

SARAWAK PLANTATION BERHAD

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

ANNUAL REPORT 2025



ADOPT • ADAPT • APPLY
IMAGINE THE POSSIBILITIES



Guided by the theme Adopt. Adapt. Apply. Imagine the Possibilities., Sarawak Plantation Berhad reaffirms its commitment to embracing innovation, responding resiliently to change and translating sustainable practices into transformative growth for the future.



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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 42,745 hectares (“ha”) and 412 ha under a joint venture development with a government statutory body. The total plantable hectarage is around 33,800 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.



CORPORATE INFORMATION

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

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

	2025	2024	2023	2022	2021
Revenue (RM'000)	571,598	551,441	570,677	710,912	790,524
Profit before tax (RM'000)	142,166	124,367	87,443	134,213	168,391
Profit attributable to owners of the Company (RM'000)	105,803	92,034	64,443	96,713	127,826
Total assets (RM'000)	1,116,846	1,030,189	954,664	950,677	974,683
Net assets (RM'000)	829,363	779,366	748,541	712,002	671,095
Total equity attributable to owners of the Company (RM'000)	829,363	779,366	748,541	712,002	671,095
Total number of shares ('000)	280,000	280,000	280,000	280,000	280,000
Net assets per share (RM)	2.97	2.79	2.68	2.55	2.40
Basic earnings per share (sen)	37.92	32.98	23.10	34.66	45.81
Dividend per share (sen)	25.00	20.00	10.00	15.00	20.00
Gearing (%)	8	5	1	2	10

CORPORATE STRUCTURE



SARAWAK PLANTATION BERHAD

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

Investment Holding





Datuk Amar Abdul Hamed Bin Sepawi

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

Age: 77

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 36 years of experience in forestry and plantation management and the manufacturing of forest products. For the last 29 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 27 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 17

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: 75

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 18

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

None



Datu Hasmawati Binti Sapawi

Non Independent Non Executive Director
Nomination Committee, Member

Age: 58

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: 71

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



Dato Chia Chu Fatt

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

Age: 72

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 di-Pertua 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: 72

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
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 94 of this Annual Report.
- For our Directors' securities holdings in SPB, please refer to page 189 of this Annual Report.

KEY SENIOR MANAGEMENT



Dato Wong Kuo Hea

Executive Director

Dato Wong Kuo Hea (male), aged 75, 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

Group Chief Executive Officer

Iswandi Bin Ayub (male), aged 39, 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, the Chief Operating Officer on 2 April 2018 and as the Group Chief Executive Officer on 1 January 2026.

He does not hold any directorships in public companies.

KEY SENIOR MANAGEMENT



Koay Bee Eng

Chief Financial Officer

Koay Bee Eng (female), aged 57, 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 59, 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 Senior Management Personnel are Malaysian citizens.
- None of our Key Senior Management 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 18 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,
IT IS MY GREAT HONOUR
TO PRESENT TO YOU
THE COMPANY'S ANNUAL
REPORT FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER
2025**



Resilient 2025

The oil palm industry remained resilient in 2025 despite a challenging economic environment marked by trade policy uncertainties and geopolitical tensions. During the year under review, Malaysia's crude palm oil ("CPO") production recorded strong output, while CPO prices remained firm. Supported by stable CPO prices and production growth during the year under review, the Group posted solid financial results for the financial year ended 31 December 2025.

2025 Performance at a Glance

Despite continuing replanting activities during the year under review, the Group achieved commendable growth in its fresh fruit bunches ("FFB") production.

The Group's FFB production increased from 337,661 metric tonne ("mt") in 2024 to 360,993 mt in 2025, marking a 7% growth compared to 2024. The improved performance was largely attributable to palms attaining maturity and better performance of young and prime mature fields. During the year under review, the Group declared maturity of 1,100 hectares ("ha").

Coupled with higher CPO price in 2025, revenue was recorded at RM571.6 million in 2025 compared to RM551.4 million in 2024. CPO price rose by 4% from RM4,104 per mt in 2024 to RM4,267 per mt in 2025.

Driven by higher revenue, the Group delivered a net profit of RM105.8 million in 2025, reflecting a remarkable growth of 15% compared to RM92.0 million recorded in 2024. Accordingly, the Group registered an earnings per share of 38 sen in 2025 compared to 33 sen in 2024.

In addition, the Group closed the year 2025 with a strong financial position, as total assets continued to surpass the RM1 billion mark.

MESSAGE TO OUR SHAREHOLDERS



Subis Estate

Strong Dividends : Delivering Value to Shareholders

Resulting from the Group's notable performance, the Board of Directors declared three interim dividends totalling 25 sen per share for the financial year 2025. The first and second interim dividends totaling 20 sen were paid in 2025 whilst the third interim dividend of 5 sen was paid in April 2026. The dividend yield was 8.4% at the year end share price of RM2.98 per share. This underscores our continued dedication to delivering enduring returns to our valued shareholders.

Further, at a payout of over 65% of the current year's net profit, these dividend declarations reflect the Board's strong confidence in the Group's future growth momentum.

Replanting Momentum Fuels Future Production Growth

In line with our dedication to sustainable long term growth, the Group continued its replanting activities by replacing aging and underperforming palms. During the year under review, the Group replanted approximately 3,200 ha, and together with the 4,200 ha and 1,100 ha replanted in 2024 and 2023 respectively, the Group's total immature fields stand at around 8,900 ha as at year end. These immature fields account for about 30% of the Group's total planted areas, supporting a more favourable age profile that is expected to drive future production upwards.

MESSAGE TO OUR SHAREHOLDERS

Driving productivity through modern agriculture techniques

In 2024, 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. Alongside conventional labour-intensive harvesting, the Group’s investment in mechanisation is expected to ease labour reliance and improve operational productivity.

As we progressed through 2025, our research and operation team remains focused on collaborating with strategic partners to advance our research and development efforts aiming to optimise machine productivity and performance.

Simultaneously, the Group continued to undertake other research initiatives for other field activities as well. During the year under review, we deployed for use in certain of our estates, our articulated 6 wheeler adapted from logging operations and modified to suit our requirements for handling rugged and hilly terrain during FFB evacuation. We anticipate that this machine will serve our newly planted areas well as these areas have been designed with mechanisation in mind for future operations.

Sustainability and Governance

As we pursue our long term value creation, sustainability and strong governance remain at the forefront of our strategy. We recognise that embedding sustainable practices across our operations, from cultivation to production and community engagement, is essential not only for our stakeholders but also for the environment and the communities.

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”).

Looking ahead, we remain steadfast in upholding our governance principles, ensuring that sustainability considerations are embedded in the Group’s decision making processes and reinforcing integrity, transparency and accountability across all operating units.



MESSAGE TO OUR SHAREHOLDERS

Prospects and Outlook

The global economic conditions are increasingly unpredictable amid recent escalating Middle East conflicts. These geopolitical tensions result in energy price hikes, supply chain volatility and inflationary pressures. Heightened inflationary pressure across global market will lead to increased cost of raw materials, logistics and other operating expenses. The Group continues to prioritise cost management initiatives to manage anticipated escalating costs and associated risks while ensuring operational resilience. Nevertheless, the CPO price outlook is cautiously positive, supported by expectations of rising crude oil price leading to increased biofuel demand.

Despite the challenging economic outlook, the Group's prudent management and sustainable practices will enable it to navigate uncertainties and maintain stability while continue to pursue growth opportunities.

Appreciation

I would like to extend my heartfelt appreciation to our shareholders, stakeholders and the dedicated directors and employees of SPB Group for their unwavering trust and support throughout the year.

Together with our stakeholders, we will carry on adopting innovative solutions, adapting to emerging business environment and applying our expertise to deliver positive results while we continue to imagine the possibilities that will drive growth and sustainability.

Thank you.

Datuk Amar Abdul Hamed Bin Sepawi
Executive Chairman



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Mukah 3 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. They contribute to over 99% of the Group’s revenue and earnings.

The Group owns 13 oil palm estates with a total land size of 42,745 hectares (“ha”). The Group also has another estate measuring 412 ha under a joint venture with one Sarawak State Agency.

The estates are located in the Northern and Central Regions of Sarawak. The total plantable hectarage is around 33,800 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 carries the brand name "Surea DxP". Its genetically superior seeds have proven 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 an annual production capacity of 2.5 to 3.0 million seeds, our Seed Production Unit supplies high quality planting material to the Group's estates and also markets seeds to other oil palm companies, particularly in Sarawak.



Air drying of seeds

Oil Palm Nursery

The Group operates three oil palm nurseries with two located in the Northern Region and one in the Central Region. These nurseries have a capacity of growing up to 1.2 million seedlings per year.

The Group's nurseries provide conducive environments that support healthy seedling growth. Through stringent quality control and management practices, we produce high quality seedlings that are more resilient to pests and diseases and we are able to deliver remarkable performance.

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



Pre-Nursery



Main Nursery

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

Other Activities (continued)

Cattle Integration

The Group's cattle integration serves as an effective and sustainable approach to weed control, delivering benefits to the participating estates. By utilising grazing cattle to manage under growth vegetation, it reduces reliance on chemical use and contribute to soil health through natural nutrient cycling. This eco-friendly approach continues to be one of our key sustainability initiatives, reinforcing our commitment to environmentally responsible operations.

Cattle Integration



Strategic Innovation/Productivity Centre

Research and development continues to be our key strategy for driving innovation towards a sustainable future. The core purpose of the Group's Strategic Innovation / Productivity Centre is to enhance productivity by promoting innovative and practical solutions.

Estate mechanisation primarily aims to increase operational efficiency, lessen dependence on manual labour and at the same time, raise both yield and productivity.

With strong support from the Board and the Management, the Group continues working with technical partners to advance research and development in mechanisation tailored for harvesting and field operations primarily to facilitate crop evacuation.

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

Harvesting Machine



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

PERFORMANCE OVERVIEW

The Group posted notable financial results for the financial year ended 31 December 2025 buoyed by production growth and higher selling prices.

REVIEW OF FINANCIAL PERFORMANCE

Revenue and profits

The Group achieved a revenue of RM571.6 million in 2025 compared to RM551.4 million in 2024, representing a 4% increase against preceding year. This was principally driven by higher selling prices.

In tandem with higher revenue and production growth achieved in 2025, operating profit before tax grew from RM100.2 million in 2024 to RM120.2 million in 2025, an increase of 20%.

Accordingly, net profit of the Group improved from RM92.0 million in 2024 to RM105.8 million in 2025.

Capital management

The Group aims to manage its capital effectively by maintaining a strong capital base and ensuring long term viability. This approach reinforces its investors', stakeholders' and market confidence and fosters the business' continuing growth and development.

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 approximately RM68 million on bearer plants expenditure primarily relating to the development, planting, field costs and any other indirect costs for newly replanted areas as well as upkeep of its existing immature areas.

In addition, about RM9 million was spent on other capital expenditure relating to purchase of mobile equipment and other fixed assets to support operational needs.

Cash flows and liquidity

At the end of 2025, the Group demonstrated a strong financial position characterised by low gearing, healthy liquidity and a net cash position. The Group's profitability and effective cash flows management underpin its financial stability and support its long term growth and sustainability.

Melugu Estate

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Subis Estate

REVIEW OF OPERATING PERFORMANCE

The Group's operation team and supporting workforce continued to adopt innovative solutions and demonstrate resilience, adapt to emerging environment and apply strong commitment to delivering results.

The Group conducted monthly operational meetings and field visits, attended by senior management, the Operations team and supporting departments. During these sessions, key issues were identified and discussed, enabling prompt decision-making and immediate action to address them. Performance of estates and mills was reviewed, with critical areas highlighted for further improvement.

In addition, the Group held monthly costing meetings to analyse expenses and identify opportunities for cost optimisation. Leveraging its information technology infrastructure, the Group strengthened its data collection to support reporting and analysis. During these costing meetings, the financial performance of the estates and mills was thoroughly reviewed, with operational inefficiencies and potential cost-saving initiatives deliberated. Decisions were then implemented to streamline processes, enhance operational efficiency, and improve overall cost-effectiveness.

Estate Performance

Replanting

The Group regards replanting as a crucial milestone for driving production growth and ensuring long-term sustainable development. Over the past five years, the Group has successfully replanted approximately 10,000 ha, including around 3,200 ha completed in the current financial year.

These areas were replanted with high-yielding seeds to boost production over time. The Group embraces sustainable agricultural practices and continuously enhances them through innovative approaches.

Recognising the long-term benefits of mechanisation, the Group implements replanting strategies that accommodate mechanised operations, ensuring optimal yield potential. By combining these practices, the Group maximises resource utilisation and progressively improves productivity as the palms mature.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Bakau Estate

REVIEW OF OPERATING PERFORMANCE

(continued)

Enhancement Areas

Since 2018, the Group started to identify areas in need of improvement and enhancement. The common issues faced in 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. With the final balance of 20 ha normalised in 2025, the Group has successfully completed the normalisation of all identified areas. These areas are expected to support on going production growth.

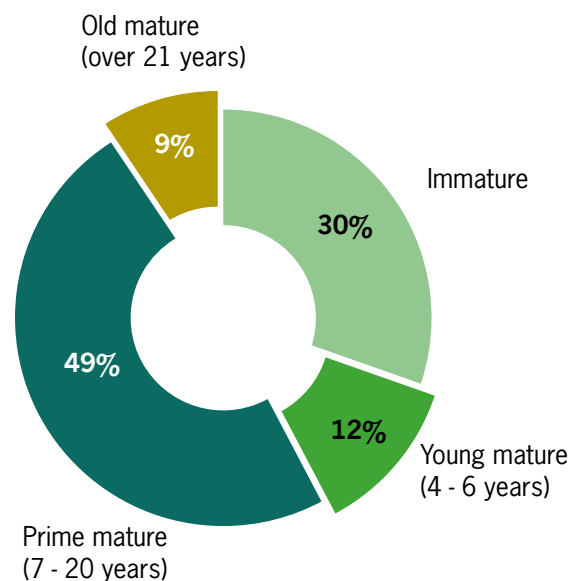
Encumbered Areas

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 in these affected areas. Over these past years, the Group had managed to recover approximately 4,300 ha. The matured areas remaining encumbered are around 2,100 ha.

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

Age profile for immature, harvestable and enhancement areas

About 1,100 ha were declared matured during 2025. The Group's current immature areas represent around 30% of the total immature and harvestable areas of 29,460 ha. These immature areas will attain their maturity in the years to come and will contribute to production growth in the foreseeable future.



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Immature Palms - Scout Harvesting

REVIEW OF OPERATING PERFORMANCE

(continued)

The Group achieved a growth of 7% in its FFB production, an increase from 337,661mt in 2024 to 360,993 mt in 2025. Accordingly, FFB yield increased from 15.91mt/ha in 2024 to 17.93mt/ha in 2025. The increase in production was primarily driven by better performance of the young and prime mature yields coupled with newly matured areas of around 1,100ha.

FFB production and yield

Region	2025 Harvestable WHa	2024 Harvestable WHa	2025 FFB mt	2024 FFB mt	Changes %
Northern Region	8,637	9,943	167,948	153,447	9
Central Region	11,497	11,274	193,045	184,214	5
Total	20,134	21,217	360,993	337,661	7

Region	2025 Yield mt/WHa	2024 Yield mt/WHa	Changes %
Northern Region	19.44	15.43	26
Central Region	16.79	16.34	3
Total	17.93	15.91	13

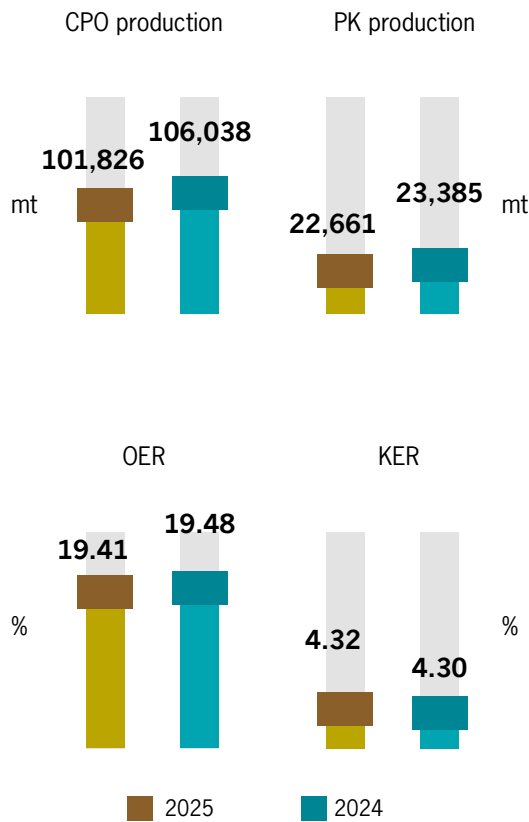
WHa - Weighted average hectarge

mt - Metric tonne

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

REVIEW OF OPERATING PERFORMANCE (continued)

Mill Performance



Niah Palm Oil Mill		2025	2024	Changes (%)
FFB processed	mt	346,375	356,959	-3
CPO production	mt	68,119	70,877	-4
PK production	mt	14,634	15,213	-4
Oil Extraction Rate ("OER")	%	19.67	19.86	-1
Kernel Extraction Rate ("KER")	%	4.22	4.26	-1

Mukah Palm Oil Mill		2025	2024	Changes (%)
FFB processed	mt	178,346	187,483	-5
CPO production	mt	33,707	35,161	-4
PK production	mt	8,027	8,172	-2
OER	%	18.90	18.75	1
KER	%	4.50	4.36	3



Grading in progress

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

Both mills recorded a drop in FFB processed following less crops purchased from external parties. FFB purchased from external parties account for about 45% of the total FFB processed for the year under review.

The Group achieved an average OER of 19.41% in 2025 compared to 19.48% in 2024.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Bakau Estate

RISKS

The Group operates in an uncertain economic environment amid escalating Middle East conflicts and faces a range of challenges. Such challenges include CPO price volatility, climate change and weather-related disruptions, inflationary pressure leading to rising operating costs and 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 mitigating 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 main goal is to improve productivity per hectare, enhance production growth and achieve optimal profitability, while maintaining sustainable operations.

As part of efforts to maintain sustainable and long-term oil palm cultivation, the Group stopped new plantings on peatlands several years ago. Therefore, production growth depends on boosting yields from its current and replanted plantations.

In addition, in the light of economic uncertainties arising from the heightened tensions in the Middle East, implementing measures to mitigate escalating costs is essential. The Group's strategic priority is to streamline operations and improve operational efficiency.

MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR

STRATEGIES (continued)

Adopting mechanisation for harvesting and other field operations provides a sustainable means of reducing reliance on labour. The Group also recognises that mechanisation brings multiple benefits, including improved efficiency and enhanced sustainable practices.

Capitalising on its strengths in upstream operations, the Group produces oil palm seeds to cater for replanting demands in the region. This reflects another strategic initiative by the Group to grow its upstream business.

A strong workforce is essential for the Group to effectively implement its strategies and achieve business objectives. In this regard, the Group consistently recognises the importance of maintaining a healthy and safe workforce, placing significant emphasis on employee well-being and ensuring a safe and supportive working environment.

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 conduct is 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.

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.



Recreational activities



MANAGEMENT REVIEW & ANALYSIS BY THE EXECUTIVE DIRECTOR



Melugu Estate

ACTION PLANS FOR 2026

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

- Continue remaining replanting programme with effective replanting strategies to optimise planting density and expand harvesting path for future mechanised opportunities whilst maintaining its yield potentials;
- Continue close monitoring and expenditure controls;
- Optimise workflows to improve resource utilisation;
- Continue R&D on enhancing harvesting machines' performance; and
- Intensify seed production and seed sales.

Furthermore, the continued implementation of sustainable agricultural practices in compliance with MSPO requirements, together with close supervision and monitoring of performance and target achievement, is embedded in the Group's daily operations to ensure effective execution of key action plans.

The Group continues to manage costs through continuous monitoring, efficiency improvements and prioritisation of essential expenditure.

OUTLOOK

The Group remains confident that its relatively young and prime mature fields, together with ongoing replanting initiatives, provide strong potential for production growth in the near term.

Besides, given its sound financial position and effective cost management strategies, the Group is well positioned to undertake growth initiatives and expand into related businesses that complement or directly integrate with its core businesses.



Agrofest 2025 at Bintulu

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

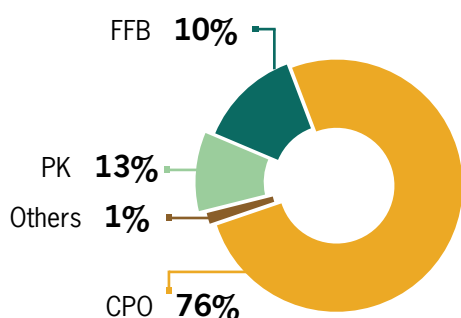
1. FINANCIAL RESULTS FOR THE YEAR - GROUP

	Note	2025 RM'000	2024 RM'000	Change %
Revenue	(a)	571,598	551,441	4
Cost of sales	(b)	(399,511)	(401,416)	-0.5
Gross profit		172,087	150,025	15
Results from operating activities (Operating profit)	(c)	120,222	100,193	20
Profit before tax	(d)	142,166	124,367	14
Profit attributable to Owners of the Company (Net profit)		105,803	92,034	15

	%	%	Change %
Operating profit margin	21.0	18.2	15
Profit before tax margin	24.9	22.6	10
Net profit margin	18.5	16.7	11

(a) Revenue

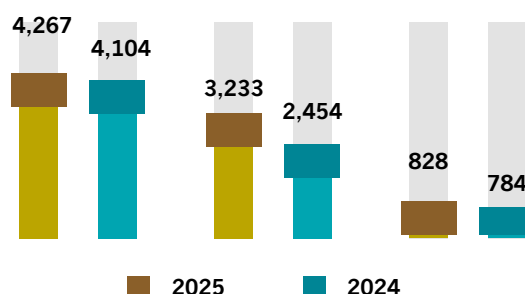
The Group's revenue comprised mainly sale of oil palm products. CPO contributed 76% of the total revenue whereas PK and FFB contributed 13% and 10% respectively.



