt	35,161	44,253	-21
PK production	Mt	8,172	10,551	-23
OER	%	18.75	19.64	-5
KER	%	4.36	4.68	-7

Both mills of the Group processed FFB from its own estates as well as those purchased from external parties. FFB purchased from external parties account for half of the total FFB processed.

Both mills recorded a drop in FFB processed following less crops purchased from external parties.

The Group achieved a combined average OER of 19.48% in 2024 compared to 20.08% in 2023. The drop was mainly attributable to poor fruit set caused by adverse weather conditions. Nonetheless, the OER of 19.48% was still higher than the Sarawak average of 19.37%.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Peninjau Estate

RISKS

Like the other players in the industry, the Group faces various challenges, including CPO price fluctuations, climate change and weather related disruptions, manpower sufficiency, disease outbreak, escalating operating costs as well as other operational and business risks.

The Group employs a comprehensive approach in its risk management processes. Risks are identified through regular assessments and stakeholder engagement and thereafter being evaluated based on their likelihood and impact. Key risks are prioritised with mitigating strategies developed. Continuous monitoring and reporting are also in place to ensure mitigation measures are adjusted accordingly. These risk management practices are embedded in the day to day operations. Further details are contained in the Statement of Risk Management and Internal Control of this Annual Report.

Through the strategies outlined in the subsequent section, the Group seeks to mitigate its exposure to potential risks and ensure sustainable growth and profitability.

STRATEGIES

The Group's primary business goal is to enhance yield per hectare, driving production growth and maximising profitability while adhering to sustainable principles and practices.

As part of the Group's sustainability efforts in ensuring long term viability of oil palm cultivation, the Group had ceased new planting on peat land since prior years. In view thereof, the production growth of the Group relies upon yield improvement of the existing and replanted areas.

Embracing mechanisation for harvesting and other field operations is a sustainable approach to reducing labour dependency. The Group also believes that mechanisation offers many benefits including increased efficiency and enhanced sustainable practices.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

STRATEGIES (continued)

Other key strategies of the Group are:

- Build on its strength in the upstream activities such as production of oil palm seeds and seedlings;
- Intensify efficient use of its resources including manpower, material and equipment;
- Maximise oil recovery through improvement in mills' machineries and processes;
- Leverage on technological advancement to enhance communication, monitoring and reporting; and
- Explore opportunities for business diversification.

In addition to the above, through empowering employees and cultivating a culture of integrity, accountability and team work, action plans are developed and executed effectively to achieve the outlined goals and strategies. Progress and performance are regularly monitored with strategies being realigned and adjusted as necessary.

The Group has consistently recognised the importance of maintaining a healthy and safe workforce. Great focus has been placed on the wellbeing of its employees and in ensuring that a safe and supportive working environment is provided.

Employees are always encouraged to propose innovative ideas that can enhance operations and business processes. The Group offers ample training and development opportunities to help employees enhance their skills and knowledge.

A Succession Planning Policy is in place which embodies succession planning principles and processes to ensure continuity in the leadership within the Group to meet future challenges and opportunities.

The Group's conducts are guided by sustainability principles which are built on integrity, transparency and accountability. Further details on sustainability are elaborated in the Sustainability Statement of this Annual Report.



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Sawai Replanting Area

2025 ACTION PLANS

To accomplish the goals and strategies, the Group will continue to focus on the following areas in the coming year:

- Accelerate replanting of low yielding areas, areas with severe ganorderma infestation, areas with low palm stands, recovered encumbered areas and old mature fields;
- Execute effective replanting strategies to optimise planting density and expand harvesting path for future mechanised opportunities whilst maintaining its yield potentials;
- Use high yielding seedlings produced by own nurseries in replanting;
- Intensify use of harvesting machines at suitable harvesting areas and continue monitoring of these machines' performance for further enhancement;
- Expand seed production capacity and facilities;
- Continuous application of sustainable agriculture practices in compliance with MSPO requirements;
- Carry out regular maintenance at mills and upgrade machineries as needed;
- Adopt close supervision and monitoring of the performance and target achievements; and
- Upgrade information technology hardware and review software application for improvement purposes to increase overall efficiency.

LOOKING FORWARD

The Group is confident with the relatively young and prime mature fields as well as continued replanting efforts presenting a significant potential for production growth in the near future. Further, with a strong financial position, the Group is well positioned for continued growth and expansion opportunities such as diversification into other related businesses. Priority is given to agriculture sectors which can complement or be directly integrated into its core businesses.

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

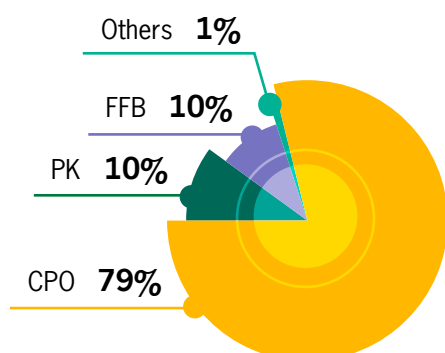
1. FINANCIAL RESULTS FOR THE YEAR - GROUP

	Note	2024 RM'000	2023 RM'000	Change %
Revenue	(a)	551,441	570,677	-3
Cost of sales	(b)	(401,416)	(437,629)	-8
Gross profit		150,025	133,048	13
Results from operating activities (Operating profit)	(c)	100,193	87,500	15
Profit before tax	(d)	124,367	87,443	42
Profit attributable to Owners of the Company (Net profit)		92,034	64,443	43

	%	%	Change %
Operating profit margin	18.2	15.3	19
Profit before tax margin	22.6	15.3	48
Net profit margin	16.7	11.3	48

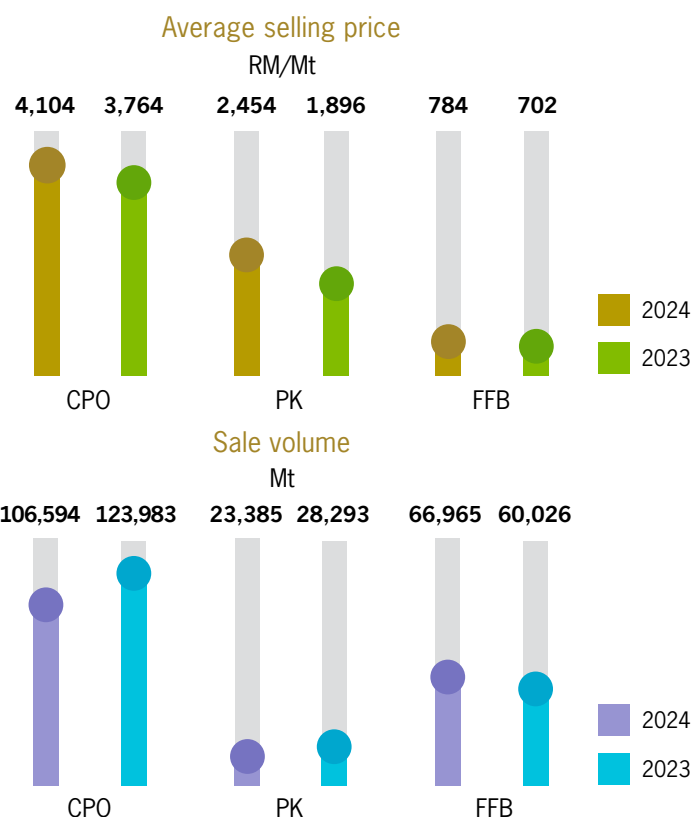
(a) Revenue

99% of the Group's total revenue was derived mainly from the sale of CPO, PK and FFB.



Majority of the FFB harvested from the Group's estates were delivered to its own mills at Niah and Mukah whilst some were sold to external mills.

The decline in revenue from RM570.7 million in 2023 to RM551.4 million in 2024 was mainly due to lower sales volume of CPO and PK despite higher selling prices.



Compared to 2023, CPO, PK and FFB average selling prices increased in 2024 by 9%, 29% and 12% respectively whereas CPO, PK sales volume decreased by 14% and 17% respectively. FFB sale volume recorded an increase of 12% for the current financial year.

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

1. FINANCIAL RESULTS FOR THE YEAR - GROUP (continued)

(b) Cost of sales

Lower cost of sales resulted mainly from lower FFB purchase cost by 15% following lower purchase volume despite higher purchase price.

(c) Results from operating activities (Operating profit)

The Group recorded an operating profit of RM100.2 million at an operating profit margin of 18.2% for 2024 compared to 2023 of RM87.5 million or operating profit margin of 15.3%.

(d) Profit before tax

The Group achieved a profit before tax of RM124.4 million or a profit margin of 22.6% for the current financial year, as compared to a profit before tax of RM87.4 million or a profit margin of 15.3% in the preceding year. Higher profit before tax for the current financial year compared against the preceding year is shown as below:

	2024 RM'000	2023 RM'000	Particulars
Results from operating activities	100,193	87,500	
ADD/(LESS): Other non-operating income/ (expenses)	18,156	(4,363)	Changes in fair value of biological assets
ADD: Net finance income	6,018	4,306	
Profit before tax	124,367	87,443	

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2024 - GROUP

Analysis of major items

2.1 TOTAL ASSETS

Asset Type	Note	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Property, plant and equipment	2.1.1	260,013	261,774	- 0.7
Bearer plants	2.1.2	366,116	333,788	10
Right-of-use assets	2.1.3	89,694	91,840	-2
Investment properties		4,758	4,991	-5
Biological assets	2.1.4	69,819	51,981	34
Inventories	2.1.5	26,067	23,777	10
Trade and other receivables		20,314	20,262	0.2
Prepayment and other assets		4,168	4,424	-6
Other investments	2.1.6	84,508	47,233	79
Cash and cash equivalents	2.1.7	104,732	114,594	-9
Total		1,030,189	954,664	8

2.1.1 Property, plant and equipment

Net movement of property, plant and equipment ("PPE") was mainly in respect of the following:

	RM'000
Additions	18,263
LESS: Depreciation for the financial year	(19,369)
LESS: Write off	(655)
Net movement	(1,761)

2.1.2 Bearer plants

Net movement of bearer plants was mainly in respect of the following:

	RM'000
Additions	54,059
LESS: Depreciation for the financial year	(21,731)
Net movement	32,328

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2024 - GROUP (continued)

2.1 TOTAL ASSETS (continued)

2.1.3 Right-of-use assets

Net movement was mainly in respect of the following:

	RM'000
Additions	-
LESS: Depreciation for the financial year	(2,146)
Net movement	(2,146)

2.1.4 Biological assets

Biological assets are as below:

	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Fresh fruit bunches	66,162	48,897	35
Living livestock	3,657	3,084	19
Total	69,819	51,981	34

2.1.5 Inventories

Inventories breakdown is as follows:

	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Crude palm oil and palm kernel	9,312	6,656	40
Stores and consumables	9,747	8,151	20
Oil palm nursery	3,256	6,640	-51
Oil palm seeds	1,056	860	23
Oil palm fresh fruit bunches	2,696	1,470	83
Total	26,067	23,777	10

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2024 - GROUP (continued)

2.1 TOTAL ASSETS (continued)

2.1.6 Other investments

Other investments represent deposits with licensed banks not held for short-term working capital purposes that has a maturity of more than three months.

2.1.7 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Cash in hand and at banks	6,283	5,710	10
Deposits with original maturities not exceeding three months	98,449	108,884	-10
Total	104,732	114,594	-9

2.2 TOTAL LIABILITIES

Liability type	Note	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Loans and Borrowings	2.2.1	40,659	9,137	345
Deferred tax liabilities		133,550	121,995	9
Trade and other payables		65,718	57,428	14
Lease liabilities		2,392	2,434	-2
Current tax payable		4,215	7,081	-40
Dividend payable		-	13,952	-100
Total		246,534	212,027	16

2.2.1 Loans and borrowings

By type of facility	31.12.2024 RM'000	31.12.2023 RM'000	Change %
Term loans	34,027	7,606	347
Hire purchase	6,632	1,531	333
Total	40,659	9,137	345

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

3. RATIO ANALYSIS - GROUP

	2024	2023	Change %
Liquidity			
• Current Ratio	4.26	3.29	29
Leverage			
• Gearing	5%	1%	400
Profitability			
• Return on Assets (ROA)	8.9%	6.8%	31
• Return on Equity (ROE)	11.8%	8.6%	37
• Earnings per share (EPS)	32.98 sen	23.10 sen	43
Dividend			
• Dividend per share	20 sen	10 sen	100
• Dividend yield*	8.3%	4.8%	73
Net assets per share	RM2.79	RM2.68	4

* Based on share price as at year end.

4. CONCLUSION

The auditors, KPMG PLT, had rendered an unqualified opinion on the financial statements for the financial year ended 31 December 2024.

Earnings per share was 32.98 sen per ordinary share for 2024, a notable increase from 2023 of 23.10 sen.

The financial position of the Group stands healthy and stable with total assets of RM1,030 million and a total equity attributable to Owners of the Company of RM779.4 million. Net assets per share increased from RM2.68 to RM2.79.

The Group remains cautious with a clear focus on effective optimal cost management and continue to streamline operation in order to achieve better profitability.

SUSTAINABILITY STATEMENT

INTRODUCTION

Sarawak Plantation Berhad (“SPB”, “The Group” or “The Company”) is founded on the principles of integrity, transparency and accountability. Guided by these values, SPB pursues excellence, cultivates team spirit and promotes innovation to maximise value creation for its stakeholders. Simultaneously, we believe that integrating sustainable development and thoughtful consideration is essential for long-term value creation for our stakeholders, driving us towards becoming a fully integrated, high-performing enterprise with diversified business. We are dedicated to adopting a holistic and responsible approach that harmonises our economic objectives with social and environmental considerations.

About this Statement

SPB is pleased to present its Sustainability Statement (“Statement”) for the financial year ended 31 December 2024. This marks our 8th Sustainability Statement since 2017, showing our commitment to being transparent and accountable to our stakeholders regarding our sustainability progress and performance.

The Statement is organised around the four sustainability pillars where we have grouped our material matters, as illustrated below:



We appreciate the opportunity to keep our stakeholders informed and value any feedback as we strive for a stronger, more sustainable future.

SUSTAINABILITY STATEMENT

INTRODUCTION (continued)

Reporting Scope and Boundary

The reporting period for this Statement is from 1 January 2024 to 31 December 2024, which is aligned with our financial reporting period. Unless otherwise stated, this Statement covers 100% of the Group's operations and subsidiaries in Malaysia, as outlined in the Corporate Structure set out in this Annual Report. We have excluded the inactive entities from the scope given that no business activities were conducted during the financial year.

Reporting Frameworks and Standards

This Statement has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd edition). Additionally, we have mapped our strategies and progress to the United Nations Sustainable Development Goals ("UN SDGs") and have incorporated requirements under the Malaysian Sustainable Palm Oil ("MSPO") standards wherever feasible, placing a high priority on maintaining a transparent, traceable and sustainable palm oil supply chain across the Group's operations.

Assurance Process

The sustainability approach and sustainability matters of this Statement have been deliberated and reviewed by the Board Sustainability Committee ("BSC") and the Statement has been approved by the Company's Board of Directors ("the Board").

In strengthening the creditability of this Statement, selected aspects of this Statement have been reviewed internally by the Company's internal auditors and have been approved by the Company's Board Audit Committee.

The internal review conducted by the Company's internal auditors primarily focused on common indicators for the year under review which include the following:

- a) Energy consumption; and
- b) Water consumption.

SUSTAINABILITY STATEMENT

MILESTONES AND ACHIEVEMENTS

2017	<ul style="list-style-type: none"> Established the BSC to oversee the development, implementation and performance of sustainability strategies, as well as other related matters. Developed and approved a Sustainability Policy, covering various key areas such as sustainable plantation development, good agronomic practices, good manufacturing practices, compliance with applicable laws and regulations, respect employees and communities.
2018	<ul style="list-style-type: none"> Implemented the Sustainability Policy and incorporated sustainability requirements in our Standard Operating Procedures ("SOP"). Obtained MSPO Certifications for 3 sites: Niah Palm Oil Mill, Ladang Kosa and Ladang 3. Obtained MSPO-Supply Chain Certificate System ("SCCS") certification for Niah Palm Oil Mill.
2019	<ul style="list-style-type: none"> Implemented the 3R (Reduce, Reuse and Recycle) programme. Obtained MSPO Certifications for 14 oil palm estates and 1 palm oil mill: Pinji Mewah, Ladang Surea, Sungai Tangit, Subis 2, Subis 3, Bakau, Tulai, Melugu, Bukit Peninjau, Mukah 1, Mukah 3, Matadeng, Karabungan, Sawai and Mukah Palm Oil Mill.
2020	<ul style="list-style-type: none"> Obtained MSPO-SCCS certification for Mukah Palm Oil Mill. Obtained MSPO Certifications for 2 oil palm estates (including 1 joint venture estate), with the latest addition being Bukut Estate. Implemented Corporate Social Responsibility ("CSR") programmes which focused on environmental protection, safety and health. Commissioned the environmental footprint assessment/reduction plan for all estates and mills. Fully observed COVID-19 restrictions imposed by the Government and implemented strategies for business continuity.
2021	<ul style="list-style-type: none"> Implemented precautionary measures to mitigate the spread of COVID-19. Constructed new workers quarters at Bakau and Bukut Estates.
2022	<ul style="list-style-type: none"> Implemented staff development and continuous improvement programmes. Merged estates at Northern Region aimed at increasing efficiency and optimising resources.
2023	<ul style="list-style-type: none"> Transitioned from generator usage to utilising purchased electricity power for both mills. Increased trainings for employees. Organised more recreational activities for employees. Constructed new workers' quarters and surau at Matadeng and Subis Estates and upgraded existing quarters at Peninjau Estate.
2024	<ul style="list-style-type: none"> 100% recertification MSPO during transition process from MS 2530 : 2013 to MS 2530 : 2022 version. Completed construction of new facilities provided at certain estates. Completed installation of an air filtration system (electrostatic precipitator) at both mills. Provided harvesting trainings to talented young people. Provided bus services for workers and staff to transport their children to schools at certain estates. Contributed to Kelab Rekreasi & Sosial Kakitangan Sarawak Plantation Berhad ("KEREDAS") to support staff activities Encouraged healthy lifestyle by rewarding staff for achieving target running mileage. Increased staff welfare initiatives, some of which included the provision of food products to our staff on regular basis.

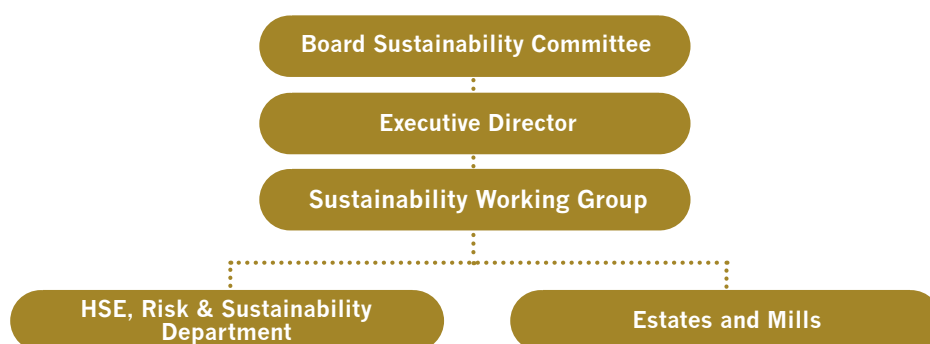
SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH

The palm oil industry has faced on going scrutiny over its environmental and social impacts. Even before sustainability practices became widely adopted, the industry had already taken steps toward greater responsibility by compliance with MSPO certification. Our sustainability framework is based on four pillars: marketplace, environment, workplace and community. We also set targets and monitor our performance whenever possible, ensuring both accountability and transparency in communicating our progress to stakeholders.

Sustainability Governance

Robust sustainability governance offers the oversight and support essential for the successful implementation of sustainability strategies. The Board is ultimately accountable for the business to be conducted in a sustainable manner. The Board has established a dedicated BSC, chaired by our Executive Chairman and tasked with formulating and overseeing the implementation of sustainability strategies. The responsibility is then cascaded down to the Executive Director, who, together with the rest of Senior Management, ensures successful execution and integration of sustainability across the organisation. The Executive Director is supported by the Sustainability Working Group, which is chaired by the Chief Operating Officer, and comprises members from the Health, Safety & Environment (“HSE”), Risk & Sustainability Department as well as the Estates and Mills.



Key roles of the Sustainability Working Group include:

- Implement sustainability policy of the Company.
- Align sustainability strategies with corporate objectives and industry best practices.
- Evaluate and monitor compliance with environmental, social and governance (ESG) matters.
- Prepare the Sustainability Statement and liaise with internal auditors for assurance processes.

Sustainability Agenda

We are committed to ensuring that our pursuit of profit aligns with responsible business ethics across four key areas: the marketplace, environment, workplace and community. These form the pillars of our sustainability agenda, providing an overarching framework to drive a concerted effort towards achieving our sustainability goals.

Sustainability Pillars	Strategic Objectives
Marketplace	Maintain stakeholder trust by consistently meeting their expectations and needs in governance, integrity, transparency and traceability.
Environment	Minimise our environmental impact and champion responsible practices, including efforts towards biodiversity conservation and enhancing the resilience of natural ecosystems.
Workplace	Prioritise employee wellbeing and growth through fostering personal development initiatives, cultivating a vibrant and supportive work environment and ensuring the protection and promotion of human rights.
Community	Actively engage in social responsibility efforts, supporting the development of sustainable livelihoods within communities.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Stakeholder Engagement

The Group acknowledges the vital role of the stakeholder engagement in its business operations. Therefore, we actively engage with our stakeholders, including shareholders, employees, local communities, government agencies, customers, suppliers and contractors, as well as the certification bodies, through diverse communication channels. Our engagement strategy goes beyond formal meetings, incorporating informal approaches such as surveys, websites, social media and market research. We strongly believe that consistent and meaningful engagement with key stakeholders fosters mutual respect and understanding, ensuring their expectations align with the Group's ongoing sustainability goals.

An overview of our engagement activities in the current year and issues/concerns raised are listed below:

Stakeholder Groups	Frequency and Methods of Engagement	Issues/Concerns Raised in 2024	Responses to Issues and Outcomes
Shareholders	Annually <ul style="list-style-type: none"> Annual General Meeting ("AGM") Ongoing <ul style="list-style-type: none"> Corporate website Announcements through Bursa LINK 	<ul style="list-style-type: none"> Financial performance 	<ul style="list-style-type: none"> Annual Report Quarterly Interim Reports Quarterly meetings with analysts Quarterly and montly production disclosure
Employees	Annually <ul style="list-style-type: none"> Performance appraisals Dialogue with the Executive Director Quarterly <ul style="list-style-type: none"> Safety and Health Committee ("SHC") Meetings Monthly <ul style="list-style-type: none"> Operational meetings Costing meetings Ongoing <ul style="list-style-type: none"> Trainings Management reviews Events and functions Updates via email and other communication channels 	<ul style="list-style-type: none"> Company vision and strategy Operational performance and productivity Costing and financial performance analysis MSPO audit findings and progress of continuous improvement plans CSR programmes Training and development plans Employee rights and wellbeing, including workplace health and safety Remuneration matters 	<ul style="list-style-type: none"> Performance review Briefings and trainings on sustainability, health and safety as well as overall sustainability direction Provide regular updates on operational performance and productivity Provide cost savings initiatives Monitor issues related to health and safety Organise activities to strengthen the relationship of HQ staff and estates and mills Organise appreciation dinners / lunches / get together events
Local Communities	Ongoing <ul style="list-style-type: none"> CSR Programmes Briefing on Company's policies and related procedures during stakeholder meetings Regular telephone calls and text messages Festive celebrations 	<ul style="list-style-type: none"> Community programmes Land-related matters CSR matters Environmental impact 	<ul style="list-style-type: none"> Encourage volunteerism and participation in community engagement among our employees Help local communities through CSR programmes Conduct assessments such as Social Impact Assessment Provide donations and sponsorships

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Stakeholder Engagement (continued)

Stakeholder Groups	Frequency and Methods of Engagement	Issues/Concerns Raised in 2024	Responses to Issues and Outcomes
Government Agencies	Ongoing <ul style="list-style-type: none"> Stakeholder meetings and dialogues Correspondence via emails, letters, etc. Support government transformation policies and initiatives 	<ul style="list-style-type: none"> Regulatory compliance Routine inspections 	<ul style="list-style-type: none"> Keep abreast of regulatory development Provide access and comply with safety procedures during inspections
Customers	Ongoing <ul style="list-style-type: none"> Formal and informal briefings and meetings Customer feedback/complaint channel via email 	<ul style="list-style-type: none"> Product and service quality Health and safety Traceability 	<ul style="list-style-type: none"> Provide a channel for customer feedback/complaints Conduct continuous improvement activities towards enhancing customer experience and addressing customer needs Maintain 100% MSPO Certification for estates and mills
Suppliers and Contractors	Annually <ul style="list-style-type: none"> Supplier performance evaluation Ongoing <ul style="list-style-type: none"> Tender processes Contracts / agreements Online meetings, emails, telephone calls 	<ul style="list-style-type: none"> Awareness and commitment towards MSPO Standards, Health and Safety Policy and related SOPs Adherence to the Company's Anti Bribery and Anti Corruption ("ABAC") Policy Quality delivery Prompt payment 	<ul style="list-style-type: none"> Continue training suppliers and contractors on MSPO requirements Commitment to adhere to Company's ABAC Policy which is embedded into contracts with suppliers and contractors Provide constructive feedback to suppliers and contractors
Certification bodies and consultants	Ongoing <ul style="list-style-type: none"> Site visits and assessments 	<ul style="list-style-type: none"> Audit and certification Compliance with policies and latest changes in standards 	<ul style="list-style-type: none"> Issues raised in Surveillance Audit findings were resolved and closed Implement continuous improvement plans



Shareholders' engagement at AGM



Engagement with MSPO surveillance auditors

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Material Matters

Material matters encompass economic, environmental or social (“EES”) factors that impact a company or are affected by its operations. The principle of materiality plays a crucial role in shaping sustainability strategies, enabling the Group to prioritise issues with the most significant influence. A comprehensive materiality assessment involving three-step process to identify issues that are relevant and significant to stakeholders and our business was carried out in 2023. Such processes were outlined as below:

1. Identification

A comprehensive review of our operations through internal and external sources to scan for potential material matters were carried out:

Internal Sources	External Sources
<ul style="list-style-type: none">• Management reports and minutes of meetings• Risk assessment and risk registers• Biodiversity assessment records• Site visits and operation meetings• Field audit findings and reports• Shareholders’ feedback collected through AGM	<ul style="list-style-type: none">• MSPO surveillance audit reports• Bursa Malaysia Enhanced Sustainability Reporting Framework, including the 3rd edition of the Sustainability Reporting Guide• Department of Occupational Safety and Health (“DOSH”) and other safety regulations• Industry peers’ sustainability disclosures

2. Prioritisation

From the initial list of material matters, we refined our focus by considering their significance on the Group’s EES impacts, as well as their influence on key stakeholders. Since year 2023 marked our first structured materiality assessment, external stakeholders were not directly engaged. Instead, we relied on internal stakeholders as proxies, including employees from relevant departments responsible for engaging with the stakeholder groups. They used the feedback gathered from their interactions with the stakeholders throughout the year to review and streamline the list of material matters.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Material Matters (continued)

3. Validation

The outcome of the prioritisation process was compiled and approved by the BSC and the Board. A total of 12 material matters were identified and mapped to the relevant sustainability pillars for a more focused approach in managing the issues.