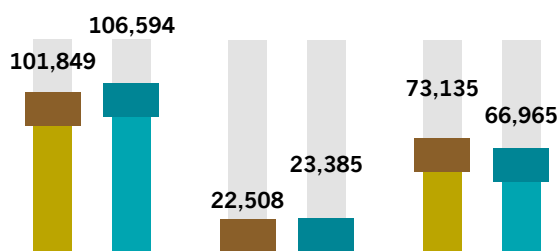
FFB harvested by the Group were mostly delivered to its own mills at Niah and Mukah whilst some were sold to external mills.

Revenue rose from RM551.4 million in 2024 to RM571.6 million in 2025, primarily driven by higher selling price despite lower sales volume of CPO and PK.

Average selling price
RM/mt



Sale volume
mt



CPO, PK and FFB average selling prices increased by 4%, 32% and 6% respectively in 2025 compared against 2024. However, sale volume of CPO and PK dropped by 4% whereas FFB sale volume recorded an increase of 9% in 2025.

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

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

(b) Cost of sales

The Group recorded lower cost of sales in 2025 compared to 2024. This resulted principally from lower FFB purchase cost by 9% despite higher estate operating costs. FFB purchase cost declined following lower purchase volume by 14% despite higher purchase price by 5%. Increase in estate operating costs was mainly attributable to higher manuring and field costs.

(c) Results from operating activities (Operating profit)

The Group achieved an operating profit of RM120.2 million at an operating profit margin of 21.0% for 2025 compared to 2024 of RM100.2 million or operating profit margin of 18.2%.

(d) Profit before tax

The Group achieved a profit before tax of RM142.2 million or a profit margin of 24.9% for 2025, as compared to a profit before tax of RM124.4 million or a profit margin of 22.6% in the preceding year. Higher profit before tax for 2025 compared against the preceding year is as shown below:

	2025 RM'000	2024 RM'000	Particulars
Results from operating activities	120,222	100,193	
ADD: Other non-operating income	15,259	18,156	Changes in fair value of biological assets
ADD: Net finance income	6,685	6,018	
Profit before tax	142,166	124,367	

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2025 - GROUP

Analysis of major items

2.1 TOTAL ASSETS

Asset Type	Note	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Property, plant and equipment	2.1.1	248,178	260,013	- 5
Bearer plants	2.1.2	411,593	366,116	12
Right-of-use assets	2.1.3	87,550	89,694	-2
Investment properties		4,525	4,758	-5
Biological assets	2.1.4	84,820	69,819	21
Inventories	2.1.5	22,256	26,067	-15
Trade and other receivables		25,763	20,314	27
Prepayment and other assets		4,991	4,168	20
Other investments	2.1.6	116,503	84,508	38
Cash and cash equivalents	2.1.7	110,667	104,732	6
Total		1,116,846	1,030,189	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	8,962
LESS: Depreciation for the financial year	(20,466)
LESS: Disposals	(49)
LESS: Write off	(282)
Net movement	(11,835)

2.1.2 Bearer plants

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

	RM'000
Additions	68,289
LESS: Depreciation for the financial year	(22,812)
Net movement	45,477

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2025 - 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	(2,144)
Net movement	(2,144)

2.1.4 Biological assets

Biological assets are as below:

	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Fresh fruit bunches	81,257	66,162	23
Living livestock	3,563	3,657	-3
Total	84,820	69,819	21

2.1.5 Inventories

Inventories breakdown is as follows:

	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Crude palm oil and palm kernel	7,702	9,312	-17
Stores and consumables	6,950	9,747	-29
Oil palm nursery	4,427	3,256	36
Oil palm seeds	1,484	1,056	41
Oil palm fresh fruit bunches	1,693	2,696	-37
Total	22,256	26,067	-15

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

2. FINANCIAL POSITION AS AT 31 DECEMBER 2025 - GROUP (continued)

2.1 TOTAL ASSETS (continued)

2.1.6 Other investments

Other investments represent deposits with original maturities exceeding three months.

2.1.7 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Cash in hand and at banks	5,206	6,283	-17
Deposits with original maturities not exceeding three months	105,461	98,449	7
Total	110,667	104,732	6

2.2 TOTAL LIABILITIES

Liability type	Note	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Loans and borrowings	2.2.1	68,569	40,659	69
Deferred tax liabilities		145,929	133,550	9
Trade and other payables		62,267	65,718	-5
Lease liabilities		2,346	2,392	-2
Current tax payable		3,995	4,215	-5
Total		283,106	246,534	15

2.2.1 Loans and borrowings

By type of facility	31.12.2025 RM'000	31.12.2024 RM'000	Change %
Term loans	60,973	34,027	79
Hire purchase	7,596	6,632	15
Total	68,569	40,659	69

FINANCIAL REVIEW BY THE CHIEF FINANCIAL OFFICER

3. RATIO ANALYSIS - GROUP

	2025	2024	Change %
Liquidity			
• Current Ratio	4.91	4.26	15
Leverage			
• Gearing	8%	5%	60
Profitability			
• Return on Assets (ROA)	9.5%	8.9%	7
• Return on Equity (ROE)	12.7%	11.8%	8
• Earnings per share (EPS)	37.92 sen	32.98 sen	15
Dividend			
• Dividend per share	25 sen	20 sen	25
• Dividend yield*	8.4%	8.3%	1
Net assets per share	RM2.97	RM2.79	6

* Based on share price as at year end (31.12.2025 : RM2.98 per share ; 31.12.2024 : RM2.40 per share)

4. CONCLUSION

The auditors, KPMG PLT, had rendered an unqualified opinion on the financial statements for the financial year ended 31 December 2025.

Earnings per share rose from 32.98 sen per ordinary share in 2024 to 37.92 sen per ordinary share in 2025, a notable increase of 15%.

The financial position of the Group stands healthy and stable with total assets of RM1,117 million and a total equity attributable to Owners of the Company of RM829.4 million. Net assets per share increased from RM2.79 to RM2.97.

Operating costs are expected to rise amid inflationary pressures arising from the escalation of conflicts in the Middle East. The Group remains committed to prudent financial management and operational efficiencies to manage rising cost and enhance profitability.

SUSTAINABILITY STATEMENT

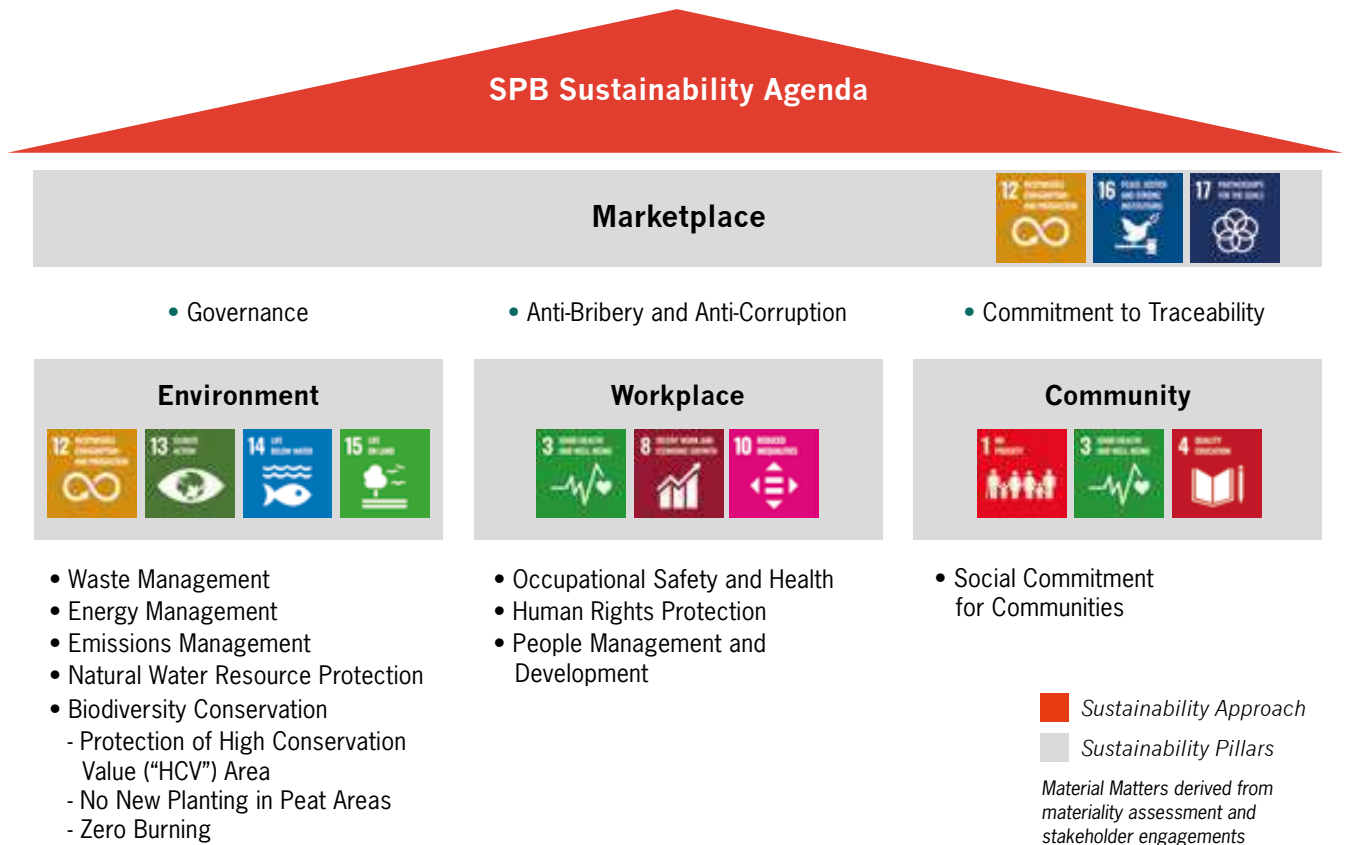
INTRODUCTION

Sarawak Plantation Berhad (“SPB” 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 2025. This marks our 9th 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 value the opportunity to keep our stakeholders informed and welcome any feedback as we work towards building a stronger, more sustainable future.

SUSTAINABILITY STATEMENT

INTRODUCTION (continued)

Reporting Scope and Boundary

The reporting period for this Statement is from 1 January 2025 to 31 December 2025, 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 credibility 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;
- b) Water consumption;
- c) Anti-corruption; and
- d) Diversity.

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% MSPO recertification 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 school bus services for children of workers and staff 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

MILESTONES AND ACHIEVEMENTS (continued)

2025

- Maintained 100% MSPO Surveillance certification for compliance with the new MSPO 2022 requirement.
- Maintained 100% MSPO-certified CPO.
- Executed replanting activities based on sustainable practices, for example, zero burning etc.
- Conducted Chemical Exposure Monitoring (“CEM”), medical surveillance and audiometric assessment for estates and mills workers.

OUR SUSTAINABILITY APPROACH

The palm oil sector remains under close scrutiny for its environmental and social footprint. In response to these expectations and even prior to the formalisation of broader Environmental, Social and Governance (“ESG”) frameworks, the Company had already demonstrated its commitment to responsible production through compliance with the MSPO certification standards.

Our sustainability strategy is anchored on a structured framework comprising four core pillars: **marketplace, environment, workplace and community**. These pillars guide the identification and management of our material sustainability matters, ensuring alignment between business objectives and responsible operational practices. By aligning our sustainability disclosures to Bursa Malaysia’s Common Themes and Indicators and enhanced reporting expectations, we continue to strengthen accountability, facilitate comparability for investors and stakeholders and reinforce our commitment to responsible operations across ESG dimensions.

We are committed to continuous improvement. Wherever possible, we set clear targets and monitor our performance to measure progress and drive better outcomes. Through transparent reporting and open engagement, we remain accountable to our stakeholders and are dedicated to advancing sustainable palm oil production.

Sustainability Governance

Robust sustainability governance provides the oversight, accountability and strategic direction necessary for the effective implementation of our sustainability agenda. Our governance structure is designed to ensure clear roles, responsibilities and lines of accountability across all levels of the organisation.

The Board of Directors retains ultimate responsibility for ensuring that the Group’s business is conducted in a sustainable and responsible manner. Sustainability considerations are integrated into the Board’s oversight of strategy, risk management and long-term value creation.

To support this, the Board has established a dedicated BSC in prior years, chaired by the Executive Chairman. The BSC is entrusted with overseeing the development of sustainability strategies, reviewing material sustainability matters, monitoring performance against sustainability targets and ensuring that relevant risks and opportunities are appropriately addressed. Operational responsibility for implementing the sustainability strategy is delegated to the Executive Director, who, together with Senior Management, is accountable for embedding sustainability into day-to-day business operations, decision-making processes and performance management.

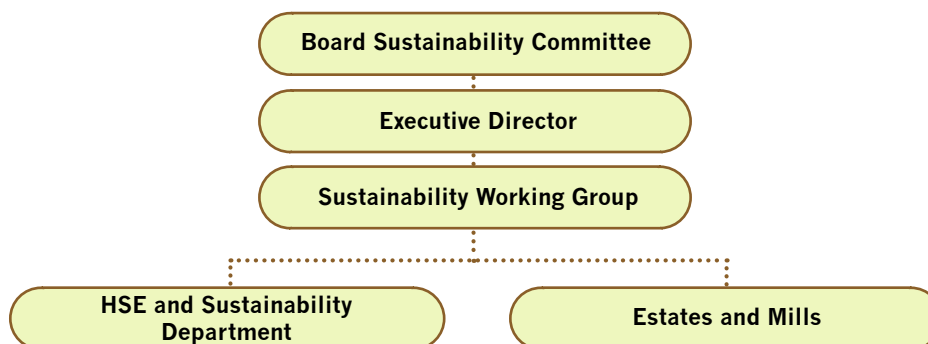
The Executive Director is supported by a cross-functional Sustainability Working Group (SWG), chaired by the Group Chief Executive Officer. The SWG comprises representatives from the Health, Safety and Environment (HSE) and Sustainability Department, as well as operational personnel from the Estates and Mills. The SWG is responsible for coordinating sustainability initiatives, monitoring key sustainability performance indicators, ensuring compliance with applicable standards and certifications (including MSPO) and facilitating data collection and reporting.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Sustainability Governance (continued)

This structured governance framework ensures that sustainability is driven from the top, operationalised across the Group and continuously monitored to support transparent disclosure and ongoing improvement.



Key roles of the SWG include:

- Implement sustainability policy of the Company.
- Align sustainability strategies with corporate objectives and industry best practices.
- Evaluate and monitor compliance with 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 business growth and profitability is aligned with responsible and ethical business practices across four key areas: **marketplace, environment, workplace and community**. These pillars form the foundation of our sustainability agenda and provide an overarching framework to guide a coordinated and structured approach towards achieving our sustainability objectives.

Through this framework, we integrate sustainability considerations into our decision-making processes, operational practices and stakeholder engagements. It enables us to manage material ESG matters systematically while supporting long-term value creation for our stakeholders.

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 websites, social media, etc.



We uphold respect for human rights through the implementation of policies and procedures, including fair labour practices with wage monitoring to ensure compliance with minimum wage requirements, commitment to non-discrimination, equal opportunity and the elimination of forced and child labour, continuous improvement of Occupational Safety and Health (OSH) practices in line with local regulations, the promotion of gender equality across the Group and the conduct of grievance mechanism briefings to raise awareness on the proper channels for addressing and resolving concerns or complaints from workers, local communities and other stakeholders. Compliance with MSPO Certification also serves as part of our monitoring system to keep on track with our stakeholder engagement.

Stakeholder consultation meetings were conducted to engage relevant parties, gather feedback and discuss key issues related to the implementation and progress of ongoing projects and programmes. These discussions aim to promote transparency, strengthen collaboration and facilitate effective problem-solving among stakeholders.

In 2025, a total of twelve (12) stakeholder consultation meetings were held. The sessions were attended by 173 stakeholders, comprising representatives from relevant government agencies, community representatives and internal officers. The level of participation reflected broad and balanced representation from key stakeholder groups.

The consultations were successfully carried out and achieved their intended objectives. Constructive feedback and collaborative discussions contributed positively towards addressing concerns and strengthening cooperation among stakeholders. The outcomes of these engagements were incorporated into the relevant phases of project and programme implementation to support continuous improvement and responsible decision-making.

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 2025	Responses to Issues and Outcomes
Shareholders	<p>Annually</p> <ul style="list-style-type: none"> Annual General Meeting ("AGM") <p>Ongoing</p> <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 monthly production disclosure

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY APPROACH (continued)

Stakeholder Engagement (continued)

Stakeholder Groups	Frequency and Methods of Engagement	Issues/Concerns Raised in 2025	Responses to Issues and Outcomes
Employees	<p>Annually</p> <ul style="list-style-type: none"> Performance appraisals Dialogue with the Executive Director <p>Quarterly</p> <ul style="list-style-type: none"> Safety and Health Committee (“SHC”) Meetings <p>Monthly</p> <ul style="list-style-type: none"> Operational meetings Costing meetings <p>Ongoing</p> <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 matters 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 between HQ, estates and mills staff Organise appreciation dinners /lunches /get together events
Local Communities	<p>Ongoing</p> <ul style="list-style-type: none"> CSR Programmes Conduct regular stakeholder consultation meetings 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
Government Agencies	<p>Ongoing</p> <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	<p>Ongoing</p> <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

OUR SUSTAINABILITY APPROACH (continued)

Stakeholder Engagement (continued)

Stakeholder Groups	Frequency and Methods of Engagement	Issues/Concerns Raised in 2025	Responses to Issues and Outcomes
Suppliers and Contractors	<p>Annually</p> <ul style="list-style-type: none"> Supplier performance evaluation <p>Ongoing</p> <ul style="list-style-type: none"> Sourcing and selection 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	<p>Ongoing</p> <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

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 a three-step process to identify issues that are relevant and significant to stakeholders and our business was carried out in 2023. Such processes are as outlined 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. 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 is 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	Skilled and motivated individuals play an important role in our business success. Our commitment extends to creating an environment that not only retains and attracts top talent but also prioritises the continuous development of our workforce. This approach aims to cultivate a dynamic, skilled and engaged team, contributing significantly to the ongoing growth and success of our organisation.	<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 2025 and their corresponding progress:

2025 Targets/Commitments		2025 Progress
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 	<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
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 	<ul style="list-style-type: none"> All replanting activities carried out during the year adopted chipping/deboling practices All existing quarters are equipped with water tanks for rainwater harvesting practices Continuous conduct of HCV monitoring Maintained compliance with NREB requirement on replanting programmes activity Continuous awareness training on environmental protection
Workplace	<ul style="list-style-type: none"> Maintain zero fatalities at all operating units Continue to enhance safety measures and equipment Conduct 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 	<ul style="list-style-type: none"> Continuous efforts are made to achieve a zero-fatality rate 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 to ensure a strong safety culture is maintained and developed Continued to conduct health surveillance and monitor assessment for all estate and mill operations Organised health and recreational activities for employees Employee welfare is continuously maintained through the provision of food supplies to support employees' well-being.
Community	<ul style="list-style-type: none"> Continue providing job opportunities to the locals Continue to promote activities and communicate with the surrounding communities Encourage young talent from local communities to engage in modern agricultural techniques through training on mechanised harvesting 	<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 2026 and will continue to focus on these specific objectives:

Sustainability Pillars	2026 Targets/Commitments
Marketplace	<ul style="list-style-type: none"> • Maintain 100% MSPO Surveillance certification • 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 expand rainwater conservation facilities • Continue to conduct HCV Assessment for estate operation • Conduct an Environmental Compliance Audit (ECA) for the pilot estate
Workplace	<ul style="list-style-type: none"> • Maintain zero fatalities at all operating units • Continue to enhance safety measures and equipment • Continue to evaluate training needs and provide safety and health trainings for staff and workers • Organise Occupational Safety and Health campaigns
Community	<ul style="list-style-type: none"> • Continue providing job opportunities to the locals • Continue promoting activities and communicating with the surrounding communities • Conduct Social Impact Assessment for estate and mill operations unit

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.

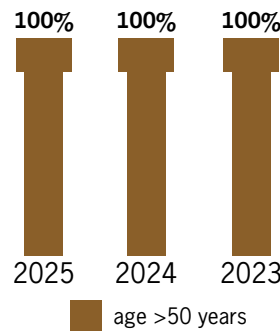
SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

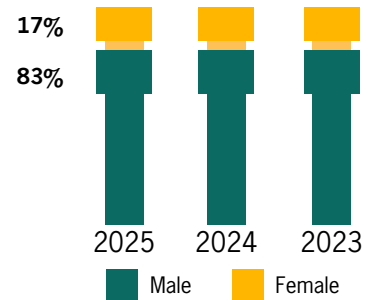
Governance

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

Board Diversity by Age



Board Diversity by Gender



Data Privacy And Security

The Group recognises the growing importance of data privacy and cybersecurity in today's digital environment. While the nature of our agricultural operations presents relatively lower data-related risks compared to highly regulated industries, we remain committed to safeguarding both corporate and personal information. Our Information, Communication and Technology (ICT) SOPs define the roles, processes and controls required to ensure responsible data management and system security.

1. Privacy and Data Protection Measures

The ICT Department plays a key role in protecting the Group's data and systems. Key measures in place include:

- Security controls such as firewalls, antivirus and anti-malware software, endpoint protection and secure VPN access
- Role-based user access controls, strong password policies and periodic access reviews
- Regular data backups, including offsite storage to support business continuity
- Ongoing monitoring and updates of network security systems
- Compliance with applicable data protection requirements and internal audit standards

These measures help safeguard sensitive information and maintain stakeholder trust.

2. Code of Conduct and IT Standards

The Group promotes responsible and ethical use of technology through:

- An IT SOP covering proper system usage, data privacy and cybersecurity awareness
- Clear IT policies on software use, data management and information security
- User awareness initiatives to encourage safe digital practices
- Periodic review of IT standards to keep pace with regulatory and technological developments

3. Continuous Improvement

To strengthen digital governance and sustainability, the ICT Department:

- Reviews IT systems and security controls regularly to identify improvement areas
- Uses digital solutions to reduce paper usage and improve efficiency
- Monitors system performance to optimise resource use
- Tracks IT incidents and implements corrective actions
- Plans system upgrades and stronger cybersecurity measures to support long-term resilience

Through these ongoing efforts, the Group enhances operational efficiency, data security and sustainable business practices.

From 2023 to 2025, no complaints were received regarding 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. Corrupt practices, including bribery and extortion are strictly prohibited for our employees. Any benefits or gifts received must be reported to their immediate superior. The Group adopted a zero-tolerance approach against all forms of bribery and corruption.

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

Grievance Mechanism and Whistleblowing

The Group is committed to providing accessible, transparent and fair mechanisms for employees and external stakeholders to raise concerns related to workplace practices, human rights, labour standards, safety, misconduct, or unethical behaviour.

Employees are encouraged to report grievances through established internal channels which include their immediate supervisors, Human Resources or the Health, Safety and Environment and Sustainability (HSE & STN) Department, depending on the nature of the concern. These channels are designed to ensure that issues are addressed promptly, impartially, and in a manner that respects confidentiality.

In addition, the Group maintains a **Whistle Blowing Policy** that allows employees and external parties, including contractors and suppliers, to report suspected misconduct, breaches of law, violations of company policies, fraud, corruption, harassment or human rights concerns. Reports can be made in good faith without fear of retaliation. The Group strictly prohibits any form of reprisal against individuals who raise concerns or participate in investigations.

All reported cases are investigated by designated personnel or committees, depending on the severity and nature of the allegation. Where necessary, corrective and preventive actions are implemented and improvements to policies, procedures or controls are made to prevent recurrence.

The Group is committed to continuous improvement of its grievance handling processes to ensure they remain effective, trusted and aligned with best practices.

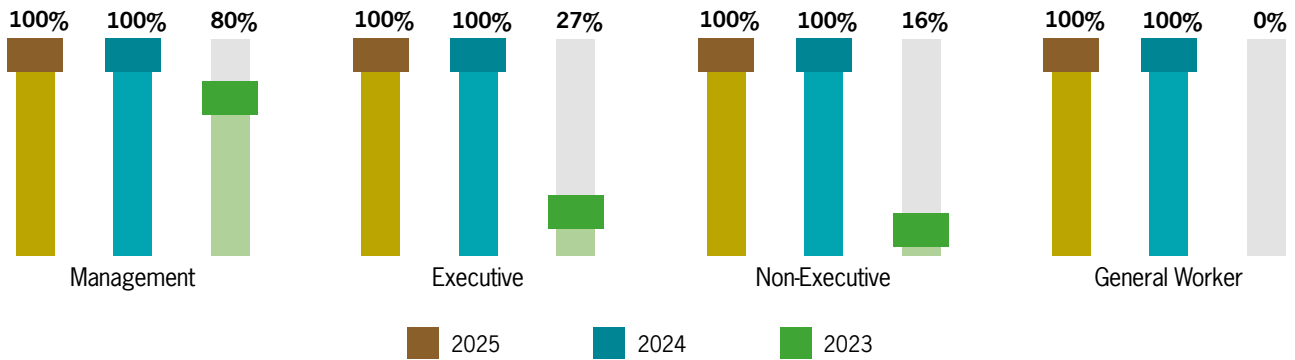
SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

Anti-Bribery and Anti-Corruption (continued)

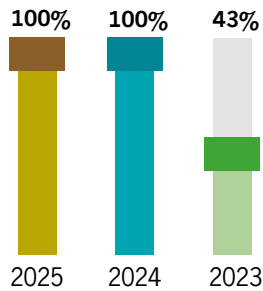
To ensure that our staff understand their legal and ethical responsibilities regarding anti-corruption law and the Company's policies, we regularly conduct training and awareness sessions. In 2024 and 2025, 100% of staff and workers received anti-corruption training, with ongoing communications and reminders issued throughout the year to strengthen awareness and reinforce the Group's anti-corruption stance.

Percentage of staff trained for anti-corruption



The Group conducts an annual corruption risk assessment to identify areas within the organisation that may be vulnerable to bribery and corrupt practices. This process enables the Group to evaluate risk exposure, strengthen internal controls and implement targeted mitigation measures.

Risk assessment conducted on operations that are exposed to corruption risk



There were no reported incidents of corruption involving SPB or its employees during the year under review and in 2024 and 2023.

The Management is responsible for oversight of anti-corruption efforts and reports to the Board, ensuring accountability at the highest level. The Group remains committed to continuously strengthening its anti-corruption framework in line with regulatory expectations and best practices.

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, traceability 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 adhere strictly 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. It 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

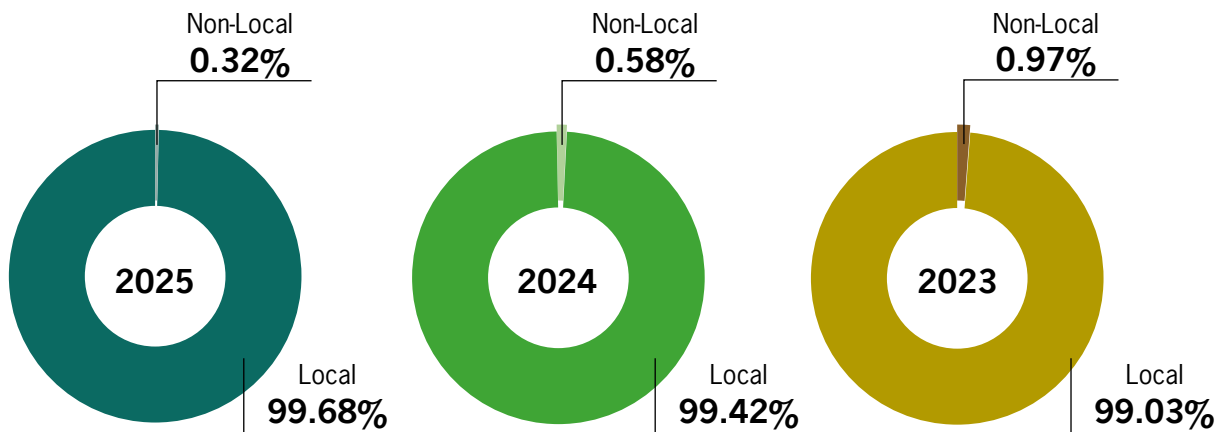
MARKETPLACE (continued)

Commitment to Traceability (continued)

All our mills and estates are MSPO-certified.



Proportion of spending on third-party suppliers



As part of our supply chain governance, environmental and sustainability requirements are included in Suppliers'/Contractors' Letter of Award. These letters set out the suppliers'/contractors' obligations relating to HSE practices, MSPO compliance and basic environmental controls. This ensures that all contractors and suppliers are contractually required to comply with key sustainability standards, including workplace safety, proper environmental management, adherence to MSPO requirements and measures to prevent pollution and environmental harm. Including these requirements in formal agreements strengthens accountability and helps ensure that suppliers and contractors actively contribute to the Group's sustainability objectives.

Suppliers/contractors are screened through a registration process before any job award. They are required to provide company profiles, relevant business information and valid operational permits and licences. This process allows the Group to verify the credibility, capability and compliance of all suppliers/contractors. It ensures that suppliers/contractors meet legal and operational standards and minimises risks related to compliance, quality and sustainability. It also helps build long-term, responsible supplier/contractor relationships.

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 2025, 82% of the FFB supplied to our mills was MSPO-certified.

SUSTAINABILITY STATEMENT

MARKETPLACE (continued)

Commitment to Traceability (continued)

Suppliers/contractors-related grievances are managed through a formal mechanism under the Communication and Consultation (External Parties) SOP. Suppliers/contractors can submit grievances, if any, using a standard grievance form through multiple channels, including email, telephone and meetings. This mechanism provides clear and accessible channels for raising concerns related to contractual, environmental or operational matters. By using structured forms and multiple communication channels, the Group ensures that all grievances are properly recorded, investigated and addressed. This process enhances transparency, builds trust with suppliers/contractors and supports continuous improvement in supply chain management.

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.

Supplier screening and traceability processes will be progressively enhanced, including improved reporting on screening coverage and visibility of palm oil sourcing down to mill and estate level. This will enable the Group to better assess supplier compliance with sustainability standards, strengthen supply chain accountability and support informed decision-making in procurement.

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.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Waste Management

We comply with all applicable waste management laws, regulations and guidelines enforced by the local authorities. To ensure consistent and effective implementation, the Group has established SOPs and Waste Management Plans governing waste handling practices across all operational units. These SOPs include waste identification and maintenance of a waste inventory to support proper segregation in accordance with regulatory requirements.

Non-hazardous municipal waste from workers' quarters, offices and operational facilities is segregated at source and disposed off at designated and approved landfill sites in compliance with regulatory requirements and internal procedures. Hazardous or scheduled waste is handled, stored, transported and disposed of strictly in accordance with the Group's SOPs and the Environmental Quality (Scheduled Wastes) Regulations 2005. The SOPs also define waste handling procedures covering storage, labelling, approved disposal methods and spill prevention measures. An Emergency Response Plan is implemented to manage spillage incidents promptly and effectively and to mitigate environmental impact.

We are committed to minimising waste generated from our operations and prioritising reuse and recycling to reduce landfill disposal. This includes repurposing empty pesticide containers and fertiliser bags for use in estate field operations. Waste intensity is systematically monitored as a key performance indicator to assess the effectiveness of our waste management initiatives, inform waste-reduction strategies and drive continual improvement across all operating units.

The Group has identified and documented waste streams generated across its operations and implemented a waste management plan to minimise pollution and maximise waste diversion. Hazardous wastes are disposed off through licensed third-party contractors in compliance with applicable regulatory requirements, while non-hazardous wastes are managed at designated estate landfills in accordance with approved procedures.

Pollution risks are assessed promptly and appropriate control measures are implemented to ensure compliance with environmental regulations. Palm oil mill effluent ("POME") generated at mills is treated through anaerobic and aerobic processes prior to discharge ensuring adherence to local environmental standards and minimising environmental impact. Key effluent parameters, including Biological Oxygen Demand ("BOD"), Chemical Oxygen Demand ("COD"), Total Suspended Solids ("TSS") and pH are routinely monitored to ensure compliance with the Department of Environment ("DOE") regulatory limits.

The Group promotes waste recovery and circular economy practices by repurposing biomass residues generated from its operations. Palm kernel shells are sold to external customers as a renewable fuel source, while empty fruit bunches ("EFB") are reused as boiler fuel at mills or applied as mulch in estates to improve soil health, enhance nutrient recycling and reduce reliance on chemical fertilisers. These initiatives support resource efficiency, lower greenhouse gas emissions and minimise waste sent to landfills.

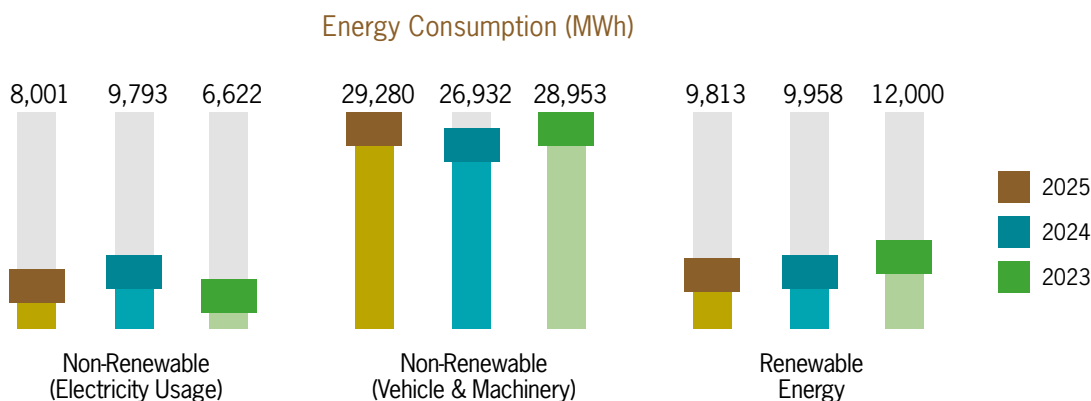
Mill effluent pond



SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Energy Management



The Group's total energy consumption was 47,094 megawatt-hours (MWh) in 2025, compared to 46,683 MWh in 2024 and 47,575 MWh in 2023, reflecting a generally stable energy consumption trend over the three-year period. The Group's energy portfolio comprises purchased electricity, self-generated electricity and fuel consumption for company-owned vehicles and heavy machinery. Renewable energy is primarily derived from biomass-based mill turbines utilised for mill operations.

Certain estates rely on diesel generators due to their remote locations and limited access to grid electricity infrastructure. In accordance with established SOPs, mill by-products such as EFB are utilised as boiler fuel to operate boilers at the mills, supporting resource efficiency and waste-to-energy practices.

In 2024, renewable energy represented approximately 21% of the Group's total energy consumption, while in 2025 renewable energy accounted for approximately 20% of the total energy mix.

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.

Annual stack emission monitoring is conducted by accredited laboratories and Continuous Emission Monitoring Systems (CEMS) have been installed at the mills. The results are reported to the DOE to support ongoing compliance with the relevant Environmental Act.

The installed clean air filtration system at both Niah Palm Oil Mill and Mukah Palm Oil Mill in prior year aimed to reduce black smoke emission and improve air quality thus establishing environmentally friendly and sustainable palm oil operation. This investment emphasised our dedication to mitigating emission impact. Further, 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 purchased electricity from Sarawak Energy, whose energy source is largely of low emission hydro power.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

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.

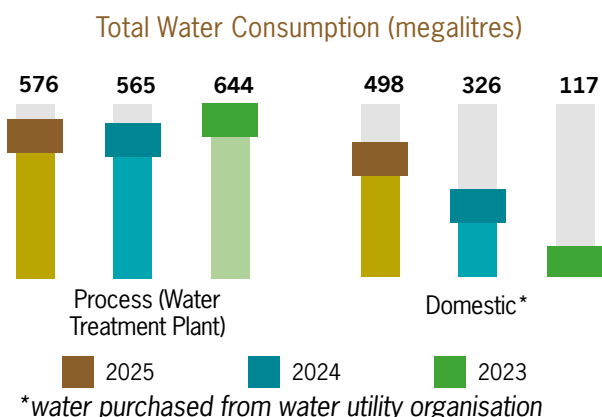


Cover crops

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. Final discharge water analysis is conducted on a monthly basis to ensure continuous compliance with effluent discharge standards.

In compliance with the requirements of the Natural Resources and Environment Board (“NREB”), the Group engages authorised consultants to perform quarterly monitoring and inspections of river water quality within our premises. River water sampling results for our estates are confirmed to be in compliance with NREB water-quality requirements. In 2025, water sampling and monitoring analysis were carried out across 94% of our operating units. In addition, all mills undergo an annual Environmental Compliance Audit (“ECA”) conducted by an external consultant to assess effluent performance, verify adherence to applicable water-quality regulations and strengthen overall water-security management.

Process water consumption remained relatively stable over the reporting period, amounting to 576 megalitres in 2025, 565 megalitres in 2024 and 644 megalitres in 2023, reflecting consistent operational requirements at the mills. Domestic water consumption increased from 117 megalitres in 2023 to 326 megalitres in 2024, with a further increase to 498 megalitres in 2025. The increase in domestic water consumption was primarily driven by the increase in the number of labour quarters. The Group continues to monitor water usage trends and strengthen water efficiency measures to manage consumption effectively.



Rain water harvesting tanks

Apart from palm oil production activities, the Group has installed rainwater harvesting tanks at workers’ housing facilities to support water conservation and resource efficiency. This initiative provides an alternative water source during prolonged dry periods and enhances water security for estate operations. The use of harvested rainwater complements treated domestic water supply and supports the Group’s broader water management practices.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Biodiversity Conservation

(i) Protection of HCV area

In line with its Environmental and Biodiversity Policy, the Group is committed to the identification, protection and responsible management of areas with significant biological, ecological, social and cultural importance. Operational activities are planned and implemented to minimise environmental risks and adverse impacts on surrounding ecosystems, reflecting the Group's commitment to environmental stewardship and sustainable land management.

The Group has identified that its operations are situated within a broader ecological landscape, encompassing adjacent HCV areas such as Niah National Park and the Niah-Subis Raw Water Intake Point, both ecologically and hydrologically linked to its operations.



RTE species within our estates

In addition wildlife species including mammals, birds and reptiles, are present within the plantation areas. Measures are implemented to manage habitats, protect biodiversity and promote coexistence with native species, reflecting the Group's commitment to environmental stewardship and sustainable land management.

As part of this commitment, the conservation of Rare, Threatened, and Endangered (RTE) species is addressed through a multifaceted approach that includes habitat conservation, enforcement of a No Hunting policy and community engagement. The effective implementation and sustainable management of identified HCV areas further support the preservation of 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 RTE wild life species within and around its operations.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Biodiversity Conservation (continued)

(i) Protection of HCV Area (continued)

Beyond HCV areas, replanting activities are implemented in accordance with the Environmental Management Plan approved by the NREB to ensure sustainable land management. Riparian buffer zones are preserved as natural filters for surface runoff, protect water quality and support wildlife habitats. Land clearing, hunting, fishing, farming, chemical application, open burning, waste disposal and construction of bunds across rivers or waterways are strictly prohibited to ensure these zones are conserved and protected, contributing to the long-term protection of riverine ecosystems and biodiversity.

In support of industry capacity building, SPB has also served as a training site for MSPO-endorsed HCV Internal Lead Assessor programmes, contributing to the development of competent HCV practitioners and strengthening HCV implementation within the palm oil sector.



HCV internal lead assessor trainings

(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 meets the long term environmental conservation goals.

(iii) Zero Burning

Zero burning is essential for protecting the environment and maintaining soil health. Zero burning is a core commitment under the Company's Sustainability Policy and is strictly implemented across all plantation operations. The use of fire for waste disposal and land clearing is prohibited, including during replanting.

Land preparation is carried out using sustainable alternatives such as felling, chipping, mulching and shredding of oil palm biomass, which is left to decompose naturally, enhancing soil fertility and reducing reliance on agro chemicals.

These practices reduce greenhouse gas emissions and air pollution, supporting environmental conservation and climate change mitigation. Compliance is monitored internally through MSPO audits and verified annually by certified MSPO auditors, ensuring continuous improvement across all estates.

SUSTAINABILITY STATEMENT

ENVIRONMENT (continued)

Moving Forward

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

Our 2026 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 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.

In alignment with MSPO Standard requirements, which mandate the implementation of HCV Assessments starting June 2026, the Group plans to conduct a full HCV Assessment in 2026. This assessment will:

- Identify and confirm HCV areas, including the development of detailed HCV maps and determination of total HCV hectares;
- Establish an inventory of RTE species; and
- Map riparian areas and define appropriate buffer zones.

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.

SUSTAINABILITY STATEMENT

WORKPLACE

Our Approach

Our people are the driving force behind the Group's success and play a critical role in delivering our mission, purpose and values. In recognition of their contributions, we are committed to safeguarding their wellbeing and upholding our responsibility as an employer of choice.

We strive to cultivate a workplace that is safe, inclusive and supportive where employees are empowered to perform and grow. Our approach focuses on maintaining high standards of occupational safety and health, fostering a positive and respectful working environment and providing opportunities for continuous learning and professional development.

We are equally committed to upholding and advancing human rights across our operations. This includes promoting fair labour practices, non-discrimination, equal opportunity and ethical employment standards in line with applicable laws, industry best practices and our internal social policies. Through these efforts, we aim to build a resilient workforce while creating long-term value for both our employees and the communities in which we operate.

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 ("OSHA") 1994, alongside relevant industry safety standards and laws in Malaysia.

To oversee OSH matters, we have, in prior years established a SHC, comprising members from both the management and executive levels. The members include the General Manager as Chairman, Operation Managers as estate management representative and Division in Charge as employee representatives. The SHC convenes quarterly meetings.

Supporting the SHC is the dedicated HSE and Sustainability Department, which operationalises safety initiatives and provides critical oversight of day-to-day safety management. The HSE Department conducts regular workplace inspections, safety visits, audits and comprehensive training programmes to promote employee awareness, ensure compliance with statutory requirements and reinforce a culture of continuous improvement. It also serves as a communication bridge between management and employees, addressing safety concerns, reviewing incidents, accident investigations and recommending corrective actions to mitigate risks.



First aid and CPR training



Safety chemical handling training

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

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

The Group places particular emphasis on high-risk activities, including chemical spraying, welding and laboratory operations. To safeguard workers’ health and safety, appropriate personal protective equipment (PPE) is provided at no cost and periodic medical surveillance is conducted for employees exposed to occupational health hazards.

In accordance with the OSHA 1994, the Group conducts CHRA at relevant workplaces to identify, evaluate and control chemical exposure risks. Where required, workplace exposure monitoring is carried out by competent assessors to ensure that exposure levels remain within permissible limits. Employees exposed to hazardous chemicals undergo medical surveillance programmes administered by Occupational Health Doctors (“OHD”), in compliance with DOSH requirements. Where respiratory hazards are present, appropriate controls and lung function tests (spirometry) are conducted as part of occupational health monitoring and for noise-exposed employees, the Group implements a Hearing Conservation Programme, which includes conducting noise risk assessments, provision of hearing protection devices and audiometric testing.

Safety Data Sheets (“SDS”) are made readily accessible at operational sites and all chemical handling activities following established safe work procedures. High-risk tasks are further controlled through Hazard Identification, Risk Assessment and Risk Control (“HIRARC”), ensuring that hazards are identified, risks are assessed and control measures are implemented prior to the commencement of work.

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.

Across the Group, the health and safety of our employees, contractors and stakeholders remain our highest priority, in line with our commitment to achieving “Zero Harm to People, Assets and the Environment.” This commitment is embedded within our Safety and Health Policy and supported by comprehensive procedures and control measures implemented across all operations.

SUSTAINABILITY STATEMENT

WORKPLACE

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

The Group remains committed to strengthening workplace safety competencies through structured and continuous training programmes. In line with our annual training plan, we conduct regular health and safety training sessions, briefings and emergency preparedness drills to enhance employee awareness, preventive capabilities and compliance with statutory safety requirements. These efforts are further reinforced through ongoing supervision and internal compliance audits to ensure adherence to legal obligations and industry best practices. Through this structured and proactive approach, the Group actively minimises occupational health and safety risks while fostering a safe, healthy, and resilient working environment across all operation.

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 2025, a total of 1,735 employees received health and safety training, representing a 19 % increase compared to 2024, underscoring our commitment to building a safety-conscious workforce. The Group also recorded zero workplace fatalities in 2023, 2024 and 2025. While the lost time incident rate in 2025 is 0.03 compared to 0.06 in 2024. This demonstrates the effectiveness of our safety initiatives and our continuous dedication to providing a safe working environment.