Material Matters	Why is it Important?	Stakeholder Impacted	Relevant SDGs
Sustainability Pillar 1: Marketplace			
Governance	Our ongoing success depends on our firm commitment to strong governance. This commitment is essential for transparent, ethical decision-making and compliance with regulations, which builds trust with stakeholders and vital for our long-term prosperity. Neglecting these principles could risk undermining transparency, eroding trust and exposing the Group to legal and reputational pitfalls.	<ul style="list-style-type: none"> Shareholders Employees Government Agencies 	  
Anti-Bribery and Anti-Corruption		<ul style="list-style-type: none"> Shareholders Employees Local Communities Government Agencies Customers Suppliers and Contractors Certification Bodies and Consultants 	
Commitment to Traceability		<ul style="list-style-type: none"> Shareholders Customers Suppliers and Contractors Certification Bodies and Consultants Local Communities 	

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Material Matters (continued)

3. Validation (continued)







Material Matters	Why is it Important?	Stakeholder Impacted	Relevant SDGs
Sustainability Pillar 2: Environment			
Waste Management	These material matters relate to responsible resource management. Going beyond legal obligations, actively managing these components enhances operational efficiency, improves our public image and underscores our commitment to environmental responsibility.	<ul style="list-style-type: none"> Shareholders Local Communities Government Agencies Customers Employees 	
Energy Management		<ul style="list-style-type: none"> Shareholders Local Communities Government Agencies Customers Employees 	 
Emissions Management		<ul style="list-style-type: none"> Shareholders Local Communities Government Agencies Customers Suppliers and Contractors Employees 	
Natural Water Resource Protection	These material matters collectively reflect our commitment to legal compliance and environmental impact mitigation, aligning not only with regulatory requirements but also showing our dedication to biodiversity conservation, environmental stewardship and the responsible use of natural resources.	<ul style="list-style-type: none"> Shareholders Local Communities Government Agencies Customers 	
Biodiversity Conservation		<ul style="list-style-type: none"> Shareholders Local Communities Government Agencies Customers 	

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Material Matters (continued)

3. Validation (continued)

Material Matters	Why is it Important?	Stakeholder Impacted	Relevant SDGs
Sustainability Pillar 3: Workplace			
Occupational Safety and Health ("OSH")	Our success relies on our people. In return, we provide a safe, conducive and fair working environment. As we employ foreign workers and our activities may affect land rights and indigenous communities, respecting human rights principles is crucial to ensure the continuity of our business operations and secures the social license to operate.	<ul style="list-style-type: none">• Employees• Government Agencies• Suppliers and Contractors	
Human Rights Protection		<ul style="list-style-type: none">• Shareholders• Local Communities• Employees• Government Agencies• Customers	 
People Management and Development		<ul style="list-style-type: none">• Employees	
Sustainability Pillar 4: Community			
Social Commitment for Communities	Our commitment to Social Responsibility for Communities emphasises building positive community relationships. This is crucial for obtaining the social license to operate while simultaneously enhancing our reputation and brand image.	<ul style="list-style-type: none">• Local Communities• Employees	  

The Group remains committed to ongoing stakeholder engagement to ensure alignment with evolving expectations and business priorities. During the financial year, we evaluated our methodology of materiality assessment and engaged with relevant stakeholders through meetings, discussions, briefings and telecommunications to gather their valuable insights. The feedback, along with the Group's material matters, was reviewed by the BSC before being presented to and approved by the Board. Following this review, the Group confirms that the current 12 material matters remain relevant as key sustainability priorities.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Sustainability Targets and Progress

Every year, we establish specific targets to focus our approach across the four sustainability pillars. Below are the targets set for 2024 and their corresponding progress:

Sustainability Pillars	2024 Targets/Commitments	2024 Progress
Marketplace	<ul style="list-style-type: none"> 100% MSPO recertification 100% anti-corruption training for staff Extend anti-corruption trainings to workers despite minimal risk exposure Maintain 100% MSPO-Certified crude palm oil ("CPO") and increase MSPO-Certified fresh fruit bunches ("FFB") supplies 	<ul style="list-style-type: none"> All estates and mills achieved 100% MSPO recertification Staff and workers are 100% trained on anti-corruption Maintained 100% MSPO-Certified CPO and increased MSPO-Certified FFB supplies to mills
Environment	<ul style="list-style-type: none"> Maintain chipping / deboling practices for replanting Extend coverage for segregation and recycling of waste at estates 100% coverage for water sampling monitoring analysis Review and expand rainwater conservation facilities (i.e. provide water tanks) Replanting planning and monitoring aimed at conserving HCV areas Awareness training on No Hunting Policy Complete installation of clean air filtration system at both mills 	<ul style="list-style-type: none"> All replanting activities carried out during the year adopted chipping/deboling practices Segregation and recycling of waste continued to be practiced Water sampling monitoring analysis was conducted periodically in estates and mills All existing quarters are equipped with water tanks for rainwater harvesting practices Replanting programmes complied with the Environmental Management Plan approved by the Natural Resource and Environmental Board ("NREB") Environmental awareness training continued to be in place for all operating units Clean air filtration system at both mills were completed and are in operation
Workplace	<ul style="list-style-type: none"> Maintain zero fatalities Continue enhancing safety measures and equipment Evaluate training needs and provide necessary trainings Construction of new quarters at certain estates Increase field day activities for employees Provision of food ration to mill workers Provision of bus services to workers and staff for transporting their children to schools (at certain estates) Contribution to KEREDAS to support its recreational activities for employees Encourage work-life balance through reducing working hours and simplifying processes Encourage healthy lifestyle through giving award for achieving target running mileage and organising various sport activities 	<ul style="list-style-type: none"> Zero fatality rate achieved Continued to oversee safety matters through the SHC Continued to provide sufficient safety equipment including personal protective equipment to employees Conducted Chemical Health Risk Assessment ("CHRA") for all estates and mills Conducted safety workplace inspections on quarterly basis at estates and mills Continued to conduct safety and health trainings to staff and workers Construction of new quarters at certain estates is in progress Field day activities continued to be carried out Food ration for mill workers and bus services for transporting workers' children to schools are on going Cash contribution to fund recreational activities organised by KEREDAS Reduced working hours for staff Staff who achieved running mileage targets are rewarded accordingly
Community	<ul style="list-style-type: none"> Continue providing job opportunities to the locals Continue to promote activities and communicate with the surrounding communities 	<ul style="list-style-type: none"> Continued to provide job opportunities to local communities Continued to conduct dialogues with communities to understand their needs and requests Continued to provide cash donations, gifts and celebrated festive occasions with the surrounding communities

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Sustainability Targets and Progress (continued)

We have identified targets for 2025 and will continue to focus on these specific objectives:

Sustainability Pillars	2025 Targets/Commitments
Marketplace	<ul style="list-style-type: none"> • Maintain 100% MSPO Surveillance certification while adopting and ensuring compliance with the new MSPO 2022 requirement • Maintain 100% anti-corruption awareness trainings for workers and staff • Maintain 100% MSPO-Certified CPO and continue to increase traceability for FFB supplies for our mills
Environment	<ul style="list-style-type: none"> • Maintain chipping / deboling and zero burning practices for replanting • Continue to review and expand rainwater conservation facilities (i.e. provide water tanks) wherever possible • Conserve HCV areas at replanting site • Conduct awareness training on No Hunting Policy to new workers and local communities • Conduct case studies and assessments on ESG performance for pilot site in order to identify areas for improvement.
Workplace	<ul style="list-style-type: none"> • Maintain zero fatalities at all operating units • Continue to enhance safety measures and equipment • Conduct Chemical Exposure Monitoring ("CEM") for estates and mills • Conduct medical surveillance for workers • Continue to evaluate training needs and provide safety and health trainings for staff and workers • Encourage work-life balance by further simplifying processes and reducing working hours for staff • Continue to encourage healthy lifestyle by giving reward for achieving target running mileage and organising various sport activities • Increase welfare initiatives such as provision of food products to employees
Community	<ul style="list-style-type: none"> • Continue providing job opportunities to the locals • Continue promoting activities and communicating with the surrounding communities • Encourage young talent from local communities to engage in modern agricultural techniques through training on mechanised harvesting

SUSTAINABILITY STATEMENT

MARKETPLACE

Our Approach

Marketplace encompasses market and stakeholder expectations regarding our business conduct. It serves as the foundation of our operations, ensuring value creation through strong governance, integrity and commitment to traceability.

The Group operates under the governance of the Board, who provides strategic guidance and oversees the operations and performance of the Group. We adhere to the Malaysian Code of Corporate Governance (“MCCG”) and uphold best practices as outlined in our Corporate Governance Overview Statement set out in this Annual Report.

The Board, through the Risk Management Committee, assesses risks that could potentially affect the Group's ability to achieve its objectives, including corruption, business continuity, safety, cyber security and sustainability. To mitigate these risks, we have put in place policies to promote good business conduct to guide our day-to-day practices. These include:

Code of Conduct	Whistle Blowing Policy	ABAC Policy
Directors' Fit and Proper Policy	Terms of Reference for Board Committees	Board Charter
Corporate Disclosure Policy	Conflict of Interest Policy	Related Party Transactions Policy
Sustainability Policy	Succession Planning Policy	Social Policy
Environmental and Biodiversity Policy	Safety and Health Policy	

There is also a Risk Management Policy and Framework in place to identify, strategise, control and address risk areas of the Group with the aim of mitigating the risks identified through the process.

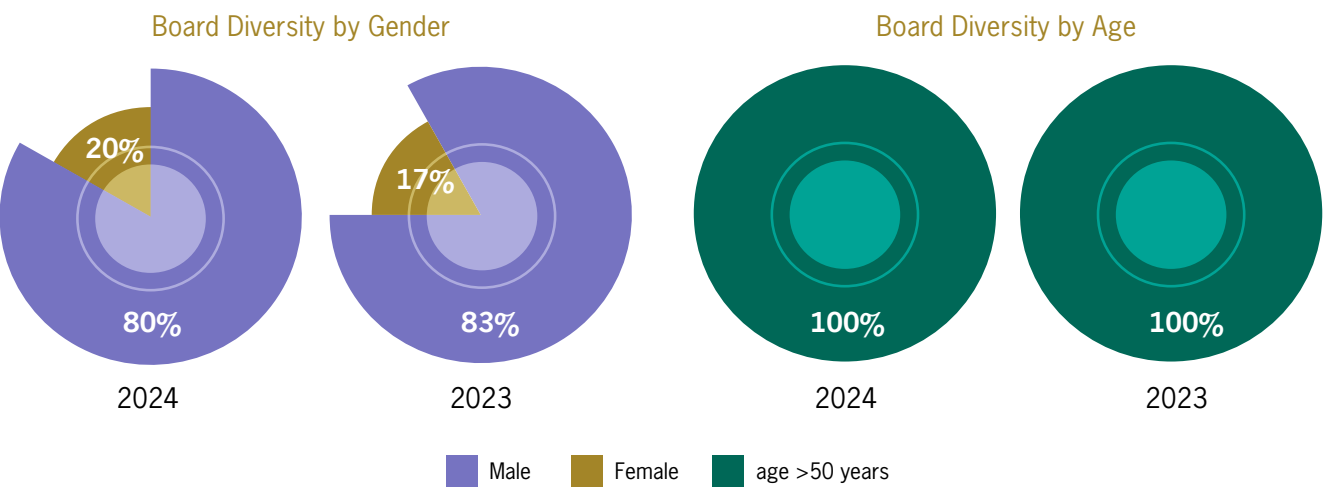
Meanwhile, we support a sustainable palm oil industry and are committed to improving the traceability of our supply chain through MSPO certification. With that, we strive to maintain 100% MSPO-Certified CPO and enhance the traceability of FFB supplied to our mills.

SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

Governance

Our Board comprises six (6) qualified individuals with diverse professional experiences, skill sets and backgrounds as outlined in the Board of Directors set out in this Annual Report.



We acknowledge the growing importance of data in the era of technology advancement. Meanwhile, there are always concerns pertaining to the safeguarding of data privacy and security. Due to the agricultural nature of our business, the perceived risks associated with data privacy and security are generally lower compared to other industries subject to stringent regulations. Nonetheless, we anticipate that data integration will become increasingly prevalent across all industries. Our existing Information, Communication and Technology SOP outlines the roles, processes and procedures to ensure proper data management and usage. For 2023 and 2024 and up to the date of this Statement, no complaints have been received concerning breaches of customer privacy or data loss.

SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

Anti-Bribery and Anti-Corruption

SPB is committed to combating corruption across all its operations, both internally and externally, as stipulated in its ABAC policy. External parties are required to comply with this Policy when engaging with us. Corruption practices, including bribery and extortion are strictly prohibited for our employees. Any benefits or gifts received must be reported to their immediate superior.

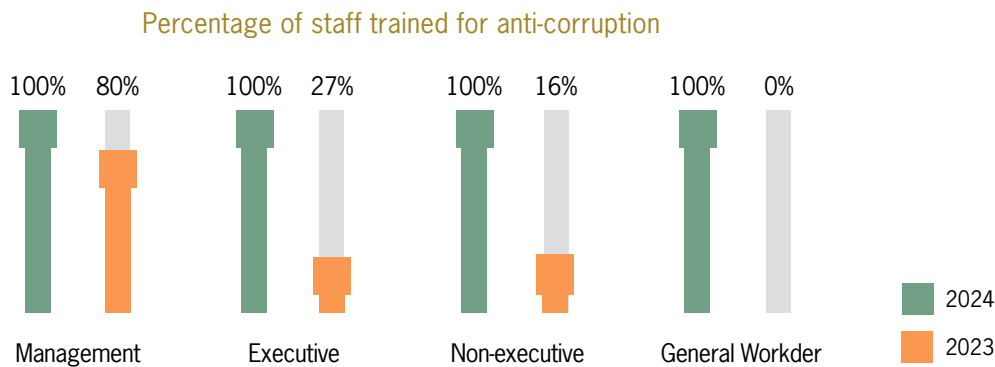
Directors and employees must avoid any situations that create a conflict between their personal interests and professional responsibilities. They are prohibited from using their positions, official working hours or company resources for personal benefit or in a manner that could disadvantage the Group. In the event of a conflict of interest or potential conflict of interest, employees must formally disclose their interest and involvement, promptly notify their immediate superior and abstain from any discussions, assessments or decisions related to the matter.



Whistle Blowing Policy

SPB's Whistle Blowing Policy established in 2017 provided our employees and the public a secure and confidential avenue for reporting any suspected unethical or illegal activities within the Company. This Policy ensures that concerns can be raised through proper channel and procedures without fear of retaliation. For more information on our Whistle Blowing Policy, please refer to our corporate website at www.spbgroup.com.my

To ensure that our staff understand their legal and ethical responsibilities regarding anti-corruption law and Company's policies, we regularly conduct training and awareness sessions. In 2024, 100% of staff and workers were trained and being constantly reminded of the Company's stand on anti-corruption.



We have also conducted the annual corruption risk assessment to identify areas within the Group that are vulnerable to corrupt practices. In 2024, 100% of our operations that are exposed to corruption risks has completed the risk assessment as compared to 43% completion achieved in 2023.

There were no reported incidents of corruption cases involving SPB or its employees during the year under review and in the preceding year.

SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

Commitment to Traceability

We are committed to establishing a fully traceable and transparent supply chain, ensuring that our products can be traced back to their source. This provides assurance to our customers and their customers that they are purchasing sustainable palm oil that has not contributed to deforestation. Additionally, it holds companies accountable and promote transparency throughout the palm oil supply chain.

To facilitate this process, SPB implemented a SOP in 2017 dedicated to monitor the traceability of our products.

Traceability and Supply Chain Management SOP

- Enable tracing of the process flow from the point where the estate dispatches daily crop production from the field until the FFB weighbridge ticket is produced by the mill and entered into the Estate Management System and Mill Management System;
- Ensure transparent and clear reporting of verifiable operational data directly attributable to mill and estate operations; and
- Ensure a secure supply chain, with clear identification of certified products upon leaving the facilities and effective implementation of all relevant requirements.

Currently, we achieved 100% MSPO certification for CPO, demonstrating our dedication to seek a high level of excellence in our production process.

We strictly adhere to the MSPO standards and are committed to maintaining MSPO certifications for all our mills and estates. The MSPO Certification is a mandatory national sustainability certification scheme for the oil palm industry in Malaysia, which covers the whole supply chain from oil palm plantations to downstream facilities. In addition, our mills were also certified under the MSPO-SCCS before the mandatory deadline of 1 January 2020. This standard applies to the oil palm downstream industry, covering management and traceability requirements in the production of the raw materials to processing and manufacturing of palm oil-based products throughout the supply chain.



SUSTAINABILITY STATEMENT

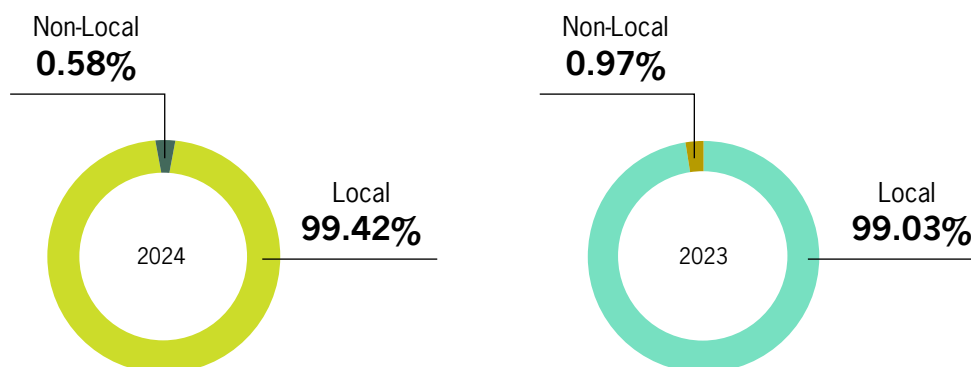
MARKETPLACE (continued)

Commitment to Traceability (continued)

All our mills and estates are MSPO-certified

ESTATES AND MILLS - MSPO			
NIAH PALM OIL MILL	SAWAI (SW)	BAKAU (BK)	MUKAH I (M1)
LADANG 3 (LE)	PINJI MEWAH (PM)	BUKUT (BT)	TULAI (TL)
PENINJAU (PE)	KARABUNGAN (KA)	MUKAH 3 (M3)	MELUGU (ML)
SUBIS (SE)	MATADENG (MT)	MUKAH PALM OIL MILL	
MILLS - MSPO-SCCS			
NIAH PALM OIL MILL			
MUKAH PALM OIL MILL			

Proportion of spending on third-party supplies



As our mill operations continue to engage with external FFB suppliers, we strive to increase percentage of FFB that adheres to MSPO certification requirements. We also maintain close monitoring of these suppliers who have not yet obtained MSPO certifications. As of 31 December 2024, 90% of FFB supplied to our mills are certified by MSPO standard, showcasing our commitment to sustainability and responsible sourcing practices.

Beyond enhancing traceability in our supply chain, we emphasise sourcing products and services from local suppliers to support the economic growth of our community. We take pride in consistently maintaining a spending proportion of 99% of our procurement on local suppliers every year.

Moving Forward

The Group remains committed to upholding the highest standards of governance, ensuring strict compliance with MSPO regulatory requirements and adherence to a robust risk management policy and framework. Our mission is to maximise stakeholder value through sustainable development by actively engaging in best business practices.

We are also persistent in undertaking continuous improvement initiatives to ensure MSPO standard compliance and maintaining 100% recertification for all our estates and mills. Additionally, we reaffirm our commitment to increasing the percentage of MSPO-certified FFB sourced for our operations.

SUSTAINABILITY STATEMENT

ENVIRONMENT

Our Approach

Our environmental approach is guided by our Environmental and Biodiversity Policy, which outlines our commitment to protect biodiversity and minimise our ecological footprints, through the following:

- Complying with all relevant legal requirements with respect to environmental preservation;
- Adopting good agricultural and manufacturing practices;
- Committing to adopt best practices in plantation development such as zero burning and protection of the environment in and around its plantations;
- Committing to employ best agricultural practices to maintain soil fertility, control erosion or degradation;
- Giving full commitment to preventing environmental pollution;
- Preserving the natural biodiversity and ecosystem habitats of flora and fauna;
- Informing and promoting environmental awareness to all stakeholders and nearby communities and encourage their participation in the process.

On top of that, we strictly adhere to MSPO requirements to ensure that our operations adopt sustainable land management practices and protect HCV areas. Our initiatives cover identification of areas susceptible to environmental pollution and implementation of robust monitoring mechanisms to mitigate potential adverse impacts to the environment. We conducted training sessions to ensure employees are well versed in the policy and their respective responsibilities. Additionally, we carry out periodic compliance activities, including Environmental Monitoring to ensure that all operational procedures adhere to environmental standards and regulations.

Waste Management

We observe all applicable waste management regulations enforced by the local authorities and have established SOPs and waste management plans to guide waste handling across our operational units. For example, non-hazardous municipal waste from workers' quarters, offices and other facilities is disposed in designated landfill areas and managed in accordance with established protocols. We are committed to minimising waste generated from our operations and prioritise reuse and recycling to reduce landfill disposal. This includes repurposing empty pesticide containers and fertiliser bags for use in estate field operations.



Reuse of empty containers and fertiliser bags

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Waste Management (continued)

We have systematically documented all identified waste generated throughout the operations and developed a management plan to maximise waste diversion and minimise pollution in all operating units. Hazardous wastes are disposed of through authorised third-parties in compliance with regulatory requirements while non-hazardous wastes are managed in designated estate landfills.

To maintain compliance with regulatory requirements, any identified pollution risk is promptly assessed, with its sources and types quickly determined to enforce strict controls and proper management. In addition, palm oil mill effluent ("POME") from mills undergoes anaerobic and aerobic degradation process prior to discharge, ensuring adherence to local environmental standards and minimising environmental impact.

We recognise the significant potential for recovering and repurposing palm oil waste. For instance palm kernel shell, a by-product of the milling process, can be sold to the market, generating additional revenue for the Group. Additionally, other waste materials such as empty fruit bunches ("EFB") are reused as boiler fuel at mills and used for mulching at estates.



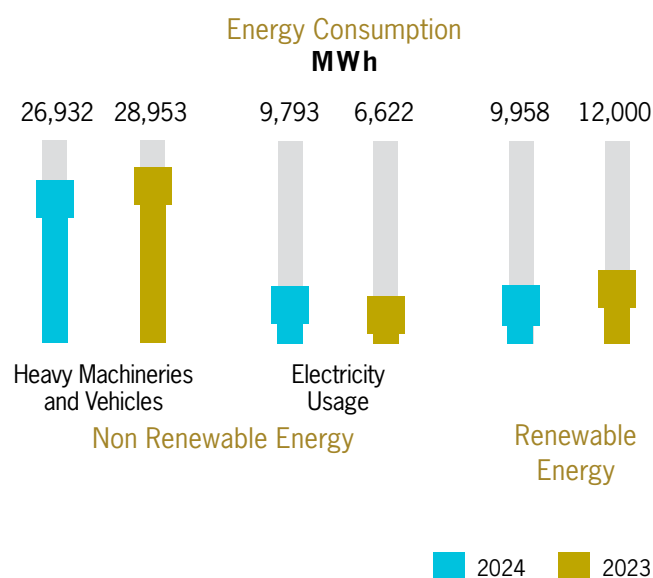
Effluent pond

Energy Management

In 2024, our total energy consumption reached 46,683 megawatt hour ("MWh") compared to 47,575 MWh in 2023 comprising electricity purchased from Sarawak Energy Berhad, a power utility company, self-generated electricity from our own generators and fuel consumption for heavy machineries and company-owned vehicles. In addition, renewable energy represents self-generated power from mills' turbine used for mill operation.

Some of our estates are powered by diesel generators due to their remote locations. On the other hand, with SOP in place, we also utilise mill waste such as EFB as boiler fuel to operate boilers at the mills.

We are dedicated to maximising renewable energy utilisation and reducing reliance on non-renewable sources to mitigate the environmental impact of our operational activities on climate change. Renewable energy source constitutes around 21% of our overall energy consumption portfolio in 2024.



SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Emission Management

We acknowledge the importance of effective emission management to reduce air pollution and mitigate adverse impacts arising from climate change. As a responsible corporate citizen, we comply with all applicable regulatory requirements, continuously monitor emissions and implement energy efficiency measures across our operations. We prioritise the utilisation of renewable energy wherever feasible to reduce reliance on fossil fuels. In addition, our commitment to sustainable waste management helps mitigate emissions from waste disposal.

The installation of clean air filtration system was completed at both Niah Palm Oil Mill and Mukah Palm Oil Mill during the year under review. This initiative reduces black smoke emission and improves air quality aimed at establishing environmentally friendly and sustainable palm oil operation. This investment reiterates our dedication in mitigating emission impact. Moreover, employee training and awareness programmes are conducted to foster a culture of sustainability. We believe that by integrating these measures, our operations can effectively manage emissions, enhance sustainability and mitigate the environmental impact.

At our mills, efforts have been taken in previous years to switch electricity source for certain operations from diesel generator to Sarawak Energy, whose energy source is largely of low emission hydro power.

Natural Water Resource Protection

Water is a vital natural resource throughout the palm oil supply chain, from cultivation to processing. To promote its sustainable use, we have water management plans in place focusing on preservation of both water quality and availability.

In our oil palm plantations, we have implemented various water conservation measures, including biomass management during replanting, terracing, silt pits construction and the establishment of leguminous cover crops as well as mulching to retain moisture and improve soil conditions. Moreover, water catchment areas within replanting zones are identified and conserved with restrictions on planting in these areas.

As part of our water management measures, we conduct regular assessments of discharge water quality from our oil palm estates and palm oil mills to minimise pollution in natural water sources. In compliance with the requirements of the Natural Resources and Environment Board, the Group engages authorised consultants to perform quarterly monitoring and inspections of river water quality within our premises. In 2024, water sampling and monitoring analysis were carried out across 94% of our operating units.

Total Water Consumption*



*Refers to water purchased from water utility organisations.



Water sampling by DOE enforcement officer

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Natural Water Resource Protection (continued)

Domestic water consumption increased from 117 megalitre in 2023 to 326 megalitre in 2024. The increase was primarily attributable to the billing methods adopted by the Sarawak Rural Water Supply Department (JBALB) which partly involves estimated readings. The Group continues to implement water conservation measures such as rainwater harvesting and process optimisation to reduce overall water consumption across its operation.

Apart from our palm oil production, our workers' housing is also equipped with rainwater harvesting tanks, supporting our commitment to water conservation and waste reduction. This initiative is especially valuable during prolonged dry seasons and we believe that it contributes to lowering the Group's overall domestic water consumption.



Rain water harvesting tanks

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Biodiversity Conservation

(i) Protection of HCV area

Protecting wildlife and endangered species requires a multifaceted approach that includes habitat conservation, enforcement of No Hunting policy and community engagement. Establishing and maintaining HCV areas, riparian buffer zones and forest corridors help preserve natural habitats essential for biodiversity.

We strictly prohibit oil palm development in HCV areas which encompass natural forest ecosystems with significant biological, ecological, social or cultural importance. The identification and protection of species or habitat of HCV are closely monitored ensuring full compliance with legal requirements. In addition, SPB enforces a strict ban on illegal hunting whilst actively promoting the maintenance and enrichment of HCV areas to support the conservation of rare, threatened and endangered wild life species within and around its operations.



No hunting signage

Beyond HCV areas, our replanting programmes adhere to the Environmental Management Plan to ensure sustainable practices. A key aspect of this approach is preserving riparian zones, which serves as natural filters for surface runoff from plantation areas. These zones also play a crucial role in wildlife conservation, supporting rare, threatened and endangered species within and around our operational sites.

Activities such as tree degradation, fishing, wildlife hunting, farming, chemical applications including fertilising and spraying, open burning, manuring and littering are strictly prohibited in riparian areas. Additionally, the construction of bunds across rivers or waterways within the estates is not permitted. We strive to preserve biodiversity by maintaining riparian buffer zones and protecting ecosystems near rivers.

(ii) No New Planting in Peat Areas

Peatlands, which retain twice as much carbon as forests, are highly susceptible to fires. Our policy strictly prohibits any new planting on peatlands to mitigate this situation. Further, undisturbed peat ecosystems supports rich biodiversity. The no new planting in peat areas policy aligns with our sustainable agricultural practices and meet the long term environmental conservation goals.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Biodiversity Conservation (continued)

(iii) Zero Burning

Zero burning is essential for protecting the environment and maintaining soil health. Hence, the utilisation of fire for waste disposal is strictly forbidden across all operational units. This prohibition is not only a legal mandate but also a fundamental requirement of the MSPO standard for all plantation operations, including replanting activities within the estates. Instead of burning, trunks and fronds are chipped and systematically stacked in the field, allowing them to decompose naturally. This process enriches the soil with nutrients, enhance fertility and reduces reliance on agrochemicals. Moreover, this sustainable approach minimises greenhouse gas emissions and air pollution, reinforcing our commitment to environmental conservation.

Moving Forward

We remain dedicated to strengthening and advancing our core strategies to foster progress in our environmental initiatives.

Our 2025 key focus areas include:

Emission management:

While we have emission management measures in place, further improvements will be made by enhancing monitoring systems, upgrading our machineries for cleaner and more energy efficient technologies and increasing the use of renewable energy sources.

Waste management:

We will extend wider coverage for waste segregation and recycling activities to other estates. Our key emphasis is on strengthening the monitoring systems and tracking waste disposal to ensure compliance, improve efficiency and promote circular economy principles to minimise overall waste generation. Furthermore, fostering employee awareness and engagement through training programmes will continue to be on our agenda to reinforce a culture of responsible waste management across all operational levels.

Natural water resource protection:

We aim to achieve 100% coverage for water sampling and monitoring analysis in our operation units. We continue to review and expand rain water conservation facilities such as providing water tanks for our workers' accommodation.

Protection of HCV area:

We will ensure our agricultural land development methods continue to preserve and sustain wildlife population through "No Hunting" practices.

Zero burning:

We will continue to maintain current practices of replanting such as chipping of trunks and fronds for soil revitalisation purpose, rather than open burning.



Electrostatic precipitator (ESP)

SUSTAINABILITY STATEMENT

WORKPLACE

Our Approach

Our people are the driving force behind the Group's success, playing a vital role in fulfilling our mission, purpose and values. In recognition of their dedication, we are committed to their wellbeing and strive to be a responsible employer. To achieve this, we focus on fostering a dynamic, supportive and safe workplace, promoting personal and professional growth and upholding the protection and advancement of human rights.

Occupational Safety and Health (“OSH”)

At SPB, the health and safety of our employees and stakeholders remain our utmost priority, aligning with our goal of achieving “Zero Harm to People, Asset and Environment”. This dedication is embedded in our Safety and Health Policy and Procedures. Additionally, we strictly adhere to the requirements set by DOSH and conform to the Occupational Safety and Health Act 1994, alongside relevant industry safety standards and laws in Malaysia.



Safety training



DOSH visit to Palm Oil Mill

To oversee OSH matters, we have, in prior years established a SHC, comprising members from both management and executive levels. These members include General Manager or Senior Operation Manager as Chairman, Operation Managers as estate management representative and Division in Charge as employee representatives. The SHC convenes quarterly meetings and is supported by a dedicated HSE Department. The HSE Department facilitates regular inspections, safety visits and training programmes to enhance workplace awareness and compliance with safety regulation.

In addition, the HSE department also serves as a communication bridge between the management and employees, addressing safety concerns, reviewing incidents and recommending improvements. They also conduct workplace audit on a periodic basis to ensure all operations comply and implement the statutory requirements.

By promoting a proactive safety culture and ensuring adherence to legal and industry standards, both the SHC and the HSE department contribute to minimising workplace accidents, enhancing employee wellbeing and supporting overall operational efficiency.

During chemical spraying applications, the Group provides personal protective equipment and conduct medical surveillance to mitigate workers' exposure to harmful chemicals.

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

Occupational Safety and Health (“OSH”) (continued)

Regular general health and safety trainings and briefings were conducted to raise awareness of safety protocols and enhance preventive skills among staff and workers. Topics covered include policy awareness, basic first aid and hazard identification.

In 2024, a total of 1,455 employees received training on health and safety standards, marking a 58% increase compared to 2023. This reflects our dedication in emphasising the importance of health and safety at workplace. In 2023 and 2024, we achieved zero workplace fatalities. Furthermore, the decrease in the lost time incident rate in 2024 shows our continuous commitment to maintaining a safe working environment.

	Measurement	2024	2023
Total employees trained on health and safety standards	Number	1,455	919
Lost time incident rate	Rate	0.06	1.03



Safety trainings

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

Human Rights Protection

We remain steadfast in our commitment to uphold human rights and labour standards of our workers and communities, grounded in our belief in the inherent dignity and equal, inalienable rights of every individual.

This commitment is outlined in our Employee Handbook and covered under provisions such as:

- Our dedication to providing a safe and conducive work environment within our premises;
- Our commitment to fostering a fair, respectful and supportive work environment for all employees, free from sexual harassment and violence.

Moreover, we have established a Social Policy aimed at articulating our commitment to cultivating an organisational culture that proactively identifies, assesses and manages human rights impacts within our operations. This policy outlines our commitment to employees, suppliers, contractors, local communities and society at large.

Specifically for employees, we pledge to provide equal opportunities for career advancement and development without discrimination. We uphold fundamental human rights principles, including the prohibition of forced labour and recruitment of child labour, while ensuring the freedom of association. We also collaborate closely with our suppliers and contractors to ensure adherence to these principles.

Beyond this commitment, we provide worker quarters and essential amenities, including places of worship such as mosques and chapels and places for recreational activities to enhance the wellbeing of our employees. We recognise the challenges associated with the rising costs of living, particularly for those earning at minimum wage levels mandated by the Government. To address this, since previous years, we pay monthly Cost of Living Allowance ("COLA") to staff whose salaries fall below a certain threshold.

While we acknowledge the progress made in this area, we remain dedicated to further enhancing our practices in the years ahead. For 2023 and 2024, there were no substantiated complaints concerning human rights violations.

People Management and Development

Our goal is to foster a dynamic, skilled and engaged team that drives the continuous growth and success of the Group.

Similarly to 2023, we did not hire contract or temporary persons at staff level in 2024.

Our workforce comprises individuals from both gender with different ages and ethnicities, reflecting the Group's rich cultural mix.



New Surau Al-Muhajirin at Bakau estate

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

Percentage of staff and workers by age group and gender

Employee Category	2024					2023				
	Age			Gender		Age			Gender	
	<30 %	30-50 %	>50 %	Male %	Female %	<30 %	30-50 %	>50 %	Male %	Female %
Management	0	20	80	60	40	0	20	80	60	40
Executive	10	79	11	80	20	8	79	13	80	20
Non-Executive	16	68	16	68	32	15	68	17	68	32
General Workers	31	60	9	74	26	33	61	6	77	23



Majlis berbuka puasa at Northern Region

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

We prioritise year-round employee engagement through various channels to foster team camaraderie and cultivate positive workplace environment. Through KEREDAS, we organised recreational activities in the form of sports competition, including football, badminton, volleyball and football to promote work-life balance. In addition, we organised team-building exercises infused with field day activities, such as loose fruit collection, seedling planting and stack pruning. These initiatives not only lifted up team spirit but also provided hands-on experience to employees across different division of the Group, raising awareness on oil palm plantation in the process.



KEREDAS Hash Run in Peninjau estate



Football Match



Field Planting Day

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

We continue to invest in training and development for our employees, empowering them to reach their full potential and succeed in an ever-changing market landscape. In 2024, we spent 10,579 hours on various trainings. The detailed breakdown provided to each employee category is as shown in the table:

Total training hours by employee category

Employee Category	Total Training Hours	
	2024	2023
Staff:		
• Management	135	108
• Executive	622	457
• Non-Executive	684	119
General Workers	9,138	7,804
Total	10,579	8,488



On the field trainings

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

The increase in training hours confirms our commitment to enhancing people development and improving overall efficiency. By investing in continuous learning, we aim to equip our employees with the necessary skills and knowledge to drive productivity, innovation and operational excellence across all functions.



On the field training

We also engage a comprehensive approach to people management and development, thus fostering a highly engaged workforce characterised by a reasonable rate of employee turnover.

Total number of employee turnover

Employee Category	2024	2023
Staff:		
• Management	0	0
• Executive	14	15
• Non-Executive/Technical Staff	22	25
General Workers	257	161

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

We also organised annual dinners to recognise and celebrate the hard work and contribution of our employees. To facilitate more intimate interactions and ensure inclusivity, annual dinners were held in the Northern and Central regions, providing management with opportunities to foster positive relationships with employees.



Annual dinner at Central Region

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)



Annual dinner at Northern Region



Appreciation dinners with Directors

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

As part of the enhanced welfare measures implemented by the Group, we started an indoor farming initiative where vegetables are grown free from pesticides. These vegetables are currently meant for distribution to our employees. We also distributed food products to employees on quarterly basis starting 2024.



Green coral lettuce grown via indoor farming

Moving Forward

We are committed to continual improvement across all areas of our operations. In terms of OSH, our aim is to maintain zero fatalities and we consistently upgrade safety measures and equipment to achieve this.

Regarding Human Rights Protection, we maintain current practices while enhancing working conditions. This includes plans to construct new quarters with improved amenities and facilities, as well as providing food rations to address the rising cost of living. We also benchmark against industry best practices to further enhance our standards.

In People Management and Development, we emphasise work-life balance by promoting a healthy lifestyle and recognising employees who meet sport programme targets such as running mileages. We also continuously invest in our people by assessing their learning needs and providing necessary trainings. These initiatives reflect our dedication to cultivating a safe, supportive and thriving work environment for all our employees.



Community Learning Centre (CLC)

SUSTAINABILITY STATEMENT

COMMUNITY

Our Approach

We are deeply committed to giving back to the community and fostering strong relationships with those around us. Through active engagement, we strive to understand their needs and develop initiatives that enhance basic infrastructure and social wellbeing, ultimately improving their daily lives and supporting a sustainable future.

Social Commitment for Communities

Most of our operations are situated within the same vicinity as the rural communities, intricately intertwined with their daily lives. Our corporate social responsibilities efforts for these communities focus on improving their quality of life through various initiatives.

We support education by:

- Providing accommodation for estates' nearby school teachers.
- Sharing facilities such as football field with nearby schools as and when requested.
- Supporting academic excellence through sponsorship of school programmes and motivational events.

We invest and help in community infrastructure by:

- Sharing machineries or equipment to assist “gotong royong” activities as and when needed.
- Repairing access road for surrounding communities.
- Provide cash donations to help in the repair of longhouses so that the local communities can continue to reside in a conducive environment.



Sponsorship for a school's annual sports day

SUSTAINABILITY STATEMENT

COMMUNITY (continued)

Social Commitment for Communities (continued)

We support economic empowerment of the locals by:

- Providing job opportunities and job training to locals through our Group's training centre facilities.
- Offering food rations to support the daily living expenses of those in need within the community.
- Providing aid to individuals in need. This includes cash and food aid to flood-affected individuals, financial support for funeral expenses to alleviate the financial burden for local communities facing difficulties in covering these costs.

We promote healthy lifestyle in communities by:

- Supporting local sports team and events including sponsoring a local futsal team, enabling them to participate in competitions in larger arenas for continued improvement.
- Sponsoring various sports events to foster interest in sports among the local communities, including charity run, *sepak takraw*, badminton and others.
- Sponsoring Community Health Awareness programmes under the 'Agenda Nasional Malaysia Sihat' to empower the local community to adopt healthy lifestyles, protect against health threats and enhance quality of life.



Food aid to individuals affected by flood



Deaf Awareness Charity Food Fair

SUSTAINABILITY STATEMENT

COMMUNITY (continued)

Social Commitment for Communities (continued)

The Group continues to maintain its culture of making regular charitable donations to local communities, schools, foundations, associations and government agencies in the form of cash donations and gifts.

This also includes festive celebrations with underprivileged and marginalised communities. Festive celebrations create opportunities to forge meaningful connections with local communities and spreading cheer. This was achieved through various means, including purchasing gifts and donating to local orphanage homes and communities.

For 2024, the Group spent a total of RM809,376 in community investment, benefiting 360 community members.

	2024	2023
Total amount invested (RM)	809,376	594,989
Total number of beneficiaries	360	333



Donations to local communities

SUSTAINABILITY STATEMENT

COMMUNITY (continued)

Moving Forward



Dialogue with locals

Our community investment initiatives will continue to focus on creating long-term positive impacts to uplift the livelihoods of our neighbouring communities. In 2025, we will continue to maintain regular communication with the surrounding communities. We are committed to continue building more infrastructures and enhance the younger generation's competencies and skills, thereby improving their chances of employment.

CONCLUSION

We are steadfast in our commitment to integrating sustainability into our business and operations, guided by our four sustainability pillars. While we acknowledge that we are continuously learning and refining our sustainability practices, we are dedicated to make on going improvements. By adopting industry best practices, we strive to enhance our strategies and align our goals with the UN SDGs and Malaysia's 2030 Agenda wherever possible. Our commitment also extends to transparent reporting of our progress and key performance indicators to ensure accountability. We look forward to sharing our sustainability journey and achievements in the years to come.

SUSTAINABILITY STATEMENT

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform. It is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced Sustainability Reporting requirements.

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	80	100
Executive	Percentage	27	100
Non-executive/Technical Staff	Percentage	16	100
General Workers	Percentage	0	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	43	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.03	99.42
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt hour	47,575	46,683
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	117	326
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.03	0.06
Bursa C5(c) Number of employees trained on health and safety standards	Number	919	1,455
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0	0
Management Between 30-50	Percentage	20	20
Management Above 50	Percentage	80	80
Executive Under 30	Percentage	8	10
Executive Between 30-50	Percentage	79	79
Executive Above 50	Percentage	13	11
Non-executive/Technical Staff Under 30	Percentage	15	16
Non-executive/Technical Staff Between 30-50	Percentage	68	68
Non-executive/Technical Staff Above 50	Percentage	17	16
General Workers Under 30	Percentage	33	31
General Workers Between 30-50	Percentage	61	60
General Workers Above 50	Percentage	6	9
Gender Group by Employee Category			
Management Male	Percentage	60	60
Management Female	Percentage	40	40
Executive Male	Percentage	80	80
Executive Female	Percentage	20	20
Non-executive/Technical Staff Male	Percentage	68	68
Non-executive/Technical Staff Female	Percentage	32	32
General Workers Male	Percentage	77	74
General Workers Female	Percentage	23	26
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83	80
Female	Percentage	17	20
Under 30	Percentage	0	0
Between 30-50	Percentage	0	0
Above 50	Percentage	100	100
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	108	135
Executive	Hours	457	622
Non-executive/Technical Staff	Hours	119	684
General Workers	Hours	7,804	9,138
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	0
Executive	Number	15	14
Non-executive/Technical Staff	Number	25	22
General Workers	Number	161	257
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	594,989	809,376
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	333	360

Internal assurance

External assurance

No assurance

(*)Restated

AUDIT COMMITTEE'S REPORT

The Board of Sarawak Plantation Berhad is pleased to present the Audit Committee's ("the Committee") Report for the financial year ended 31 December 2024.

1. MEMBERS AND MEETINGS

The Committee Members during the financial year are as follows:-

No.	Name	Status of Directorship	Independent	Appointment/Resignation
1	Dato Chia Chu Fatt	Chairman - Independent Non Executive Director	Yes	Appointed on 13 August 2021
2	Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	Member - Independent Non Executive Director	Yes	Appointed on 27 March 2019
3	Datu Haji Abdul Razak bin Mohd. Tready	Member - Independent Non Executive Director	Yes	Appointed on 15 January 2025
4	Dato Awang Bemee bin Awang Ali Basah	Member - Independent Non Executive Director	Yes	Appointed on 26 May 2023 Resigned on 21 October 2024

During the financial year, the Committee conducted 7 meetings. The details are as follows:-

No.	Name	No. of Meetings Attended	Attendance
1	Dato Chia Chu Fatt	7/7	100%
2	Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	7/7	100%
3	Datu Haji Abdul Razak bin Mohd. Tready *	na	na
4	Dato Awang Bemee bin Awang Ali Basah **	na	na

* Appointed on 15 January 2025

** Resigned within the financial year as shown in the table above, but he attended all the Committee's meetings prior to his resignation in October 2024.

The Group's internal and external auditors and certain members of the Key Management Personnel attended the meetings by invitation during the financial year.

The details of the Committee Members' profiles are found in the Board of Directors section of this Annual Report.

AUDIT COMMITTEE'S REPORT

2. SUMMARY OF WORK

The primary purpose of the Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

In addition, the Committee is authorised to carry out duties as mentioned below and has unrestricted access to all of the Group's records, properties and personnel to enable it to discharge its duties.

The summary of work carried out by the Committee included the following:

i. Financial Reporting and Compliance Statements

- Reviewed the quarterly results and annual financial statements of the Group and recommended the same to the Board for approval.

ii. Internal Control and Statutory Compliance

- Evaluated existing policies, established audit quality and ensured compliance with the Group's policies;
- Provided assurance that the Group's goal and objectives were achieved and assets were safeguarded;
- Ensured that proper processes and procedures were in place to comply with all laws, regulations and rules established by relevant regulatory bodies;
- Reviewed related party transactions and conflict of interest situations that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.
 - The Committee reviewed all related party transactions to consider whether they were conducted on an arm's length basis, are not prejudicial to the interests of the minority shareholders and are made on generally acceptable commercial terms not more favourable to the related parties.
 - The Committee was satisfied that there are mitigating measures in place where Directors / Key Management Personnel with conflict or potential conflict will declare their interest in advance and then abstain from all deliberations relating to the matter.

iii. Internal Audit

- Ensured internal audit has unrestricted scope and access to information to enable it to fulfil its mandate;
- Ensured there is open communication between different functions as part of its internal audit plan;
- Ensured that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- Approved the risk-based internal audit plan;
- Approved the internal audit budget and resource plan;
- Received communications from the Internal Audit Manager on the internal audit activities' performance, its plan and other matters;
- Evaluated and appraised the performance of the Internal Audit Manager;
- Made inquiries of the Management and the Internal Audit Manager to determine appropriateness of audit scope and ensured adequacy of resources;
- Ensured the internal audit activity was free from interference in determining the scope of internal auditing, performing work and communicating results.

iv. External Audit

- Reviewed the findings of the external auditors in relation to audit and accounting issues which arose from the audit and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board ("MASB");
- Met independently with the external auditors.

AUDIT COMMITTEE'S REPORT

3. INTERNAL AUDIT FUNCTION

The Group has an internal audit function whose primary responsibility is to undertake regular and systematic reviews of the system of internal control so as to provide reasonable assurance that this system continues to operate satisfactorily and effectively within the Group. The internal audit function adopts a risk-based audit methodology which is aligned with the risks of the Group to ensure that relevant controls addressing those risks are reviewed on a rotational basis.

The activities carried out by the internal audit include, amongst others:

- Reviewed the adequacy of risk management and the system of internal control for effectiveness and efficiency;
- Assessed compliance with established rules, guidelines, law and regulations;
- Reviewed the reliability and integrity of information and means of safeguarding assets.

The Internal Audit Manager is responsible for the organisational independence of the internal audit activity and reports directly to the Board Audit Committee.

The total costs incurred for the Group's internal audit function in respect of the financial year ended 31 December 2024 amounted to RM402,879.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors remains committed to maintaining high standards of good corporate governance practices in the discharge of its duties and responsibilities towards the Company and its shareholders. The Board believes that good governance practices protect and enhance shareholders' value and financial performance of the Company. It also provides sustainable long term success to the business.

This Overview Statement conveys how the Company has put in practice the principles and practices issued under the Malaysian Code of Corporate Governance 2021 ("the Code") in respect of the financial year ended 31 December 2024. The Board will constantly review its conduct, processes and procedures in order to adhere to the Code.

The details of how the Code was applied during the financial year under review are set out in the Corporate Governance Report and is published on the Company's website at www.spbgroup.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is collectively responsible for the overall governance of the Group. It sets the vision and the strategies of the Company to achieve sustainable long term success and ultimately enhance shareholders' value and investors' confidence but without compromising good corporate governance practices.

To achieve the above, the Board sets the framework within which the Group shall operate, in particular, the areas of corporate governance, conflict of interest, related party transactions, anti corruption, sustainability, internal controls, risk management, succession planning, business and investment strategies. The Board converges its diverse expertise and experience to render advice and mentoring to the Company to realise its visions and strategies.

With 28 years of experience, the Chairman of the Board is well versed in the oil palm sector. Hence, he is well qualified to lead the Board in the vision, strategic direction and business development of the Company. Hand in hand with independent directors of differing professional background on board, he can also be guided by their knowledge thus providing balance in the decision making process of the Board.

The Chairman is also the driver of good governance practices within the Board and the Group. The Chairman ensures that information received by the Directors are complete, accurate and timely so that decisions made are based on the right premise.

The Chairman presides over every board meeting and ensures that the Directors' opinions are heard. He allows sufficient time for each agenda to be deliberated and provides every Director opportunity to actively participate in all discussions.

In line with good corporate governance practices, the Chairman has never been a member of the Audit Committee, Nomination Committee or the Remuneration Committee. In this manner, the possibility of self review is negated. Further it promotes check and balance as well as objectivity at the Board level when reviewing and deliberating observations and recommendations from these committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

As part of the governance structure of the Company, the following Board Committees are in place:

- a. Board Audit Committee;
- b. Nomination Committee;
- c. Remuneration Committee;
- d. Risk Management Committee; and
- e. Board Sustainability Committee.