Through this governance framework, the Group ensures that safety oversight is systematic, risks are proactively managed and employees at all levels are actively engaged in maintaining a safe and healthy workplace, thereby supporting operational efficiency, employee wellbeing and long-term organisational resilience.

	Measurement	2025	2024	2023
Total employees trained on health and safety standards	Number	1,735	1,455	919
Lost time incident rate	Rate	0.03	0.06	1.03



Workplace safety training



Emergency response preparedness training

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

Human Rights Protection

We remain steadfast in our commitment to upholding human rights and labour standards of our workers and the communities in which we operate. This commitment is grounded in our belief in the inherent dignity and the equal, inalienable rights of every individual.

Our principles are formalised in the Group's Employee Handbook and reinforced through our Social Policy, which outlines our approach to identifying, assessing and managing human rights risks and impacts across our operations and value chain. The policy applies to employees, suppliers, contractors, local communities and society at large.

In particular, the Group is committed to the following:

- **Safe and Respectful Workplace**

Providing a safe, secure and conducive working environment and fostering a fair, respectful and supportive workplace free from discrimination, harassment, sexual harassment and any form of violence.

- **Prohibition of Child Labour**

Strictly prohibiting the employment of child labour as defined under Malaysian law. The Group takes measures to prevent underage employment and ensures that young workers, where legally permitted, are not exposed to hazardous work. We also support employees in ensuring their children attend and remain in school.

- **Prohibition of Forced Labour**

Prohibiting all forms of forced or compulsory labour, including work obtained through coercion, intimidation, debt bondage or without voluntary consent.

- **Equal Opportunity and Non-Discrimination**

Providing equal opportunities for career development and advancement without discrimination based on gender, nationality, religion, age or other protected characteristics.

The Group also works closely with suppliers and contractors to encourage adherence to these human rights and labour standards throughout our supply chain.

Beyond compliance, we strive to enhance employee wellbeing. We provide worker quarters and essential amenities, including places of worship such as mosques and chapels, as well as recreational facilities to support work-life balance. Recognising the impact of rising living costs, particularly for employees earning at or near the Government-mandated minimum wage, the Group continues to provide a monthly Cost of Living Allowance (COLA) to eligible staff.

While we acknowledge the progress made, we remain committed to continuous improvement in our human rights practices. For 2023, 2024 and 2025, there were no substantiated complaints concerning human rights violations within our operations.

SUSTAINABILITY STATEMENT

WORKPLACE

People Management and Development

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

Consistent with our workforce planning approach, the Group did not engage contract or temporary personnel at staff level in 2025, similar to 2024 and 2023, reflecting our focus on stable employment and long-term talent development.

The Group is committed to promoting diversity and inclusion at all levels of the organisation, including the Board and workforce. Our employees comprise individuals of different genders, age groups and ethnic backgrounds, reflecting the diverse and inclusive environment we strive to maintain. We uphold equal opportunity, merit-based advancement and a respectful, harassment-free workplace where all employees are supported in their growth and development. We recognise that diverse perspectives strengthen governance, enhance decision-making and contribute to the Group’s sustainable long-term success.



Labour quarters in Mukah 3



Hari Raya contribution to orphans at PERYATIM Miri

SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

Percentage of staff and workers by age group and gender

Employee Category	2025					2024					2023				
	Age			Gender		Age			Gender		Age			Gender	
	<30 %	30-50 %	>50 %	Male %	Female %	<30 %	30-50 %	>50 %	Male %	Female %	<30 %	30-50 %	>50 %	Male %	Female %
Management	0	20	80	60	40	0	20	80	60	40	0	20	80	60	40
Executive	11	77	12	77	23	10	79	11	80	20	8	79	13	80	20
Non-Executive	19	66	15	67	33	16	68	16	68	32	15	68	17	68	32
General Workers	31	60	9	73	27	31	60	9	74	26	33	61	6	77	23



Majlis Berbuka Puasa

SUSTAINABILITY STATEMENT

WORKPLACE

People Management and Development (continued)

The Group prioritises year-round employee engagement through various initiatives aimed at strengthening team camaraderie and fostering a positive workplace environment. Through KEREDAS, we organised recreational activities in the form of sports competitions, including football, badminton and volleyball, to promote work-life balance and encourage healthy lifestyles among employees.

In addition, we conducted team-building programmes incorporating field-based activities such as loose fruit collection, seedling planting and stack pruning. These initiatives not only strengthened teamwork and morale but also provided employees from different divisions with hands-on exposure to oil palm plantation operations, thereby enhancing cross-functional understanding and operational awareness.



Field day and KEREDAS sport recreational activities



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 2025, we spent 21,141 hours on various trainings including on the job/field trainings. The detailed breakdown provided to each employee category is as shown in the table:

In response to evolving regulatory requirements, industry developments and the need to continuously improve organisational performance, the Group invests in structured training and development programmes to enhance the skills, competencies and knowledge of its employees. These initiatives ensure that our workforce remains capable, adaptable and aligned with the Group's operational and strategic needs.

Our goal is to cultivate a dynamic, skilled and engaged workforce that supports the Group's long-term growth and operational excellence. Learning and development initiatives are designed to strengthen technical capabilities, reinforce compliance awareness and develop leadership capacity across all levels of the organisation.

Total training hours by employee category

Employee Category	2025	2024	2023
Staff:			
• Management	97	135	108
• Executive	454	622	457
• Non-Executive/Technical Staff	196	684	119
General Workers	20,394	9,138	7,804
Total	21,141	10,579	8,488



On the field trainings



SUSTAINABILITY STATEMENT

WORKPLACE

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	2025	2024	2023
Staff:			
• Management	0	0	0
• Executive	15	14	15
• Non-Executive/Technical Staff	17	22	25
General Workers	184	257	161
Total	216	293	201

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.



Central Region Annual Dinner

SUSTAINABILITY STATEMENT



Northern Region Annual Dinner



SUSTAINABILITY STATEMENT

WORKPLACE (continued)

People Management and Development (continued)

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.



Harvesting specialist training conducted by Sarawak Plantation Academy

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, hence it is unavoidable that it becomes intricately intertwined with their daily lives. Our corporate social responsibility efforts for these communities focus on improving their quality of life through various initiatives.

We support education by:

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

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 with the repair of longhouses so that the local communities can continue to reside in a conducive environment.



Gotong-royong at school

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 distribution to Rumah Panjang



Food aid to flood victims

SUSTAINABILITY STATEMENT

COMMUNITY (continued)

Social Commitment for Communities (continued)

The Group remains committed to generating positive and sustainable social impact through continuous community investment and active engagement with local stakeholders. Upholding its culture of responsible corporate citizenship, the Group provides regular cash and in-kind contributions to local communities, schools, foundations, associations, and government agencies.

Beyond financial assistance, the Group actively supports underprivileged and marginalised communities through festive celebrations and targeted outreach programmes. These initiatives are aimed at fostering inclusivity, strengthening community relationships and enhancing social well-being. Contributions include the purchase and distribution of essential items and gifts, as well as donations to orphanages and local community organisations.

In 2025, the Group invested RM945,731 in community initiatives, benefiting 441 individuals. This represents an increase compared to 2024, where RM809,376 was invested to support 360 beneficiaries and 2023, with RM594,989 invested and 333 beneficiaries reached. The steady growth in both financial investment and number of beneficiaries over the three-year period reflects the Group's long-term commitment to social sustainability, inclusive growth and meaningful community development.

	2025	2024	2023
Total amount invested (RM)	945,731	809,376	594,989
Total number of beneficiaries	441	360	333



Donation to local communities

SUSTAINABILITY STATEMENT

COMMUNITY (continued)

Moving Forward

Our community investment initiatives will continue to focus on creating long-term positive impacts to uplift the livelihoods of our neighbouring communities. In 2026, 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

SARAWAK PLANTATION BERHAD BMLR Transition Period

Date & Time: 2026-04-09_12:10:39
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	a) Percentage of employees who have received training on anti-corruption	Percentage	100	100	Internal
Anti-Corruption	b) Percentage of operations assessed for corruption-related risks	Percentage	100	N/A	Internal
Anti-Corruption	c) Confirmed incidents of corruption and action taken	Number	0	0	Internal
Community/Society	a) Total amount invested in the community	MYR	945,731	N/A	No assurance
Community/Society	b) Total number of beneficiaries of the investment in communities	Number	441	N/A	No assurance
Diversity	Age group, for each employee category (Management Under 30)	Percentage	0	N/A	Internal
Diversity	Age group, for each employee category (Management Between 30-50)	Percentage	20	N/A	Internal
Diversity	Age group, for each employee category (Management Above 50)	Percentage	80	N/A	Internal
Diversity	Age group, for each employee category (Executive Under 30)	Percentage	11	N/A	Internal
Diversity	Age group, for each employee category (Executive Between 30-50)	Percentage	77	N/A	Internal
Diversity	Age group, for each employee category (Executive Above 50)	Percentage	12	N/A	Internal

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Age group, for each employee category (Non- Executive / Technical Staff Under 30)	Percentage	19	N/A	Internal
Diversity	Age group, for each employee category (Non- Executive / Technical Staff Between 30-50)	Percentage	66	N/A	Internal
Diversity	Age group, for each employee category (Non- Executive / Technical Staff Above 50)	Percentage	15	N/A	Internal
Diversity	Age group, for each employee category (General Worker Under 30)	Percentage	31	N/A	Internal
Diversity	Age group, for each employee category (General Worker Between 30-50)	Percentage	60	N/A	Internal
Diversity	Age group, for each employee category (General Worker Above 50)	Percentage	9	N/A	Internal
Diversity	Gender group by employee category (Management - Male)	Percentage	80	N/A	Internal
Diversity	Gender group by employee category (Management - Female)	Percentage	40	N/A	Internal
Diversity	Gender group by employee category (Executive - Male)	Percentage	77	N/A	Internal
Diversity	Gender group by employee category (Executive - Female)	Percentage	23	N/A	Internal

SUSTAINABILITY STATEMENT

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SARAWAK PLANTATION BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender group by employee category (Non- Executive / Technical Staff - Male)	Percentage	67	N/A	Internal
Diversity	Gender group by employee category (Non- Executive / Technical Staff - Female)	Percentage	33	N/A	Internal
Diversity	Gender group by employee category (General Workers - Male)	Percentage	73	N/A	Internal
Diversity	Gender group by employee category (General Workers - Female)	Percentage	27	N/A	Internal
Diversity	Percentage of directors by Gender group (Male)	Percentage	83	N/A	Internal
Diversity	Percentage of directors by Gender group (Female)	Percentage	17	N/A	Internal
Diversity	Percentage of directors by Age group (Under 30)	Percentage	0	N/A	Internal
Diversity	Percentage of directors by Age group (Between 30-50)	Percentage	0	N/A	Internal
Diversity	Percentage of directors by Age group (Above 50)	Percentage	100	N/A	Internal
Energy Management	Total energy consumption	Megawatt hour	47094	N/A	Internal
Health and Safety	a) Number of work-related fatalities	Number	0	0	No assurance
Health and Safety	b) Lost time incident rate	Rate	0.03	0	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	c) Number of employees trained on health and safety standards	Number	1,735	N/A	No assurance
Labour practices and standards	a) Total hours of employee training	Hours	21,041	N/A	No assurance
Labour practices and standards	b) Percentage of employees that are contractors or temporary staff	Percentage	0	N/A	No assurance
Labour practices and standards	e) Total number of employee turnover	Number	216	N/A	No assurance
Labour practices and standards	d) Number of substantiated complaints concerning human rights violations	Number	0	N/A	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	99.68	N/A	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	N/A	No assurance
Water	Total volume of water used	Megalitres	1,074	N/A	Internal

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 2025.

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

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	7/7	100%

The Group's internal and external auditors, Key Senior Management Personnel and certain Managers 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 Senior Management Personnel and staff 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.

AUDIT COMMITTEE'S REPORT

2. SUMMARY OF WORK (continued)

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.

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. The Internal Audit Manager 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 2025 amounted to RM174,021.

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 2025. 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 which ultimately enhances 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 29 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 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 2025, visits to the estates and mills by the Key Senior Management, Operations team and supporting departments were on a monthly basis and more often when the need arises. Virtual meetings are held when urgent issues surface and are needed to be addressed immediately.

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	- None attended due to exigencies of work
Dato Wong Kuo Hea	- KPMG Tax and Business Summit 2025
Datu Hasmawati binti Sapawi	- Online Secretarial Course - Programme SCS One Team Retreat - Training on Anti-Bribery and Anti Corruption (ABAC)
Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	- SIDC-MACFE Fraud Conference 2025 : Strengthening Governance and Innovation in Fraud Prevention - KPMG Tax and Business Summit 2025 - Key Obligations of a Listed Company
Dato Chia Chu Fatt	- How MPERS Influences Obtaining Sufficient and Appropriate Audit Evidence - Malaysian Tax Conference 2025
Datu Haji Abdul Razak bin Mohd. Tready	- Mandatory Accreditation Programme (MAP) (Part I and Part II)

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 backgrounds of the Directors allow 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 tenure, 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 2025:

Name of Director	Designation	Meeting Attended Number	Meeting Attended (%)
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	4/5	80
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	5/5	100

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 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 2026 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 2026 to the next Annual General Meeting to be held in 2027 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 2025.

The Company's directors' remuneration for financial year ended 2025 was approved by the shareholders at the 28th Annual General Meeting of the Company held on 23 May 2025.

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, climate change, 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 31 March 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement is made pursuant to the Paragraph 15.26 (b) of the Main Market 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, comprises 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 risk assessment is conducted using a structured methodology, where risk severity is determined based on the likelihood of occurrence, the potential impact and the effectiveness of existing controls. The identified risks are then based on their risk severity, ranging from low to high, and categorised into various types including corporate, financial, operational, reputational, strategic, market risks and etc to facilitate effective management.

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, conflict of interest, 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 Group Chief Executive Officer.

The Board Audit Committee receives reports from both the 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 Group Chief Executive 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 the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2025 and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by section 7 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Companies; 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 31 March 2026.

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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 the 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 of Malaysia ("the Act"). The Directors have considered that in preparing the financial statements for the financial year ended 31 December 2025, 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 31 March 2026.

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The Company is principally engaged in investment holding. 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 5 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	105,803,095	64,828,116
Non-controlling interests	988,341	-
	<u>106,791,436</u>	<u>64,828,116</u>
	=====	=====

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 in respect of the financial year ended 31 December 2025 were as follows:

- a) a first interim single-tier exempt dividend of 5 sen per ordinary share totalling RM13,951,610 declared on 21 May 2025 and paid on 10 July 2025;
- b) a second interim single-tier exempt dividend of 15 sen per ordinary share totalling RM41,854,830 declared on 21 November 2025 and paid on 26 December 2025; and
- c) after the end of the reporting period, a third interim single-tier exempt dividend of 5 sen per ordinary share totalling RM13,951,610 was declared on 25 February 2026 and will be paid on 9 April 2026. This dividend will be accounted for in the financial statements for the financial year ending 31 December 2026.

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 2025

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

* 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

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 31.12.2025
	At 1.1.2025	Bought	Sold	
Direct interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	200,000	-	-	200,000
Dato Wong Kuo Hea	1,591,400	200,000	-	1,791,400
Deemed interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	82,052,624	-	-	82,052,624
Dato Wong Kuo Hea	87,492,124	100,000	-	87,592,124

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 2025

Directors' interests in shares (continued)

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	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 2025 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than 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 29 to the financial statements).

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM	From subsidiary companies RM
Directors' of the Company		
- Fees	566,094	82,000
- Short-term employee benefits (including estimated benefit-in-kind)	114,585	794,500
	<u>680,679</u>	<u>876,500</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 2025

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 RM18,910. 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 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

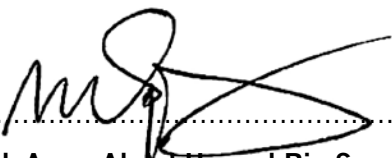
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 RM271,300 and RM85,000 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: 31 March 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Assets					
Property, plant and equipment	2	248,178,327	260,013,016	2	163
Bearer plants	3	411,592,509	366,115,758	-	-
Right-of-use assets	4	87,549,663	89,693,717	-	-
Investment in subsidiaries	5	-	-	343,823,407	343,823,407
Investment properties	6	4,525,477	4,758,221	-	-
Total non-current assets		<u>751,845,976</u>	<u>720,580,712</u>	<u>343,823,409</u>	<u>343,823,570</u>
Biological assets	7	84,820,118	69,818,960	-	-
Inventories	8	22,255,563	26,067,438	-	-
Trade and other receivables	9	25,763,397	20,314,234	560,353	619,841
Prepayments and other assets	10	4,991,320	4,168,440	-	-
Other investments	11	116,502,521	84,507,712	64,041,729	47,133,854
Cash and cash equivalents	12	110,667,163	104,732,016	46,545,837	54,666,260
Total current assets		<u>365,000,082</u>	<u>309,608,800</u>	<u>111,147,919</u>	<u>102,419,955</u>
Total assets		<u><u>1,116,846,058</u></u>	<u><u>1,030,189,512</u></u>	<u><u>454,971,328</u></u>	<u><u>446,243,525</u></u>
Equity					
Share capital	13.1	340,968,951	340,968,951	340,968,951	340,968,951
Reserves		488,393,977	438,397,322	104,586,897	95,565,221
Total equity attributable to owners of the Company		829,362,928	779,366,273	445,555,848	436,534,172
Non-controlling interests	5	4,377,396	4,289,055	-	-
Total equity		<u>833,740,324</u>	<u>783,655,328</u>	<u>445,555,848</u>	<u>436,534,172</u>
Liabilities					
Deferred tax liabilities	14	145,928,500	133,550,000	-	-
Loans and borrowings	15	60,583,128	37,986,503	-	-
Lease liabilities		2,297,014	2,346,095	-	-
Total non-current liabilities		<u>208,808,642</u>	<u>173,882,598</u>	-	-
Trade and other payables	16	62,267,580	65,718,260	9,160,480	9,334,617
Loans and borrowings	15	7,985,744	2,673,056	-	-
Lease liabilities		49,081	45,538	-	-
Current tax payable		3,994,687	4,214,732	255,000	374,736
Total current liabilities		<u>74,297,092</u>	<u>72,651,586</u>	<u>9,415,480</u>	<u>9,709,353</u>
Total liabilities		<u>283,105,734</u>	<u>246,534,184</u>	<u>9,415,480</u>	<u>9,709,353</u>
Total equity and liabilities		<u><u>1,116,846,058</u></u>	<u><u>1,030,189,512</u></u>	<u><u>454,971,328</u></u>	<u><u>446,243,525</u></u>

The notes on pages 118 to 179 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	571,597,679	551,440,551	64,100,000	53,480,000
Cost of sales		(399,510,574)	(401,415,589)	-	-
Gross profit		172,087,105	150,024,962	64,100,000	53,480,000
Other income		3,076,886	3,687,464	-	-
Distribution expenses		(32,996,634)	(33,443,296)	-	-
Administrative expenses		(21,945,623)	(19,963,030)	(2,084,921)	(2,009,513)
Net (loss) / gain on impairment on financial instruments		(170)	(112,770)	-	4,522,331
Results from operating activities	18	120,221,564	100,193,330	62,015,079	55,992,818
Other non-operating income	19	15,259,145	18,155,514	-	-
Finance income	20	7,272,231	6,386,287	3,656,827	3,951,052
Finance costs	21	(587,167)	(368,423)	-	-
Net finance income		6,685,064	6,017,864	3,656,827	3,951,052
Profit before tax		142,165,773	124,366,708	65,671,906	59,943,870
Taxation	22	(35,374,337)	(31,491,391)	(843,790)	(932,339)
Profit and total comprehensive income for the financial year		106,791,436	92,875,317	64,828,116	59,011,531
Profit and total comprehensive income attributable to:					
Owners of the Company		105,803,095	92,034,477	64,828,116	59,011,531
Non-controlling interests	5	988,341	840,840	-	-
Profit and total comprehensive income for the financial year		106,791,436	92,875,317	64,828,116	59,011,531
Basic and diluted earnings per ordinary share (sen)	24	37.92	32.98		

The notes on pages 118 to 179 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to owners of the Company		Distributable		Total equity RM		
		Share capital RM	Equity reserve RM	Treasury shares RM	Retained earnings RM		Total RM	Non-controlling interests RM
At 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 interest	5	-	-	-	(5,403,085)	(5,403,085)	9,772,186	4,369,101
Dividends to owners of the Company	25	-	-	-	(55,806,440)	(55,806,440)	-	(55,806,440)
Dividends to non-controlling interest		-	-	-	-	-	(420,000)	(420,000)
At 31 December 2024/ 1 January 2025		340,968,951	493,560	(2,104,242)	440,008,004	779,366,273	4,289,055	783,655,328
Profit and total comprehensive income for the financial year		-	-	-	105,803,095	105,803,095	988,341	106,791,436
Dividends to owners of the Company	25	-	-	-	(55,806,440)	(55,806,440)	-	(55,806,440)
Dividends to non-controlling interest		-	-	-	-	-	(900,000)	(900,000)
At 31 December 2025		340,968,951	493,560	(2,104,242)	490,004,659	829,362,928	4,377,396	833,740,324

(Note 13.1) (Note 13.2) (Note 13.3)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Attributable to owners of the Company		Treasury shares RM	Retained earnings RM	Total equity RM
	Share capital RM	Non-distributable Distributable			
At 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 2024/1 January 2025	340,968,951	(2,104,242)		97,669,463	436,534,172
Profit and total comprehensive income for the financial year	-	-		64,828,116	64,828,116
Dividends to owners of the Company	-	-		(55,806,440)	(55,806,440)
At 31 December 2025	340,968,951	(2,104,242)		106,691,139	445,555,848
	(Note 13.1)	(Note 13.3)			

The notes on pages 118 to 179 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Profit before tax		142,165,773	124,366,708	65,671,906	59,943,870
<i>Adjustments for:</i>					
Change in fair value of biological assets	7	(15,259,145)	(18,155,514)	-	-
Depreciation of property, plant and equipment	2.1	17,137,350	18,034,575	161	294
Depreciation of bearer plants	3	22,811,967	21,731,560	-	-
Depreciation of right-of-use assets	4.1	2,009,656	2,026,816	-	-
Depreciation of investment properties	6	232,744	232,744	-	-
Dividend income from subsidiaries	17	-	-	(64,100,000)	(53,480,000)
Gain on disposal of property, plant and equipment	18	(119,751)	-	-	-
Net loss/(gain) on impairment of financial instruments	18	170	112,770	-	(4,522,331)
Finance income	20	(7,272,231)	(6,386,287)	(3,656,827)	(3,951,052)
Finance costs	21	587,167	368,423	-	-
Inventories written off	8	-	10,306	-	-
Property, plant and equipment written off	18	281,666	654,321	-	-
Operating profit/(loss) before changes in working capital		<u>162,575,366</u>	<u>142,996,422</u>	<u>(2,084,760)</u>	<u>(2,009,219)</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities (continued)					
Change in inventories		4,152,465	(1,982,243)	-	-
Change in trade and other receivables, prepayments and other assets	(	6,220,192)	587,887	-	-
Change in trade and other payables	(	3,319,271)	7,112,634	(174,137)	162,328
Cash generated from/ (used in) operations		157,188,368	148,714,700	(2,258,897)	(1,846,891)
Net tax paid	(	23,215,882)	(22,803,231)	(963,526)	(906,149)
Interest/Profit paid	(	2,240,975)	(1,074,503)	-	-
Interest/Profit received		7,220,210	5,889,187	3,716,315	3,730,454
Hire purchase facility interest paid	(	376,733)	(178,761)	-	-
Net cash from operating activities		<u>138,574,988</u>	<u>130,547,392</u>	<u>493,892</u>	<u>977,414</u>
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(4,704,991)	(10,036,281)	-	-
Dividends received	17	-	-	64,100,000	53,480,000
(Placement)/Upliftment of deposits with original maturities exceeding three months		(31,994,809)	(37,275,067)	(16,907,875)	98,791
Bearer plants (net of depreciation of property, plant and equipment and right-of-use assets)	(iii)	(62,762,946)	(51,621,442)	-	-
Net settlement received from non-controlling interest	5	-	4,369,101	-	4,369,101
Proceeds from disposal of property, plant and equipment		169,000	-	-	-
Net cash (used in)/from investing activities		<u>(99,293,746)</u>	<u>(94,563,689)</u>	<u>47,192,125</u>	<u>57,947,892</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities					
Proceed from term loans	(iv)	26,945,800	26,421,000	-	-
Repayment of hire purchase facilities	(iv)	(3,551,301)	(2,046,499)	-	-
Dividends paid to non-controlling interest		(900,000)	(420,000)	-	-
Dividends paid to owners of the Company	25	(55,806,440)	(69,758,050)	(55,806,440)	(69,758,050)
Payment of lease liabilities	(iv)	(34,154)	(42,254)	-	-
Net cash used in financing activities		<u>(33,346,095)</u>	<u>(45,845,803)</u>	<u>(55,806,440)</u>	<u>(69,758,050)</u>
Net increase/ (decrease) in cash and cash equivalents		5,935,147	(9,862,100)	(8,120,423)	(10,832,744)
Cash and cash equivalents at beginning of financial year		<u>104,732,016</u>	<u>114,594,116</u>	<u>54,666,260</u>	<u>65,499,004</u>
Cash and cash equivalents at end of financial year	12	<u><u>110,667,163</u></u>	<u><u>104,732,016</u></u>	<u><u>46,545,837</u></u>	<u><u>54,666,260</u></u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes:

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Payment relating to short-term leases	18	57,600	57,600	-	-
Payment relating to leases of low value assets	18	109,330	125,565	380	360
		<u>166,930</u>	<u>183,165</u>	<u>380</u>	<u>360</u>
		=====	=====	=====	=====

(ii) Acquisition of property, plant and equipment

	Note	Group 2025 RM	Group 2024 RM
Paid in cash		4,704,991	10,036,281
Payables	16	961,225	1,078,882
In the form of hire purchase	(iv)	3,296,070	7,148,052
Total acquisitions	2	<u>8,962,286</u>	<u>18,263,215</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 2025 RM	Group 2024 RM
Paid in cash	<u>62,762,946</u>	<u>51,621,442</u>
	=====	=====

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes: (continued)

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

Group	At	Net changes	Acquisition	Changes	At	Net	Acquisition	Changes	At
	1.1.2024 RM	from financing cash flows RM	of hire purchase RM	in other payables RM	31.12.2024/ 1.1.2025 RM	changes from financing cash flows RM	of hire purchase RM	in other payables RM	31.12.2025 RM
Islamic term loan	-	5,282,000	-	-	5,282,000	15,690,800	-	-	20,972,800
Conventional term loan	7,606,000	21,139,000	-	-	28,745,000	11,255,000	-	-	40,000,000
Hire purchase facilities	1,531,006	(2,046,499)	7,148,052	-	6,632,559	(3,551,301)	4,514,814	-	7,596,072
Lease liabilities	2,433,887	(42,254)	-	-	2,391,633	(34,154)	-	(11,384)	2,346,095
Total liabilities from financing activities	11,570,893	24,332,247	7,148,052	-	43,051,192	23,360,345	4,514,814	(11,384)	70,914,967

The notes on pages 118 to 179 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 2025 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 2025 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 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 31 March 2026.

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:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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 plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026
- 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.

(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 7 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2. 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 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
1 January 2025	-	44,064	535,092	-	503,265	6,999,503	880,362	8,962,286
Additions	-	-	-	-	-	(507,454)	-	(507,454)
Disposals	-	-	(5,349,632)	-	-	(707,826)	-	(6,057,458)
Write off	-	-	-	(11,573,576)	(143,230)	(548,668)	-	(12,265,474)
Write off (Derecognised)	-	1,229,414	-	-	109,311	131,286	(1,470,011)	-
Transfers	-	-	-	-	-	-	-	-
At 31 December 2025	18,411,240	114,098,344	17,537,349	276,761,634	105,520,068	98,703,947	720,171	631,752,753

NOTES TO THE FINANCIAL STATEMENTS

2. 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 2024	10,303,497	66,312,014	20,584,454	150,608,370	66,707,414	51,949,950	-	366,465,699
Accumulated depreciation	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
Accumulated impairment loss	10,303,497	66,322,671	20,584,463	158,350,372	66,783,486	51,956,022	-	374,300,511
Depreciation for the financial year	436,721	1,802,102	578,612	4,453,973	4,932,920	7,165,097	-	19,369,425
Write off	-	(942,186)	(758,946)	(16,616)	(1,180,550)	(9,163,801)	-	(12,062,099)
At 31 December 2024	10,740,218	67,171,930	20,404,120	155,045,727	70,459,784	49,951,246	-	373,773,025
Accumulated depreciation	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
Accumulated impairment loss	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

2. 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
At 1 January 2025	10,740,218	67,171,930	20,404,120	155,045,727	70,459,784	49,951,246	-	373,773,025
Accumulated depreciation	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
Accumulated impairment loss	10,740,218	67,182,587	20,404,129	162,787,729	70,535,856	49,957,318	-	381,607,837
Depreciation for the financial year	431,033	1,830,388	545,423	4,456,180	4,758,838	8,444,198	-	20,466,060
Disposals	-	-	-	-	-	(458,205)	-	(458,205)
Write off	-	-	(5,347,052)	-	-	(428,740)	-	(5,775,792)
Write off (Derecognised) - depreciation	-	-	-	(6,620,692)	(67,158)	(542,596)	-	(7,230,446)
Write off (Derecognised) - impairment	-	-	-	(4,952,884)	(76,072)	(6,072)	-	(5,035,028)
At 31 December 2025	11,171,251	69,002,318	15,602,491	152,881,215	75,151,464	56,965,903	-	380,774,642
Accumulated depreciation	-	10,657	9	2,789,118	-	-	-	2,799,784
Accumulated impairment loss	11,171,251	69,012,975	15,602,500	155,670,333	75,151,464	56,965,903	-	383,574,426

NOTES TO THE FINANCIAL STATEMENTS

2. 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 2024/								
1 January 2025	7,671,022	45,642,279	1,947,760	125,547,481	34,514,866	43,379,788	1,309,820	260,013,016
	=====	=====	=====	=====	=====	=====	=====	=====
At 31 December 2025	7,239,989	45,085,369	1,934,849	121,091,301	30,368,604	41,738,044	720,171	248,178,327
	=====	=====	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

Company	Furniture, fittings and equipment RM
Cost	
At 1 January 2024, 31 December 2024/1 January 2025 and 31 December 2025	7,784 =====
Depreciation	
At 1 January 2024	7,327
Depreciation for the financial year	294
At 31 December 2024/1 January 2025	7,621
Depreciation for the financial year	161
At 31 December 2025	7,782 =====
Carrying amounts	
At 31 December 2024/1 January 2025	163 =====
At 31 December 2025	2 =====

2.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

	Note	<u>Group</u>		<u>Company</u>	
		2025 RM	2024 RM	2025 RM	2024 RM
Amount charged to profit or loss	18	17,137,350	18,034,575	161	294
Amount capitalised in bearer plants	3.1	3,246,126	1,334,850	-	-
Amount capitalised in inventories	8	82,584	-	-	-
		<u>20,466,060</u>	<u>19,369,425</u>	<u>161</u>	<u>294</u>
		=====	=====	=====	=====

2.2 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU).

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

2. Property, plant and equipment (continued)

2.2 Impairment loss - Group (continued)

2.2.1 Infrastructure works

2.2.1.1 CGU 1

The Group recognised full impairment losses on infrastructure works and bearer plants amounted to RM4,952,884 and RM5,615,216 (Note 3.2.1) 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. Infrastructure works are derecognised during the financial year.

2.2.1.2 CGU 2 & CGU 3

The Group recognised full impairment losses on infrastructure works and bearer plants amounted to RM1,693,556 and RM1,913,595 (Note 3.2.2) respectively in previous years. The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from the encumbered areas.

2.2.1.3 CGU 4

The Group recognised full impairment losses on infrastructure works and bearer plants amounted to RM1,095,562 and RM3,113,040 (Note 3.2.3) respectively in previous years. The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from this estate.

2.2.2 Other property, plant and equipment

The Group has recognised impairment loss of RM92,810 on property, plant and equipment in previous years. An amount of RM82,144 is derecognised during this financial year.

2.3 Security - Group

Buildings with carrying amount of RM10,900,956 (2024: RM11,336,826) are charged to a bank for banking facilities granted to the Group (see Note 15.1).

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

2.4 Material accounting policy information

2.4.1 Recognition and measurement

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

2.4.2 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:

Infrastructure works	Remaining lease term of 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

3. Bearer plants - Group

	RM
Cost	
At 1 January 2024	589,395,060
Additions	54,059,374
Write off (Derecognised)	(33,444,461)
At 31 December 2024/1 January 2025	610,009,973
Additions	68,288,718
Write off (Derecognised)	(21,426,050)
At 31 December 2025	656,872,641
	=====
Depreciation and impairment loss	
At 1 January 2024	
Accumulated depreciation	244,380,676
Accumulated impairment loss	11,226,440
	255,607,116
Depreciation for the financial year (Note 18)	21,731,560
Write off (Derecognised) - depreciation	(32,859,872)
Write off (Derecognised) - impairment loss	(584,589)
At 31 December 2024/1 January 2025	
Accumulated depreciation	233,252,364
Accumulated impairment loss	10,641,851
	243,894,215
Depreciation for the financial year (Note 18)	22,811,967
Write off (Derecognised) - depreciation	(15,575,297)
Write off (Derecognised) - impairment loss	(5,850,753)
At 31 December 2025	
Accumulated depreciation	240,489,034
Accumulated impairment loss	4,791,098
	245,280,132
	=====
Carrying amounts	
At 31 December 2024	366,115,758
	=====
At 31 December 2025	411,592,509
	=====

NOTES TO THE FINANCIAL STATEMENTS

3. Bearer plants - Group (continued)

3.1 Bearer plants incurred during the financial year includes:-

	2025 RM	2024 RM
Depreciation of property, plant and equipment (Note 2.1)	3,246,126	1,334,850
Depreciation of right-of-use assets (Note 4.1)	134,379	119,698
Finance costs (Note 21)	2,145,267	983,384
Personnel expenses		
- Contributions to the Employees Provident Fund	266,172	165,408
- Wages, salaries and others	16,378,324	9,620,133
	=====	=====

Included in bearer plants is a carrying amount of RM44,815,289 (2024: RM23,195,001) located on certain leasehold land charged to a bank for banking facilities granted to a subsidiary (Note 15).

3.2 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

In preparing the financial statements, the Group 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.

3.2.1 CGU 1

In earlier financial years, the Group had recognised full impairment losses of RM5,615,216 and RM4,952,884 (see Note 2.2.1.1) 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. The bearer plants are derecognised during this financial year.

3.2.2 CGU 2 & CGU 3

In earlier financial years, the Group had recognised full impairment losses of RM1,913,595 and RM1,693,556 (see Note 2.2.1.2) 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 RM38,551 upon replanting of the recovered areas.

3.2.3 CGU 4

In earlier financial years, the Group has recognised full impairment losses of RM3,113,040 and RM1,095,562 (see Note 2.2.1.3) 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 RM196,986 upon replanting of the recovered areas.

NOTES TO THE FINANCIAL STATEMENTS

3. Bearer plants - Group (continued)

3.3 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.

4. Right-of-use assets - Group

	Leasehold land RM	Land use rights RM	Total RM
Cost			
At 1 January 2024, 31 December 2024/ 1 January 2025 and 31 December 2025	110,638,361	2,596,950	113,235,311
Depreciation			
At 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
At 31 December 2024/1 January 2025			
Accumulated depreciation	22,964,448	541,042	23,505,490
Accumulated impairment loss	36,104	-	36,104
	23,000,552	541,042	23,541,594
Depreciation for the financial year	2,050,877	93,177	2,144,054
Accumulated depreciation	25,015,325	634,219	25,649,544
Accumulated impairment loss	36,104	-	36,104
	25,051,429	634,219	25,685,648
Carrying amounts			
At 31 December 2024/1 January 2025	87,637,809	2,055,908	89,693,717
At 31 December 2025	85,586,932	1,962,731	87,549,663

The lease term of the Group's leasehold land expire in the years 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.

NOTES TO THE FINANCIAL STATEMENTS

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

4.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

	2025 RM	2024 RM
Amount charged to profit or loss (Note 18)	2,009,656	2,026,816
Amount capitalised in bearer plants (Note 3.1)	134,379	119,698
Amount capitalised in inventories (Note 8)	19	-
	<u>2,144,054</u>	<u>2,146,514</u>

4.2 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

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

4.3 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.

4.4 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.

4.5 Security - Group

Right-of-use assets with carrying amount of RM248,590 (2024: RM258,002) are charged to a bank for banking facilities granted to the Group (see Note 15.1).

4.6 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

5. Investment in subsidiaries - Company

	Note	2025 RM	2024 RM
Unquoted shares, at cost		345,145,663	345,145,663
Deemed capital contribution	5.1	1,807,509	1,807,509
Less: Allowance for impairment losses	5.2	(3,129,765)	(3,129,765)
		<u>343,823,407</u>	<u>343,823,407</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	
		2025 %	2024 %
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	100
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.

In previous financial year, pursuant to a Mutual Agreement to Settle, the non-controlling interest holder paid 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 had entered into a Rescission Agreement whereby, the Company had acquired 40% equity interest represented 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 in previous financial year amounted to RM4,369,101.

As at end of 2024, SPB NR Sdn. Bhd. had effectively become a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

5. 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

	SPB PPES Karabungan Plantation Sdn. Bhd. RM
2025	
NCI percentage of ownership interest and voting interest	30%
Carrying amount of NCI	4,377,396 =====
Profit allocated to NCI	988,341 =====
As at 31 December 2025	
Non-current assets	10,407,232
Current assets	8,591,500
Non-current liability	(4,128,015)
Current liabilities	(279,395)
Net assets	<u>14,591,322</u> =====
Year ended 31 December 2025	
Profit for the financial year	3,294,466
Total comprehensive profit	3,294,466 =====
Cash flows from operating activities	3,984,162
Cash flows used in investing activities	(2,360,624)
Cash flows used in financing activities	(3,045,538)
Net decrease in cash and cash equivalents	<u>(1,422,000)</u> =====

	SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB NR Sdn. Bhd. RM	Total RM
2024			
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 =====

NOTES TO THE FINANCIAL STATEMENTS

5. Investment in subsidiaries - Company (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination (continued)

	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	<u>14,296,856</u> =====
Year ended 31 December 2024	
Profit for the financial year	2,807,928
Total comprehensive profit	<u>2,807,928</u> =====
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	<u>1,743,194</u> =====

5.1 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.

5.2 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 enterprise value of the subsidiaries. During the financial year, the Company reassessed on similar basis and concluded no further impairment to the investment in subsidiaries.

5.3 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties - Group

	Buildings RM
Cost	
At 1 January 2024/31 December 2024/1 January 2025/31 December 2025	11,637,190 =====
Depreciation	
At 1 January 2024	6,646,225
Depreciation for the financial year (Note 18)	232,744
At 31 December 2024/1 January 2025	6,878,969
Depreciation for the financial year (Note 18)	232,744
At 31 December 2025	7,111,713 =====
Carrying amounts	
At 31 December 2024/1 January 2025	4,758,221 =====
At 31 December 2025	4,525,477 =====
Estimated fair value	
At 31 December 2024/1 January 2025	22,643,000 =====
At 31 December 2025	21,120,000 =====

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

	Note	2025 RM	2024 RM
Rental income	17	411,171	418,204
Direct operating expenses:			
- income generating investment properties		(457,521)	(306,135)
- non-income generating investment properties		(64,010)	(64,010)
		=====	=====

The operating lease payments to be received are as follows:

	2025 RM	2024 RM
Less than one year	391,859	394,659
One to two years	269,575	361,639
Two to three years	90,161	196,327
	=====	=====
	751,595	952,625
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties - Group (continued)

6.2 Determination of fair value

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

6.3 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
2025	
Investment properties	21,120,000 =====
2024	
Investment properties	22,643,000 =====

6.4 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.

6.5 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.

7. 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 2024	48,896,795	3,084,673	51,981,468
Disposals	-	(318,022)	(318,022)
Changes in fair value less costs to sell (Note 19)	17,265,382	890,132	18,155,514
At 31 December 2024/1 January 2025	66,162,177	3,656,783	69,818,960
Disposals	-	(257,987)	(257,987)
Changes in fair value less costs to sell (Note 19)	15,095,378	163,767	15,259,145
At 31 December 2025	81,257,555 =====	3,562,563 =====	84,820,118 =====

NOTES TO THE FINANCIAL STATEMENTS

7. Biological assets - Group (continued)

7.1 Fresh fruit bunches (“FFB”)

At 31 December 2025, the Group has total of 14 estates (2024: 14 estates) which comprises total productive mature area of 20,549 hectares (2024: 21,081 hectares).

During the financial year, the Group has harvested 360,993 metric tonnes of FFB (2024:337,661 metric tonnes). As at 31 December 2025, the quantity of unharvested FFB of the Group included in the fair value of FFB was 94,582 metric tonne (2024: 77,346 metric tonne).

7.2 Living livestock

Living livestock comprise the cattle and goat livestock.

During the financial year, the Group sold 39 head of cattle (2024: 47 head of cattle). As at 31 December 2025, living livestock comprised 822 head of cattle and 6 goats (2024: 834 head of cattle and 6 goats).

7.3 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

7. Biological assets - Group (continued)

7.4 Fair value information

	Level 3 RM
2025	
Fresh fruit bunches	81,257,555
Living livestock	3,562,563
	<hr/>
	84,820,118
	=====
2024	
Fresh fruit bunches	66,162,177
Living livestock	3,656,783
	<hr/>
	69,818,960
	=====

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

7. Biological assets - Group (continued)

7.4 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")	<p>(a) Valuation of the 3 months prior to harvest.</p> <p>(b) FFB average selling price is based on forecasted selling price for January to March.</p> <p>(c) Despatch and harvesting costs are based on actual average cost incurred for Quarter 4.</p>	<ul style="list-style-type: none"> - Estimated FFB prices - Estimated production volume - Estimated despatch and harvesting costs 	<p>The estimated fair value would increase (decrease) if:</p> <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 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - the estimated market price were higher (lower)

NOTES TO THE FINANCIAL STATEMENTS

7. Biological assets - Group (continued)

7.5 Sensitivity analysis

7.5.1 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.

	2025		2024	
	Increase/ (Decrease) in price and volume	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 fair value of biological assets and profit before tax for the year RM
Selling price	10% (10%)	9,125,676 (9,125,676)	10% (10%)	7,345,057 (7,345,057)
Production volume	10% (10%)	8,125,756 (8,125,756)	10% (10%)	6,616,218 (6,616,218)
	=====	=====	=====	=====

7.5.2 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.

	2025		2024	
	Increase/ (Decrease) in price	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM	Increase/ (Decrease) in price	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM
Selling price	10% (10%)	356,260 (356,260)	10% (10%)	365,680 (365,680)
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

7. Biological assets - Group (continued)

7.6 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.

8. Inventories - Group

	2025 RM	2024 RM
At costs		
Crude palm oil and palm kernel	7,702,288	9,312,361
Stores and consumables	6,948,647	9,747,461
Oil palm nursery	4,427,430	3,255,976
Oil palm seeds	1,483,805	1,055,512
Oil palm fresh fruit bunches	1,693,393	2,696,128
	22,255,563	26,067,438
	22,255,563	26,067,438
Recognised in profit or loss:		
Inventories recognised as part of cost of sales	380,493,959	382,767,665
Inventories written off as cost of sales	-	10,306
	380,493,959	382,767,665
	380,493,959	382,767,665

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

	2025 RM	2024 RM
Depreciation of property, plant and equipment (Note 2.1)	82,584	-
Depreciation of right-of-use assets (Note 4.1)	19	-
Personnel expenses		
- Contributions to the Employees Provident Fund	96,071	81,834
- Wages, salaries and others	4,140,393	3,575,961
	4,236,464	3,657,795
	4,236,464	3,657,795

NOTES TO THE FINANCIAL STATEMENTS

8. Inventories - Group (continued)

8.1 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 7) 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.