These committees review matters within their terms of reference but the ultimate responsibility for the final decision rests with the Board.

The positions of the Chairman and the Executive Director / Chief Executive Officer are held by 2 different individuals with clear delineation of duties.

While the Board sets the policies and strategies, the implementation and management of the day to day administration and operation of the Group is delegated to the Executive Director and the Key Senior Management. The Executive Director and the Key Senior Management carry out the directives of the Board but are subject to the control of the Board.

Throughout year 2024, visits to the estates and mills by the Key Senior Management were on a monthly basis and more often when the need warrants it. Virtual meetings became very handy when urgent issues surface and are needed to be addressed immediately. The Covid-19 restrictions imposed on us previously have taught us that some types of meeting are more time and cost effective when held virtually.

The Company has in place a Code of Ethics which sets the standard of acceptable behavior in the Company. The Company also has in place a Corporate Disclosure Policy which governs dissemination of confidential information and how confidentiality of such information is to be maintained and safeguarded. To further enhance good governance, the Conflict of Interest Policy, the Related Party Transactions Policy, the Fit and Proper Policy, the Anti Bribery and Anti Corruption Policy, the Whistle Blowing Policy, the Safety and Health Policy, Environmental and the Biodiversity Policy, the Social Policy, the Sustainability Policy, the Succession Planning Policy and the Risk Management Policy have also been established.

Sustainable practices are inherent across all segments of the business operations of the Group, particularly at the estates and the mills. The Management Review & Analysis by the Executive Director and the Sustainability Statement set out in this Annual Report give further details on the Group's sustainability practices.

The Board is supported by a suitably qualified and competent Company Secretary who is also legally qualified. Apart from the administrative job scope of a Company Secretary, she also provides the Board with guidance on matters relating to good corporate governance practices, eg. disclosures, compliance, accountability and transparency.

The Company Secretary also attends all Board and Board Committee meetings and takes the minutes of these meetings. These minutes are circulated to the Directors on the same day as the day the meetings are held.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

The Directors have attended the following trainings in order to better equip themselves to execute their duties and responsibilities:

Name of Director	Brief Description of Training
Datuk Amar Abdul Hamed bin Sepawi	- Mandatory Accreditation Programme (MAP) (Part II)
Dato Wong Kuo Hea	- Mandatory Accreditation Programme (MAP) (Part II) - Companies (Amendment) Act 2023
Datu Hasmawati binti Sapawi	- Leadership Forum 2024 - Seminar on Common Offences under Companies Act 2016 - Corporate Finance and Strategy Programme - 462 Anti Money Laundering - Risks & Vulnerabilities in Capital Markets - Mandatory Accreditation Programme (MAP) (Part II)
Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	- Fraud Conference 2025 : Strengthening Governance and Innovation in Fraud Prevention
Dato Chia Chu Fatt	- Cybersecurity Oversight : Board Responsibilities in light of the Cybersecurity Bill 2024
Datu Haji Abdul Razak bin Mohd. Tready	- Mandatory Accreditation Programme (MAP) (Part I)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition

The Board is comfortable with its size and level of effectiveness with at least half the Board comprising of independent directors. The diverse professional background of the 6 members on Board gives it a right mix of skills, knowledge, experience and independence to maintain the Company on a competitive edge. The profile of each of the Directors is set out in this Annual Report.

The different professional background of the Directors allows various perspectives of any proposal put before the Board to be adequately considered thus leading to a balanced decision. Even where the discussions are on review of financial and operational information or progress reports, the diversity of expertise will make the decisions made better thought through.

The Board is aware that the Code prescribes that the tenure of an independent director must not exceed a cumulative term limit of 9 years.

The Board Charter stated that the tenure of an independent director may not exceed a cumulative term of 12 years. Upon completion of the 9 years, if an independent director continues to serve on the Board, it will be in the capacity of a non-independent director. If the Board intends to retain an independent director beyond 9 years, it will justify and seek annual shareholders' approval, through a 2 tier voting process.

The Directors have also shown their commitment to carry out their fiduciary duties and their duty to use reasonable care, skill and diligence towards the Company in their attendance and active participations at Board Meetings throughout the year in review.

Below shows the details of the attendance of all the directors at Board Meetings held in 2024:

Name of Director	Designation	Meetings Attended	
		Number	(%)
Datuk Amar Abdul Hamed bin Sepawi	Executive Chairman	5/5	100
Dato Wong Kuo Hea	Executive Director	5/5	100
Datu Hasmawati binti Sapawi	Non Independent Non Executive Director	5/5	100
Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	Independent Non Executive Director	5/5	100
Dato Chia Chu Fatt	Independent Non Executive Director	5/5	100
Datu Haji Abdul Razak bin Mohd. Tready *	Independent Non Executive Director	na	na

* Appointed on 15 January 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Members of the Board and Key Senior Management are appointed after thorough assessment by the Nomination Committee through a formal and transparent process. For appointment and re-appointment of Directors, the Nomination Committee is also guided by the criteria set out in the Fit and Proper Policy which is found on the Company's website. The Nomination Committee will then make its recommendation to the Board on the suitability of the candidates and the Board will have the final say in the appointment of the candidate.

In assessing a potential candidate, the Nomination Committee will take the following factors into account:

- a. Skills, knowledge, expertise and experience;
- b. Professionalism;
- c. Character and Integrity;
- d. Time and Commitment;
- e. Conflict of Interest, Potential Conflict of Interest and Competing Loyalties;
- f. Potential to contribute to achieve the Company's goal and objectives; and
- g. Where candidates are to be appointed as Independent Non Executive Directors, the Nomination Committee will also assess the candidates' ability to discharge his/her responsibilities as required of an Independent Non Executive Director.

As a potential candidate must possess the above qualities, the Board has not established a formal policy on gender, ethnicity and age group thus far. The Board believes that gender, ethnicity and age group diversity should be balanced with meritocracy of the potential candidate. Hence, the Board believes that the Group is not disadvantaged in any manner without this policy as it is committed to provide fair and equal opportunities to all.

The Nomination Committee comprises exclusively of non executive directors, the majority of whom are independent. They are:

- a. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) (Chairman);
- b. Datu Hasmawati binti Sapawi (Member);
- c. Dato Chia Chu Fatt (Member).

The Terms of Reference of the Nomination Committee are found on the Company's website.

In the year under review, the activities of the Nomination Committee included the following:

- (a) Formal assessment of Datu Haji Abdul Razak bin Mohd. Tready prior to his appointment as an Independent Non Executive Director of the Company;
- (b) Formal assessment of the contribution of each Director and that of the Chairman. When deliberating on the performance of an individual Director as a Director, that Director who also happens to be a member of the Nomination Committee will abstain from all discussions. The areas where Directors are assessed include character and integrity, commitment and preparedness, skill and competence. Independent Directors are also assessed on their ability to exercise independent judgement.

The results of the assessment were made available to the Board. The Nomination Committee also gave its recommendation on Directors who are seeking re-election under Article 90 and Article 91 of the Company's Constitution at the forthcoming Annual General Meeting of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

- (c) Formal assessment of the Board's effectiveness as a whole and that of the various Board Committees. The performance of each Board Committee was also evaluated. When deliberating on the performance of an individual Director as a Member of a particular Board Committee, that Director who also happens to be a member of the Nomination Committee will abstain from all discussions. The criteria used by the Nomination Committee in this assessment include mix of skills and expertise, decision making process and how the Board / Board Committee relates to the Management.
- (d) Evaluated whether the Independent Directors continue to be able to exercise independent judgement without being unduly influenced. The Nomination Committee satisfied itself that all the Independent Directors continue to be able to discharge their duties satisfactorily. As is the standard requirement, when the conduct of the evaluation of an Independent Director who is also a member of the Nomination Committee is carried out, that Independent Director concerned will abstain from all deliberations.

III. Remuneration

The Remuneration Committee has in place remuneration policies which attract, maintain and retain a set of Directors and Key Senior Management of requisite caliber to move the Company towards greater prospects and growth.

At least half of the composition of the Remuneration Committee comprises independent directors. They are:

- a. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) (Chairman);
- b. Dato Chia Chu Fatt (Member); and
- c. Dato Wong Kuo Hea (Member).

The Terms of Reference of the Remuneration Committee are found on the Company's website.

In the year under review, the activities of the Remuneration Committee included the following:

- (a) Reviewed the remuneration of the Executive Directors and the Key Senior Management. As is the standard requirement, when the remuneration of the Executive Directors and the Key Senior Management are being reviewed, Dato Wong Kuo Hea, who is a member of the Remuneration Committee and the Company Secretary who is one of the Key Senior Management will leave the discussion thereby abstaining from all deliberations on the matter.
- (b) Reviewed the Board's remuneration for the financial year ending 31 December 2025 which will subsequently be tabled to the shareholders for approval at the Annual General Meeting.
- (c) Reviewed the benefits to be paid to the Directors for the period from this Annual General Meeting in 2025 to the next Annual General Meeting to be held in 2026 which will subsequently be tabled to the shareholders for approval at the Annual General Meeting.

The details of the Company's directors' remuneration received during the year are disclosed in the CG Report for financial year ended 31 December 2024.

The Company's directors' remuneration for financial year ended 2024 was approved by the shareholders at the 27th Annual General Meeting of the Company held on 24 May 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee was established on 11 November 2000. It is chaired by an Independent Director, Dato Chia Chu Fatt.

The Audit Committee comprises exclusively of independent directors, namely:

- a. Dato Chia Chu Fatt (Chairman);
- b. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) (Member); and
- c. Datu Haji Abdul Razak bin Mohd. Tready (Member).

It is an established practice of the Audit Committee not to appoint a former audit partner or any former consultants, for that matter, who have been auditing the Company's financial statements or advising the Company, as a member of the Audit Committee or on boarded as an independent director unless a 3 years' cooling off period has been observed.

More details on the activities of the Audit Committee can be found in the Audit Committee's Report as set out in this Annual Report. The Terms of Reference of the Audit Committee are found on the Company's Website.

II. Risk Management and Internal Control Framework

The Risk Management Committee was established on 1 May 2007. It forms an integral part of the effective management of the Company and it seeks to identify and address risk areas which include business, anti-corruption, business continuity, environment, human capital, safety, security, operation and sustainability of the Company with the aim of preventing, where possible, and mitigating these risks.

The Risk Management Committee comprises 3 directors, namely:

- a. Dato Chia Chu Fatt (Chairman);
- b. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) (Member); and
- c. Datuk Amar Abdul Hamed bin Sepawi (Member).

The Risk Management Committee met once during the year to review the Group's risk profile. It paid close attention to risk areas like anti-corruption, Environmental, Social and Governance ("ESG") and business continuity.

The Board confirms that its risk management and internal control system are operationally adequate and effective throughout the year under review and up to the date of this Annual Report.

The Terms of Reference of the Risk Management Committee are found on the Company's website. Features of the Company's risk management and internal control framework and the adequacy and effectiveness of this framework are described in the Statement on Risk Management and Internal Control as set out in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Communication with Stakeholders

Recognising the importance of keeping the investing community up to speed with the developments in the Company through effective communication, the Company chooses various forums to engage with its stakeholders. These include physical meetings, online discussions, announcements through Bursa Link and disclosures on the Company's website.

Further the investing community, comprising individuals, analysts, fund managers and other stakeholders also engage with the Company's representatives on a regular basis through visits to the operating units, telephone calls or other online platforms. This enables the investors to get a balanced understanding of the main issues and concerns affecting the Company. Such discussions are restricted to matters that are already in the public domain.

Whilst the Company endeavours to provide as much information as possible to its stakeholders, it is also conscious of the legal and regulatory framework governing the release of material and price sensitive information within which it must abide.

II. Conduct of General Meetings

The Annual General Meeting is one of the various means used by the Board to disseminate information on major corporate developments and events and also a forum for open and candid discussions with the shareholders.

Ample opportunities are given to shareholders including their proxies to address their queries and concerns to the Chairman, any Directors and also the Key Senior Management. Before proceeding with the first resolution in the Agenda, the Chairman will always address questions which have been sent in earlier by the shareholders and thereafter open the time for open engagement with shareholders present at the meeting. Shareholders are encouraged not only to pose questions involving the Company's financial and non financial and long term strategies but also to share their views and opinions on the current position and future path of the Company for the Board and Key Senior Management's consideration.

Since the 21st Annual General Meeting held in 2018, at least 28 days of notice had been given to its shareholders before the Annual General Meeting is convened.

The Company's Annual General Meetings have also always been held at easily accessible venues for the convenience of the shareholders.

Since the 24th Annual General Meeting held on 13 August 2021, the minutes of the Annual General Meeting have been posted on the Company's website within 30 business days after the date of the Annual General Meeting.

This Statement was approved by the Board of Directors on 27 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement is made pursuant to the Listing Requirements of Bursa Malaysia and is guided by the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility towards the Group to maintain a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board is responsible for reviewing the adequacy and effectiveness of risk management and the system of internal control. A sound risk management and internal control system includes the establishment of an appropriate control environment and framework, encompassing financial, operational and compliance controls and management of risks throughout its operations.

Due to limitations inherent in any risk management and internal control system, the Group's system is designed to manage and mitigate risks that may impede the Group's achievements of its objectives rather than eliminate these risks. Accordingly, the system of risk management and internal control can only provide reasonable but not absolute assurance against any material misstatement or loss arising from the possibility of poor judgment in decision making, management overriding controls, loss and the occurrence of unforeseeable circumstances. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

The Group has in place a risk management framework which is an ongoing process for identifying, evaluating and managing the risks faced by the Group in its achievement of objectives and strategies.

RISK MANAGEMENT

The Board regards risk management as an integral part of effective management of the business and operation of the Group which can directly affect its ability to implement its strategies and achieve its objectives.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee, comprise solely of representatives from the Board, assists the Board in strengthening and monitoring the risk management practices of the Group.

RISK MANAGEMENT POLICY AND FRAMEWORK

The Group established its Risk Management Policy and Framework in 2008. The Group's approved Risk Management Policy and Framework outline the policies and procedures for implementing, reviewing, evaluating and monitoring the risk profile of the Group.

The approved Risk Register consists of identified risks, strategies, controls and management actions in addressing such risks, which include examining the business and operational risks in critical areas, potential impacts and identifying measures and time frame to mitigate those risks.

The Group's Risk Management Policy and Framework are applied and implemented in the routine day to day processes at all levels of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS

The Group's internal control system encompasses the following:-

- **Authority and Responsibilities**

There is a defined organisation structure with clearly established responsibilities and delegation of authority for the Management and Board Committees.

- **Policies and Procedures**

There are Standard Operating Policies and Procedures setting out the operating controls pertaining to plantation, mill operation, health and safety, finance, human resource, marketing, information technology, administration, procurement, related party transactions, anti-bribery and anti-corruption and internal audit. These are reviewed and updated to reflect changes in the business environment and legal requirements.

- **Planning, Monitoring and Reporting**

Annual detailed budgeting is carried out whereby operating units prepare their budgets and business plans for consolidation and review by the Management.

The consolidated management budget is thereafter aligned to the corporate objectives and strategies of the Group and presented to the Board for deliberation and approval.

The Management held monthly operational meetings and field visits to estates and mills accompanied by Department Heads. Key operational issues highlighted are reviewed and decisions given are swiftly executed.

In addition, monthly costing meetings were also conducted by the Management to review and analyse the Group's financial performance.

INTERNAL AUDIT AND BOARD AUDIT COMMITTEE

The Internal Audit Department reports directly to the Board Audit Committee on the results of works carried out in accordance with its Audit Plan as approved by the Board Audit Committee on a quarterly basis or at additional meetings when they are convened. The internal audit function performs periodic reviews on critical business processes to identify any significant risks, non-compliance to the existing Standard Operating Policies and Procedures, assess the effectiveness and adequacy of the system of internal control and where necessary, recommends areas for improvement. The operational audit function is handled by the Operational Audit Department which reports directly to the Chief Operating Officer.

The Board Audit Committee receives reports from both internal and external auditors. The Board Audit Committee reviews the reports and holds discussion with the Management on the actions taken on identified internal control issues. Deliberations and recommendations by the Board Audit Committee are presented to the Board at the latter's scheduled meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONCLUSION

The Board confirms that its risk management and internal control system are operationally adequate and effective throughout the year under review and up to the date of approval of the Annual Report.

In addition, the Board remains committed towards operating an effective risk management framework and a sound system of internal control and recognises that these must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement will put in place proper action plans, when necessary, to further enhance the Group's system of risk management and internal control.

The Group's system of risk management and internal control applies to the Company and its subsidiaries.

The Board has received assurance from the Executive Director, the Chief Operating Officer and the Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk framework adopted by the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on 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 2024 and reported to the Board that nothing has come to their attention that caused them to believe that the statement 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 paragraphs 41 and 42 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 of Directors 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.

This Statement was approved by the Board of Directors on 27 March 2025.

STATEMENT ON DIRECTORS' RESPONSIBILITY

For Preparing The Annual Financial Statements

The Board of Directors is required by the Companies Act 2016 ("the Act") to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company at the end of every financial year and of the results and cash flows of the Group and the Company for every financial year then ended.

The financial statements have been prepared 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. The Directors have considered that in preparing the financial statements for the financial year ended 31 December 2024, appropriate accounting policies have been adopted and are consistently applied and supported by reasonable and prudent judgements and estimates. These estimates and judgements in applying the accounting policies of the Group and the Company are based on the Directors' best knowledge of current events and actions.

The Directors have the responsibility to ensure that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy the financial position and performance of the Group and of the Company and also to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

The Statement was approved by the Board of Directors on 27 March 2025.

FINANCIAL STATEMENTS

94

Directors' Report

99

Statements of Financial Position

100

Statements of Profit or Loss and Other Comprehensive Income

101

Consolidated Statement of Changes In Equity

102

Statement of Changes in Equity

103

Statements of Cash Flows

108

Notes to the Financial Statements

173

Statement by Directors

174

Statutory Declaration

175

Independent Auditors' Report

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2024.

Principal activities

The Company is principally engaged in investment holding. There has been no significant change in the nature of this activity during the financial year.

Subsidiaries

The principal activities and other details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	92,034,477	59,011,531
Non-controlling interests	840,840	-
	<hr/>	<hr/>
	92,875,317	59,011,531
	=====	=====

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the amount of dividends paid or declared by the Company were as follows:

- i) in respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year, a second interim single-tier exempt dividend of 5 sen per ordinary share totalling RM13,951,610 declared on 27 November 2023 and paid on 19 January 2024.
- ii) in respect of the financial year ended 31 December 2024;
 - a) a first interim single-tier exempt dividend of 5 sen per ordinary share totalling RM13,951,610 declared on 21 May 2024 and paid on 19 July 2024; and
 - b) a second interim single-tier exempt dividend of 15 sen per ordinary share totalling RM41,854,830 declared on 22 November 2024 and paid on 27 December 2024.

The Directors do not recommend any final dividend to be paid for the financial year under review.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors of the Company

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

Datuk Amar Abdul Hamed Bin Sepawi*
 Dato Wong Kuo Hea*
 Datu Hasmawati Binti Sapawi
 Brig Gen (R) Dato' Muhammad Daniel Bin Abdullah
 Dato Chia Chu Fatt
 Datu Haji Abdul Razak Bin Mohd. Tready (Appointed on 15 January 2025)
 Dato Awang Bemee Bin Awang Ali Basah (Resigned on 21 October 2024)

* These Directors are also directors of the Company's respective subsidiaries.

The names of the other directors of the Company's respective subsidiaries are:

Datu Haji Mohammed Sepuan Bin Anu
 Datu Haji Abdul Hadi Bin Datuk Haji Abdul Kadir
 Rakayah Binti Hamdan
 Iswandi Bin Ayub
 Koay Bee Eng
 Philip @ Tilip Matau
 Sebastian Anak Baya (Resigned on 11 September 2024)

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Bought	Sold	
Direct interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	200,000	-	-	200,000
Dato Wong Kuo Hea	1,591,400	-	-	1,591,400
Deemed interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	82,052,624	-	-	82,052,624
Dato Wong Kuo Hea	87,492,124	-	-	87,492,124

By virtue of their interests in the shares of the Company, Datuk Amar Abdul Hamed Bin Sepawi and Dato Wong Kuo Hea are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Sarawak Plantation Berhad has an interest.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' interests in shares (continued)

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
Deemed interests in SPB PPES				
Karabungan Plantation Sdn. Bhd.:				
Datuk Amar Abdul Hamed Bin Sepawi	7,000,000	-	-	7,000,000
Dato Wong Kuo Hea	7,000,000	-	-	7,000,000

None of the other Directors holding office at 31 December 2024 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 those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business (as disclosed in Note 31 to the financial statements).

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM	From subsidiary companies RM
Directors' of the Company		
- Fees	553,275	82,000
- Short-term employee benefits (including estimated benefit-in-kind)	158,014	1,381,432
- Post employment benefits	1,101	37,639
	<u>712,390</u>	<u>1,501,071</u>
	=====	=====

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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Issue of shares and debentures

There were neither changes in the issued and paid-up capital of the Company, nor issuances of debentures by the Company 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

During the financial year, Sarawak Plantation Berhad and its subsidiaries, were covered under Directors' and Officers' Liability Insurance. The total amount of insurance effected for the Directors' and Officers' is RM10,000,000. The insurance premium for the Company was RM17,500. There is no indemnity given or insurance effected for its auditors 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.

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 of the Company for the financial year ended 31 December 2024 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.

DIRECTORS' REPORT

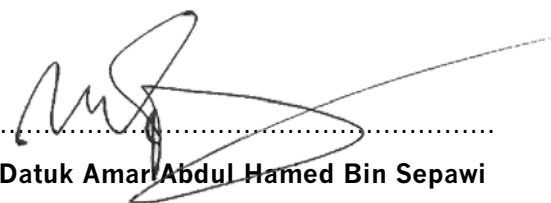
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

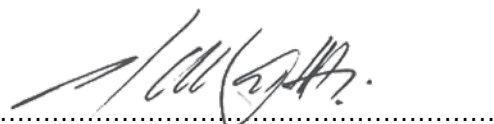
The auditors' remuneration of the Group and of the Company during the year are RM263,300 and RM81,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Datuk Amar Abdul Hamed Bin Sepawi

Director



Dato Wong Kuo Hea

Director

Kuching,

Date: 27 March 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

			Group		Company
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Property, plant and equipment	3	260,013,016	261,773,547	163	457
Bearer plants	4	366,115,758	333,787,944	-	-
Right-of-use assets	5	89,693,717	91,840,231	-	-
Investment in subsidiaries	6	-	-	343,823,407	343,557,407
Investment properties	7	4,758,221	4,990,965	-	-
Total non-current assets		720,580,712	692,392,687	343,823,570	343,557,864
Biological assets	8	69,818,960	51,981,468	-	-
Inventories	9	26,067,438	23,777,479	-	-
Trade and other receivables	10	20,314,234	20,262,451	619,841	399,243
Prepayments and other assets	11	4,168,440	4,423,780	-	112,770
Other investments	12	84,507,712	47,232,645	47,133,854	47,232,645
Cash and cash equivalents	13	104,732,016	114,594,116	54,666,260	65,499,004
Total current assets		309,608,800	262,271,939	102,419,955	113,243,662
Total assets		1,030,189,512	954,664,626	446,243,525	456,801,526
Equity					
Share capital	14.1	340,968,951	340,968,951	340,968,951	340,968,951
Reserves		438,397,322	407,572,370	95,565,221	92,360,130
Total equity attributable to owners of the Company		779,366,273	748,541,321	436,534,172	433,329,081
Non-controlling interests	6	4,289,055	(5,903,971)	-	-
Total equity		783,655,328	742,637,350	436,534,172	433,329,081
Liabilities					
Deferred tax liabilities	15	133,550,000	121,995,000	-	-
Loans and borrowings	16	37,986,503	8,016,556	-	-
Lease liabilities		2,346,095	2,391,633	-	-
Total non-current liabilities		173,882,598	132,403,189	-	-
Trade and other payables	17	65,718,260	57,428,201	9,334,617	9,172,289
Loans and borrowings	16	2,673,056	1,120,450	-	-
Lease liabilities		45,538	42,254	-	-
Current tax payable		4,214,732	7,081,572	374,736	348,546
Dividend payable		-	13,951,610	-	13,951,610
Total current liabilities		72,651,586	79,624,087	9,709,353	23,472,445
Total liabilities		246,534,184	212,027,276	9,709,353	23,472,445
Total equity and liabilities		1,030,189,512	954,664,626	446,243,525	456,801,526

The notes on pages 108 to 172 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	18	551,440,551	570,676,654	53,480,000	22,330,000
Cost of sales		(401,415,589)	(437,629,392)	-	-
Gross profit		150,024,962	133,047,262	53,480,000	22,330,000
Other income		3,687,464	4,585,004	-	-
Distribution expenses		(33,443,296)	(31,470,810)	-	-
Administrative expenses		(19,963,030)	(18,661,538)	(2,009,513)	(1,804,392)
Net (loss) / gain on impairment on financial instruments		(112,770)	-	4,522,331	-
Results from operating activities	19	100,193,330	87,499,918	55,992,818	20,525,608
Other non-operating income	20	18,155,514	-	-	-
Other non-operating expenses	21	-	(4,362,566)	-	-
Finance income	22	6,386,287	4,608,009	3,951,052	3,646,302
Finance costs	23	(368,423)	(302,262)	-	-
Net finance income		6,017,864	4,305,747	3,951,052	3,646,302
Profit before tax		124,366,708	87,443,099	59,943,870	24,171,910
Taxation	24	(31,491,391)	(22,588,278)	(932,339)	(825,282)
Profit and total comprehensive income for the financial year		92,875,317	64,854,821	59,011,531	23,346,628
Profit and total comprehensive income attributable to:					
Owners of the Company		92,034,477	64,443,021	59,011,531	23,346,628
Non-controlling interests	6	840,840	411,800	-	-
Profit and total comprehensive income for the financial year		92,875,317	64,854,821	59,011,531	23,346,628
Basic and diluted earnings per ordinary share (sen)	26	32.98	23.10		

The notes on pages 108 to 172 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to owners of the Company					Total RM	Non-controlling interests RM	Total equity RM
		Share capital RM	Equity reserve RM	Treasury shares RM	Retained earnings RM	Distributable			
At 1 January 2023		340,968,951	493,560	(2,104,242)	372,643,251	712,001,520	(6,045,771)	705,955,749	
Profit and total comprehensive income for the financial year		-	-	-	64,443,021	64,443,021	411,800	64,854,821	
Dividends to owners of the Company	27	-	-	-	(27,903,220)	(27,903,220)	-	(27,903,220)	
Dividends to non-controlling interest		-	-	-	-	-	(270,000)	(270,000)	
At 31 December 2023 / 1 January 2024		340,968,951	493,560	(2,104,242)	409,183,052	748,541,321	(5,903,971)	742,637,350	
Profit and total comprehensive income for the financial year		-	-	-	92,034,477	92,034,477	840,840	92,875,317	
Acquisition of non-controlling interests	6	-	-	-	(5,403,085)	(5,403,085)	9,772,186	4,369,101	
Dividends to owners of the Company	27	-	-	-	(55,806,440)	(55,806,440)	-	(55,806,440)	
Dividends to non-controlling interest		-	-	-	-	-	(420,000)	(420,000)	
At 31 December 2024		340,968,951	493,560	(2,104,242)	440,008,004	779,366,273	4,289,055	783,655,328	

(Note 14.1) (Note 14.2) (Note 14.3)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company			
	Non-distributable		Distributable	
<u>Company</u>	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2023	340,968,951	(2,104,242)	99,020,964	437,885,673
Profit and total comprehensive income for the financial year	-	-	23,346,628	23,346,628
Dividends to owners of the Company	-	-	(27,903,220)	(27,903,220)
At 31 December 2023/1 January 2024	340,968,951	(2,104,242)	94,464,372	433,329,081
Profit and total comprehensive income for the financial year	-	-	59,011,531	59,011,531
Dividends to owners of the Company	-	-	(55,806,440)	(55,806,440)
At 31 December 2024	340,968,951	(2,104,242)	97,669,463	436,534,172
	(Note 14.1)	(Note 14.3)		

The notes on pages 108 to 172 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit before tax		124,366,708	87,443,099	59,943,870	24,171,910
<i>Adjustments for:</i>					
Change in fair value of biological assets	8	(18,155,514)	4,362,566	-	-
Depreciation of property, plant and equipment	3.1	18,034,575	18,560,817	294	294
Depreciation of bearer plants	4	21,731,560	21,442,558	-	-
Depreciation of right-of-use assets	5.1	2,026,816	2,018,587	-	-
Depreciation of investment properties	7	232,744	232,743	-	-
Dividend income from subsidiaries	18	-	-	(53,480,000)	(22,330,000)
Gain on disposal of property, plant and equipment	19	-	(14,905)	-	-
Gain on disposal of right-of-use assets	19	-	(1,461,931)	-	-
Net loss/(gain) on impairment of financial instruments	19	112,770	-	(4,522,331)	-
Finance income	22	(6,386,287)	(4,608,009)	(3,951,052)	(3,646,302)
Finance costs	23	368,423	302,262	-	-
Inventories written off	9	10,306	-	-	-
Property, plant and equipment written off	19	654,321	26,535	-	-
Operating profit/(loss) before changes in working capital		<u>142,996,422</u> =====	<u>128,304,322</u> =====	<u>(2,009,219)</u> =====	<u>(1,804,098)</u> =====

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Cash flows from operating activities (continued)					
Change in inventories		(1,982,243)	(5,111,238)	-	-
Change in trade and other receivables, prepayments and other assets		587,887	(3,741,580)	-	266,010
Change in trade and other payables		7,112,634	(10,559,849)	162,328	(22,945)
Cash generated from/ (used in) operations		148,714,700	108,891,655	(1,846,891)	(1,561,033)
Net tax paid		(22,803,231)	(31,332,335)	(906,149)	(635,190)
Interest/Profit paid		(1,074,503)	(345,031)	-	-
Interest/Profit received		5,889,187	4,502,121	3,730,454	3,571,904
Hire purchase facility interest paid		(178,761)	(120,007)	-	-
Net cash from operating activities		130,547,392	81,596,403	977,414	1,375,681
		=====	=====	=====	=====
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(10,036,281)	(14,395,044)	-	-
Dividends received		-	-	53,480,000	22,330,000
(Placement)/Upliftment of deposits with original maturities exceeding three months		(37,275,067)	(11,672,367)	98,791	(12,922,367)
Bearer plants (net of depreciation of property, plant and equipment and right-of-use assets)	(iii)	(51,621,442)	(23,811,091)	-	-
Net settlement received from non-controlling interest	6	4,369,101	-	4,369,101	-
Proceeds from disposal of:					
- right-of-use assets		-	1,537,245	-	-
- property, plant and equipment		-	189,750	-	-
Net cash (used in)/from investing activities		(94,563,689)	(48,151,507)	57,947,892	9,407,633
		=====	=====	=====	=====

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
Net repayment of revolving credits	(iv)	-	(8,000,000)	-	-
Proceed from term loans	(iv)	26,421,000	7,606,000	-	-
Repayment of hire purchase facilities	(iv)	(2,046,499)	(2,297,220)	-	-
Dividends paid to non-controlling interest		(420,000)	(270,000)	-	-
Dividends paid to owners of the Company		(69,758,050)	(41,854,830)	(69,758,050)	(41,854,830)
Payment of lease liabilities	(iv)	(42,254)	(19,603)	-	-
Net cash used in financing activities		(45,845,803)	(44,835,653)	(69,758,050)	(41,854,830)
Net decrease in cash and cash equivalents		(9,862,100)	(11,390,757)	(10,832,744)	(31,071,516)
Cash and cash equivalents at beginning of financial year		114,594,116	125,984,873	65,499,004	96,570,520
Cash and cash equivalents at end of financial year	13	104,732,016	114,594,116	54,666,260	65,499,004

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Notes:

(i) Cash outflows for leases as a lessee included in net cash from operating activities

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Payment relating to short-term leases	19	57,600	57,600	-	-
Payment relating to leases of low value assets	19	125,565	109,330	360	360
		<u>183,165</u>	<u>166,930</u>	<u>360</u>	<u>360</u>
		=====	=====	=====	=====

(ii) Acquisition of property, plant and equipment

	Note	Group	
		2024 RM	2023 RM
Paid in cash		10,036,281	14,395,044
Payables	17	1,078,882	4,201,050
In the form of hire purchase	(iv)	7,148,052	234,000
Total acquisitions	3	<u>18,263,215</u>	<u>18,830,094</u>
		=====	=====

(iii) Acquisition of bearer plants (net of depreciation of property, plant and equipment and right-of-use assets, finance cost and lease liabilities interest capitalised)

	Group	
	2024 RM	2023 RM
Paid in cash	<u>51,621,442</u>	<u>23,811,091</u>
	=====	=====

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Notes: (continued)

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1.1.2023 RM	Net changes from financing cash flows RM	Acquisition of hire purchase RM	Changes in other payables RM	At 31.12.2023/ 1.1.2024 RM	Net changes from financing cash flows RM	Acquisition of hire purchase RM	Changes in other payables RM	At 31.12.2024 RM
Revolving credit (Islamic)	8,000,000	(8,000,000)	-	-	-	-	-	-	-
Islamic term loan	-	-	-	-	-	5,282,000	-	-	5,282,000
Conventional term loan	-	7,606,000	-	-	7,606,000	21,139,000	-	-	28,745,000
Hire purchase facilities	3,594,226	(2,297,220)	234,000	-	1,531,006	(2,046,499)	7,148,052	-	6,632,559
Lease liabilities	2,473,094	(19,603)	-	(19,604)	2,433,887	(42,254)	-	-	2,391,633
Total liabilities from financing activities	14,067,320	(2,710,823)	234,000	(19,604)	11,570,893	24,332,247	7,148,052	-	43,051,192
	=====	=====	=====	=====	=====	=====	=====	=====	=====

The notes on pages 108 to 172 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Sarawak Plantation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Lot 1174, Block 9, MCLD, Miri Waterfront, Jalan Permaisuri, 98000 Miri, Sarawak.

Registered office

8th Floor, Wisma Naim, 2½ Miles, Rock Road, 93200 Kuching, Sarawak.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 do not include other entities.

The Company is principally engaged in investment holding activities while the principal activities of the other group entities are stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 27 March 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and 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 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

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*

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 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- 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.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the above accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following item which is measured based on the measurement base stated below:

Item	Measurement base
Biological asset	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards 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 measurement of biological assets as disclosed in Note 8 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in material accounting policies

2.1 Material accounting policy information

In the previous financial year, the Group has adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendment did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

2.2 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted the amendments to MFRS 101, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* from 1 January 2024. The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period (see note 16).

The amendments have been applied retrospectively. The Group has analysed all existing borrowings and determined that the new amendments did not result in a change in the classification of the Group's borrowings. There is also no retrospective impact on the comparative statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Cost								
At 1 January 2023	18,411,240	110,021,422	23,078,022	288,351,829	97,264,367	80,287,094	1,453,068	618,867,042
Additions	-	846,430	437,190	-	1,002,445	7,353,600	9,190,429	18,830,094
Write off	-	-	(706,238)	-	(1,740)	(235,500)	-	(943,478)
Disposals	-	-	-	-	-	(679,600)	-	(679,600)
Transfers	-	2,691,880	-	-	665,274	226,088	(3,583,242)	-
At 31 December 2023/ 1 January 2024	18,411,240	113,559,732	22,808,974	288,351,829	98,930,346	86,951,682	7,060,255	636,074,058
Additions	-	181,178	313,332	-	660,234	12,518,689	4,589,782	18,263,215
Write off	-	(1,150,476)	(779,557)	(16,619)	(1,278,322)	(9,491,446)	-	(12,716,420)
Transfers	-	234,432	9,140	-	6,738,464	3,358,181	(10,340,217)	-
At 31 December 2024	18,411,240	112,824,866	22,351,889	288,335,210	105,050,722	93,337,106	1,309,820	641,620,853

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Depreciation and impairment loss								
At 1 January 2023								
Accumulated depreciation	9,878,591	64,609,240	20,627,419	146,154,396	61,401,684	45,697,015	-	348,368,345
Accumulated impairment loss	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
Depreciation for the financial year	9,878,591	64,619,897	20,627,428	153,896,398	61,477,756	45,703,087	-	356,203,157
Write off	424,906	1,702,774	662,961	4,453,974	5,307,424	6,967,013	-	19,519,052
Disposals	-	-	(705,926)	-	(1,694)	(209,323)	-	(916,943)
At 31 December 2023	-	-	-	-	-	(504,755)	-	(504,755)
Accumulated depreciation	10,303,497	66,312,014	20,584,454	150,608,370	66,707,414	51,949,950	-	366,465,699
Accumulated impairment loss	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
	10,303,497	66,322,671	20,584,463	158,350,372	66,783,486	51,956,022	-	374,300,511

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)

Depreciation and impairment loss (continued)

At 1 January 2024

Accumulated

depreciation

Accumulated

impairment loss

	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra- structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
10,303,497	66,312,014	20,584,454	150,608,370	66,707,414	51,949,950	-	-	366,465,699
-	10,657	9	7,742,002	76,072	6,072	-	-	7,834,812
10,303,497	66,322,671	20,584,463	158,350,372	66,783,486	51,956,022	-	-	374,300,511
436,721	1,802,102	578,612	4,453,973	4,932,920	7,165,097	-	-	19,369,425
-	(942,186)	(758,946)	(16,616)	(1,180,550)	(9,163,801)	-	-	(12,062,099)
At 31 December 2024								
Accumulated								
depreciation								
Accumulated								
impairment loss								
10,740,218	67,171,930	20,404,120	155,045,727	70,459,784	49,951,246	-	-	373,773,025
-	10,657	9	7,742,002	76,072	6,072	-	-	7,834,812
10,740,218	67,182,587	20,404,129	162,787,729	70,535,856	49,957,318	-	-	381,607,837

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Carrying amounts								
At 31 December 2023/ 1 January 2024	8,107,743	47,237,061	2,224,511	130,001,457	32,146,860	34,995,660	7,060,255	261,773,547
	=====	=====	=====	=====	=====	=====	=====	=====
At 31 December 2024	7,671,022	45,642,279	1,947,760	125,547,481	34,514,866	43,379,788	1,309,820	260,013,016
	=====	=====	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Company	Furniture, fittings and equipment RM
Cost	
At 1 January 2023, 31 December 2023/1 January 2024 and 31 December 2024	7,784 =====
Depreciation	
At 1 January 2023	7,033
Depreciation for the financial year	294
At 31 December 2023/1 January 2024	7,327
Depreciation for the financial year	294
At 31 December 2024	7,621 =====
Carrying amounts	
At 31 December 2023/1 January 2024	457 =====
At 31 December 2024	163 =====

3.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Amount charged to profit or loss	19	18,034,575	18,560,817	294	294
Amount capitalised in bearer plants	4.1	1,334,850	958,235	-	-
		19,369,425	19,519,052	294	294
		=====	=====	=====	=====

3.2 Impairment loss - Group

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

In preparing the financial statements, the Group has evaluated whether the assets are stated in excess of their net recoverable amounts. The net recoverable amounts are determined either by calculating the value in use of the assets via discounting the estimated cash flows from their continuing use to net present values or by estimating their fair values less costs of disposal, an exercise that entails a high degree of estimation uncertainty. An allowance for impairment loss is made if the net recoverable amounts of the assets are lower than their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.2 Impairment loss - Group (continued)

3.2.1 Infrastructure works

3.2.1.1 CGU 1

The Group recognised full impairment losses on infrastructure works and bearer plants amounted to RM4,952,884 and RM5,615,216 (Note 4.2.1) respectively in previous years. The allowance for impairment losses was made following disruption of its plantation activities by the local participants in a trust arrangement resulting in no harvesting activity being carried out since April 2010. In 2012, the Group through its subsidiary had initiated litigation against six (6) individuals, seeking injunctive, declaratory relief and claiming damages for various acts of trespassing over the NCR Land which they had given consent for development into an oil palm plantation. The litigation was ongoing over the years. The High Court delivered its Judgement on 23 February 2017 to dismiss the subsidiary's claim. The subsidiary filed a Notice of Appeal on 9 March 2017 and on 24 November 2020, the Court of Appeal allowed the Appeal and set aside the decision of the High Court given on 23 February 2017. The sealed Order of the Court has been received in year 2021.

3.2.1.2 CGU 2 & CGU 3

The Group recognised full impairment losses on infrastructure works and bearer plants amounted to RM1,693,556 and RM2,379,038 (Note 4.2.2) respectively in previous years. The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from the encumbered areas.

3.2.1.3 CGU 4

The Group recognised full impairment loss on infrastructure works and bearer plants amounted to RM1,095,562 and RM3,232,186 (Note 4.2.3) respectively in previous years. The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from this estate.

3.2.2 Other property, plant and equipment

The Group has recognised impairment loss of RM92,810 on property, plant and equipment in previous years.

3.3 Security - Group

Buildings with carrying amount of RM11,336,826 (2023: RM11,772,697) are charged to a bank for banking facilities granted to the Group (see Note 16).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.4 Material accounting policy information

3.4.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

3.4.2 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 that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets 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:

	Remaining lease term of
Infrastructure works	leasehold land
Commercial buildings	50 years
Other buildings	25 years
Furniture, fittings and equipment	5 - 10 years
Plant and machinery	5 - 20 years
Mobile equipment	5 - 20 years

NOTES TO THE FINANCIAL STATEMENTS

4. Bearer plants - Group

	RM
Cost	
At 1 January 2023	583,327,370
Additions	25,061,533
Write off (Derecognised)	(18,993,843)
At 31 December 2023/1 January 2024	589,395,060
Additions	54,059,374
Write off (Derecognised)	(33,444,461)
At 31 December 2024	610,009,973
	=====
Depreciation and impairment loss	
At 1 January 2023	
Accumulated depreciation	239,555,017
Accumulated impairment loss	13,603,384
	253,158,401
Depreciation for the financial year (Note 19)	21,442,558
Write off (Derecognised) - depreciation	(16,616,899)
Write off (Derecognised) - impairment loss	(2,376,944)
At 31 December 2023/1 January 2024	
Accumulated depreciation	244,380,676
Accumulated impairment loss	11,226,440
	255,607,116
Depreciation for the financial year (Note 19)	21,731,560
Write off (Derecognised) - depreciation	(32,859,872)
Write off (Derecognised) - impairment loss	(584,589)
At 31 December 2024	
Accumulated depreciation	233,252,364
Accumulated impairment loss	10,641,851
	243,894,215
	=====
Carrying amounts	
At 31 December 2023	333,787,944
	=====
At 31 December 2024	366,115,758
	=====

NOTES TO THE FINANCIAL STATEMENTS

4. Bearer plants - Group (continued)

4.1 Bearer plants incurred during the financial year includes:-

	2024 RM	2023 RM
Depreciation of property, plant and equipment (Note 3.1)	1,334,850	958,235
Depreciation of right-of-use assets (Note 5.1)	119,698	130,844
Finance costs	983,384	150,908
Lease liabilities interest	-	10,455
Total finance cost (Note 23)	983,384	161,363
Personnel expenses		
- Contributions to the Employees Provident Fund	165,408	90,410
- Wages, salaries and others	9,620,133	5,040,020
	=====	=====

Included in bearer plants is a carrying amount of RM23,195,001 (2023: RM6,295,496) located on certain leasehold land charged to a bank for banking facilities granted to a subsidiary (Note 16).

4.2 Impairment loss

Bearer plants are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

In preparing the financial statements, the Group has evaluated whether the assets are stated in excess of their net recoverable amounts. The net recoverable amounts are determined either by calculating the value in use of the assets via discounting the estimated cash flows from their continuing use to net present values or by estimating their fair values less costs of disposal, an exercise that entails a high degree of estimation uncertainty. An allowance for impairment loss is made if the net recoverable amounts of the assets are lower than their carrying amounts.

4.2.1 CGU 1

In earlier financial years, the Group had recognised full impairment losses of RM5,615,216 and RM4,952,884 (see Note 3.2.1.1) on its bearer plants and infrastructure works respectively as the Group is not expected to generate any future cash inflows from the entire encumbered estate as a result of inability of the Group to harvest fresh fruit bunches from the estate.

4.2.2 CGU 2 & CGU 3

In earlier financial years, the Group had recognised full impairment losses of RM2,379,038 and RM1,693,556 (see Note 3.2.1.2) for CGU 2 and CGU 3 on its bearer plants and infrastructure works respectively as the Group is not expected to generate any future cash inflows from the encumbered areas as a result of inability of the Group to harvest fresh fruit bunches from the areas. During the financial year, the Group has derecognised impairment losses of RM465,443 upon replanting of the recovered areas.

4.2.3 CGU 4

In earlier financial years, the Group has recognised full impairment losses of RM3,232,186 and RM1,095,562 (see Note 3.2.1.3) on the bearer plants and infrastructure works respectively as the Group is not expected to generate any future cash inflows from the encumbered area as a result of the inability of the Group to harvest fresh fruit bunches from the area. During the financial year, the Group has derecognised impairment losses of RM119,146 upon replanting of the recovered areas.

NOTES TO THE FINANCIAL STATEMENTS

4. Bearer plants - Group (continued)

4.3 Material accounting policy information

Bearer plants include mature and immature oil palm plantations. Immature plantations are stated at cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted areas. Mature plantations are stated at cost less accumulated amortisation and impairment, if any. Mature plantations are amortised on a straight-line basis over 22 years. The expected useful life of the oil palms is calculated from the time when the palms are declared mature, which is normally 36 months after initial planting. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss.

5. Right-of-use assets - Group

	Leasehold land RM	Land use rights RM	Total RM
Cost			
1 January 2023	111,896,166	2,596,950	114,493,116
Additions	123,840	-	123,840
Disposals	(96,645)	-	(96,645)
Adjustment*	(1,285,000)	-	(1,285,000)
At 31 December 2023/1 January 2024 and 31 December 2024	<u>110,638,361</u>	<u>2,596,950</u>	<u>113,235,311</u>
Depreciation			
At 1 January 2023			
Accumulated depreciation	18,876,190	354,686	19,230,876
Accumulated impairment loss	36,104	-	36,104
	18,912,294	354,686	19,266,980
Depreciation for the financial year	2,056,253	93,178	2,149,431
Disposals	(21,331)	-	(21,331)
At 31 December 2023/1 January 2024			
Accumulated depreciation	20,911,112	447,864	21,358,976
Accumulated impairment loss	36,104	-	36,104
	20,947,216	447,864	21,395,080
Depreciation for the financial year	2,053,336	93,178	2,146,514
Accumulated depreciation	22,964,448	541,042	23,505,490
Accumulated impairment loss	36,104	-	36,104
	<u>23,000,552</u>	<u>541,042</u>	<u>23,541,594</u>

* Being the adjustment on land cost due to a portion of land has been surrendered to Sarawak State Government.

NOTES TO THE FINANCIAL STATEMENTS

5. Right-of-use assets - Group (continued)

	Leasehold land RM	Land use rights RM	Total RM
Carrying amounts			
At 31 December 2023/1 January 2024	89,691,145	2,149,086	91,840,231
At 31 December 2024	87,637,809	2,055,908	89,693,717

The lease term of the Group's leasehold land expires in the year ranging from 2029 to 2083. The Group also leases a parcel of land for 30 years from a third party, with an option to renew the lease after that date.

5.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

	2024 RM	2023 RM
Amount charged to profit or loss (Note 19)	2,026,816	2,018,587
Amount capitalised in bearer plants (Note 4.1)	119,698	130,844
	2,146,514	2,149,431

5.2 Extension options

Land use rights contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. 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.

	Lease liabilities recognised (discounted) RM	Potential future lease payments not included in lease liabilities (discounted) RM	Historical rate of exercise of extension options %
Land use rights	-	2,564,773	-

NOTES TO THE FINANCIAL STATEMENTS

5. Right-of-use assets - Group (continued)

5.3 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. The Group has opted not to exercise the extension options for a parcel of land leased by a subsidiary from its corporate shareholder.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Group first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

5.4 Restriction imposed by lease

The lease agreement for a parcel of land leased by the subsidiary restricts the subsidiary from entering into an Assignment or Sublease Agreement and from charging, mortgaging or otherwise encumbering the said portion of the land with third party interest(s) without the prior consent of the lessor.

5.5 Security - Group

Right-of-use assets with carrying amount of RM258,002 (2023: RM267,415) are charged to a bank for banking facilities granted to the Group (see Note 16).

5.6 Material accounting policy information

(a) Recognition and initial measurement

All right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment loss.

(b) 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.

(c) Recognition exemption

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.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries - Company

	Note	2024 RM	2023 RM
Unquoted shares, at cost		345,145,663	344,879,663
Deemed capital contribution	6.1	1,807,509	1,807,509
Less: Allowance for impairment losses	6.2	(3,129,765)	(3,129,765)
		<u>343,823,407</u>	<u>343,557,407</u>
		=====	=====

The principal activities of the subsidiaries, all of which are incorporated and principal place of business in Malaysia, and the Company's interests therein are as follows:

Subsidiary	Principal activities	Effective ownership interest and voting interest	
		2024 %	2023 %
Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD")	Cultivation of oil palm and processing of fresh fruit bunches	100	100
Sarawak Plantation Property Holding Sdn. Bhd. ("SPPH")	Property investment	100	100
Sarawak Plantation Services Sdn. Bhd. ("SPSSB")	Provision of management, marketing, agronomic and consultancy services	100	100
SPB PPES Karabungan Plantation Sdn. Bhd.	Cultivation of oil palm	70	70
SPB NR Sdn. Bhd. (formerly known as SPB Pelita Suai Sdn. Bhd.)*	Inactive	100	60
Telliana Oil Palm Sdn. Bhd.	Inactive	100	100

* The financial statements of the subsidiary are audited by a firm of Chartered Accountants other than KPMG PLT.

Pursuant to a Mutual Agreement to Settle, the non-controlling interest holder shall pay the Company RM4,635,101 in full and final settlement of all the Company and its subsidiaries' claims against the non-controlling interest holder. Upon the execution of the Mutual Agreement to Settle, the Company has entered into a Rescission Agreement whereby, the Company will acquire 40% equity interest which represents 1,064,000 ordinary shares, in SPB NR Sdn. Bhd. (formerly known as SPB Pelita Suai Sdn. Bhd.) at a cash consideration of RM266,000. The net impact to the Group's cash flow amounted to RM4,369,101.