9. Trade and other receivables

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Non-trade				
Amount due from a subsidiary	-	-	1,033,052	1,033,052
Less: Allowance for impairment losses	-	-	(1,033,052)	(1,033,052)
Non-current total	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

9. Trade and other receivables (continued)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current					
Trade					
Trade receivables	9.1	20,297,620	15,240,250	-	-
Less: Allowance for impairment losses		(170)	-	-	-
		20,297,450	15,240,250	-	-
Non-trade					
Other receivables		5,630,765	5,238,802	673,123	732,611
Less: Allowance for impairment losses		(164,818)	(164,818)	(112,770)	(112,770)
		5,465,947	5,073,984	560,353	619,841
Current total		25,763,397	20,314,234	560,353	619,841
Total		<u>25,763,397</u>	<u>20,314,234</u>	<u>560,353</u>	<u>619,841</u>

9.1 Trade receivables

Included in trade receivables are amounts of RM3,172,836 (2024: RM3,394,171) due from companies related to a substantial corporate shareholder and companies in which certain Directors have interest.

9.2 Material accounting policy information

The Group and the Company recognise loss allowance for expected credit losses on trade and other receivables (Note 26.4).

10. Prepayments and other assets

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-trade					
Deposits	10.1	4,045,472	4,235,023	-	-
Less: Allowance for impairment losses	10.2	(1,862,000)	(1,862,000)	-	-
		2,183,472	2,373,023	-	-
Prepayments		2,807,848	1,795,417	-	-
Total		<u>4,991,320</u>	<u>4,168,440</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

10. Prepayments and other assets (continued)

10.1 Deposits - Group

Included in deposits is a deposit of RM619,913 (2024: RM619,913) paid for an acquisition of land.

10.2 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 2.2.1.1).

11. Other investments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with original maturities exceeding three months	116,502,521	84,507,712	64,041,729	47,133,854

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.

12. Cash and cash equivalents

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand and at banks	5,205,652	6,283,188	952,127	1,641,214
Deposits with original maturities not exceeding three months	105,461,511	98,448,828	45,593,710	53,025,046
	110,667,163	104,732,016	46,545,837	54,666,260

NOTES TO THE FINANCIAL STATEMENTS

13. Capital and reserves - Group and Company

13.1 Share capital

	2025		2024	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares Issued and fully paid shares with no par value classified as equity instruments:				
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.

13.2 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.

13.3 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 23 May 2025. 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 2025. The number of treasury shares held was 967,800 ordinary shares as at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

14. Deferred tax liabilities - Group

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

	At 1.1.2024 RM	Recognised in profit or loss RM	At 31.12.2024/ 1.1.2025 RM	Recognised in profit or loss RM	At 31.12.2025 RM
Property, plant and equipment	44,594,003	(92,078)	44,501,925	(1,218,249)	43,283,676
Bearer plants	65,745,445	7,910,634	73,656,079	9,659,304	83,315,383
Biological assets	12,475,552	4,281,101	16,756,653	3,600,175	20,356,828
Unutilised tax losses	(628,000)	(720,913)	(1,348,913)	561,526	(787,387)
Provision - others	(192,000)	176,256	(15,744)	(224,256)	(240,000)
	<u>121,995,000</u>	<u>11,555,000</u>	<u>133,550,000</u>	<u>12,378,500</u>	<u>145,928,500</u>
		(Note 22)		(Note 22)	

Unrecognised deferred tax assets - Group

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

	2025 RM	2024 RM
Unutilised capital allowance and agriculture allowances carried forward	10,522,000	10,522,000
Unutilised tax losses carried forward	11,192,000	10,895,000
	<u>21,714,000</u>	<u>21,417,000</u>

Deferred tax assets of RM5,211,000 (2024: RM5,140,000) 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, RM301,000 and RM290,000 expire in YA2028, YA2029, YA2030, YA2031, YA2032, YA2033, YA2034 and YA2035 respectively under the current tax legislation of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

15. Loans and borrowings - Group

	Note	2025 RM	2024 RM
Non-current			
Term loan (Islamic) – secured		18,962,800	5,282,000
Conventional term loan - secured		37,990,000	28,745,000
Hire purchase facility - secured	15.4	3,630,328	3,959,503
		<u>60,583,128</u>	<u>37,986,503</u>
Current			
Term loan (Islamic) – secured		2,010,000	-
Conventional term loan - secured		2,010,000	-
Hire purchase facility - secured	15.4	3,965,744	2,673,056
		<u>7,985,744</u>	<u>2,673,056</u>
Total		<u>68,568,872</u>	<u>40,659,559</u>

One of the subsidiaries has been granted banking facilities comprising one Islamic term loan facility of RM40 million (2024: RM40 million), one (2024: one) Islamic revolving credit facility of RM30 million (2024: RM30 million) and one conventional term loan of RM40 million (2024: 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.

15.1 Security

The Islamic term loan, Conventional term loan and Islamic revolving credit are secured by way of legal charges over certain buildings, bearer plant and land of a subsidiary (see Notes 2.3, 3.1 and 4.5) and a corporate guarantee from the Company.

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

15.2 Interest and profit rates

The Islamic term loan of RM20,972,800 (2024: RM5,282,000) bears profit rate of 12% (2024: 12%) per annum, which is equivalent to effective profit rate of 0.75% (2024: 0.75%) per annum above the licensed bank's i-cost of funds.

The Conventional term loan of RM40,000,000 (2024: RM28,745,000) bears interest rate at 0.75% (2024: 0.75%) per annum above the licensed bank's cost of funds.

Hire purchase facilities carry interest rates fixed at 4.75% to 4.85% (2024: 4.75% to 4.85%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

15. Loans and borrowings - Group (continued)

15.3 Loan covenant

The Group shall maintain a gearing ratio measured by Group's borrowings over Group's shareholders' funds of not more than 0.5 time (2024: 0.5 time).

15.4 Hire purchase facilities are payable as follows:

	Payments RM	Interest RM	Principal RM
2025			
Less than one year	4,239,189	273,445	3,965,744
Between one and five years	3,735,855	105,527	3,630,328
	<u>7,975,044</u>	<u>378,972</u>	<u>7,596,072</u>
	=====	=====	=====
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>
	=====	=====	=====

16. Trade and other payables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current					
Trade					
Trade payables	16.1	25,678,929	28,515,280	-	-
		-----	-----	-----	-----
Non-trade					
Amount due to a subsidiary	16.2	-	-	55,000	248,544
Accrued expenses		13,780,371	16,226,093	120,349	114,283
Other payables	16.1	22,808,280	20,976,887	8,985,131	8,971,790
		<u>36,588,651</u>	<u>37,202,980</u>	<u>9,160,480</u>	<u>9,334,617</u>
		-----	-----	-----	-----
Total		<u>62,267,580</u>	<u>65,718,260</u>	<u>9,160,480</u>	<u>9,334,617</u>
		=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

16. Trade and other payables (continued)

16.1 Trade payables and other payables

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

- (a) an amount of RM2,146,455 (2024: RM815,699) 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 RM1,758,176 (2024: RM1,334,419) being retention sums mainly for the replanting works, construction of buildings, infrastructures and plant and machinery;
- (c) an amount of RM8,956,130 (2024: 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 RM961,225 (2024: RM1,078,882) being amount payable for acquisition of property, plant and equipment.

16.2 Amount due to 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.

17. Revenue

	<u>Group</u>		<u>Company</u>	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers	571,186,508	551,022,347	-	-
Other revenue				
Rental income (Note 6.1)	411,171	418,204	-	-
Dividend income from subsidiaries	-	-	64,100,000	53,480,000
	<u>571,597,679</u>	<u>551,440,551</u>	<u>64,100,000</u>	<u>53,480,000</u>
	=====	=====	=====	=====

The primary geographical market of the Company is in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

17. Revenue (continued)

17.1 Disaggregation of revenue

	Oil palm operation		Training/ Agronomic services		Total	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Major products and service lines						
Sales of oil palm products	570,417,800	550,464,831	-	-	570,417,800	550,464,831
Training/Agronomic services income	-	-	768,708	557,516	768,708	557,516
	<u>570,417,800</u>	<u>550,464,831</u>	<u>768,708</u>	<u>557,516</u>	<u>571,186,508</u>	<u>551,022,347</u>
Geographical markets						
Malaysia	570,417,800	550,464,831	768,708	557,516	571,186,508	551,022,347
	<u>570,417,800</u>	<u>550,464,831</u>	<u>768,708</u>	<u>557,516</u>	<u>571,186,508</u>	<u>551,022,347</u>
Timing and recognition						
At a point in time	570,417,800	550,464,831	768,708	557,516	571,186,508	551,022,347
	<u>570,417,800</u>	<u>550,464,831</u>	<u>768,708</u>	<u>557,516</u>	<u>571,186,508</u>	<u>551,022,347</u>

NOTES TO THE FINANCIAL STATEMENTS

17. Revenue (continued)

17.2 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
Training income	Revenue is recognised overtime.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Agronomic service income	Revenue is recognised when the service is delivered.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

18. Results from operating activities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Results from operating activities are arrived at after charging/(crediting):				
Auditors' remuneration:				
- Audit fees:				
- KPMG PLT	256,500	248,500	74,000	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	98,410	91,200	17,250	16,750
Material expenses/(income)				
Depreciation of property, plant and equipment (Note 2.1)	17,137,350	18,034,575	161	294
Depreciation of bearer plants (Note 3)	22,811,967	21,731,560	-	-
Depreciation of right-of-use assets (Note 4.1)	2,009,656	2,026,816	-	-
Depreciation of investment properties (Note 6)	232,744	232,744	-	-
Personnel expenses (including key management personnel):				
- Contributions to the Employees Provident Fund	4,252,283	3,892,824	-	54,320
- Wages, salaries and others	80,912,413	73,550,381	687,979	1,295,148
Property, plant and equipment written off	281,666	654,321	-	-
Gain on disposal of property, plant and equipment	(119,751)	-	-	-
	=====	=====	=====	=====
Other expenses arising from leases				
Expenses relating to short-term leases	57,600	57,600	-	-
Expenses relating to leases of low-value assets	109,330	125,565	380	360
	=====	=====	=====	=====
Net loss/(gain) on impairment of financial instruments				
Financial assets at amortised cost	170	112,770	-	(4,522,331)

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

NOTES TO THE FINANCIAL STATEMENTS

19. Other non-operating income - Group

	2025 RM	2024 RM
Changes in fair value of biological assets (Note 7)	15,259,145	18,155,514
	=====	=====

20. Finance income

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest/profit income of financial assets that are not at fair value through profit or loss:				
- deposits with banks/financial institutions	7,272,231	6,386,287	3,656,827	3,951,052
	=====	=====	=====	=====

21. Finance costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense/profit payments of financial liabilities that are not at fair value through profit or loss:				
- loans and borrowings	2,732,434	1,351,807	-	-
	=====	=====	=====	=====
Amount charged to profit or loss	587,167	368,423	-	-
Amount capitalised in bearer plants (Note 3.1)	2,145,267	983,384	-	-
	2,732,434	1,351,807	-	-
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

22. Taxation

Recognised in profit or loss

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax expense				
Malaysian - current year	23,538,231	20,436,000	855,000	933,000
- prior year	(542,394)	(499,609)	(11,210)	(661)
	<u>22,995,837</u>	<u>19,936,391</u>	<u>843,790</u>	<u>932,339</u>
Deferred tax (Note 14)				
Origination and reversal of temporary differences	12,382,905	11,576,000	-	-
Prior year	(4,405)	(21,000)	-	-
	<u>12,378,500</u>	<u>11,555,000</u>	<u>-</u>	<u>-</u>
Total taxation	<u>35,374,337</u>	<u>31,491,391</u>	<u>843,790</u>	<u>932,339</u>

Reconciliation of taxation

Profit for the financial year	106,791,436	92,875,317	64,828,116	59,011,531
Total taxation	<u>35,374,337</u>	<u>31,491,391</u>	<u>843,790</u>	<u>932,339</u>
Profit excluding tax	<u>142,165,773</u>	<u>124,366,708</u>	<u>65,671,906</u>	<u>59,943,870</u>
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	34,119,786	29,848,010	15,761,257	14,386,529
Non-deductible expenses	1,759,443	3,097,990	477,743	494,095
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	70,647	104,000	-	-
Non-taxable income	(28,740)	-	(15,384,000)	(13,947,624)
	<u>35,921,136</u>	<u>32,012,000</u>	<u>855,000</u>	<u>933,000</u>
(Over)/Under provision in prior year	(546,799)	(520,609)	(11,210)	(661)
Total taxation	<u>35,374,337</u>	<u>31,491,391</u>	<u>843,790</u>	<u>932,339</u>

NOTES TO THE FINANCIAL STATEMENTS

23. Compensations to key management personnel

Compensations to key management personnel are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company and subsidiaries				
- Fees	677,094	664,275	566,094	553,275
- Short-term employee benefits (including estimated benefits-in-kind)	913,585	1,543,446	114,585	158,014
- Post employment benefits	-	38,740	-	1,101
	<u>1,590,679</u>	<u>2,246,461</u>	<u>680,679</u>	<u>712,390</u>
Other key management personnel:				
- Fees	55,000	55,000	-	-
- Short-term employee benefits (including estimated benefits-in-kind)	2,188,865	2,024,505	7,300	310,941
- Post employment benefits	260,743	241,272	-	36,536
	<u>2,504,608</u>	<u>2,320,777</u>	<u>7,300</u>	<u>347,477</u>
	<u>4,095,287</u>	<u>4,567,238</u>	<u>687,979</u>	<u>1,059,867</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

24. 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 2025 and 31 December 2024 was based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	2025 RM	2024 RM
Earnings attributable to ordinary shareholders	105,803,095 =====	92,034,477 =====
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 23 May 2025. 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 2025 and 31 December 2024. The number of treasury shares held was 967,800 ordinary shares as at 31 December 2025 and 31 December 2024.

Basic and diluted earnings per ordinary share

	2025 Sen	2024 Sen
Basic and diluted earnings per ordinary share	37.92 =====	32.98 =====

25. Dividends

Dividends recognised by the Company was:

	Sen per share (tax exempt)	Total RM	Date of payment
2025			
First interim 2025 ordinary	5	13,951,610	10 July 2025
Second interim 2025 ordinary	15	41,854,830	26 December 2025
		55,806,440 =====	

NOTES TO THE FINANCIAL STATEMENTS

25. Dividends (continued)

	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
		<u>55,806,440</u>	
		=====	

After the end of the reporting period, in respect of the financial year ended 31 December 2025, a third interim single-tier exempt dividend of 5 sen per ordinary share totalling RM13,951,610 was declared on 25 February 2026 and will be paid on 9 April 2026. This dividend will be accounted for in the financial statements for the financial year ending 31 December 2026.

26. Financial instruments

26.1 Categories of financial instruments

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

	Note	Carrying amount RM	AC RM
2025			
Financial assets			
Group			
Trade and other receivables	9	25,763,397	25,763,397
Deposits	10	2,183,472	2,183,472
Other investments	11	116,502,521	116,502,521
Cash and cash equivalents	12	110,667,163	110,667,163
		<u>255,116,553</u>	<u>255,116,553</u>
		=====	=====
Company			
Trade and other receivables	9	560,353	560,353
Other investment	11	64,041,729	64,041,729
Cash and cash equivalents	12	46,545,837	46,545,837
		<u>111,147,919</u>	<u>111,147,919</u>
		=====	=====
Financial liabilities			
Group			
Loans and borrowings	15	(68,568,872)	(68,568,872)
Trade and other payables	16	(62,267,580)	(62,267,580)
		<u>(130,836,452)</u>	<u>(130,836,452)</u>
		=====	=====
Company			
Trade and other payables	16	(9,160,480)	(9,160,480)
		<u>(9,160,480)</u>	<u>(9,160,480)</u>
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.1 Categories of financial instruments (continued)

	Note	Carrying amount RM	AC RM
2024			
Financial assets			
Group			
Trade and other receivables	9	20,314,234	20,314,234
Deposits	10	2,373,023	2,373,023
Other investments	11	84,507,712	84,507,712
Cash and cash equivalents	12	104,732,016	104,732,016
		<u>211,926,985</u>	<u>211,926,985</u>
		=====	=====
Company			
Trade and other receivables	9	619,841	619,841
Other investment	11	47,133,854	47,133,854
Cash and cash equivalents	12	54,666,260	54,666,260
		<u>102,419,955</u>	<u>102,419,955</u>
		=====	=====
Financial liabilities			
Group			
Loans and borrowings	15	(40,659,559)	(40,659,559)
Trade and other payables	16	(65,718,260)	(65,718,260)
		<u>(106,377,819)</u>	<u>(106,377,819)</u>
		=====	=====
Company			
Trade and other payables	16	(9,334,617)	(9,334,617)
		<u>(9,334,617)</u>	<u>(9,334,617)</u>
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net gains/(losses) on:				
Financial assets				
at amortised cost				
- impairment loss on trade and other receivables	(170)	(112,770)	-	(112,770)
- reversal of impairment loss on trade and other receivables	-	-	-	4,635,101
- interest income from term deposits	7,272,231	6,386,287	3,656,827	3,951,052
	7,272,061	6,273,517	3,656,827	8,473,383
Financial liabilities				
at amortised cost				
- profit payments on term loan	(15,290)	-	-	-
- interest expense on lease liabilities	(186,378)	(189,662)	-	-
- profit payments on revolving credit	(8,767)	-	-	-
- interest expense on hire purchase	(376,732)	(178,761)	-	-
	(587,167)	(368,423)	-	-
	6,684,894	5,905,094	3,656,827	8,473,383

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 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 its receivables from customers, 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 (2024: two) major customers, who are mainly involved in palm oil refinery as disclosed in Note 30, representing 80% (2024: 74%) 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

26. Financial instruments (continued)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

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
2025			
Group			
Current (not past due)	20,124,962	-	20,124,962
1 - 30 days past due	170,750	-	170,750
31 - 60 days past due	1,738	-	1,738
	<u>20,297,450</u>	<u>-</u>	<u>20,297,450</u>
Credit impaired			
Individually impaired	<u>170</u>	<u>(170)</u>	<u>-</u>
	<u>20,297,620</u>	<u>(170)</u>	<u>20,297,450</u>
	=====	=====	=====
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>
	=====	=====	=====

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Total RM
Group	
Balance at 1 January 2024, 31 December 2024/1 January 2025	-
Net remeasurement of loss allowance	170
	<u>170</u>
Balance at 31 December 2025	170
	=====
Company	
Balance at 1 January 2024, 31 December 2024/1 January 2025	-
Net remeasurement of loss allowance	-
	<u>-</u>
Balance at 31 December 2025	-
	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

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 9 and 10).

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

Group	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2025			
Low credit risk	7,649,419	-	7,649,419
Credit impaired	2,026,818	(2,026,818)	-
	<u>9,676,237</u>	<u>(2,026,818)</u>	<u>7,649,419</u>
	=====	=====	=====
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>
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.4 Credit risk (continued)

Other receivables and deposits (continued)

<u>Company</u>	Gross carrying amount RM	Impairment loss allowances RM	Net balance RM
2025			
Low credit risk	560,353	-	560,353
Credit impaired	112,770	(112,770)	-
	673,123	(112,770)	560,353
	=====	=====	=====
2024			
Low credit risk	619,841	-	619,841
Credit impaired	112,770	(112,770)	-
	732,611	(112,770)	619,841
	=====	=====	=====

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

	Total RM
Group	
Balance at 1 January 2024	1,914,048
Net remeasurement of loss allowance	112,770
Balance at 31 December 2024/1 January 2025	2,026,818
Net remeasurement of loss allowance	-
Balance at 31 December 2025	2,026,818
Company	
Balance at 1 January 2024	-
Net remeasurement of loss allowance	112,770
Balance at 31 December 2024/1 January 2025	112,770
Net remeasurement of loss allowance	-
Balance at 31 December 2025	112,770

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.

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.4 Credit risk (continued)

Inter-company loans and advances (continued)

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 enhancements.

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
2025			
Credit impaired	1,033,052	(1,033,052)	-
	=====	=====	=====
2024			
Credit impaired	1,033,052	(1,033,052)	-
	=====	=====	=====

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 2024	5,668,153
Net remeasurement of loss allowance	(4,635,101)
Balance at 31 December 2024/1 January 2025	1,033,052
Net remeasurement of loss allowance	-
Balance at 31 December 2025	1,033,052
	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.4 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 RM60,972,800 (2024: RM34,027,000) 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.

26.5 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

26. Financial instruments (continued)

26.5 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
2025							
Group							
<i>Non-derivative financial liabilities</i>							
Islamic term loan - secured	20,972,800	4.50-4.81	21,950,132	2,103,666	8,414,664	11,431,802	-
Conventional term loan - secured	40,000,000	4.50-4.82	41,864,000	2,103,666	8,414,664	31,345,670	-
Hire purchase facility - secured	7,596,072	4.75-4.85	7,974,536	4,239,189	3,109,466	625,881	-
Lease liabilities	2,346,095	6.70-7.95	4,802,140	231,917	231,917	695,751	3,642,555
Trade and other payables	62,267,580		62,267,580	62,267,580	-	-	-
	133,182,547		138,858,388	70,946,018	20,170,711	44,099,104	3,642,555
	=====		=====	=====	=====	=====	=====
Company							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	9,160,480	-	9,160,480	9,160,480	-	-	-
Financial guarantees	-	-	60,972,800	4,020,000	16,080,000	40,872,800	-
	9,160,480		70,133,280	13,180,480	16,080,000	40,872,800	-
	=====		=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	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							
<i>Non-derivative financial liabilities</i>							
Islamic term loan - secured	5,282,000	4.79-4.81	5,535,536	-	-	5,535,536	-
Conventional term loan							
- secured	28,745,000	4.79-4.93	30,142,007	-	-	30,142,007	-
Hire purchase facility - secured	6,632,559	4.75-4.85	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	-	-	-
	<u>108,769,452</u>		<u>113,479,317</u>	<u>68,881,656</u>	<u>2,858,360</u>	<u>37,864,829</u>	<u>3,874,472</u>
	=====		=====	=====	=====	=====	=====
Company							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	9,334,617	-	9,334,617	9,334,617	-	-	-
Financial guarantees	-	-	34,027,000	-	4,020,000	30,007,000	-
	<u>9,334,617</u>		<u>43,361,617</u>	<u>9,334,617</u>	<u>4,020,000</u>	<u>30,007,000</u>	<u>-</u>
	=====		=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.6 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.

26.6.1 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.

26.6.2 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

26. Financial instruments (continued)

26.6 Market risk (continued)

26.6.2 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Deposits with banks/ financial institutions	221,964,032	182,956,540	109,635,439	100,158,900
Hire purchase facility - secured	(7,596,072)	(6,632,559)	-	-
Lease liabilities	(2,346,095)	(2,391,633)	-	-
	212,021,865	173,932,348	109,635,439	100,158,900
	=====	=====	=====	=====
Floating rate instruments				
Islamic term loan –secured	(20,972,800)	(5,282,000)	-	-
Conventional term loan –secured	(40,000,000)	(28,745,000)	-	-
	(60,972,800)	(34,027,000)	-	-
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.6 Market risk (continued)

26.6.2 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% (2024: 12%) per annum, which is equivalent to effective profit rate of 0.75% (2024: 0.75%) per annum above the Bank's i-cost of funds.

The Conventional term loan facility bears interest rate at 0.75% (2024: 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 11 and 12) bear interest/profit rate ranging from 2.60% to 3.77% (2024: 2.60% to 4.00%) per annum.

Hire purchase facilities under loans and borrowings bear interest ranging from 2025: 4.75% to 4.85% (2024: 4.75% to 4.85%) 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.

	2025		2024	
	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	(463,000)	463,000	(259,000)	259,000
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments (continued)

26.7 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 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
2025			
Financial liabilities			
Islamic term loan - secured	(18,079,134)	(18,079,134)	(18,962,800)
Conventional term loan - secured	(36,219,666)	(36,219,666)	(37,990,000)
Hire purchase facility - secured	(3,456,072)	(3,456,072)	(3,630,328)
	<u>(57,754,872)</u>	<u>(57,754,872)</u>	<u>(60,583,128)</u>
	=====	=====	=====
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>
	=====	=====	=====

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

26. Financial instruments (continued)

26.7 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 (2024: 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 of 4.75% to 4.85% (2024: 4.75% to 4.85%)	The estimated fair value would increase (decrease) if the interest rate were lower (higher).
Islamic term loan	Discounted cash flows	Profit rate of 4.50% to 4.81% (2024: 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 4.50% to 4.82% (2024: 4.79% to 4.93%)	The estimated fair value would increase (decrease) if the interest rate were lower (higher).

27. 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 (2024: 0.5 time) to comply with a bank covenant, failing which the bank may call an event of default (see Note 15). The Group has not breached this covenant as evident from the following tabulation:

	2025 RM	2024 RM
Total loans and borrowings (Note 15)	68,568,872	40,659,559
Total equity	833,740,324	783,655,328
Debt-to-equity ratio	0.08	0.05

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

NOTES TO THE FINANCIAL STATEMENTS

28. Capital expenditure commitments

	Group	
	2025 RM	2024 RM
<i>Contracted for but not provided for</i>		
Property, plant and equipment	3,258,645	2,148,112
	=====	=====

29. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

29. Related parties (continued)

Significant related party transactions

Significant related party transactions of the Group and of the Company, other than compensations to key management personnel (see Note 23) and those disclosed elsewhere in the financial statements, are shown below.

Subsidiaries

	<u>Company</u>	
	2025 RM	2024 RM
Dividend income	(64,100,000)	(53,480,000)
Administrative fee	660,000	37,177
	=====	=====

Companies in which a Director has interest

	<u>Group</u>		<u>Company</u>	
	2025 RM	2024 RM	2025 RM	2024 RM
Rental and annual support for satellite and broadband services	117,503	149,605	-	-
Insurance premium	932,912	921,600	20,459	20,154
	=====	=====	=====	=====

A substantial corporate shareholder

	<u>Group</u>	
	2025 RM	2024 RM
Rental of office	57,600	57,600
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

29. Related parties (continued)

Significant related party transactions (continued)

Companies related to a substantial corporate shareholder

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Sale of oil palm fresh fruit bunches	(47,885,292)	(44,800,380)	-	-
Sales of palm kernel shell	(609,118)	(2,293,424)	-	-
Sale of oil palm seeds	(919,160)	(476,400)	-	-
Sale of oil palm seedling	-	(600,000)	-	-
Sales of equipment	-	(50,000)	-	-
Agronomics service fee	(126,632)	(120,248)	-	-
Purchase of material and store item	163,005	260,842	-	-
Purchase of assets	498,750	937,020	-	-
Purchase of food products	314,344	55,799	4,698	-
Field maintenance work and rental of machineries	88,631	61,955	-	-
Services of equipment	24,020	163,087	-	-
Manpower service	73,400	-	-	-
Transport services	41,680	80,247	-	-
Transport subsidy	-	181,629	-	-
	=====	=====	=====	=====

Companies in which certain Directors have interest

	Group	
	2025 RM	2024 RM
Sales of oil palm seeds	-	(210,600)
Agronomic service fee income	(45,374)	(59,960)
Sales of oil palm fresh fruit bunches	(3,514,329)	-
Purchase of materials	2,309,496	1,496,495
	=====	=====

A Director

	Group	
	2025 RM	2024 RM
Sales of general item	(3,600)	-
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

29. Related parties (continued)

Significant related party transactions (continued)

Companies in which persons connected to certain Directors have interest

	Group	
	2025 RM	2024 RM
Software support, customisation, maintenance and implementation costs	378,054	341,347
Purchase of assets	79,100	4,100
Purchase of spare parts and consumables	4,956,982	4,811,332
Services of equipment	2,470	15,620
Transport services	213,264	250,278
	=====	=====

The balances related to the above transactions are shown in Notes 9 and 16. 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 9.

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.

30. 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).
Agronomic/ marketing services and rental	- Provision of agronomic/ marketing 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

30. Segment reporting (continued)

	Investment holding RM	Oil palm operations RM	Agronomic/ marketing services and rental RM	Consolidated RM
2025				
Revenue				
Segment revenue	64,100,000	578,212,275	2,437,239	644,749,514
Inter-segment revenue	(64,100,000)	(7,794,475)	(1,257,360)	(73,151,835)
External revenue	-	570,417,800	1,179,879	571,597,679
Cost of sales				
Segment cost of sales	-	(406,137,498)	(2,232,877)	(408,370,375)
Inter-segment cost of sales	-	8,717,737	142,064	8,859,801
External cost of sales	-	(397,419,761)	(2,090,813)	(399,510,574)
Gross profit/(loss)	-	172,998,039	(910,934)	172,087,105
Distribution cost	-	(32,996,634)	-	(32,996,634)
Segment profit/(loss)	-	140,001,405	(910,934)	139,090,471
Other income including finance income	3,656,827	8,427,590	231,065	12,315,482
Inter-segment	-	(1,966,365)	-	(1,966,365)
External other income	3,656,827	6,461,225	231,065	10,349,117
Other expenses including finance costs	(2,084,921)	(22,068,177)	(111,493)	(24,264,591)
Inter-segment	660,000	1,071,631	-	1,731,631
External other expenses	(1,424,921)	(20,996,546)	(111,493)	(22,532,960)
Changes in fair value of biological assets	-	15,259,145	-	15,259,145
Profit/(Loss)before tax	2,231,906	140,725,229	(791,362)	142,165,773
Included in the measure of segment gross profit is: Depreciation of property, plant and equipment, right-of-use assets and investment properties	-	17,489,936	789,430	18,279,366

NOTES TO THE FINANCIAL STATEMENTS

30. Segment reporting (continued)

	Investment holding RM	Oil palm operations RM	Agronomic/ marketing services and 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

30. Segment reporting (continued)

	2025 RM	2024 RM
Segment assets		
Investment holding	454,971,327	446,243,525
Oil palm operations	970,406,753	892,124,555
Management services/Rental	22,778,463	22,820,803
	<u>1,448,156,543</u>	<u>1,361,188,883</u>
Elimination	(331,310,485)	(330,999,371)
Total assets	<u>1,116,846,058</u>	<u>1,030,189,512</u>

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

	2025 RM	2024 RM
Profit or loss		
Total segment profit for reportable segments	139,090,471	116,581,666
Depreciation of tangible assets	(1,100,383)	(1,150,380)
Finance costs	(587,167)	(368,423)
Finance income	7,272,231	6,386,287
Corporate expenses	(1,424,760)	(2,084,812)
Net of other expenses	(16,343,764)	(13,153,144)
Changes in fair value of biological assets	15,259,145	18,155,514
Consolidated profit before tax	<u>142,165,773</u>	<u>124,366,708</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:

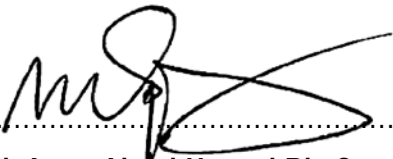
	Revenue		Segment
	2025 RM	2024 RM	
Customer A	450,987,075	439,216,633	Cultivation of oil palm and processing of fresh fruit bunches
Customer B	56,327,334	55,610,429	Cultivation of oil palm and processing of fresh fruit bunches
	<u>507,314,409</u>	<u>494,827,062</u>	

The major customers listed above collectively owe RM16,158,146 (2024: RM11,203,917) to the Group, equivalent to 80% (2024: 74%) of the total trade receivables.

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 109 to 179 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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



Datuk Amar Abdul Hamed Bin Sepawi

Director



Dato Wong Kuo Hea

Director

Kuching,

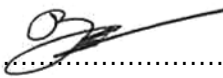
Date: 31 March 2026

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 109 to 179 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 31 March 2026.



.....

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 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 109 to 179.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)

(INCORPORATED IN MALAYSIA)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

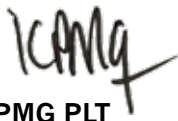
In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

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

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



Nicholas Chia Wei Chit
Approval Number: 03102/03/2028 J
Chartered Accountant

Kuching,

Date: 31 March 2026

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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	26	0.856	772	0.000
100 - 1000	804	26.456	555,010	0.198
1,001 - 10,000	1,634	53.768	7,295,550	2.615
10,001 - 100,000	468	15.399	15,443,931	5.535
100,001 - 13,951,609*	105	3.455	104,467,212	37.440
13,951,610 and above**	2	0.066	151,269,725	54.212
Total	3,039	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	9,528,438	3.414
7. Dayak Cultural Foundation	5,039,400	1.806
8. Lembaga Amanah Kebajikan Masjid Negeri Sarawak	5,000,000	1.791
9. Palmhead Holdings Sdn. Bhd.	4,733,300	1.696
10. Neoh Choo Ee & Company, Sdn. Berhad	2,335,000	0.836
11. Teoh Peng Lee	2,314,600	0.829
12. Baghlaf Alzafer Group Ltd	2,291,900	0.821
13. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hasmi Bin Hasnan	2,246,000	0.804

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Top Thirty Shareholders (continued)

Names	Holdings	
	Number	%
14. MAYBANK Nominees (Tempatan) Sdn Bhd Wong Tung Ann	2,176,000	0.779
15. MAYBANK Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kian Aik	2,128,100	0.762
16. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad For Amanah Khairat Yayasan Budaya Melayu Sarawak	2,076,501	0.744
17. Cheng Ah Teck @ Cheng Yik Lai	2,000,000	0.716
18. Ta Ann Holdings Berhad	2,000,000	0.716
19. Tan Aik Choon	1,955,200	0.700
20. Lambaian Kukuh Sdn Bhd	1,481,600	0.530
21. Wong Kuo Hea	1,298,600	0.465
22. ALLIANCEGROUP Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Law Kiu Kiong (6000710)	1,248,000	0.447
23. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Sun Nee	1,150,000	0.412
24. Lye Kok Loong	915,800	0.328
25. HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Qwee Beng	795,000	0.284
26. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Law Kiu Kiong	773,100	0.277
27. Ladang Sinarmas Sdn Bhd	707,200	0.253
28. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Chen Yik (Penang-CL)	667,000	0.239
29. Ting Lina @ Ding Lina	643,900	0.230
30. MAYBANK Nominees (Tempatan) Sdn Bhd MTrustee Berhad For Tabung Baitulmal Sarawak (Majlis Islam Sarawak)(FM-Assar-TBS)(419511)	606,700	0.217

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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	29.405	-	-
2. State Financial Secretary Sarawak	ORD211948	Malaysian	Malaysia	71,218,101	25.523	-	-
3. Datuk Amar Abdul Hamed bin Sepawi	490531-13-5129	Malaysian	Malaysian	200,000	0.072	82,052,624	29.406
4. Dato Wong Kuo Hea	511117-13-5553	Malaysian	Malaysian	1,791,400	0.642	87,678,724	31.422
5. Mountex Sdn Bhd	490017-P	Malaysian	Malaysia	-	-	82,051,624	29.405

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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	1,791,400	0.642	87,678,724	31.422
3. Datu Hasmawati binti Sapawi	Non Executive Non Independent Director	Malaysian	-	-	-	-
4. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	Independent Director	Malaysian	-	-	-	-
5. Dato Chia Chu Fatt	Independent Director	Malaysian	-	-	-	-
6. 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 RM256,500 and RM74,000 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 2025 amounted to RM109,410 and RM28,250 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	117,503
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.	System software support, customisation and maintenance fees and purchase of IT equipment	378,054

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	29,738,867
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	2,298,145
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 other supplies in relation to estate field activities	88,631
		Sale of seeds	513,000
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	395,260
		Service of equipment for estate field activities	23,043

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	163,005
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 also a substantial shareholder of SPB	Sale of palm kernel shell	609,118
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 also a substantial shareholder of SPB	Sale of FFB	18,066,267
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 whos holds 85% equity interest in Multi Maximum Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB.	Sale of Seeds	406,160

OTHER COMPLIANCE INFORMATION

Recurrent Related Party Transactions (“RRPT”) (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
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	1,420,742
		Provision of transport and handling services in relation to estate field activities	215,734
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	3,536,240
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	890,980
Ta Ann Agro Products Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and sharehoders of Ta Ann Holdings Berhad, a company who holds 100% interest in Ta Ann Agro Products Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB.	Purchase of food products	158,371
Eagle Forest 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 Bhd., a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 60% interest in Eagle Forest Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB.	Purchase of parts and servicing of equipment for estate field activities	977

OTHER COMPLIANCE INFORMATION

Disclosure Of Financial Data For Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remark	Group	
		2025 RM	2024 RM
Revenue		571,597,679	551,440,551
Finance income		7,272,231	6,386,287
Other income		3,076,886	3,687,464
Other income	changes in fair value of biological assets	15,259,145	18,155,514
Total		597,205,941	579,669,816
Total Assets		1,116,846,058	1,030,189,512

(b) Business Activities

Shariah Non- Compliant Activities	Remark	Group	
		2025 RM	2024 RM
Rental income received from tenant involved in Shariah non-compliant activities	muslim friendly cafe	19,200	19,200
Interest income		2,375,538	2,031,436
Total		2,394,738	2,050,636

(c) Component of Financial Position

(i) Cash Component

Islamic Accounts/ Instruments	Remark	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		3,135,805	4,439,281
Deposits with licensed bank		204,061,047	165,666,943
Cash in hand		122,803	159,440
Total		207,319,655	170,265,664
Conventional Accounts/ Instruments			
Cash at bank (exclude cash in hand)		1,947,044	1,684,467
Deposits with licensed bank		17,902,985	17,289,597
Total		19,850,029	18,974,064

OTHER COMPLIANCE INFORMATION

Disclosure Of Financial Data For Shariah Screening (continued)

(c) Component of Financial Position (continued)

(ii) Debt Component

Islamic Financing	Remark	Group	
		2025 RM	2024 RM
Current			
Term loan		2,010,000	-
Other Islamic financing facility	Lease liabilities	49,081	45,538
Non-Current			
Term loan		18,962,800	5,282,000
Other Islamic financing facility	Lease liabilities	2,297,014	2,346,095
Total		23,318,895	7,673,633

Conventional Borrowing	Remark	Group	
		2025 RM	2024 RM
Current			
Term loan		2,010,000	-
Hire purchase payables		3,965,744	2,673,056
Non-Current			
Term loan		37,990,000	28,745,000
Hire purchase payables		3,630,328	3,959,503
Total		47,596,072	35,377,559

TOP 10 PROPERTIES

Registered Owner/Lessee	Estate/Address	Title/Location	Description	Approximate Age of Building (years)
SPAD	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	2 - 29
	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	1 - 29
		Part of Lot 40, Blk 11, Niah LD	Land and Building	4 - 29
	Bakau 6KM off KM24 Selangau-Matadeng Road	Lot 12, Blk 13, Bawan LD	Land and Building	1 - 13
	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	3 - 10
	Peninjau 8KM off KM53 Miri - Bintulu Road	Lot 397, 453, 483, 486, 489 and 491 Blk 2 Bukit Kisi LD	Land and Building	1 - 29
	Mukah 1 KM12, Selangau- Matadeng Road	Lot 23, 25, 64 & Part of 61 Blk 8, Sikat LD	Land and Building	1 - 29
		Part of Lot 61, Blk 8, Sikat LD	Land and Building	4 - 29
	Matadeng 5KM off KM35 Selangau-Matadeng Road	Lot 5, Blk 15, Mukah LD Lot 31, Blk 61, Mukah LD	Land and Building	3 - 12
	Bukut 18KM off KM20, Selangau-Matadeng Road	Lot 8 Blk 13 Bawan LD Lot 1 Blk 4 Buloh LD	Land and Building	4 - 12
	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	8 - 21
Telliana Oil Palm Sdn. Bhd.	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 2025

Year of Acquisition	Tenure/Expiry of Lease	Existing use	Land Area (Ha)	Land and building (RM)	Bearer Plants & Infrastructure works (RM)	Total (RM)
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm & nursery activities/residential/office/store	7,153	3,406,819	88,742,558	92,149,377
1997	60 years/ 06.05.2043/ 16.07.2055/ 29.11.2057	Oil palm & nursery activities/residential/office/store	4,913	5,331,514	67,886,837	73,218,351
	60 years/ 06.05.2043	Mill/residential office/store	19	6,657,874	1,441,793	8,099,667
2009	60 years/ 06.03.2067	Oil palm activities/residential/office/store	3,993	13,993,091	62,688,608	76,681,699
2016	60 years/ 23.09.2068/ 07.12.2070	Oil palm activities/residential/office/store	1,908	29,699,697	41,536,984	71,236,681
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm activities/residential/office/store/laboratory	3,959	4,024,755	65,496,037	69,520,792
1997	60 years/ 11.06.2049	Oil palm & nursery activities/residential/office/store	3,876	6,876,123	44,374,541	51,250,664
	60 years/ 11.06.2049	Mill/residential/office/store	23	3,882,703	149,254	4,031,957
2009	60 years/ 06.03.2067	Oil palm activities/residential/office/store	1,856	9,081,721	34,094,811	43,176,532
2009	60 years/ 10.12.2066/ 06.03.2067	Oil palm activities/residential/office/store	1,566	4,945,413	28,743,010	33,688,423
1997	60 years/ 07.05.2063/ 13.04.2076 30.12.2083	Oil palm activities/residential/office/store	2,193	3,715,280	26,530,017	30,245,297
2016	60 years/ 28.09.2075	Vacant	1,553	25,131,023	4,501,695	29,632,718

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 29th 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, 22 May 2026 at 9.30am to transact the following businesses:

AGENDA:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2025 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 RM 656,250 in respect of the financial year ending 31 December 2026 **Resolution 1**
3. To approve payment of Directors’ Benefits up to an amount of RM 203,310 from 22 May 2026 up to the date of the next AGM **Resolution 2**
4. 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:
Brigadier General Dato’ Muhammad Daniel Bin Abdullah (Retired) **Resolution 3**
Dato Chia Chu Fatt **Resolution 4**
5. To reappoint Messrs. KPMG PLT as auditors for the Company and authorise the Directors to fix their remuneration **Resolution 5**

SPECIAL BUSINESSES

To consider and if thought fit to pass the following as Ordinary Resolutions:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 6**

“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.

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.

NOTICE OF ANNUAL GENERAL MEETING

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE Resolution 7

"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 2026 ("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."

8. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES Resolution 8

"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 Securities 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

8. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES Resolution 8 (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.”

9. 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 2026

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 registered office of the Company at 8th Floor Wisma Naim 2 1/2 Mile Rock Road 93250 Kuching Sarawak 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 2026 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 and 4

The profile of the Directors seeking re-election can be found in the Board of Directors' section of the Annual Report 2025.

Brigadier General Dato' Muhammad Daniel Bin Abdullah (Retired) and Dato Chia Chu Fatt are our Independent Non Executive Directors. Both of them do not have interests in other companies which engage in a business similar to the Group's.

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 Brigadier General Dato' Muhammad Daniel Bin Abdullah (Retired) and Dato Chia Chu Fatt be re-appointed as Independent Non Executive Directors and for the same to be put before the shareholders for approval.

Both Directors abstained from deliberations at the Board of Directors' Meeting regarding their eligibility to stand for re-election and re-appointment.

3. Resolution 6 - Authority to Allot and Issue 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 28th AGM held on 23 May 2025.