Upon completion of the acquisition, SPB NR Sdn. Bhd. has effectively become a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries - Company (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Summarised financial information before intra-group elimination

2024	SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB NR Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	100%	
Carrying amount of NCI	4,289,055 =====	- =====	4,289,055 =====
Profit allocated to NCI	842,378 =====	(1,538) =====	840,840 =====
			SPB PPES Karabungan Plantation Sdn. Bhd. RM
As at 31 December 2024			
Non-current assets			11,006,370
Current assets			7,150,267
Non-current liability			(3,751,095)
Current liabilities			(108,686)
Net assets			14,296,856 =====
Year ended 31 December 2024			
Profit for the financial year			2,807,928
Total comprehensive profit			2,807,928 =====
Cash flows from operating activities			3,352,064
Cash flows used in investing activities			(166,616)
Cash flows used in financing activities			(1,442,254)
Net increase in cash and cash equivalents			1,743,194 =====

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries - Company (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination (continued)

2023	SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB Pelita Suai Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	40%	
Carrying amount of NCI	3,866,677	(9,770,648)	(5,903,971)
Profit/(Loss) allocated to NCI	417,382	(5,582)	411,800
		SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB Pelita Suai Sdn. Bhd. RM
As at 31 December 2023			
Non-current assets		11,605,507	-
Current assets		4,408,495	5,989
Non-current liability		(2,938,633)	(5,668,154)
Current liabilities		(186,441)	(18,481,964)
Net assets/(liabilities)		12,888,928	(24,144,129)
Year ended 31 December 2023			
Profit/(Loss) for the financial year		1,391,271	(13,953)
Total comprehensive profit/(loss)		1,391,271	(13,953)
Cash flows from/(used in) operating activities		2,449,482	(13,900)
Cash flows from investing activities		3,809	-
Cash flows (used in)/from financing activities		(919,603)	10,344
Net increase/(decrease) in cash and cash equivalents		1,533,688	(3,556)

6.1 Deemed capital contribution

Deemed capital contribution is related to fair value effect of the interest free advances to its subsidiaries recognised in the year ended 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries - Company (continued)

6.2 Impairment losses

In the previous years, the Company recognised impairment losses of RM3,129,765 based on the estimated recoverable amount of the investment in subsidiaries. The recoverable amount is estimated based on the fair value less costs of disposal with reference to the net tangible assets of the subsidiaries. During the year, the Company reassessed on similar basis and concluded no further impairment to the investment in subsidiaries.

6.3 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

7. Investment properties - Group

	Buildings RM
Cost	
At 1 January 2023, 31 December 2023/1 January 2024 and 31 December 2024	11,637,190 =====
Depreciation	
At 1 January 2023	6,413,482
Depreciation for the financial year (Note 19)	232,743
At 31 December 2023/1 January 2024	6,646,225
Depreciation for the financial year (Note 19)	232,744
At 31 December 2024	6,878,969 =====
Carrying amounts	
At 31 December 2023/1 January 2024	4,990,965 =====
At 31 December 2024	4,758,221 =====
Estimated fair value	
At 31 December 2023/1 January 2024	22,643,000 =====
At 31 December 2024	22,643,000 =====

7.1 Other income/expenses are recognised in profit or loss in respect of investment properties:

	Note	2024 RM	2023 RM
Rental income	18	418,204	426,887
Direct operating expenses:			
- income generating investment properties		(306,135)	(274,191)
- non-income generating investment properties		(64,010)	(47,948)
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS

7. Investment properties - Group (continued)

7.1 Other income/expenses are recognised in profit or loss in respect of investment properties: (continued)

The operating lease payments to be received are as follows:

	2024 RM	2023 RM
Less than one year	394,659	391,059
One to two years	361,639	329,658
Two to three years	196,327	323,258
	<u>952,625</u>	<u>1,043,975</u>
	=====	=====

7.2 Determination of fair value

The estimated fair value of investment properties was based on the internal valuation performed by the Group.

7.3 Fair value information

Fair value of investment properties are categorised as Level 3, which is estimated using unobservable inputs for the investment properties.

	Level 3 RM
2024	
Investment properties	22,643,000
	=====
2023	
Investment properties	22,643,000
	=====

7.4 Valuation processes applied by the Group for Level 3 fair value

The fair values of investment properties is based on management's valuation and based on the comparative method. The comparative method entails comparing the property with similar properties that are currently being offered for sale in the vicinity. Diligent adjustments are then made for age, size and condition of building, and other relevant factors to arrive at an average and acceptable degree of comparability with the subject property.

7.5 Material accounting policy information

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on investment property, comprising solely buildings, is charged to profit or loss on a straight-line basis over its estimated useful life of 50 years.

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets - Group

The biological assets of the Group are as follows:

	Fresh fruit bunches RM	Living livestock RM	Total RM
Fair value			
At 1 January 2023	53,066,623	3,761,782	56,828,405
Disposals	-	(484,371)	(484,371)
Changes in fair value less costs to sell (Note 21)	(4,169,828)	(192,738)	(4,362,566)
At 31 December 2023/1 January 2024	48,896,795	3,084,673	51,981,468
Disposals	-	(318,022)	(318,022)
Changes in fair value less costs to sell (Note 20)	17,265,382	890,132	18,155,514
At 31 December 2024	66,162,177	3,656,783	69,818,960
	=====	=====	=====

8.1 Fresh fruit bunches ("FFB")

At 31 December 2024, the Group has total of 14 estates (2023: 14 estates) which comprises total productive mature area of 21,081 hectares (2023: 20,454 hectares).

During the financial year, the Group has harvested approximately 337,661 metric tonnes of FFB (2023: 318,775 metric tonnes). As at 31 December 2024, the quantity of unharvested FFB of the Group included in the fair value of FFB was 77,346 metric tonne (2023: 74,650 metric tonne).

8.2 Living livestock

Living livestock comprise the cattle and goat livestock.

During the financial year, the Group sold 47 head of cattle (2023: 85 head of cattle). As at 31 December 2024, living livestock comprised 834 head of cattle and 6 goats (2023: 852 head of cattle and 6 goats).

8.3 Risk management strategy related to agriculture activities

The Group is exposed to the following risks relating to its oil palm plantations.

i) Regulatory and environmental risk

The Group is exposed to the environmental risk. Nevertheless, the Group has placed the Sustainability and Environmental Policies and health, safety and environmental procedures to create and maintain safe workplace and conservation of the environment at the same time comply with relevant regulations.

ii) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of fresh fruit bunches. The Group constantly analyse and monitor global palm oil demand patterns and trends to make prompt and informed decisions. The Group also continuously focus on increasing yield and productivity as well as adopting cautious spending to mitigate the price risk.

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets - Group (continued)

8.3 Risk management strategy related to agriculture activities (continued)

iii) Climate and other risk

The Group's plantations are exposed to the risk of damages from climatic changes, diseases, forest fires and other natural forces. The Group has in place the processes and procedures aimed at monitoring and mitigating those risks. Such processes include but not limit to close monitoring on harvesting and crop recovery, adequate measures to control pest population, emphasize on proper fire safety procedures and other necessary measures to ensure smooth running of the operation.

8.4 Fair value information

	Level 3 RM
2024	
Fresh fruit bunches	66,162,177
Living livestock	3,656,783
	<hr/>
	69,818,960
	=====
2023	
Fresh fruit bunches	48,896,795
Living livestock	3,084,673
	<hr/>
	51,981,468
	=====

Fair value of biological assets is categorised as Level 3, which estimated using unobservable inputs for biological assets.

The fair value less costs to sell measurement of biological assets involves the use of unobservable inputs that are subject to estimation uncertainties that may result in a higher or a lower carrying amounts of biological assets in subsequent reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets - Group (continued)

8.4 Fair value information (continued)

Highest and best use

The valuation was based on the highest and best use of the biological assets which is the harvesting of fresh fruit bunches and selling of living livestock.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Fresh fruit bunches ("FFB")	(a) Valuation of the 3 months prior to harvest. (b) FFB average selling price is based on forecasted selling price for January to March. (c) Despatch and harvesting costs are based on actual average cost incurred for Quarter 4.	<ul style="list-style-type: none"> - Estimated FFB prices - Estimated production volume - Estimated despatch and harvesting costs 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> - the estimated FFB prices were higher (lower); - the estimated production volume were higher (lower); or - the estimated despatch and harvesting costs were lower (higher).
Living livestock	The fair value of living livestock was based on the Group's assessment of estimated market value of the living livestock.	<ul style="list-style-type: none"> - Estimated market price 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> - the estimated market price were higher (lower)

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets - Group (continued)

8.5 Sensitivity analysis

8.5.1 Fresh fruit bunches ("FFB")

The sensitivity analysis below indicates the approximate change in the Group's fair value of FFB and profit for the year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumption and other variables remained constant.

		<u>2024</u>		<u>2023</u>
		Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM		Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM
	Increase/ (Decrease) in price and volume		Increase/ (Decrease) in price and volume	
Selling price	10% (10%)	7,345,057 (7,345,057)	10% (10%)	5,573,933 (5,573,933)
Production volume	10% (10%) =====	6,616,218 (6,616,218) =====	10% (10%) =====	4,889,679 (4,889,679) =====

8.5.2 Living livestock

The sensitivity analysis below indicates the approximate change in the Group's fair value of living livestock and profit for the year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumption and other variables remained constant.

		<u>2024</u>		<u>2023</u>
		Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM		Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM
	Increase/ (Decrease) in price		Increase/ (Decrease) in price	
Selling price	10% (10%) =====	365,680 (365,680) =====	10% (10%) =====	308,470 (308,470) =====

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets - Group (continued)

8.6 Material accounting policy information

The fair value of fresh fruit bunches was measured at fair value less cost to sell model by reference to the estimated selling price and the estimated yield of FFB at the point of harvest, net of despatch and harvesting costs.

The fair value of living livestock was measured at fair value less cost to sell model by reference to the estimated market value of the living livestock and actual head count.

A gain or loss arising on 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 as "other non-operating income/expenses".

The gain or loss on disposal of biological asset is determined by comparing the proceeds from disposal with the carrying amount of biological asset and is recognised as "other non-operating income" in profit or loss.

9. Inventories - Group

	2024 RM	2023 RM
At costs		
Crude palm oil and palm kernel	9,312,361	6,656,343
Stores and consumables	9,747,461	8,150,520
Oil palm nursery	3,255,976	6,640,311
Oil palm seeds	1,055,512	860,476
Oil palm fresh fruit bunches	2,696,128	1,469,829
	<u>26,067,438</u>	<u>23,777,479</u>
	=====	=====
Recognised in profit or loss:		
Inventories recognised as part of cost of sales	382,767,665	417,638,821
Inventories written off as cost of sales	10,306	-
	<u>382,777,971</u>	<u>417,638,821</u>
	=====	=====

Oil palm nursery and oil palm seeds incurred during the financial year include:-

	2024 RM	2023 RM
Personnel expenses		
- Contributions to the Employees Provident Fund	81,834	73,742
- Wages, salaries and others	3,575,961	2,982,132
	<u>3,657,795</u>	<u>3,055,874</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

9. Inventories - Group (continued)

9.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories 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. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost of crude palm oil and palm kernel includes direct labour, an appropriate share of production overheads and the fair value attributed to agriculture produce at year end in accordance to MFRS 141. The fair value of biological assets harvested from the Group's own plantation and sold during the year are recorded as part of the biological assets' movement (Note 8) and as part of "other non-operating income/expenses".

Cost of fresh fruit bunches acquired from third parties includes the cost of purchase of the inventory.

Oil palm nursery inventories consist of seedlings remaining in the nursery for eventual field planting. Cost of palm oil seeds and seedlings includes the cost of treatment and cultivation.

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

10. Trade and other receivables

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Non-trade				
Amount due from subsidiaries	-	-	1,033,052	5,668,153
Less: Allowance for impairment losses	-	-	(1,033,052)	(5,668,153)
Non-current total	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables (continued)

		<u>Group</u>		<u>Company</u>	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Current					
Trade					
Trade receivables	10.1	15,240,250	17,837,787	-	-
Non-trade					
Other receivables		5,238,802	2,476,712	732,611	399,243
Less: Allowance for impairment losses		(164,818)	(52,048)	(112,770)	-
		5,073,984	2,424,664	619,841	399,243
Current total		20,314,234	20,262,451	619,841	399,243
Total		20,314,234	20,262,451	619,841	399,243
		=====	=====	=====	=====

10.1 Trade receivables

Included in trade receivables are amounts of RM3,394,171 (2023: RM2,590,422) due from companies related to a substantial corporate shareholder and companies in which certain Directors have interest.

10.2 Material accounting policy information

The Group and the Company recognise loss allowance for expected credit losses on trade and other receivables (Note 28.4).

11. Prepayments and other assets

		<u>Group</u>		<u>Company</u>	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade					
Deposits	11.1	4,235,023	4,051,459	-	-
Less: Allowance for impairment losses	11.2	(1,862,000)	(1,862,000)	-	-
		2,373,023	2,189,459	-	-
		-----	-----	-----	-----
Prepayments		1,795,417	2,121,551	-	-
Club membership		-	112,770	-	112,770
		1,795,417	2,234,321	-	112,770
		-----	-----	-----	-----
Total		4,168,440	4,423,780	-	112,770
		=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

11. Prepayments and other assets (continued)

11.1 Deposits - Group

Included in deposits is a deposit of RM619,913 (2023: RM644,563) paid for an acquisition of land.

11.2 Impairment losses - Group

A full impairment loss of RM1,862,000 was made in earlier years following disruption of its plantation activities by the local participants in a trust arrangement resulting in no harvesting activity being carried out since April 2010 (see Note 3.2.1.1).

12. Other investments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits with original maturities exceeding three months	84,507,712	47,232,645	47,133,854	47,232,645
	=====	=====	=====	=====

Material accounting policy information

The Group and the Company classify deposits with licensed banks not held for short-term working capital purposes that has a maturity of more than three months as other investments.

13. Cash and cash equivalents

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash in hand and at banks	6,283,188	5,709,988	1,641,214	891,844
Deposits with original maturities not exceeding three months	98,448,828	108,884,128	53,025,046	64,607,160
	104,732,016	114,594,116	54,666,260	65,499,004
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

14. Capital and reserves - Group and Company

14.1 Share capital

	2024		2023	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares				
<i>Issued and fully paid shares with no par value classified as equity instruments:</i>				
Opening and closing balances	340,968,951 =====	280,000,000 =====	340,968,951 =====	280,000,000 =====

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

14.2 Equity reserve

Equity reserve represents the capital contribution by certain shareholders of the Company, in respect of shares granted to employees of a subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd., in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad in 2007. This entailed the sale of 135,000 ordinary shares in the Company by corporate shareholders, to eligible employees of the subsidiary, on a basis proportionate to their then existing shareholdings in the Company.

14.3 Treasury shares

The shareholders of the Company, at an Annual General Meeting held on 18 June 2008, approved the Company's plan to repurchase its own shares. Such authority was last renewed at the Annual General Meeting held on 24 May 2024. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase its own shares during the year ended 31 December 2024. The number of treasury shares held was 967,800 ordinary shares as at the year ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

15. Deferred tax liabilities - Group

Movements in temporary differences during the financial year are as follows:

	At 1.1.2023 RM	Recognised in profit or loss RM	At 31.12.2023/ 1.1.2024 RM	Recognised in profit or loss RM	At 31.12.2024 RM
Property, plant and equipment	48,236,025	(3,642,022)	44,594,003	(92,078)	44,501,925
Bearer plants	62,026,214	3,719,231	65,745,445	7,910,634	73,656,079
Biological assets	13,372,761	(897,209)	12,475,552	4,281,101	16,756,653
Unutilised tax losses	(628,000)	-	(628,000)	(720,913)	(1,348,913)
Provision - others	-	(192,000)	(192,000)	176,256	(15,744)
	<u>123,007,000</u>	<u>(1,012,000)</u>	<u>121,995,000</u>	<u>11,555,000</u>	<u>133,550,000</u>
	=====	=====	=====	=====	=====
		(Note 24)		(Note 24)	

Unrecognised deferred tax assets - Group

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross):

	2024 RM	2023 RM
Unutilised capital allowance and agriculture allowances carried forward	10,522,000	11,070,000
Unutilised tax losses carried forward	10,895,000	14,240,000
	<u>21,417,000</u>	<u>25,310,000</u>
	=====	=====

Deferred tax assets of RM5,140,000 (2023: RM6,074,000) have not been recognised in the statement of financial position in respect of the temporary differences because it is not probable that sustainable future taxable profits will be available against which the affected group entities can utilise the benefits.

Pursuant to the latest tax legislation in Malaysia, unutilised tax losses from year of assessment 2019 onwards can be carried forward for a maximum of 10 years. Unutilised capital allowances and agriculture allowances attributable to group entities incorporated in Malaysia do not expire under the current tax legislation. In the case of a dormant company, such allowances and losses will not be available to the affected group entities if there has been a change of 50% or more in the shareholdings thereof.

Unutilised tax losses of RM9,231,000, RM280,000, RM293,000, RM218,000, RM197,000, RM382,000 and RM294,000 expire in YA2028, YA2029, YA2030, YA2031, YA2032, YA2033 and YA2034 respectively under the current tax legislation of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings - Group

	Note	2024 RM	2023 RM
Non-current			
Term loan (Islamic) – secured		5,282,000	-
Conventional term loan - secured		28,745,000	7,606,000
Hire purchase facility - secured	16.3	3,959,503	410,556
		<u>37,986,503</u>	<u>8,016,556</u>
Current			
Hire purchase facility - secured	16.3	2,673,056	1,120,450
		<u>2,673,056</u>	<u>1,120,450</u>
		<u>40,659,559</u>	<u>9,137,006</u>
		=====	=====

One of the subsidiaries has been granted banking facilities comprising one Islamic term loan facility of RM40 million (2023: RM40 million), one (2023: one) Islamic revolving credit facility of RM30 million (2023: RM30 million) and one Conventional term loan of RM40 million (2023: RM40 million) which was converted from the existing revolving credit facility of RM40 million.

The Islamic term loan facility of the RM40 million is an Islamic facility under Murabahah Tawarruq contract pursuant to Facility Agreement entered into by the subsidiary with the bank on 25 October 2023.

Both term loans are for a tenure of up to 8 years from the date of first disbursement, inclusive of 3 years of grace period from the date of first disbursement or 1 October 2026, whichever is earlier, followed by a 5 year monthly principal instalments.

The Group shall maintain a gearing ratio measured by Group's borrowings over Group's shareholders' funds of not more than 0.5 time (2023: 0.5 time).

16.1 Security

The Islamic term loan, Conventional term loan and Islamic revolving credit are secured by way of legal charges over certain land and buildings of a subsidiary (see Notes 3.3 and 5.5) and a corporate guarantee from the Company.

Assets under hire purchase are charged to secure the hire purchase facilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings - Group (continued)

16.2 Interest and profit rates

The Islamic term loan of RM5,282,000 as at 31 December 2024 bears profit rate of 12% per annum, which is equivalent to effective profit rate of 0.75% per annum above the licensed bank's i-cost of funds.

The Conventional term loan of RM28,745,000 (2023: RM7,606,000) bears interest rate at 0.75% (2023: 0.75%) per annum above the licensed bank's cost of funds.

Hire purchase facilities carries interest rates fixed at 4.75% to 4.85% (2023: 4.85% to 5.09%) per annum.

16.3 Hire purchase facilities are payable as follows:

	Payments RM	Interest RM	Principal RM
2024			
Less than one year	2,931,479	258,423	2,673,056
Between one and five years	4,117,978	158,475	3,959,503
	<u>7,049,457</u>	<u>416,898</u>	<u>6,632,559</u>
2023			
Less than one year	1,164,691	44,241	1,120,450
Between one and five years	420,231	9,675	410,556
	<u>1,584,922</u>	<u>53,916</u>	<u>1,531,006</u>

17. Trade and other payables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current					
Trade					
Trade payables	17.1	<u>28,515,280</u>	<u>27,754,757</u>	-	-
Non-trade					
Amount due to a subsidiary	17.2	-	-	248,544	97,001
Accrued expenses		16,226,093	11,167,375	114,283	119,158
Other payables	17.1	<u>20,976,887</u>	<u>18,506,069</u>	<u>8,971,790</u>	<u>8,956,130</u>
		<u>37,202,980</u>	<u>29,673,444</u>	<u>9,334,617</u>	<u>9,172,289</u>
Total		<u>65,718,260</u>	<u>57,428,201</u>	<u>9,334,617</u>	<u>9,172,289</u>

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other payables (continued)

17.1 Trade payable and other payables

Included in trade payables and other payables of the Group are:

- (a) an amount of RM815,699 (2023: RM1,457,771) due to companies in which a Director has interest, a substantial corporate shareholder, companies related to a substantial corporate shareholder, a company in which certain Directors have interest and companies in which persons connected to certain Directors have interest;
- (b) an amount of RM1,334,419 (2023: RM551,178) being retention sums mainly for the replanting works, construction of buildings, infrastructures and plant and machinery;
- (c) an amount of RM8,956,130 (2023: RM8,956,130) being the balance purchase consideration for acquisition of equity interest in a subsidiary.

On 29 November 2021, the Company entered into a deed of settlement with the vendors to return part of the land in the said subsidiary to the vendors. The returned land in the subsidiary shall be transferred to the vendors and the Company shall no longer be required to pay the balance purchase consideration after the completion of the settlement. The completion of the settlement is currently pending the transfer of land to the vendors; and

- (d) an amount of RM1,078,882 (2023: RM4,201,050) being amount payable for acquisition of property, plant and equipment.

17.2 Amount due to a subsidiary

Amount due to a subsidiary bears interest at 1% plus bank's cost of funds on the past due balance more than 30 days, unsecured and repayable on demand.

18. Revenue

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Revenue from contracts with customers	551,022,347	570,249,767	-	-
Other revenue				
Rental income	418,204	426,887	-	-
Dividend income from subsidiaries	-	-	53,480,000	22,330,000
	<u>551,440,551</u>	<u>570,676,654</u>	<u>53,480,000</u>	<u>22,330,000</u>
	=====	=====	=====	=====

The primary geographical market of the Company is in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue (continued)

18.1 Disaggregation of revenue

	Oil palm operation		Management/ Agronomic services		Total
	2024 RM	2023 RM	2024 RM	2023 RM	2023 RM
Major products and service lines					
Sales of oil palm products	550,464,831	569,776,307	-	-	569,776,307
Management/Agronomic services income	-	-	557,516	473,460	473,460
	550,464,831	569,776,307	557,516	473,460	570,249,767
	=====	=====	=====	=====	=====
Geographical markets					
Malaysia	550,464,831	569,776,307	557,516	473,460	570,249,767
	=====	=====	=====	=====	=====
Timing and recognition					
At a point in time	550,464,831	569,776,307	557,516	448,160	570,224,467
Over time	-	-	-	25,300	25,300
	550,464,831	569,776,307	557,516	473,460	570,249,767
	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue (continued)

18.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Oil palm products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 4 - 30 days from the receipt of invoice by the buyers.	Not applicable	Not applicable	Not applicable
Management service income	Revenue is recognised over time.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Agronomic service income	Revenue is recognised when the services is delivered.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

19. Results from operating activities

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Results from operating activities are arrived at after charging/(crediting):				
Auditors' remuneration:				
- Audit fees:				
- KPMG PLT	248,500	244,500	70,000	70,000
- Other auditors	3,800	3,800	-	-
- Non-audit fees:				
- KPMG PLT	11,000	11,000	11,000	11,000
- Local affiliates of KPMG PLT	91,200	89,650	16,750	16,600
Material expenses/(income)				
Depreciation of property, plant and equipment (Note 3.1)	18,034,575	18,560,817	294	294
Depreciation of bearer plants (Note 4)	21,731,560	21,442,558	-	-
Depreciation of right-of-use assets (Note 5.1)	2,026,816	2,018,587	-	-
Depreciation of investment properties (Note 7)	232,744	232,743	-	-
Personnel expenses (including key management personnel):				
- Contributions to the Employees Provident Fund	3,892,824	3,634,850	54,320	50,304
- Wages, salaries and others	73,550,381	68,248,404	1,295,148	1,118,905
Property, plant and equipment written off	654,321	26,535	-	-
Gain on disposal of property, plant and equipment	-	(14,905)	-	-
Gain on disposal of right-of-use assets	-	(1,461,931)	-	-
	=====	=====	=====	=====
Other expenses arising from leases				
Expenses relating to short-term leases	57,600	57,600	-	-
Expenses relating to leases of low-value assets	125,565	109,330	360	360
	=====	=====	=====	=====
Net loss/(gain) on impairment of financial instruments				
Financial assets at amortised cost	112,770	-	(4,522,331)	-
	=====	=====	=====	=====

Included in the personnel expenses of the Company disclosed above are salary costs (including compensations to key management personnel) recharged by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

20. Other non-operating income - Group

	2024 RM	2023 RM
Changes in fair value of biological assets (Note 8)	18,155,514 =====	- =====

21. Other non-operating expenses - Group

	2024 RM	2023 RM
Changes in fair value of biological assets (Note 8)	- =====	4,362,566 =====

22. Finance income

	<u>Group</u>		<u>Company</u>	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest/profit income of financial assets that are not at fair value through profit or loss:				
- deposits with banks/financial institutions	6,386,287 =====	4,608,009 =====	3,951,052 =====	3,646,302 =====

23. Finance costs

	<u>Group</u>		<u>Company</u>	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense/profit payments of financial liabilities that are not at fair value through profit or loss:				
- loans and borrowings	1,351,807 =====	463,625 =====	- =====	- =====
Amount charged to profit or loss	368,423	302,262	-	-
Amount capitalised in bearer plants (Note 4.1)	983,384	161,363	-	-
	1,351,807 =====	463,625 =====	- =====	- =====

NOTES TO THE FINANCIAL STATEMENTS

24. Taxation

Recognised in profit or loss

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Income tax expense				
Malaysian - current year	20,436,000	24,138,301	933,000	827,000
- prior year	(499,609)	(538,023)	(661)	(1,718)
	<u>19,936,391</u>	<u>23,600,278</u>	<u>932,339</u>	<u>825,282</u>
	-----	-----	-----	-----
Deferred tax (Note 15)				
Origination and reversal of temporary differences	11,576,000	(1,822,000)	-	-
- Prior year	(21,000)	810,000	-	-
	<u>11,555,000</u>	<u>(1,012,000)</u>	<u>-</u>	<u>-</u>
	-----	-----	-----	-----
Total taxation	<u>31,491,391</u>	<u>22,588,278</u>	<u>932,339</u>	<u>825,282</u>
	=====	=====	=====	=====
Reconciliation of taxation				
Profit for the financial year	92,875,317	64,854,821	59,011,531	23,346,628
Total taxation	<u>31,491,391</u>	<u>22,588,278</u>	<u>932,339</u>	<u>825,282</u>
	-----	-----	-----	-----
Profit excluding tax	<u>124,366,708</u>	<u>87,443,099</u>	<u>59,943,870</u>	<u>24,171,910</u>
	=====	=====	=====	=====
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	29,848,010	20,986,344	14,386,529	5,801,258
Non-deductible expenses	3,097,990	1,709,340	494,095	384,942
Recognition of deferred tax assets not recognised in previous years	(867,111)	-	-	-
Utilisation of previously unrecognised deferred tax assets	(170,889)	-	-	-
Movements in unrecognised deferred tax assets	104,000	(37,000)	-	-
Non-taxable income	-	(342,383)	(13,947,624)	(5,359,200)
	<u>32,012,000</u>	<u>22,316,301</u>	<u>933,000</u>	<u>827,000</u>
	-----	-----	-----	-----
(Over)/Under provision in prior year	(520,609)	271,977	(661)	(1,718)
	<u>31,491,391</u>	<u>22,588,278</u>	<u>932,339</u>	<u>825,282</u>
	=====	=====	=====	=====
Total taxation				

NOTES TO THE FINANCIAL STATEMENTS

25. Compensations to key management personnel

Compensations to key management personnel are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Directors:				
- Fees	664,275	726,413	553,275	604,163
- Short-term employee benefits (including estimated benefits-in-kind)	1,543,446	697,132	158,014	164,555
- Post employment benefits	38,740	22,684	1,101	1,890
	<u>2,246,461</u>	<u>1,446,229</u>	<u>712,390</u>	<u>770,608</u>
Other key management personnel:				
- Fees	55,000	55,000	-	-
- Short-term employee benefits (including estimated benefits-in-kind)	2,024,505	1,671,985	310,941	283,161
- Post employment benefits	241,272	198,873	36,536	33,202
	<u>2,320,777</u>	<u>1,925,858</u>	<u>347,477</u>	<u>316,363</u>
	<u>4,567,238</u>	<u>3,372,087</u>	<u>1,059,867</u>	<u>1,086,971</u>

Other key management personnel comprise persons, other than the Directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

26. Earnings per ordinary share - Group

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 31 December 2024 and 31 December 2023 was based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	2024 RM	2023 RM
Earnings attributable to ordinary shareholders	92,034,477 =====	64,443,021 =====
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	280,000,000	280,000,000
Effect of issued ordinary shares repurchased	(967,800)	(967,800)
Weighted average number of ordinary shares at 31 December	279,032,200 =====	279,032,200 =====

The shareholders of the Company, at an Annual General Meeting held on 18 June 2008, approved the Company's plan to repurchase its own shares. Such authority was last renewed at the Annual General Meeting held on 24 May 2024. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase its own shares during the year ended 31 December 2024 and 31 December 2023. The number of treasury shares held was 967,800 ordinary shares as at the year ended 31 December 2024 and 31 December 2023.

Basic and diluted earnings per ordinary share

	2024 Sen	2023 Sen
Basic and diluted earnings per ordinary share	32.98 =====	23.10 =====

27. Dividends

Dividends recognised by the Company was:

	Sen per share (tax exempt)	Total RM	Date of payment
2024			
First interim 2024 ordinary	5	13,951,610	19 July 2024
Second interim 2024 ordinary	15	41,854,830	27 December 2024
		55,806,440 =====	

NOTES TO THE FINANCIAL STATEMENTS

27. Dividends (continued)

	Sen per share (tax exempt)	Total RM	Date of payment
2023			
First interim 2023 ordinary	5	13,951,610	6 July 2023
Second interim 2023 ordinary	5	13,951,610	19 January 2024
		<u>27,903,220</u>	
		=====	

The Directors do not recommend any final dividend to be paid for the financial year under review.

28. Financial instruments

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Note	Carrying amount RM	AC RM
2024			
Financial assets			
Group			
Trade and other receivables	10	20,314,234	20,314,234
Deposits	11	2,373,023	2,373,023
Other investments	12	84,507,712	84,507,712
Cash and cash equivalents	13	104,732,016	104,732,016
		<u>211,926,985</u>	<u>211,926,985</u>
		=====	=====
Company			
Trade and other receivables	10	619,841	619,841
Other investment	12	47,133,854	47,133,854
Cash and cash equivalents	13	54,666,260	54,666,260
		<u>102,419,955</u>	<u>102,419,955</u>
		=====	=====
Financial liabilities			
Group			
Loans and borrowings	16	(40,659,559)	(40,659,559)
Trade and other payables	17	(65,718,260)	(65,718,260)
		<u>(106,377,819)</u>	<u>(106,377,819)</u>
		=====	=====
Company			
Trade and other payables	17	(9,334,617)	(9,334,617)
		<u>=====</u>	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.1 Categories of financial instruments (continued)

	Note	Carrying amount RM	AC RM
2023			
Financial assets			
Group			
Trade and other receivables	10	20,262,451	20,262,451
Deposits	11	2,189,459	2,189,459
Other investments	12	47,232,645	47,232,645
Cash and cash equivalents	13	114,594,116	114,594,116
		<u>184,278,671</u>	<u>184,278,671</u>
		=====	=====
Company			
Trade and other receivables	10	399,243	399,243
Other investment	12	47,232,645	47,232,645
Cash and cash equivalents	13	65,499,004	65,499,004
		<u>113,130,892</u>	<u>113,130,892</u>
		=====	=====
Financial liabilities			
Group			
Loans and borrowings	16	(9,137,006)	(9,137,006)
Trade and other payables	17	(57,428,201)	(57,428,201)
		<u>(66,565,207)</u>	<u>(66,565,207)</u>
		=====	=====
Company			
Trade and other payables	17	(9,172,289)	(9,172,289)
		<u>=====</u>	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.2 Net gains/(losses) arising from financial instruments

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Net gains/(losses) on:				
Financial assets				
at amortised cost				
- impairment loss on trade and other receivables	(112,770)	-	(112,770)	-
- reversal of impairment loss on trade and other receivables	-	-	4,635,101	-
- interest income from term deposits	6,386,287	4,608,009	3,951,052	3,646,302
	6,273,517	4,608,009	8,473,383	3,646,302
	-----	-----	-----	-----
Financial liabilities				
at amortised cost				
- profit payments on hire purchase	(178,761)	(120,007)	-	-
	6,094,756	4,488,002	8,473,383	3,646,302
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.3 Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 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 the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management regularly reviews and monitors on an on-going basis by setting appropriate credit limits on trade receivables on a case-by-case basis.

At each reporting date, the Group and the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or full) when 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. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

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 is represented by the carrying amounts in the statement of financial position. The credit risk is concentrated to two (2023: two) major customers, who are mainly involved in palm oil refinery as disclosed in Note 32, representing 74% (2023: 82%) of the total trade receivables.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtor and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales marketing team.

As there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (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 the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2024			
Group			
Current (not past due)	15,172,584	-	15,172,584
1 - 30 days past due	44,646	-	44,646
31 - 60 days past due	4,604	-	4,604
61 - 90 days past due	18,416	-	18,416
	<u>15,240,250</u>	<u>-</u>	<u>15,240,250</u>
	=====	=====	=====
2023			
Group			
Current (not past due)	17,572,842	-	17,572,842
1 - 30 days past due	94,921	-	94,921
31 - 60 days past due	170,024	-	170,024
	<u>17,837,787</u>	<u>-</u>	<u>17,837,787</u>
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

There is no allowance for impairment in respect of trade receivables during the year.

An allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery is possible, the amount considered irrecoverable is written off against the receivables directly.

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with banks. 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 have low credit risks. 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 and deposits

As at the end of 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 reporting period, there was no indication that the other receivables and deposits are not recoverable, other than those on which an allowance for impairment losses has been made (see Note 10 and 11).

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Other receivables and deposits (continued)

The following table provides information about the exposure to credit risk for other receivables and deposits.

	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
Group			
2024			
Low credit risk	7,447,007	-	7,447,007
Credit impaired	2,026,818	(2,026,818)	-
	<u>9,473,825</u>	<u>(2,026,818)</u>	<u>7,447,007</u>
	=====	=====	=====
2023			
Low credit risk	4,614,123	-	4,614,123
Credit impaired	1,914,048	(1,914,048)	-
	<u>6,528,171</u>	<u>(1,914,048)</u>	<u>4,614,123</u>
	=====	=====	=====
Company			
2024			
Low credit risk	619,841	-	619,841
Credit impaired	112,770	(112,770)	-
	<u>732,611</u>	<u>(112,770)</u>	<u>619,841</u>
	=====	=====	=====
2023			
Low credit risk	399,243	-	399,243
	=====	=====	=====

The movement in the allowance for impairment in respect of other receivables and deposits is as follows:

	Total RM
Group	
Balance at 1 January 2023, 31 December 2023/1 January 2024	1,914,048
Net remeasurement of loss allowance	<u>112,770</u>
Balance at 31 December 2024	<u>2,026,818</u>
	=====
Company	
Balance at 1 January 2023, 31 December 2023/1 January 2024	-
Net remeasurement of loss allowance	<u>112,770</u>
Balance at 31 December 2024	<u>112,770</u>
	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

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 statement of financial position. There are no significant concentrations of credit risk as at the end of the reporting period.

Loans and advances provided are not secured by any collateral or supported by any other credit advancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk for subsidiaries' loans and advances.

	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2024			
Credit impaired	1,033,052	(1,033,052)	-
	=====	=====	=====
2023			
Credit impaired	5,668,153	(5,668,153)	-
	=====	=====	=====

The movement in the allowance of impairment in respect of subsidiary's loans and advances during the year as follows:

	Total RM
Group	
Balance at 1 January 2023, 31 December 2023/1 January 2024	5,668,153
Net remeasurement of loss allowance	(4,635,101)
Balance at 31 December 2024	1,033,052
	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM34,027,000 (2023: RM7,606,000) representing the outstanding banking facilities of a subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

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 financial 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 is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

28.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank 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

28. Financial instruments (continued)

28.5 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:

	Carrying amount RM	Contractual interest rate/ profit rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2024							
Group							
Non-derivative financial liabilities							
Islamic term loan - secured	5,282,000	4.80	5,535,536	-	-	5,535,536	-
Conventional term loan - secured	28,745,000	4.86	30,142,007	-	-	30,142,007	-
Hire purchase facility - secured	6,632,559	4.80	7,049,457	2,931,479	2,626,443	1,491,535	-
Lease liabilities	2,391,633	6.70-7.95	5,034,057	231,917	231,917	695,751	3,874,472
Trade and other payables	65,718,260	-	65,718,260	65,718,260	-	-	-
	108,769,452		113,479,317	68,881,656	2,858,360	37,864,829	3,874,472
	=====		=====	=====	=====	=====	=====
Company							
Non-derivative financial liabilities							
Other payables and accruals	9,334,617	-	9,334,617	9,334,617	-	-	-
Financial guarantees	-	-	34,027,000	-	-	34,027,000	-
	9,334,617		43,361,617	9,334,617	-	34,027,000	-
	=====		=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

2023	Carrying amount RM	Contractual interest rate/ profit rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group							
Non-derivative financial liabilities							
Conventional term loan							
- secured	7,606,000	4.81	7,971,849	-	-	7,971,849	-
Hire purchase facility							
- secured	1,531,006	4.97	1,584,922	1,164,691	357,275	62,956	-
Lease liabilities	2,433,887	6.70-7.95	5,266,323	231,917	231,917	695,751	4,106,738
Trade and other payables	57,428,201	-	57,428,201	57,428,201	-	-	-
	68,999,094		72,251,295	58,824,809	589,192	8,730,556	4,106,738
	=====		=====	=====	=====	=====	=====
Company							
Non-derivative financial liabilities							
Other payables and accruals	9,172,289	-	9,172,289	9,172,289	-	-	-
Financial guarantees	-	-	7,606,000	-	-	7,606,000	-
	9,172,289		16,778,289	9,172,289	-	7,606,000	-
	=====		=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

28.6.1 Currency risk

The Group and Company are not exposed to any foreign currency risk as it operates domestically and most of its transactions are denominated in Ringgit Malaysia.

28.6.2 Interest and profit rates risk

The primary interest and profit rates risk to which the Group is exposed relates to the deposits and fixed-rate borrowings which are fixed rate instruments placed with approved financial institutions. The exposure to a risk of change in their fair value due to changes in interest rates would not be significant as the deposits are usually placed for less than three months.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest/profit rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group monitors its exposure to changes in interest and profit rates on a regular basis.

Borrowings are negotiated with a view to securing the best possible terms, including rates of interest/profit, to the Group.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.6 Market risk (continued)

28.6.2 Interest and profit rates risk (continued)

Exposure to interest and profit rates risk

The interest and profit rates profile of the Group's and the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Deposits with banks/ financial institutions	182,956,540	156,116,773	100,158,900	111,839,805
Hire purchase facility - secured	(6,632,559)	(1,531,006)	-	-
Lease liabilities	(2,391,633)	(2,433,887)	-	-
	<u>173,932,348</u>	<u>152,151,880</u>	<u>100,158,900</u>	<u>111,839,805</u>
	=====	=====	=====	=====
Floating rate instruments				
Islamic term loan –secured	(5,282,000)	-	-	-
Conventional term loan - secured	(28,745,000)	(7,606,000)	-	-
	<u>(34,027,000)</u>	<u>(7,606,000)</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.6 Market risk (continued)

28.6.2 Interest and profit rates risk (continued)

Exposure to interest and profit rates risk (continued)

The Islamic term loan facility to the Group bore profit rate at 12.00% per annum, which is equivalent to effective profit rate of 0.75% per annum above the Bank's i-cost of funds.

The Conventional term loan facility bears interest rate at 0.75% per annum above the Bank's i-cost of funds.

The deposits placed with licensed banks of the Group and the Company (see Notes 12 and 13) bear interest/profit rate ranging from 2.60% to 4.00% (2023: 2.20% to 4.05%) per annum.

Hire purchase facilities under loans and borrowings bear interest ranging from 2024: 4.75% to 4.85% (2023: 4.85% to 5.09%) per annum.

Interest and profit rates risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss. The exposure to interest rate risk is consequently not material and hence sensitivity analysis is not presented.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest 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.

	2024		2023	
	Profit or loss 100bp increase RM	Profit or loss 100bp decrease RM	Profit or loss 100bp increase RM	Profit or loss 100bp decrease RM
Group				
Floating rate instruments	(259,000)	259,000	(58,000)	58,000
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments non-current financial liabilities not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
2024			
Financial liabilities			
Islamic term loan - secured	(5,028,464)	(5,028,464)	(5,282,000)
Conventional term loan - secured	(27,347,993)	(27,347,993)	(28,745,000)
Hire purchase facility - secured	(3,769,447)	(3,769,447)	(3,959,503)
	<u>(36,145,904)</u>	<u>(36,145,904)</u>	<u>(37,986,503)</u>
	=====	=====	=====
2023			
Financial liabilities			
Term loan - secured	(7,240,151)	(7,240,151)	(7,606,000)
Hire purchase facility - secured	(390,151)	(390,151)	(410,556)
	<u>(7,630,302)</u>	<u>(7,630,302)</u>	<u>(8,016,556)</u>
	=====	=====	=====

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.7 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2023: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The fair value of term loans approximates their carrying amounts as these are variable rate borrowings.

Financial instruments not carried at fair value

Type	Valuation technique	Significant unobservable inputs (%)	Inter-relationship between significant unobservable inputs and fair value measurement
Hire purchase facility	Discounted cash flows	Interest rate 4.75% to 4.85% (2023: 4.85% to 5.09%)	The estimated fair value would increase (decrease) if the interest rate were lower (higher).
Islamic term loan	Discounted cash flows	Profit rate of 4.79% to 4.81%	The estimated fair value would increase (decrease) if the interest rate were lower (higher).
Conventional term loan	Discounted cash flows	Interest rate of 4.79% to 4.93% (2023: 4.79% to 4.84%)	The estimated fair value would increase (decrease) if the interest rate were lower (higher).

NOTES TO THE FINANCIAL STATEMENTS

29. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as 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 Group is required to maintain a gearing ratio of not more than 0.5 time (2023: 0.5 time) to comply with a bank covenant, failing which the bank may call an event of default (see Note 16). The Group has not breached this covenant as evident from the following tabulation:

	2024 RM	2023 RM
Total loans and borrowings (Note 16)	40,659,559 =====	9,137,006 =====
Total equity	783,655,328 =====	742,637,350 =====
Debt-to-equity ratio	0.05 =====	0.01 =====

There was no change in the Group's approach to capital management during the financial year.

30. Capital expenditure commitments

	Group	
	2024 RM	2023 RM
<i>Contracted for but not provided for</i>		
Property, plant and equipment	2,148,112 =====	2,823,960 =====

31. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (continued)

Identity of related parties (continued)

The Group has a related party relationship with:

- (i) its subsidiaries;
- (ii) key management personnel;
- (iii) companies/organisations connected to certain Directors of the Company and/or of its subsidiaries;
- (iv) its substantial corporate shareholders; and
- (v) companies related to its substantial corporate shareholder.

Significant related party transactions

Significant related party transactions of the Group and of the Company, other than compensations to key management personnel (see Note 25) and those disclosed elsewhere in the financial statements, are shown below.

Subsidiaries

	<u>Company</u>	
	2024 RM	2023 RM
Dividend income	(53,480,000)	(22,330,000)
Administrative fee	37,177	28,383
	=====	=====

Companies in which a Director has interest

	<u>Group</u>		<u>Company</u>	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental and annual support for satellite and broadband services	149,605	172,192	-	-
Insurance premium	921,600	939,134	20,154	20,154
	=====	=====	=====	=====

A substantial corporate shareholder

	<u>Group</u>
	2024 RM
Rental of office	57,600
	=====

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (continued)

Significant related party transactions (continued)

Companies related to a substantial corporate shareholder

	Group	
	2024 RM	2023 RM
Sale of oil palm fresh fruit bunches	(44,800,380)	(37,403,629)
Sales of palm kernel shell	(2,293,424)	(4,678,143)
Sales of oil palm seeds	(476,400)	(264,050)
Sale of oil palm seedling	(600,000)	(360,000)
Sales of equipment	(50,000)	-
Agronomics service fee	(120,248)	(63,235)
Purchase of oil palm fresh fruit bunches	-	241,639
Purchase of material and store item	260,842	82,515
Purchase of assets	937,020	574,545
Purchase of parts	-	35,000
Purchase of food products	55,799	-
Field maintenance work and rental of machineries	61,955	13,777
Services of equipment	163,087	21,573
Transport services	80,247	307,722
Transport subsidy	181,629	-
	=====	=====

Companies in which certain Directors have interest

	Group	
	2024 RM	2023 RM
Sales of oil palm seeds	(210,600)	-
Agronomic service fee income	(59,960)	(28,140)
Purchase of oil palm fresh fruit bunches	-	391,480
Purchase of materials	1,496,495	1,086,922
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (continued)

Significant related party transactions (continued)

Companies in which persons connected to certain Directors have interest

	Group	
	2024 RM	2023 RM
Software support, customisation, maintenance and implementation costs	341,347	288,475
Purchase of assets	4,100	24,375
Purchase of spare parts and consumables	4,811,332	4,895,537
Services of equipment	15,620	-
Transport services	250,278	160,041
	=====	=====

The balances related to the above transactions are shown in Notes 10 and 17. There is no allowance for impairment loss on doubtful receivables provided against the outstanding balances of related parties, other than that provided against the amount due from subsidiaries as disclosed in Note 10.

Related party transactions are based on negotiated terms and the amounts outstanding at the statement of financial position date are unsecured and expected to be settled in cash.

32. Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Executive Director (being the Chief Operating Decision Maker), reviews internal management reports on a monthly basis. The following describes the operations in each of the Group's reportable segments.

Investment holding	- Investment holding company.
Oil palm operations	- Comprising 2 divisions namely estate operation (Cultivation of oil palm) and mill operation (processing of fresh fruit bunches).
Management services and rental	- Provision of management service and rental of investment properties.

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms.

Performance is measured based on segment gross profit as included in the internal management reports. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

32. Segment reporting (continued)

	Investment holding RM	Oil palm operations RM	Management services/ Rental RM	Consolidated RM
2024				
Revenue				
Segment revenue	53,480,000	557,490,538	2,753,218	613,723,756
Inter-segment revenue	(53,480,000)	(7,025,708)	(1,777,497)	(62,283,205)
External revenue	-	550,464,830	975,721	551,440,551
Cost of sales				
Segment cost of sales	-	(407,356,833)	(1,664,361)	(409,021,194)
Inter-segment cost of sales	-	7,525,205	80,400	7,605,605
External cost of sales	-	(399,831,628)	(1,583,961)	(401,415,589)
Gross profit/(loss)	-	150,633,202	(608,240)	150,024,962
Distribution cost	-	(33,443,296)	-	(33,443,296)
Segment profit/(loss)	-	117,189,906	(608,240)	116,581,666
Other income including finance income	3,951,052	6,547,489	217,195	10,715,736
Inter-segment	-	(641,985)	-	(641,985)
External other income	3,951,052	5,905,504	217,195	10,073,751
Other expenses including finance costs	(2,122,283)	(19,219,787)	(359,347)	(21,701,417)
Inter-segment	37,177	1,211,230	8,787	1,257,194
External other expenses	(2,085,106)	(18,008,557)	(350,560)	(20,444,223)
Changes in fair value of biological assets	-	18,155,514	-	18,155,514
Profit/(Loss)before tax	1,865,946	123,242,367	(741,605)	124,366,708
Included in the measure of segment gross profit is: Depreciation of property, plant and equipment, right-of-use assets and investment properties	-	18,349,669	794,086	19,143,755

NOTES TO THE FINANCIAL STATEMENTS

32. Segment reporting (continued)

2023

Revenue

	Investment holding RM	Oil palm operations RM	Management services/ Rental RM	Consolidated RM
Segment revenue	22,330,000	574,761,666	2,353,290	599,444,956
Inter-segment revenue	(22,330,000)	(4,985,360)	(1,452,942)	(28,768,302)

External revenue	-	569,776,306	900,348	570,676,654
------------------	---	-------------	---------	-------------

Cost of sales

Segment cost of sales	-	(441,734,956)	(1,521,949)	(443,256,905)
Inter-segment cost of sales	-	5,547,113	80,400	5,627,513

External cost of sales	-	(436,187,843)	(1,441,549)	(437,629,392)
------------------------	---	----------------	--------------	----------------

Gross profit/(loss)	-	133,588,463	(541,201)	133,047,262
---------------------	---	-------------	------------	-------------

Distribution cost	-	(31,470,810)	-	(31,470,810)
-------------------	---	---------------	---	---------------

Segment profit/(loss)	-	102,117,653	(541,201)	101,576,452
-----------------------	---	-------------	------------	-------------

Other income including finance income	3,646,302	5,727,748	153,245	9,527,295
Inter-segment	-	(334,282)	-	(334,282)

External other income	3,646,302	5,393,466	153,245	9,193,013
-----------------------	-----------	-----------	---------	-----------

Other expenses including finance costs	(1,804,392)	(17,468,312)	(253,127)	(19,525,831)
Inter-segment	28,383	526,373	7,275	562,031

External other expenses	(1,776,009)	(16,941,939)	(245,852)	(18,963,800)
-------------------------	--------------	---------------	------------	---------------

Changes in fair value of biological assets	-	(4,362,566)	-	(4,362,566)
---	---	--------------	---	--------------

Profit/(Loss)before tax	1,870,293	86,206,614	(633,808)	87,443,099
-------------------------	-----------	------------	------------	------------

Included in the measure of
segment gross profit is:

Depreciation of property, plant and equipment, right-of-use assets and investment properties	-	18,840,202	782,792	19,622,994
---	---	------------	---------	------------

NOTES TO THE FINANCIAL STATEMENTS

32. Segment reporting (continued)

	2024 RM	2023 RM
Segment assets		
Investment holding	446,243,525	456,801,542
Oil palm operations	892,124,555	805,188,012
Management services/Rental	22,820,803	22,144,835
	<u>1,361,188,883</u>	<u>1,284,134,389</u>
Elimination	(330,999,371)	(329,469,763)
Total assets	<u>1,030,189,512</u>	<u>954,664,626</u>
	=====	=====

Reconciliation of reportable segment revenue, profit or loss, assets and other material items

	2024 RM	2023 RM
Profit or loss		
Total segment profit for reportable segments	116,581,666	101,576,452
Depreciation of tangible assets	(1,150,380)	(1,189,152)
Finance costs	(368,423)	(302,262)
Finance income	6,386,287	4,608,009
Corporate expenses	(2,084,812)	(1,775,715)
Net of other expenses	(13,153,144)	(11,111,667)
Changes in fair value of biological assets	18,155,514	(4,362,566)
	<u>124,366,708</u>	<u>87,443,099</u>
	=====	=====

Segment information is presented in respect of the Group's business segments. As the Group operates within one geographical segment, geographical segment analysis is not applicable.

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		
	2024 RM	2023 RM	Segment
Customer A	439,216,633	464,006,415	Cultivation of oil palm and processing of fresh fruit bunches
Customer B	55,610,429	56,309,348	Cultivation of oil palm and processing of fresh fruit bunches
	<u>494,827,062</u>	<u>520,315,763</u>	
	=====	=====	

The major customers listed above collectively owe RM11,203,917 (2023: RM14,671,017) to the Group, equivalent to 74% (2023: 82%) of the total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

33. Acquisition of non-controlling interests

Acquisition of non-controlling interests - SPB NR Sdn. Bhd. (formerly known as SPB Pelita Suai Sdn. Bhd.)

Pursuant to a Mutual Agreement to Settle, the non-controlling interest holder shall pay the Company RM4,635,101 in full and final settlement of all the Company and its subsidiaries' claims against the non-controlling interest holder. Upon the execution of the Mutual Agreement to Settle, the Company has entered into a Rescission Agreement whereby, the Company will acquire 40% equity interest which represents 1,064,000 ordinary shares in SPB NR Sdn. Bhd. (formerly known as SPB Pelita Suai Sdn. Bhd.) at a cash consideration of RM266,000. The net impact to the Group's cash flow is amounting to RM4,369,101.

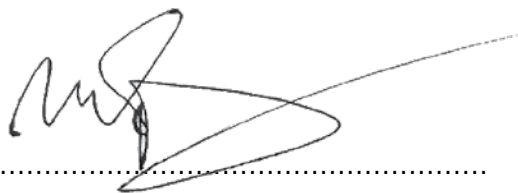
The following summarises the effect of changes in the equity interest in SPB NR Sdn. Bhd. that is attributable to the Group:

	Group 2024 RM
Equity interest at 1 January 2024	(14,655,972)
Effect of increase in Company's ownership interest	(5,403,085)
Share of comprehensive expense	(11,497)
Net settlement received from non-controlling interest	(4,369,101)
Equity interest at 31 December 2024	(24,439,655)
	=====

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 99 to 172 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standard 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 2024 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 Amar Abdul Hamed Bin Sepawi

Director



Dato Wong Kuo Hea

Director

Kuching,

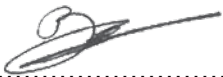
Date: 27 March 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Koay Bee Eng**, the officer primarily responsible for the financial management of Sarawak Plantation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 99 to 172 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 abovenamed, **Koay Bee Eng**, NRIC: 690102-07-5398, MIA CA12155, at Kuching in the State of Sarawak on 27 March 2025.



Koay Bee Eng

Before me:




EVELYN LAU SIE JIONG
Commissioner For Oaths
No.10, Lot 663, Ground Floor
Lorong 2 Jalan Ong Tiang Swee
93200 Kuching, Sarawak.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sarawak Plantation Berhad, which comprise the statements of financial position as at 31 December 2024 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 99 to 172.

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 2024, 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 the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

We have determined that there are no key audit matters in the audit of the financial statements of the Group and of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 6 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

Kuching,

Date: 27 March 2025



Nicholas Chia Wei Chit
Approval Number: 03102/03/2026 J
Chartered Accountant

This page is intentionally left blank.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

According to the number of securities held in respect of Ordinary Shares:

Size of Shareholdings	No. of Shareholders / Depositors	% of Shareholders / Depositors	No. of Shares Held	% of Issued Capital
1 - 99	23	0.769	645	0.000
100 - 1000	703	23.520	512,769	0.184
1,001 - 10,000	1,640	54.868	7,505,030	2.690
10,001 - 100,000	509	17.029	15,952,206	5.717
100,001 - 13,951,609*	112	3.747	103,791,825	37.197
13,951,610 and above**	2	0.067	151,269,725	54.212
Total	2,989	100.000	279,032,200	100.000

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

Top Thirty Shareholders

Names	Holdings	
	Number	%
1. Ta Ann Holdings Berhad	80,051,624	28.689
2. State Financial Secretary Sarawak	71,218,101	25.523
3. Yayasan Sarawak	11,604,939	4.158
4. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Mohamad Bolhair Bin Reduan	10,099,285	3.619
5. Thrive Realty Sdn. Bhd.	9,793,300	3.509
6. Amanah Khairat Yayasan Budaya Melayu Sarawak	9,056,506	3.245
7. Dayak Cultural Foundation	5,019,400	1.798
8. Lembaga Amanah Kebajikan Masjid Negeri Sarawak	5,000,000	1.791
9. Palmhead Holdings Sdn. Bhd.	4,733,300	1.696
10. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Hasmi Bin Hasnan	2,955,700	1.059
11. MAYBANK Nominees (Tempatan) Sdn. Bhd. Wong Tung Ann	2,551,300	0.914

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Top Thirty Shareholders (continued)

Names	Holdings	
	Number	%
12. CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Islamic Trustee Berhad For Amanah Khairat Yayasan Budaya Melayu Sarawak	2,548,433	0.913
13. Tan Aik Choon	2,300,600	0.824
14. Baghlaf Alzafer Group Ltd	2,291,900	0.821
15. Teoh Peng Lee	2,189,000	0.784
16. Cheng Ah Teck @ Cheng Yik Lai	2,000,000	0.716
17. Ta Ann Holdings Berhad	2,000,000	0.716
18. Neoh Choo Ee & Company, Sdn. Berhad	1,615,500	0.578
19. Lambaian Kukuh Sdn. Bhd.	1,481,600	0.530
20. Wong Kuo Hea	1,298,600	0.465
21. ALLIANCEGROUP Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Law Kiu Kiong (6000710)	1,248,000	0.447
22. HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Yap Qwee Beng	1,016,100	0.364
23. MAYBANK Nominees (Tempatan) Sdn. Bhd. Pleaded Securities Account For Tan Kian Aik	830,300	0.297
24. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Law Kiu Kiong	773,100	0.277
25. MAYBANK Nominees (Tempatan) Sdn. Bhd. MTrustee Berhad For Tabung Baitulmal Sarawak (Majlis Islam Sarawak)(FM-Assar-TBS)(419511)	750,000	0.268
26. Ladang Sinarmas Sdn. Bhd.	707,200	0.253
27. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Chen Yik (Penang-CL)	659,000	0.236
28. Ting Lina @ Ding Lina	600,000	0.215
29. Lau Hie Ping	500,000	0.179
30. Mah Siew Keong	497,200	0.178

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Substantial Shareholders

Names of Substantial Shareholders	NRIC/ Registration No.	Malaysian/ Foreign	Nationality/ Country of Incorporation	Direct Holdings		Indirect Holdings (excluding bare trustees)	
				No.	%	No.	%
1. Ta Ann Holdings Berhad	419232K	Malaysian	Malaysia	82,051,624	29.406	-	-
2. State Financial Secretary Sarawak	ORD211948	Malaysian	Malaysia	71,218,101	25.523	-	-
4. Datuk Amar Abdul Hamed bin Sepawi	490531-13-5129	Malaysian	Malaysian	200,000	0.072	82,052,624	29.406
5. Dato Wong Kuo Hea	511117-13-5553	Malaysian	Malaysian	1,591,400	0.570	87,492,124	31.356
6. Mountex Sdn. Bhd.	490017-P	Malaysian	Malaysian	-	-	82,051,624	29.406

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Directors' Direct and Indirect Shareholding in the Company

Names of Directors	Designation	Nationality	Direct Holdings		Indirect Holdings	
			No.	%	No.	%
1. Datuk Amar Abdul Hamed bin Sepawi	Executive Chairman	Malaysian	200,000	0.072	82,052,624	29.406
2. Dato Wong Kuo Hea	Executive Director	Malaysian	1,591,400	0.570	87,492,124	31.356
3. Datu Hasmawati binti Sapawi	Non Executive Non Independent Director	Malaysian	-	-	-	-
5. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	Independent Director	Malaysian	-	-	-	-
6. Dato Chia Chu Fatt	Independent Director	Malaysian	-	-	-	-
7. Datu Haji Abdul Razak bin Mohd. Tready	Independent Director	Malaysian	-	-	-	-

OTHER COMPLIANCE INFORMATION

Audit and Non Audit Fees

The amount of audit fees payable to the Company's auditors, KPMG PLT for the Group and the Company amounted to RM248,500 and RM70,000 respectively.

The amount of non audit fees incurred by the Company for services, for example tax compliance services and review of the Statement on Risk Management and Internal Control rendered by the external auditors, KPMG PLT and that of its affiliates to the Company and its subsidiaries during the financial year ended 31 December 2024 amounted to RM102,200 and RM27,750 for the Group and the Company, respectively.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving the Directors and or major shareholders either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Recurrent Related Party Transactions ("RRPT")

Breakdown of recurrent related party transactions ("RRPT") of a revenue or trading nature conducted with Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD"), the Company's wholly owned subsidiary pursuant to the shareholders' mandate during the financial year are as follows:

Name of related parties	Relationship	Nature of transactions	Aggregated amount RM
Danawa Resources Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi is a director and shareholder of SPB and also a major shareholder of Danawa Resources Sdn. Bhd.	Rental and support fee for satellite broadband services	149,605
Intuitive Systems Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB. Datuk Amar Abdul Hamed bin Sepawi's sister and Dato Wong Kuo Hea's son are directors and shareholders of Intuitive Systems Sdn. Bhd. Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of Palmhead Holdings Sdn. Bhd, a company who holds 55% equity interest in Intuitive Systems Sdn. Bhd. Palmhead Holdings Sdn. Bhd is a shareholder of SPB.	Software support, customisation and maintenance fees and purchase of IT equipment	345,447

OTHER COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPT”) (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated amount RM
Manis Oil Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Manis Oil Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of FFB	27,216,222
Stonehead Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Stonehead Sdn. Bhd	Purchase of Down Crasher Run (“DCR”) stones	1,496,495
Ta Ann Plywood Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Ta Ann Plywood Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of services, material and vehicle in relation to estate field activities	61,955
		Sale of seeds	228,000
Ironhead Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 100% equity interest in Ironhead Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of equipment for estate field activities	921,700
		Service of equipment for estate field activities	163,087

OTHER COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPT”) (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated amount RM
Lik Shen Sawmill Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Lik Shen Sawmill Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of sawn timber	260,842
TABM Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 100% equity interest in TABM Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of palm kernel shell	2,293,424
TBS Oil Mill Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 55% equity interest in TBS Oil Mill Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of FFB	17,584,158
		Provision of FFB transport services	62,043
Key Ta Trading Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and his brother is a shareholder of Key Ta Trading Sdn. Bhd. His sister is a director of Key Ta Trading Sdn. Bhd.	Purchase of spare parts, lubricants and fertilisers	1,335,942
		Provision of transport and handling services in relation to estate field activities	265,898

OTHER COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPT”) (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated amount RM
Key Jaya Trading Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and his brother is a director and shareholder of Key Jaya Trading Sdn. Bhd.	Purchase of diesel	3,473,400
Acosafe Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and also a shareholder of Acotop Sdn. Bhd., a company who holds 45% equity interest in Acosafe Sdn. Bhd.	Insurance premium in relation to General (Non Motor) Insurance and Motor Insurance both for duration of 1 year	879,668
Sebubu Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Palmhead Holdings Sdn. Bhd., a company who holds 100% equity interest in Sebubu Sdn. Bhd. Palmhead Holdings Sdn. Bhd. is a shareholder of SPB.	Sale of Seeds	145,800
Multi Maximum Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 85% equity interest in Multi Maximum Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB.	Sale of Seeds	248,400

TOP 10 PROPERTIES

Registered Owner/Lessee	Estate/Address	Title/Location	Description	Approximate Age of Building (years)
SPAD	Bakau 6KM off KM24 Selangau-Matadeng Road	Lot 12, Blk 13, Bawan LD	Land and Building	1 - 12
	Pinji Mewah 45KM off KM53 Miri-Bintulu Road via Beluru Bakong Road	Lot 32, Blk 20, Puyut LD Lot 3, Blk 30, Puyut LD	Land and Building	2 - 9
	Subis 1KM off KM87 Miri-Bintulu Road	Lot 15, 16 and 17, Blk 18, Niah LD, Lot 74 and 80, Blk 17, Niah LD Lot 4, 42, 45 and 47 Blk 8, Bukit Kisi LD	Land and Building	1 - 28
	Ladang Tiga 2KM off KM75 Miri-Bintulu Road	Lot 10 and 18, Blk 5, Bukit Kisi LD Lot 34, 35 and 36, Blk 7, Niah LD Lot 14 and Part of Lot 40, Blk 11, Niah LD Lot 16 and 17, Blk 14, Niah LD Lot 3, Blk 16, Niah LD Lot 65, Blk 17, Niah LD	Land and Building	3 - 28
		Part of Lot 40, Blk 11, Niah LD	Land and Building	3 - 28
	Peninjau 8KM off KM53 Miri - Bintulu Road	Lot 397, 453, 483, 486, 489 and 491 Blk 2 Bukit Kisi LD	Land and Building	2 - 28
	Mukah 1 KM12, Selangau- Matadeng Road	Lot 23, 25, 64 & Part of 61 Blk 8, Sikat LD	Land and Building	3 - 28
		Part of Lot 61, Blk 8, Sikat LD	Land and Building	3 - 28
	Matadeng 5KM off KM35 Selangau-Matadeng Road	Lot 5, Blk 15, Mukah LD	Land and Building	2 - 11
	Bukut 18KM off KM20, Selangau-Matadeng Road	Lot 8 Blk 13 Bawan LD Lot 1 Blk 4 Buloh LD	Land and Building	3 - 11
Telliana Oil Palm Sdn. Bhd.	Tulai 3KM off KM20 Sibu/Sarikei Road	Lot 702 and 703, Blk 5, Tulai LD Lot 25, Tulai LD Lot 594, Tulai LD Lot 1281 Assan LD	Land and Building	7 - 20
	Tugau 37KM off KM15, Sibu-Teku Road via Rantau Panjang Road	Lot 85, 86 and 87, Blk 5, Retus LD	Land	-

SPAD - Sarawak Plantation Agriculture Development Sdn. Bhd.

Blk - Block

LD - Land District

TOP 10 PROPERTIES

Net book value as at 31 December 2024						
Year of Acquisition	Tenure/Expiry of Lease	Existing use	Land Area (Ha)	Land and building (RM)	Bearer Plants & Infrastructure works (RM)	Total (RM)
2009	60 years/ 06.03.2067	Oil palm activities/ residential/ office/store	3,413	13,598,369	65,519,304	79,117,673
2016	60 years/ 23.09.2068/ 07.12.2070	Oil palm activities/ residential/ office/store	1,908	30,438,354	44,046,494	74,484,848
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm & nursery activities/residential/ office/store	7,153	3,544,159	70,762,436	74,306,595
1997	60 years/ 06.05.2043/ 16.07.2055/ 29.11.2057	Oil palm & nursery activities/residential/ office/store	4,930	5,309,799	56,728,270	62,038,069
	60 years/ 06.05.2043	Mill/residential office/store	19	6,917,655	1,521,893	8,439,548
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm activities/ residential/office/ store/laboratory	3,959	4,132,524	53,810,547	57,943,071
1997	60 years/ 11.06.2049	Oil palm & nursery activities/residential/ office/store	3,876	7,080,186	39,349,985	46,430,171
	60 years/ 11.06.2049	Mill/residential/ office/store	23	3,879,831	155,473	4,035,304
2009	60 years/ 06.03.2067	Oil palm activities/ residential/ office/store	1,856	9,328,830	36,243,510	45,572,340
2009	60 years/ 10.12.2066/ 06.03.2067	Oil palm activities/ residential/ office/store	1,566	5,126,823	30,093,686	35,220,509
1997	60 years/ 07.05.2063/ 13.04.2076 30.12.2083	Oil palm activities/ residential/ office/store	2,197	3,836,430	28,456,548	32,292,978
2016	60 years/ 28.09.2075	Vacant	1,553	25,589,508	4,676,436	30,265,944

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains some forward-looking statements in respect of the Company's financial condition, results of operations and business. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers are hereby cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statements. In this respect readers must therefore not rely solely on these statements in making investment decisions regarding Sarawak Plantation Berhad. The Board and the Company shall not be responsible for any investment decisions made by the readers in reliance on those forward-looking statements. Forward looking statements speak only as of the date they are made and it should not be assumed that they have been reviewed or updated in the light of new information or future events that would arise between the time of publication of this Annual Report and the time of reading this Annual Report. The Board has however established a Risk Management Committee to mitigate as much as practicably possible the consequences of any uncertainties and contingencies. Further details can be found in the Corporate Governance Overview Statement as set out in this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting ("AGM") of Sarawak Plantation Berhad will be held at The Space by iCube Tower B2 Level 4 ICOM Square Jalan Pending 93450 Kuching Sarawak on Friday, 23 May 2025 at 9.30am to transact the following businesses:

AGENDA:

Ordinary Business

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon | Please refer to Explanatory Note 1 |
| 2. | To approve payment of Directors' Fees up to an amount of RM665,900 in respect of the financial year ending 31 December 2025 | Resolution 1 |
| 3. | To approve payment of Directors' Benefits up to an amount of RM207,510 from 23 May 2025 up to the date of the next AGM | Resolution 2 |
| 4. | In accordance with Article 90 of the Company's Constitution, the Director, Datu Haji Abdul Razak bin Mohd. Tready retires from the Board and being eligible offers himself for re-election | Resolution 3 |
| 5. | In accordance with Article 91 of the Company's Constitution, the following Directors retire from the Board and being eligible offer themselves for re-election:
Dato Wong Kuo Hea
Datu Hasmawati binti Sapawi | Resolution 4
Resolution 5 |
| 6. | To reappoint Messrs. KPMG PLT as auditors for the Company and authorise the Directors to fix their remuneration | Resolution 6 |

SPECIAL BUSINESSES

To consider and if thought fit to pass the following as Ordinary Resolutions:

- | | |
|---|---------------------|
| 7. AUTHORITY TO ALLOT AND ISSUE SHARES | Resolution 7 |
| <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the Constitution of the Company and approval of the relevant authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to the resolution does not exceed 10% of the Issued Share Capital of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.</p> <p>AND THAT pursuant to Section 85 of the Companies Act 2016 and Clause 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Section 76 of the Companies Act.</p> | |

NOTICE OF ANNUAL GENERAL MEETING

8. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

Resolution 8

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into RRPT of a Revenue or Trading Nature as set out in Appendix 1 of the Circular to Shareholders dated 22 April 2025 ("Circular") with the related parties mentioned therein which are necessary for the Group's day to day operations, subject to the following:

- (a) That the RRPT are entered into on generally acceptable commercial terms not more favourable to the mandated related parties, they are at arm's length and are not prejudicial to the interests of the minority shareholders; and
- (b) A disclosure of the aggregate amount of RRPT conducted pursuant to the Proposed Renewal and New Shareholders' Mandate shall be made in the Annual Report, including a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:
 - (i) The type of recurrent transactions made; and
 - (ii) The names of the related parties involved in each type of recurrent transaction made and their relationship with the Company

AND THAT such approval shall continue to be in force until:

- (i) The conclusion of the next AGM of the Company;
- (ii) The expiration of the period within which the next AGM of the Company subsequent to this date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) Revoked or varied by resolution passed by the shareholders in general meeting;

Whichever is the earlier

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for the period from this AGM to the next AGM."

9. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES

Resolution 9

"THAT subject always to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be and are hereby unconditionally authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that:

- (a) The aggregate number of shares to be purchased and / or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase;
- (b) An amount not exceeding the Company's retained profits based on the latest audited financial statements be allocated for the proposed share buy back;

NOTICE OF ANNUAL GENERAL MEETING

9. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES Resolution 9 (continued)

- (c) The Directors of the Company may decide in their discretion to cancel and / or retain the ordinary shares in the Company as Treasury Shares and subsequently distribute them as dividends, transfer the shares for the purposes of or under an employee share scheme that has been approved by the shareholders, transfer the shares as purchase consideration or resold on Bursa Malaysia Securities Berhad or be cancelled;

AND THAT authority be and is hereby given to the Directors of the Company to act and to take all such steps and to do all things as are necessary or expedient to implement and finalise and give effect to the proposed share buy back;

AND THAT such authority conferred by this resolution will commence immediately and shall continue to be in force until the conclusion of the next AGM of the Company following the passing of this ordinary resolution, unless revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting."

10. TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN GIVEN

BY ORDER OF THE BOARD
DATIN TRINA TAN YANG LI (0666-KT032)
SSM Practicing Certificate No. 202008004432
Company Secretary
Kuching Sarawak
Dated this 22 April 2025

NOTES:

1. A Member including authorised nominees as defined under the provisions of the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote on his behalf at this AGM. Such proxy need not be a Member of the Company.
2. If a Member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy must be in writing and deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01 Level 32 Tower A Vertical Business Suite Avenue 3 Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur not less than 48 hours before the time set for holding this AGM or any adjournment thereof.
If there is any alteration to the instrument appointing a proxy, the same must be initialed.
5. In respect of deposited securities, only Members whose names appear in the Record of Depositors as at 15 May 2025 shall be eligible to attend, participate, speak and vote at this AGM.
6. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions in this Notice of AGM will be put to vote on a poll.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Audited Financial Statements

Pursuant to Section 340(1) of the Companies Act 2016, the Audited Financial Statements are meant for discussion only and do not require the shareholders' formal approval. Hence this item on the Agenda is not put forward for voting.

2. Resolutions 3, 4 and 5

The profile of the Directors seeking re-election can be found in the Board of Directors' section of the Annual Report 2024.

Dato Wong Kuo Hea is our Executive Director, Datu Hasmawati binti Sapawi is our Non Executive Non Independent Director and Datu Haji Abdul Razak bin Mohd. Tready is our Independent Non Executive Director.

Dato Wong Kuo Hea does have interests in other companies which engage in a business similar to the Group's. The list of these companies are found on page 17 of the Annual Report 2024.

The Nomination Committee had assessed the performance of all the Directors in terms of their character and integrity, their experience and competence and their time spent together with their level of commitment to the affairs of the Company. An assessment of independence of the Independent Directors was also carried out.

The Nomination Committee was satisfied with the performance of all the Directors seeking re-election and recommended their re-appointment to the Board of Directors for endorsement. The Board of Directors also endorsed the Nomination Committee's recommendation that Dato Wong Kuo Hea be re-appointed as the Executive Director, Datu Hasmawati binti Sapawi be re-appointed as the Non Independent Non Executive Director and Datu Haji Abdul Razak bin Mohd. Tready be re-appointed the Independent Non Executive Director and for the same to be put before the shareholders for approval.

All these 3 Directors abstained from deliberations at the Board of Directors' Meeting regarding their eligibility to stand for re-election and re-appointment.

3. Resolution 7 - Authority to Allot and Issue New Shares

This ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares from the unissued capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

This ordinary resolution, if passed, will also have the effect of the shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares in the Company pursuant to Section 85 of the Companies Act 2016 read together with Clause 15 of the Constitution of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the 27th AGM held on 24 May 2024.

4. Resolution 8 - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature

This ordinary resolution, if passed, will authorise the Company and its subsidiaries to transact with mandated related parties for the period from this AGM till the next AGM. Please refer to Part I of the Circular to Shareholders dated 22 April 2025 for further details.

5. Resolution 9 - Proposed Renewal of Authority to Purchase Own Shares

Please refer to Part II of the Circular to Shareholders dated 22 April 2025 for further details.

No. of shares:	
CDS Account no.:	



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

Incorporated in Malaysia

FORM OF PROXY

I / We

NRIC No. / ID No. / Company No (new) (old)

of

being a member of SARAWAK PLANTATION BERHAD, hereby appoint

NRIC No. / ID No. (new) (old)

of

or failing which the Chairman of the Meeting as my / our proxy / proxies to vote for me / us on my / our behalf at the 28th Annual General Meeting ("AGM") of Sarawak Plantation Berhad which will be held at The Space by iCube Tower B2 Level 4 ICOM Square Jalan Pending 93450 Kuching Sarawak on Friday, 23 May 2025 at 9.30am or at any adjournment thereof, in the manner as indicated below:

RESOLUTIONS		FOR	AGAINST
Resolution 1	Approval of Directors' Fees for financial year ending 31 December 2025		
Resolution 2	Approval of Directors' Benefits from 23 May 2025 up to the date of the next AGM		
Resolution 3	Re-election of Director: Datu Haji Abdul Razak bin Mohd. Tready		
Resolution 4	Re-election of Director: Dato Wong Kuo Hea		
Resolution 5	Re-election of Director: Datu Hasmawati binti Sapawi		
Resolution 6	Re-appointment of Auditors		
Special Businesses:			
Resolution 7	Authority to Allot and Issue Shares		
Resolution 8	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature		
Resolution 9	Proposed Renewal of Authority to Purchase Own Shares		

(Please indicate with an "X" in the spaces above how you wish your votes to be casted on the resolutions specified in the Notice of Meeting. If no specific direction as to the voting is indicated, the proxy / proxies will vote or abstain from voting as he / she / they think fit.)

NOTES:

1. A Member including authorised nominees as defined under the provisions of the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote on his behalf at this AGM. Such proxy need not be a Member of the Company.
2. If a Member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointer is a corporation, this proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy must be in writing and deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01 Level 32 Tower A Vertical Business Suite Avenue 3 Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur not less than 48 hours before the time set for holding this AGM or any adjournment thereof.

If there is any alteration to the instrument appointing a proxy, the same must be initialed.

5. In respect of deposited securities, only Members whose names appear in the Record of Depositors as at 15 May 2025 shall be eligible to attend, participate, speak and vote at this AGM.

Where proxies are appointed, percentage of shareholdings to be requested are:

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Dated this day of 2025

.....
Signature of Shareholder(s) /
Common Seal

Fold line

STAMP

The Company Secretary

SARAWAK PLANTATION BERHAD

8th Floor, Wisma NAIM, 2½ Mile, Rock Road

93200 Kuching, Sarawak.

Tel: 082-233550 Email: spb@spbgroun.com.my

Fold line

www.spbgroup.com.my

REGISTERED OFFICE

8th Floor, Wisma NAIM, 2¹/₂ Mile,
Rock Road, 93200 Kuching, Sarawak.

☎ 082-233550 ✉ spb@spbgroup.com.my

BUSINESS OFFICE

Wisma SPB, Lot 1174, Block 9, MCLD Miri Waterfront,
Jalan Permaisuri, 98000 Miri, Sarawak.

☎ 085-413814 ✉ spb@spbgroup.com.my