4. Resolution 7 - 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 2026 for further details.

5. Resolution 8 - Proposed Renewal of Authority to Purchase Own Shares

Please refer to Part II of the Circular to Shareholders dated 22 April 2026 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 29th 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, 22 May 2026 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 2026		
Resolution 2	Approval of Directors' Benefits from 22 May 2026 up to the date of the next AGM		
Resolution 3	Re-election of Director: Brigadier General Dato' Muhammad Daniel Bin Abdullah (Retired)		
Resolution 4	Re-election of Director: Dato Chia Chu Fatt		
Resolution 5	Re-appointment of Auditors		
Special Businesses:			
Resolution 6	Authority to Allot and Issue Shares		
Resolution 7	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	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:

- 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.
- 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.
- 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.
- To be valid, the instrument appointing a proxy must be in writing and deposited at the registered office of the Company at 8th Floor Wisma Naim 2 1/2 Mile Rock Road 93250 Kuching Sarawak 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.
- In respect of deposited securities, only Members whose names appear in the Record of Depositors as at 15 May 2026 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 2026

.....
Signature of Shareholder(s) /
Common Seal

Fold line

STAMP

The Company Secretary

SARAWAK PLANTATION BERHAD

8th Floor, Wisma NAIM, 2¹/₂ Mile, Rock Road

93200 Kuching, Sarawak.

Tel: 082-233550 Email: spb@spbgroup.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

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5135
COMPANY NAME : SARAWAK PLANTATION BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sets the vision and the strategies of the Company. It places great emphasis on enhancing shareholders' value and investors' confidence whilst maintaining a high standard of integrity. The Board also sets the framework for which the Company shall operate, in particular, the areas of anti-corruption, conflict of interests, related party transactions, governance, sustainability, internal control, risk management, succession planning, business and investment strategies. The Board puts together its diverse expertise and experience to render direction and guidance to the Company. Its diverse expertise and experience also help to effectively monitor implementation of the visions and strategies which have been set and to bring them to reality.</p> <p>Key areas reserved for the Board's approval include the annual budget, dividend declaration, capital expenditure beyond a certain limit, acquisitions/disposals of properties/materials of substantial value, appointment of consultants for specific assignments and changes to the management and control structure within the Company.</p> <p>The full details of the roles and responsibilities of the Board of Directors are captured in the Board Charter which is published on the Company's website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company is helmed by our Executive Chairman, Datuk Amar Abdul Hamed bin Sepawi, who believes that integrity and commitment are key components of good corporate governance practice.</p> <p>Hand in hand with the Executive Director and the Company Secretary, they ensure that all relevant issues are on the Agenda and are presented to the Board for deliberation. At Board Meetings, the Executive Chairman leads discussions, encourages active participation and allows dissenting opinions to be aired from both the Directors and Management representatives who are invited to attend Board Meetings.</p> <p>The Executive Chairman is also at the forefront of presenting the Company's cause to the Government, the authorities, institutional or potential investors and the person in charge of sustainability matters.</p> <p>He represents the Board to the shareholders and is the spokesperson at the Annual General Meetings of the Company. At such meetings, he provides support to the Executive Director and also the Group Chief Executive Officer (appointed since 1 January 2026) who report to the shareholders on matters involving operation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	For the financial year ended 31 December 2025, the Executive Chairman continues to lead the Board in its collective oversight of management, day to day corporate relations and public affairs and the setting of policies and strategies of the Company. The Executive Director / CEO, Dato Wong Kuo Hea, on the other hand, oversees the management of the operation of the Company. His hands on management style translates into monthly physical visits to the estates and other operating units. Virtual and hybrid meetings continue to remain a handy method to discuss and address urgent matters with the Management and Staff on short notice. Since 1 January 2026, he is assisted by the Group Chief Executive Officer.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or the Remuneration Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors, as a whole or as individuals, has direct access to advice and the dedicated support services of the Company Secretary in ensuring effective discharge of its roles and responsibilities. The Company Secretary also provides the Board with guidance on matters relating to good corporate governance practices, eg. disclosures, accountability and transparency.</p> <p>The Company Secretary attends all Board Meetings. She ensures that the meetings are properly convened and that proceedings and deliberations are accurately minuted. She subsequently communicates pertinent decisions to the Management for appropriate actions to be taken. The Board of Directors is updated on the follow up actions / status of implementation of its decisions through the board papers which are compiled by the Company Secretary.</p> <p>The Company Secretary also updates the Board of Directors on the latest amendments to legislation and corporate announcements released by Bursa Malaysia Securities Berhad (Bursa Securities) and how these amendments impact the Company.</p> <p>Notification will be sent to the Directors by the Company Secretary when there are impending restrictions in dealing with the securities of the Company at least 1 month prior to the announcement of the quarterly results.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors are supplied with ample information through board papers and have free access to the Management and all other staff at all times to inquire, seek clarification or request for further information. These papers are circulated to the Directors at least 1 week before the date of the Board and Board Committee Meetings.</p> <p>At Board and Board Committee Meetings, the Directors actively engage with the Management to review and discuss financial and operational information and progress reports relating to the crucial aspects of the operation.</p> <p>Draft minutes of the Board and Board Committee Meetings are circulated to the Directors for comments on the same day after conclusion of the said Board or Board Committee Meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	The full details of the roles and responsibilities of the Board of Directors are captured in the Board Charter which is published on the Company's website. The Board Charter is reviewed periodically or as and when necessary, so that it remains relevant to the expectations of the investing public and the shareholders of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has in place a Code of Conduct which sets the boundaries of acceptable behavior for employees. Amongst the areas covered are prohibition of corrupt practice, conflict of interest and sexual harassment. The Code of Conduct is also an integral part of the Employee Handbook which is given to all employees and new recruits. New policies, as and when implemented, will be disseminated to the employees.</p> <p>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.</p> <p>The Personal Data Protection Policy, Conflict of Interest Policy, Related Party Transactions Policy, Fit and Proper Policy, Anti Bribery and Anti-Corruption Policy, Whistle Blowing Policy, Risk Management Policy, Safety and Health Policy, Environmental and Biodiversity Policy, Social Policy, Sustainability Policy, Succession Planning Policy and Corporate Disclosure Policy have also been established.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has in place a whistle blowing policy which provides an avenue for employees as well as third parties to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, conflict of interest, bribery, danger to health and safety or to the environment and the cover up of any matters in the workplace.</p> <p>The process to objectively investigate legitimate concerns has also been established. The whistle blower is also assured that any concern raised is treated in the strictest confidence and without risk of reprisal.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board who is ultimately accountable for sustainability matters takes the lead role on sustainability matters of the Group. The Board has also appointed the Executive Chairman to be the person in charge of sustainability matters for the Group. The Executive Chairman chairs the Board Sustainability Committee. This Committee formulates and oversees the implementation of sustainability strategies and other material matters based on economic, environmental and social risks and opportunities that have impact on the Group. This responsibility is then cascaded down to the Executive Director who together with the rest of the Senior Management ensure successful execution and integration of sustainability across the organisation. The Executive Director with his team is supported by the Sustainability Working Group, which is chaired by the Chief Operating Officer and since 1 January 2026, the Group Chief Executive Officer, and comprises members from the HSE, Risk and Sustainability Department and key personnels from the Estate and Mill management.</p> <p>The rules and practices that govern our sustainability initiatives are built on transparency, fairness and accountability. The principles of good corporate governance are embedded in our policies and procedures to effectively and efficiently fulfil our sustainability responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Group's method of communication of its sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders through various channels. Communication with Internal Stakeholders includes trainings, emails, meetings, etc. and with External Stakeholders includes the company's website, Annual Report, external stakeholders' engagement, etc. The Sustainability Report which sets out in further detail these engagement methods are approved by the Board of Directors before publication in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	Sustainability principles are entrenched into every level of our operation. The Board is keenly aware that environmental, sustainability and governance matters are deeply intertwined with each other. They continue to broaden their knowledge and keep in touch with current sustainability matters through attendance at talks and seminars. In the long run, nurturing sustainable growth means finding the right balance between environmental, sustainability and governance matters and maximising production and profit resulting in long term business existence and enhanced investor confidence.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board and Senior Management Performance Evaluation for financial year ended 31 December 2025 included a review of the performance of the board in addressing the Company's material sustainability risks and opportunities.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	The Executive Chairman is the person designated by the Company to take charge of sustainability matters.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Fit and Proper Policy which acts as a guide to the Nomination Committee Members as they carry out their duties. This Fit and Proper Policy is published on the Company's website.</p> <p>Aside from assessing the individual directors from the aspect of character and integrity, experience and competence, time and commitment, the Nomination Committee also conducts formal assessment of the Board's effectiveness as a whole, the contribution of each Director and the various Board Committees. It also assesses the independence of the Independent Directors annually. This assessment includes the directors seeking re-election. Naturally only those with satisfactory evaluation results are recommended to the Board for re-election.</p> <p>In terms of independence, the Independent Director must satisfy the requirements of Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements. Since 1 June 2023, the Nomination Committee has also applied the enhanced definition of Independent Directors in its assessment.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board of Directors of the Company comprises 6 directors, 3 of whom are independent. Of the remainder, 2 are Executive Directors and the 1 other is a Non Independent Non Executive Director. The Chairman of the Company is one of the Executive Directors.</p> <p>The composition of the Board is such that at least half the Board comprises independent directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	None of our 3 independent directors have served for more than a cumulative term of 9 years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied																																																	
Explanation on application of the practice	:	<p>The Board believes in fair and equal opportunity for all. Hence recruitment is based on talent, ability and capacity that can be brought onto and shared with the Board Members and the Company in general.</p> <p>The details in terms of diversity of the current Board and the Key Senior Management Personnel are as shown below :</p> <p>Board of Directors (as per Annual Report 2025)</p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="3">Race</th><th colspan="3">Age</th><th colspan="2">Gender</th></tr><tr><th>Malay</th><th>Chinese</th><th>Dayak</th><th>50-59</th><th>60-69</th><th>70-80</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>No. of Directors</td><td>3</td><td>2</td><td>1</td><td>1</td><td>-</td><td>5</td><td>5</td><td>1</td></tr></tbody></table> <p>Key Senior Management Personnel (as per Annual Report 2025)</p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="2">Race</th><th colspan="3">Age</th><th colspan="2">Gender</th></tr><tr><th>Malay</th><th>Chinese</th><th>30-49</th><th>50-69</th><th>60-80</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>No. of Personnel</td><td>1</td><td>3</td><td>1</td><td>2</td><td>1</td><td>2</td><td>2</td></tr></tbody></table> <p>Details of the skills and experience possessed by the Directors are found on pages 11 to 16 of the Annual Report 2025 and details of the skills of the key senior management are found on pages 19 to 20 of the Annual Report 2025. With much diversity in skills, experience, age, cultural background and gender comes a larger pool of ability and capability to make better judgements and decisions.</p> <p>The Board also takes cognizance of the amount of time that each Director can commit to the Board and Company to serve them effectively. Hence the Directors are also assessed on this point by the Nomination Committee when evaluating the performance of each of the Directors.</p>		Race			Age			Gender		Malay	Chinese	Dayak	50-59	60-69	70-80	Male	Female	No. of Directors	3	2	1	1	-	5	5	1		Race		Age			Gender		Malay	Chinese	30-49	50-69	60-80	Male	Female	No. of Personnel	1	3	1	2	1	2	2
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Explanation for departure	:																																																		

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	The Board has established for the Nomination Committee clear guidelines to follow when evaluating a candidate identified for appointment as a Director. Hence, regardless of who made the recommendation, each identified candidate has to be evaluated and assessed by the Nomination Committee before the candidate is recommended to the Board. The Nomination Committee will ensure that the recommended candidate does not have competing interests with the Group which makes it difficult for him / her to perform his / her role objectively and effectively, he / she possesses the right mix of skill, experience and other qualities, including core competencies which can assist the Board in decision making.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The profile of all the Directors is provided in the Annual Report 2025. Further the Explanatory Notes to the Notice of AGM for 2026 also provides a statement to the effect that steps have been taken to evaluate the eligibility of the directors standing for re-election and that the Board with the exception of the directors standing for re-election supports the recommendation of the Nomination Committee that these directors be eligible for re-election and re-appointment.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Chair of the Nomination Committee for the financial year ended 31 December 2025 was Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired), an Independent Non Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	At present, 1 out of the 6 Board Members is a woman. At the key senior management personnel level however, 50% are women. The Board has not established a formal policy on gender, ethnicity and age group thus far. The Board believes that gender diversity should be balanced with meritocracy of the director. Further, the Group is not disadvantaged in any manner without this policy as it is committed to provide fair and equal opportunities to all.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board has not established a formal policy on gender, ethnicity and age group thus far. The Board believes that gender diversity should be balanced with meritocracy of the director. Further, the Group is not disadvantaged in any manner without this policy as it is committed to provide fair and equal opportunities to all.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Nomination Committee conducts formal assessment of the Board's effectiveness as a whole, the contribution of each Director (via peer review) and the various Board Committees. It also assesses the independence of the Independent Directors annually. Areas of assessment include composition, knowledge, skills and experience. In terms of independence, the Independent Director must satisfy the requirements of Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements. The Nomination Committee is also mindful of the enhanced definition of Independent Directors which took effect since 1 June 2023. Currently, the Board does not engage independent experts periodically to facilitate objective and candid board evaluations as it is of the opinion that the current practice of evaluation is objective and sufficient to achieve the desired results of ensuring an effective Board. Nevertheless, the Board is mindful of this option and may utilize it at a more appropriate juncture.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied																																																
Explanation on application of the practice	:	<p>The remuneration policy seeks to attract, maintain and retain a set of Directors and key senior management personnel of requisite calibre to meet the demands and complexities of the job. The corporate values are also part and parcel of the qualities looked for in a Director and a key senior management personnel. The remuneration package is linked to seniority, position, experience, commitment, personal performance and the Company's overall performance.</p> <p>For the financial year ended 31 December 2025, the approving authority for the remuneration of the various categories of personnel are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Approving Authorities</th> <th rowspan="2">Review Interval</th> </tr> <tr> <th>Shareholders</th> <th>Board</th> <th>ED</th> </tr> </thead> <tbody> <tr> <td>Remuneration of the Board of Directors</td> <td>x</td> <td></td> <td></td> <td>Annual</td> </tr> <tr> <td>Remuneration of the Key Senior Management Personnel</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Key Senior Management Personnel Annual Salary Increment / Adjustment</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Key Senior Management Personnel Annual Performance Incentive / Bonus</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Staff Annual Salary Increment / Adjustment</td> <td></td> <td></td> <td>x</td> <td>Annual</td> </tr> <tr> <td>Staff Annual Performance Incentive / Bonus</td> <td></td> <td></td> <td>x</td> <td>Annual</td> </tr> <tr> <td>Remuneration of new recruits - Key Senior Management Personnel</td> <td></td> <td>x</td> <td></td> <td>n/a</td> </tr> <tr> <td>Remuneration of new recruits - Staff</td> <td></td> <td></td> <td>x</td> <td>n/a</td> </tr> </tbody> </table>	Item	Approving Authorities			Review Interval	Shareholders	Board	ED	Remuneration of the Board of Directors	x			Annual	Remuneration of the Key Senior Management Personnel		x		Annual	Key Senior Management Personnel Annual Salary Increment / Adjustment		x		Annual	Key Senior Management Personnel Annual Performance Incentive / Bonus		x		Annual	Staff Annual Salary Increment / Adjustment			x	Annual	Staff Annual Performance Incentive / Bonus			x	Annual	Remuneration of new recruits - Key Senior Management Personnel		x		n/a	Remuneration of new recruits - Staff			x	n/a
Item	Approving Authorities			Review Interval																																														
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Remuneration of new recruits - Staff			x	n/a																																														

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Remuneration Committee is charged with looking into remuneration policies which attract, maintain and retain a set of Directors and key senior management personnel of requisite calibre to propel the Company towards greater prospects and growth.</p> <p>The Terms of Reference of the Remuneration Committee are found on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration breakdown of the individual directors is found in the table below.</p> <p>The Company's Directors' remuneration was approved by the Shareholders at the 28th Annual General Meeting of the Company held on 23 May 2025.</p>

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company has an existing policy whereby remuneration of all its employees, apart from Directors, is classified as confidential. This is a precautionary stand taken by the Company to prevent dissatisfaction and animosity among staff. It is of the opinion that disclosure of salary, bonus, benefits in kind and other emoluments even though in bands of RM50,000 but on named basis will create negative repercussions.</p> <p>In line with this policy, the remuneration of the key senior management personnel of the Company will not be disclosed.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee, Dato Chia Chu Fatt, is not the Chairman of the Board.</p> <p>The Terms of Reference of the Audit Committee also provides that the position of the Chairman of the Audit Committee cannot be held by the Chairman of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	It is a policy of the Audit Committee not to appoint a former audit partner who had been auditing the Company's financial statements as a member of the Audit Committee unless a 3 years' cooling off period has been observed. This is part of the Audit Committee's Terms of Reference.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>Yearly, the External Auditors, KPMG PLT, present its Audit Plan to the Audit Committee in the meetings scheduled in November. In the year under review, the 2025 Audit Plan was presented to the Audit Committee in November 2025. The matters highlighted included the names of key personnel assigned to conduct the audit, the audit timeline, the areas of focus and the materiality thresholds.</p> <p>Aside from the above, the Audit Committee also met with KPMG PLT on separate occasions in the year for discussions on its audit, its findings and its interaction with the Management and staff in relation to the audit engagement. These independent meetings not only help the Audit Committee to better assess KPMG PLT's performance but it also provides the latter an opportunity to highlight issues, if any, in the absence of the Management. Through these engagements, the Audit Committee will form its opinion on the suitability and objectivity of the performance of KPMG PLT and the level of its independence throughout the audit exercise.</p> <p>KPMG PLT also provides assurance of its independence to the Audit Committee in online meetings and this assurance is recorded in the Minutes of Meeting of the Audit Committee.</p> <p>Having regard to all the factors, the Board had approved the Audit Committee's recommendation that shareholders' approval be sought at the forthcoming AGM for the reappointment of KPMG PLT as the External Auditors of the Company.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	Throughout the financial year ended 31 December 2025, all 3 members of the Audit Committee were Independent Non Executive Directors of the Company. The Terms of Reference of the Audit Committee also provide that the Audit Committee should comprise solely of Independent Non Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee possesses a wide range of requisite skills to discharge its duties. As provided in the Terms of Reference of the Audit Committee, all members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>The Chairman of our Audit Committee, Dato Chia Chu Fatt, is a member of the Malaysian Institute of Accountants. The other qualifications and experience of the Audit Committee Members are disclosed in the "Board of Directors" portion of the Annual Report 2025 and found on pages 11 to 16.</p> <p>The Audit Committee is always kept up to date with the relevant developments / changes in accounting and auditing standards, practices and rules by the Chief Financial Officer and the External Auditors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Risk Management Committee which was established on 1 May 2007 forms an integral part of effective management of the Company. It seeks to identify and address principal risk areas which include business, 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.</p> <p>The Company's risk management and internal control system is designed to manage and mitigate risks that may impede the Company's achievements or its objective. Due to the limitations inherent in any risk management and internal control system, it is not possible to totally eliminate risks. However, the Company believes that having systems in place emphasizes consistency and will pave the way towards achieving long term success.</p> <p>Further details of the Company's risk management and internal control system are found in the Statement on Risk Management and Internal Control found on pages 99 to 101 of the Annual Report 2025. The Statement on Risk Management and Internal Control has been reviewed by KPMG PLT, the External Auditors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The 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 found on pages 99 to 101 of the Annual Report 2025. The Statement on Risk Management and Internal Control has been reviewed by KPMG PLT, the External Auditors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Members of the Risk Management Committee in the financial year ended 31 December 2025 were Dato Chia Chu Fatt, Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) and Datuk Amar Abdul Hamed bin Sepawi, the majority of whom are Independent Non Executive Directors of the Company.</p> <p>The Terms of Reference of the Risk Management Committee state that the Risk Management Committee shall comprise a majority of independent directors.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Department's activities, its position within the Company, including the functional direct reporting and access of the Internal Audit Manager to the Audit Committee is established in the Company's Internal Audit Charter. The final approval of the Internal Audit Charter resides only with the Audit Committee.</p> <p>The Internal Auditors are expected to apply and uphold the principles stated in the Internal Audit Charter which had been duly approved by the Audit Committee.</p> <p>In managing and ensuring independence and objectivity for internal auditors, the Audit Committee determines the tasking, appraisal and remuneration of the Internal Audit Manager to avoid potentially harmful influences and incentivizing wrong outcomes.</p> <p>Further, the Internal Audit Manager also confirms to the Audit Committee at least annually the organizational independence of the internal audit activity.</p> <p>The Audit Committee tables its Report to the Board of all meetings held so that the Board is apprised of the matters reviewed and deliberated upon in the Audit Committee Meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial year ended 31 December 2025, the Internal Audit Department was managed by Samuel Law Yeong Rong, the Internal Audit Manager. The Internal Audit Manager was responsible for the internal audit's activities.</p> <p>Samuel Law Yeong Rong is a chartered accountant and a member of both the Association of Chartered Certified Accountants (UK) and the Malaysian Institute of Accountants.</p> <p>The Internal Audit Department has 3 personnel. The internal audit activity is independent and internal auditors are objective in performing their work to avoid any impairment.</p> <p>The internal audit function is carried out in accordance with the principles stated in the Internal Audit Charter which had been duly approved by the Audit Committee.</p> <p>The Internal Audit Manager communicates with the Audit Committee on the internal audit's resource requirement and staff's proficiency to optimize the effectiveness of the approved annual audit plan.</p> <p>The Internal Audit Manager also confirms to the Audit Committee at least annually the organizational independence of the internal audit activity and that the internal audit activities of the Group have been carried out in line with the Internal Standards for the Professional Practice of Internal Auditing.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognizes the importance of effective communication with its shareholders and investors.</p> <p>Various channels are used by the Board to disseminate information on major corporate developments and events. They include:</p> <ul style="list-style-type: none">- Annual General Meetings;- Various disclosures and announcements made to Bursa Malaysia Securities Berhad;- Press release and press statements;- Circular to Shareholders;- Company website at www.spbgroup.com.my <p>Further the investing community, comprising individuals, analysts, fund managers and other stakeholders, dialogues with the Company's representatives on a regular basis. This enables the investors to get a balanced understanding of the main issues and concerns affecting the Company. Discussions at such meetings and dialogues are restricted to matters that are in the public domain. For year 2025, some of these discussions were held on a face to face basis and others via various online platforms.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	Since the AGM held in 2018 and in its efforts to maintain good corporate governance practices, the Company has been giving its shareholders at least 28 days of notice before its AGM is convened.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>It has always been the practice of the Company that all Directors be present at its AGM. As this is a forum for shareholder engagement, the Chairman encourages shareholders present to raise their concerns and depending on the topic asked, will either answer the question himself or direct it to any one of the Directors present who is more suited to address the issue.</p> <p>All Key Senior Management personnel are also present at the AGM. They too assist to provide response to queries raised.</p> <p>The Notice of AGM also sets out clearly the resolutions which will be tabled and provides explanatory notes to assist shareholders make informed decisions.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company's AGM has always been held at easily accessible venues for the convenience of the shareholders. The Company has no intention to hold its AGM in remote locations in the future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Since the 24 th AGM 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 annual general meeting. This practice will be maintained.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	: