TSH RESOURCES BERHAD
197901005269 (49548-D)

STRATEGIC FOCUS SUSTAINABLE GROWTH

ANNUAL REPORT
2024

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45th ANNUAL GENERAL MEETING

DAY & DATE

Wednesday, 21 May 2025

TIME

10.00 a.m.

Please scan QR code for PDF online version

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth Annual General Meeting ("45th AGM") of the Company will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 21 May 2025 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees of RM312,000 for the financial year ended 31 December 2024. **Resolution 1**

3. To approve the payment of Directors' fees of RM374,000 from 1 January 2025 to the date of the next annual general meeting of the Company in 2026. **Resolution 2**

4. To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM1,500,000 from the date immediately after the 45th AGM of the Company to the date of the next annual general meeting of the Company in 2026. **Resolution 3**

5. To re-elect the following Directors who are retiring by rotation in accordance with Clause 100 of the Company's Constitution, and who being eligible, offer themselves for re-election:

   (a) Datuk Kelvin Tan Aik Pen **Resolution 4**
   (b) Natasha binti Mohd Zulkifli **Resolution 5**

6. To re-elect Ina Hasniza binti Ibrahim who is retiring in accordance with Clause 97 of the Company's Constitution, and who being eligible, offers herself for re-election. **Resolution 6**

7. To reappoint BDO PLT as the Company's auditors and to authorise Directors to fix their remuneration. **Resolution 7**

Special Business

To consider and, if thought fit, pass the following resolutions:

8. **ORDINARY RESOLUTION** **Resolution 8**
   PROPOSED AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS

   "**THAT** subject always to the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered by the shareholders pursuant to Sections 75 and 76 of the Companies Act 2016 to issue new ordinary shares in the Company from time to time at such price, upon such terms and conditions, provided that the aggregate number of the new ordinary shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being.

   THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the 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 Sections 75 and 76 of the Companies Act 2016.

THAT the Directors be and are empowered to obtain the approval from Bursa Malaysia Securities Berhad for listing of and quotation for the additional new ordinary shares to be issued.

THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

9. **ORDINARY RESOLUTION** **Resolution 9**
PROPOSED RENEWAL OF THE AUTHORITY FOR SHARE BUY-BACK

"**THAT** subject to the Companies Act 2016, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and the approvals of other relevant authorities, the Company be and is hereby authorised to purchase and hold such number of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and held pursuant to this resolution does not exceed 10% of the issued share capital of the Company **AND THAT** the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed its total retained profits of RM194,053,000 based on the latest audited financial statements as at 31 December 2024.

THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the next annual general meeting of the Company unless earlier revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting or upon the expiration of the period within which the next annual general meeting is required by law to be held, whichever occurs first.

THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Share Buy-Back **AND FURTHER THAT** authority be and is hereby given to the Directors to deal with the shares so purchased in their absolute discretion in any of the following manner:

(a) cancel the shares so purchased; or

(b) retain the shares so purchased as treasury shares and held by the Company; or

(c) retain part of the shares so purchased as treasury shares and cancel the remainder; or

(d) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or

(e) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Companies Act 2016, rules, regulations and guidelines pursuant to the Companies Act 2016, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force."

10. **ORDINARY RESOLUTION** **Resolution 10**
RETENTION OF DATO' JASMY BIN ISMAIL AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

"**THAT** Dato' Jasmy bin Ismail who has served for a cumulative term of more than nine years, be and is hereby retained as an Independent Non-Executive Director until the conclusion of the next annual general meeting of the Company in accordance with the procedures under the Malaysian Code on Corporate Governance 2021."

11. To transact any other business of which due notice shall have been given.

By Order of the Board

WONG MAY FUN, MAYEEN
Company Secretary
MAICSA 7018697/
SSM PC No. 202008002194

Kuala Lumpur
22 April 2025

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 13 May 2025 will be regarded as members and be entitled to attend, speak and vote at the meeting.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

3. If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit, and if no names are inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal. If you wish to appoint a proxy to attend and vote on your behalf at this meeting, you may deposit the duly completed and signed Proxy Form at the office of the Company's share registrar and poll administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Alternatively, you may lodge your Proxy Form electronically through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Please refer to the Administrative Guide for the procedures relating to lodgement of Proxy Form and revocation of proxy.

6. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of 45th AGM will be put to vote by poll.

EXPLANATORY NOTES:

1. The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act 2016. Hence, it will not be put forward for voting.

2. Resolution 1, the Company is seeking shareholders' approval for payment of Directors' fees totalling RM312,000 for financial year 2024, which include the fees payable to certain Independent Directors who are members of the Audit Committee.

3. Resolution 2, the proposed payment of Directors' fees to Independent Directors totalling RM374,000 for the period 1 January 2025 to the date of the next annual general meeting of the Company in 2026 are computed based on the existing fee structure, which has not changed since the last annual general meeting in 2024.

   The resolution if passed, will facilitate the payment of Directors' fees on a quarterly basis or as and when required. The Board is of the view that Directors should be paid the fees upon them discharging their responsibilities and rendering their services to the Company.

4. Resolution 3, the benefits are payable to eligible Non-Executive Directors and comprise amongst others, allowance for attending meetings of the Board and Board Committees and other benefits-in-kind including company car and driver as well as other emoluments.

   Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolution 3 concerning their remuneration at the 45th AGM.

5. Resolutions 4 to 5 are in relation to re-election of the Directors who retire by rotation in accordance with Clause 100 of the Company's Constitution.

   For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the 45th AGM, the Board had through its Nomination Committee, assessed the performance and contribution of the retiring Directors. In addition, the Chairman of the Nomination Committee had also conducted an evaluation of the retiring Directors in accordance with the criteria set out in TSH Group Directors' Fit and Proper Policy. Based on the results of the respective Directors' performance and fit and proper evaluations conducted, the Board is satisfied with the retiring Directors' performance and level of contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interests of the Company. Besides, the Independent Director standing for re-election has also provided her annual confirmation of independence.

   The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant meeting of the Board and the Nomination Committee.

   The Director named in Resolution 4 who is the major shareholder of the Company, will abstain from voting on the resolution in respect of his own re-election at the 45th AGM.

6. Resolution 6 is in respect of re-election of Ina Hasniza binti Ibrahim who was appointed to the Board on 1 September 2024 and retires in accordance with Clause 97 of the Company's Constitution. The Board had through the Nomination Committee assessed her performance and contribution. The Chairman of the Nomination Committee had also assessed Ina Hasniza based on the Group Directors' Fit and Proper Policy. Based on the results of Ina Hasniza's performance and fit and proper evaluation conducted, the Board is satisfied with her performance and the level of her contribution to the Board through her knowledge, skills and commitment as well as her ability to act in the best interest of the Company. In addition, Ina Hasniza has also provided her annual confirmation of independence. Accordingly, the Board has accepted the Nomination Committee's recommendation for Ina Hasniza's re-election at the 45th AGM of the Company.

7. Resolution 8 is a renewal of the general mandate empowering the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to the general mandate does not exceed 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting.

   As at the date of the notice of the 45th AGM, the Company did not issue any new shares pursuant to the general mandate granted to the Directors at the last annual general meeting held on 20 May 2024.

   The renewal of the general mandate will provide flexibility to the Company for any possible fund-raising activities without the need to convene a separate general meeting to specifically approve such issuance of shares and thereby, reducing administrative time and costs associated with the convening of such meeting. However, at this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

   By voting in favour of Resolution 8, the shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act 2016 and Clause 14 of the Constitution of the Company, to be offered new shares to be issued by the Company pursuant to this resolution.

8. For Resolution 9, the information in respect of the Proposed Renewal of the Authority for Share Buy-Back is set out in the Share Buy-Back Statement dated 22 April 2025.

9. Resolution 10, if passed, will allow Dato' Jasmy bin Ismail to be retained as an Independent Non-Executive Director until the conclusion of the next annual general meeting of the Company. Following the relevant assessment, the Board recommended that Dato' Jasmy be retained as an Independent Non-Executive Director of the Company based on the justifications stated in the Corporate Governance Overview Statement set out in the Annual Report 2024.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies and/or representative/representatives to attend and vote at the annual general meeting and/or any adjournment thereof, a member of the Company:

a. consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxies and representatives appointed for the annual general meeting (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes");

b. warrants that where the member discloses the personal data of the member's proxy/proxies and/or representative/representatives to the Company (or its agents), the member has obtained the prior consent of such proxy/proxies and/or representative/representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy/proxies and/or representative/representatives for the Purposes; and

c. agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Details of persons who are standing for election as Directors**

   No individual is seeking election as a Director at the 45th AGM of the Company.

2. **Details of persons who are standing for re-election as Directors**

   Details of the Directors who are seeking re-election are available in their profile disclosed in the Company's Annual Report 2024.

3. **Statement relating to general mandate for issue of securities**

   Please refer to Explanatory Note 7 of the Notice of 45th AGM for information relating to general mandate for issue of securities.

CORPORATE PROFILE

TSH Resources Berhad ("TSH" or the "Company") was incorporated on 7 August 1979, initially focusing on the cocoa industry. Over the years, the Group has diversified its business by venturing into the oil palm industry in Sabah in 1990s and this expansion continued into Indonesia in the 2000s, particularly Kalimantan and Sumatera. In 2023, the Group exited from the cocoa business in line with the Group's plan to focus its efforts and resources on its core business namely, oil palm plantation and related activities. Today, TSH is principally an upstream plantation group. Together with the revenue from renewable energy generated from palm oil waste, they contributed almost 97% of the Group's total revenue.

On 31 January 1994, the Group achieved a milestone by being listed on the Second Board of the Kuala Lumpur Stock Exchange. It later transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 12 June 2000. On 26 September 2023, TSH was listed on the Main Board of Singapore Exchange Securities Trading Limited via a secondary listing.

PALM PRODUCTS

The Group's core business is essentially oil palm cultivation and processing of Fresh Fruit Bunches ("FFB") into Crude Palm Oil ("CPO") and Palm Kernel ("PK").

As of 31 December 2024, the Group has planted approximately 39,000 hectares ("Ha") of oil palms, comprising approximately 3,000 Ha in Sabah and 36,000 Ha in Indonesia. In addition, the Group operates five (5) palm oil mills, one (1) in Sabah, and two (2) each in Kalimantan and Sumatera, Indonesia.

In 2006, the Group expanded further downstream into palm oil refinery and palm kernel crushing plants in Sabah through a 50:50 joint venture with a member of Wilmar International Group.

OUR BUSINESS

OTHER BUSINESS ACTIVITIES

RENEWABLE ENERGY

The Group is also proud to contribute toward greening the energy mix of Malaysia which has been heavily reliant on fossil fuels. Leveraging on various by-products along the palm oil value chain, the Group has diversified into the renewable energy business. Its integrated complex in Kunak, Sabah is complete with biomass and biogas power plants. The 14 MW biomass cogeneration plant is the first biomass power plant in the country that is connected to the grid and has a renewable energy power purchase agreement with Sabah Electricity Sdn. Bhd. to supply up to 10 MW of green electricity. Similarly, the 3 MW biogas power plant is another initiative of the Group to tap sustainable energy from wastewater generated palm oil mill effluent to generate electricity. The process by which methane gas is captured for electricity generation results in a reduction in the emission of greenhouse gases and a more environmentally friendly palm oil mill effluent discharge.

SUSTAINABLE FORESTRY

In 1997, the Group was granted a 100-year concession to carry out forest rehabilitation, environmental conservation and industrial tree planting on 123,385 Ha of forestry land in Ulu Tungud, Sabah, also known as Forest Management Unit 4 ("FMU 4").

In 2016, about 28,375 Ha of the licensed area, largely covering the Meliau Range and Mt Monkobo, were excised for conservation and reclassified as a Class I Protection Forest, reducing the area to its current 95,010 Ha.

As part of the Group's broader sustainability efforts, it is committed to managing the forest reserve based on sustainable development principles while providing employment opportunities for the local rural community. Currently, the Group focuses on forest rehabilitation through enrichment planting and "silviculture" on severely logged over and degraded forests. As at 31 December 2024, about 37,515 Ha (2023: 35,017 Ha) of logged areas have been rehabilitated through enrichment planting and silviculture.

ENGINEERED HARDWOOD FLOORING

The Group is also involved in the manufacturing and marketing of engineered hardwood flooring, managed by its wholly-owned subsidiary, Ekowood International Berhad, operating from its factory and office in Gopeng, Perak.

These products are distributed within Malaysia, mainly catering to residential development projects, and are also exported to major international markets, including the United States, Europe and Australia. Sustainability is a core part of the Group's businesses, and Ekowood is certified by Forest Stewardship Council® ("FSC®") (FSC® C006543) Chain of Custody (Certificate No. SGSHK-COC-001265) and the Programme for the Endorsement of Forest Certification Schemes ("PEFC") (PEFC/34-31-125) Chain of Custody (Certificate No. SGSMY-PEFC-COC-0120).

5-YEAR FINANCIAL HIGHLIGHTS & FINANCIAL INDICATORS

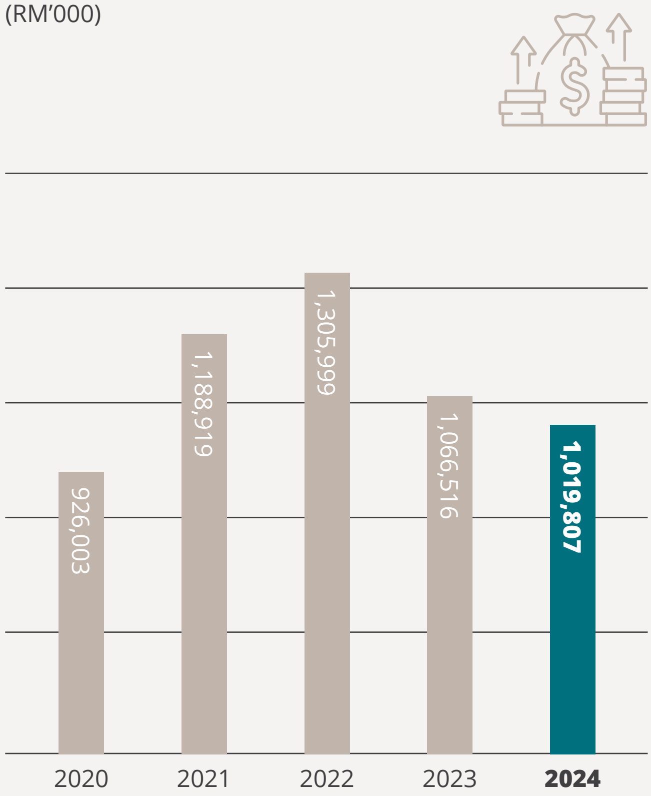
All figures in RM'000	2020	2021	2022	2023	2024
FINANCIAL HIGHLIGHTS					
Revenue	926,003	1,188,919	1,305,999	1,066,516	**1,019,807**
Core profit before taxation	128,577	266,891	257,178	182,340	**237,329**
Profit before taxation	130,242	254,084	557,297	197,837	**219,870**
Profit after taxation	90,324	202,013	524,993	125,825	**158,281**
Net profit attributable to owners of the Company	79,487	169,415	456,407	95,112	**135,662**
Total assets	3,171,777	3,308,036	2,959,278	2,845,022	**2,747,815**
Total borrowings	1,309,195	1,109,325	559,111	302,120	**259,687**
Equity attributable to owners of the Company	1,453,432	1,641,330	1,900,839	2,046,973	**2,003,653**
Total equity	1,597,783	1,813,588	2,132,058	2,305,281	**2,261,033**
FINANCIAL INDICATORS					
Basic earnings per share (sen)	5.76	12.27	33.07	6.89	**9.83**
Diluted earnings per share (sen)	5.76	12.27	33.07	6.89	**9.83**
Net asset per share	1.05	1.19	1.38	1.48	**1.47**
Return on equity attributable to owners of the Company (%)[1]	5.47	10.32	24.01	4.65	**6.77**
Return on total assets (%)[2]	2.51	5.12	15.42	3.34	**4.94**
Net debt to equity (%)[3]	71.00	44.78	8.31	2.02	**-**
Share price as at financial year end	1.15	1.08	1.07	0.98	**1.25**

(1) Based on net profit attributable to owners of the Company expressed as a percentage of total equity attributable to owners of the Company

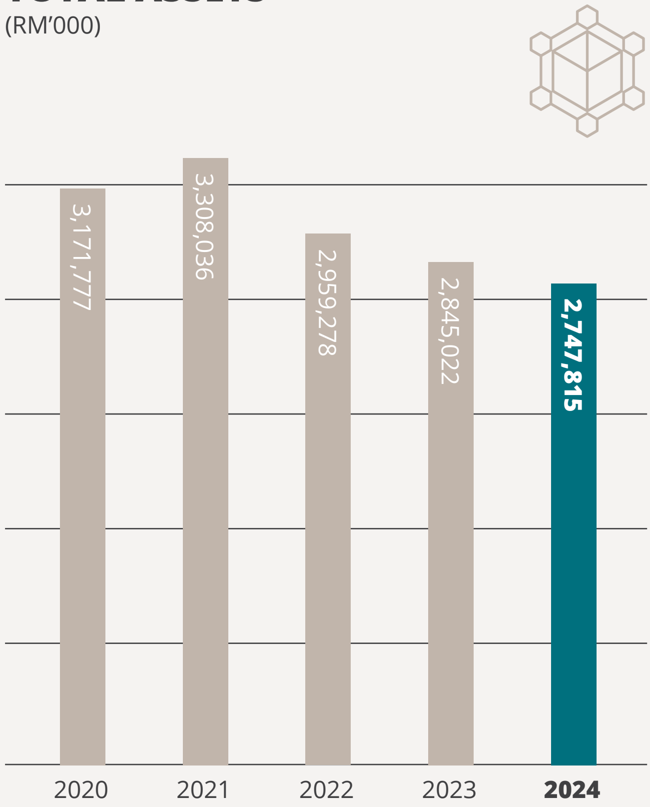
(2) Based on net profit attributable to owners of the Company expressed as a percentage of total assets

(3) Based on net debt i.e. total loans and borrowings less short term funds and cash and cash equivalents expressed as a percentage of total equity

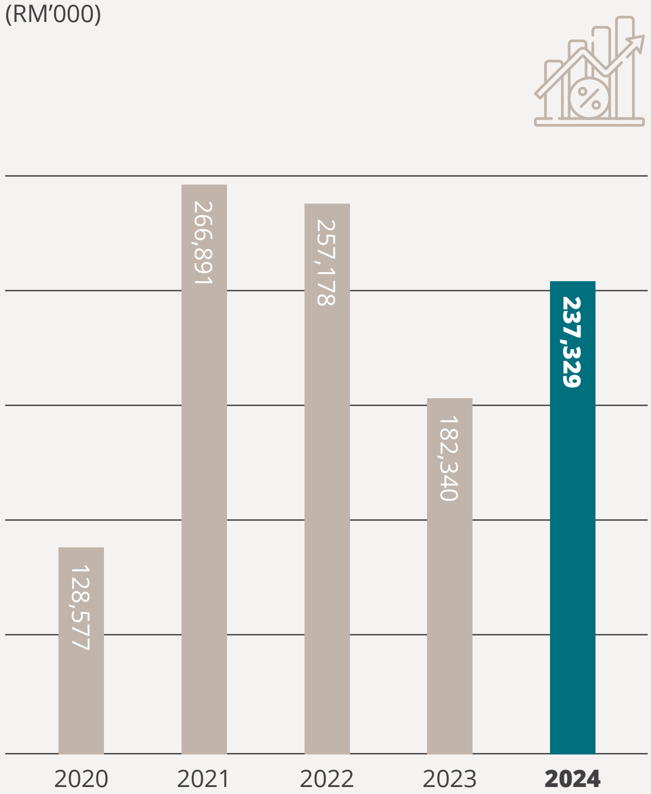
REVENUE
(RM'000)



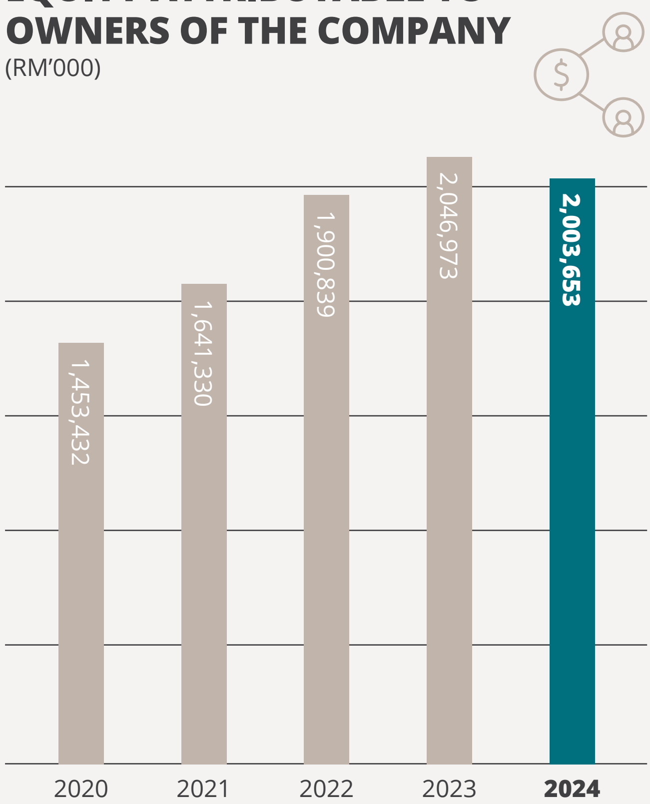
TOTAL ASSETS
(RM'000)



CORE PROFIT BEFORE TAXATION
(RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



MANAGEMENT DISCUSSION & ANALYSIS 2024

FINANCIAL PERFORMANCE FY2024

The table below provides an overview of financial highlights of the Group for FY2024 in comparison with FY2023:

	FY2024 RM'000	FY2023 RM'000
Revenue	1,019,807	1,066,516
Core profit before taxation	237,329	182,340
Profit before taxation ("PBT")	219,870	197,837
Taxation	(61,589)	(72,012)
Profit after taxation ("PAT")	158,281	125,825
Profit attributable to owners of the Company	135,662	95,112
Equity attributable to owners of the Company	2,003,653	2,046,973
Total equity	2,261,033	2,305,281
Investment securities	64,529	28,095
Borrowings	259,687	302,120
Cash and bank balances	263,361	250,138
Short term funds	2,961	5,349
Net gearing ratio (times)	-	0.02

The Group registered revenue of RM1,019.8 million, which is RM46.7 million or 4% lower compared against FY2023 revenue of RM1,066.5 million mainly due to lower contribution from the Palm Products segment which registered lower revenue by RM31.6 million. The Others segment revenue was lower by RM15.1 million.

The decrease in Palm Products segment revenue was a result of lower CPO and PK sold notwithstanding higher average CPO and PK prices. They were in turn impacted by a decrease in FFB production due to natural biological yield cycles after consecutive high-yield years. Additionally, operational disruption from a social dispute at one of our estates, which began in Q3 2024 and was resolved in November 2024, contributed to the lower production.

The lower revenue from the Others segment was largely due to lower export demand for wood products and cessation of the Cocoa division during the previous financial year.

However, the Group's core profit improved by 30.2% to RM237.3 million compared against RM182.3 million in FY2023 supported by lower operating expenses and finance costs as well as improved profit contributions from our associate and joint ventures.

Consequently, profit before taxation increased to RM219.9 million from RM197.8 million achieved in the prior financial year. The increase was despite the recognition of a prior period depreciation charge of approximately RM22.0 million during the year under MFRS 5, following the mutual termination of the sale of some land parcels, and notwithstanding a RM26.9 million net gain on disposal of land recognised in FY2023. Accordingly, profit after taxation increased by 25.8% to RM158.3 million compared against RM125.8 million in FY2023.

Effective tax rate for FY2024 was lower compared against FY2023 primarily due to lower withholding taxes on repatriation of foreign dividend and utilisation of previously unrecognised tax losses for certain subsidiaries.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

Equity attributable to owners of the Company

Equity attributable to owners of the Company decreased by RM43.3 million to RM2,003.7 million from RM2,047.0 million in the previous financial year primarily due to foreign translation loss of RM95.2 million resulting from the weakening of Indonesian Rupiah against Malaysian Ringgit, dividends paid of RM69.0 million and purchase of treasury shares of RM16.4 million. This was partially cushioned by the net profit attributable to owners of the Company of RM135.7 million.

Cash and cash equivalents and investment in financial instruments

During the financial year, the Group made additional investments in bond securities and investment funds amounting to RM42.7 million and redeemed bond securities of RM4.2 million, resulting in an aggregate investment securities of RM64.5 million as at 31 December 2024 net of foreign exchange translation. In aggregate with the cash and bank balances and short term funds of RM266.3 million, the Group has total funds of RM330.8 million as at 31 December 2024.

Borrowings

The Group reduced its borrowings by 14.0% to RM259.7 million from RM302.1 million in the previous financial year due to net repayment of borrowings during the year.

Taking into account the cash and bank balances and short terms funds, the Group is in a net cash position as at 31 December 2024 compared against 0.02 times of net gearing as at the prior financial year end.

Cash Flows

The table below provides an overview of the cash flows of the Group in FY2024 compared with FY2023:

	FY2024 RM'000	FY2023 RM'000
Operating cash flows before changes in working capital	306,633	283,845
Changes in working capital	(6,796)	34,345
Cash flows from operations	299,837	318,190
Net income tax paid	(59,212)	(91,509)
Net cash flows from operating activities	**240,625**	**226,681**
Net cash flows used in investing activities	**(66,769)**	**(35,917)**
Free cash flow to firm	**173,856**	**190,764**
Net cash flows used in financing activities	**(148,717)**	**(328,394)**
Net increase/(decrease) in cash and cash equivalents	**25,139**	**(137,630)**
Effects of exchange rate changes	(14,258)	12,433
Cash and cash equivalents as at beginning of financial year	**251,034**	**376,231**
Cash and cash equivalents as at end of financial year	**261,915**	**251,034**

Net cash inflow from operating activities improved to RM240.6 million compared with RM226.7 million in FY2023 mainly due to higher earnings before taxation and lower tax paid despite higher working capital employed.

Net cash outflow from investing activities increased to RM66.8 million compared with RM35.9 million in FY2023 as the prior year included the proceeds from disposal of lands of approximately RM28.7 million. In addition, the Group made higher investments in bond securities and investment funds during the year.

Net cash outflow from financing activities reduced to RM148.7 million compared with RM328.4 million in FY2023 primarily attributable to lower net repayment of borrowings by RM216.8 million, partially offset by higher dividends paid to shareholders of the Company and non-controlling interests by RM25.9 million compared with FY2023.

DIVIDENDS

During the year ended 31 December 2024:

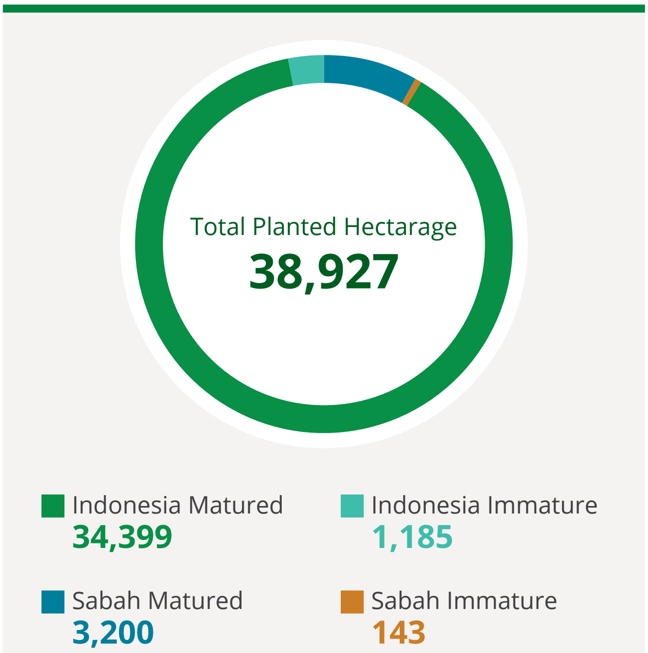
i) A first and final single-tier dividend of 2.5 sen per ordinary share for the year ended 31 December 2023 amounted to RM34.5 million was paid on 17 May 2024.

ii) An interim single-tier dividend of 2.5 sen per ordinary share for the year ended 31 December 2024 amounted to RM34.5 million was paid on 20 December 2024.

Operational Review

TSH Group has two (2) business segments, namely Palm Products, being the core business of the Group, and Others, comprising mainly the Wood and Renewable Energy divisions.

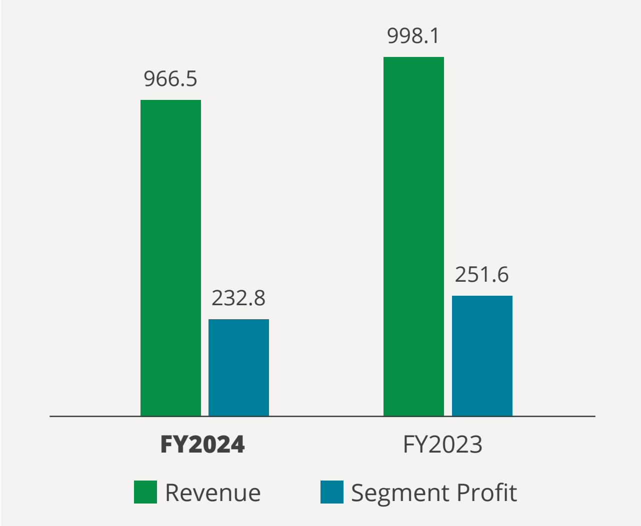
Palm Products



The Group's business is predominantly in the upstream and midstream milling segment of the palm oil industry with a total planted area of 38,927 Ha spanning across Sabah, East Malaysia (3,343 Ha) and Indonesia - Kalimantan (26,666 Ha) and Sumatera (8,918 Ha). The Group also operates five (5) mills, one (1) in Sabah and two (2) each in Kalimantan and Sumatera.

The Group's oil palm trees are predominantly at their prime age with a weighted average age of 13.2 years and will thereby contribute to relatively good FFB yields over the next few years.

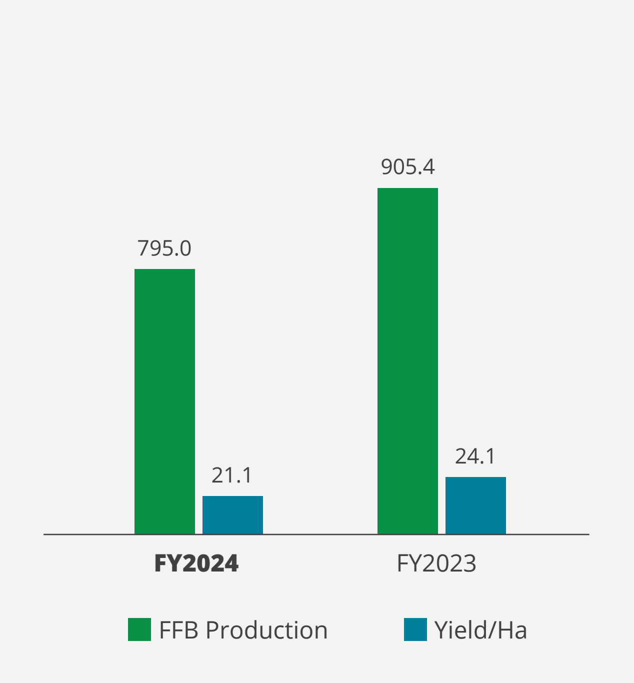
PALM PRODUCTS SEGMENT RESULT (RM'MILLION)



The Palm Products segment recognised lower revenue by RM31.6 million or 3.2% to RM966.5 million in FY2024 compared with RM998.1 million in prior year. Segment profits decreased to RM232.8 million from RM251.6 million in FY2023. Excluding the abovementioned one-off depreciation charges of RM22.0 million in FY2024 and the net gain on disposal of land of RM26.9 million in FY2023, higher segment profit in FY2024 was mainly due to higher average CPO and PK prices.

Although average CPO and PK prices were higher in FY2024, the sales volumes declined from the previous year resulting in an overall drop in the segment revenue. The average price increased for CPO and PK were 10.4% and 38.7% respectively whereas their respective sales volumes were lower by 15.8% and 12.1% respectively.

FFB PRODUCTION ('000 MT) **& YIELD** (MT/HA)

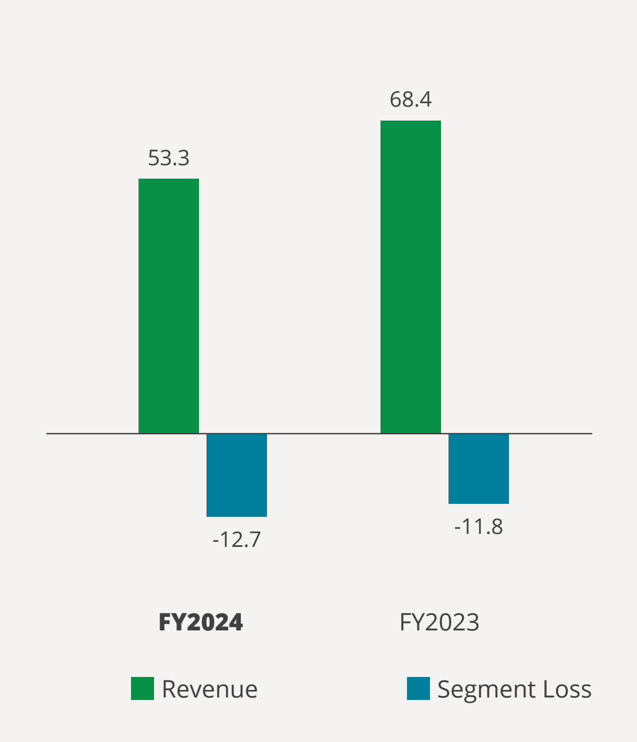


The decline in the sales volume is mainly attributable to lower FFB production volume. The Group's FFB production decreased to 795,002 MT from 905,437 MT recorded in prior year. Amidst unfavorable weather conditions, FFB production was also adversely impacted by natural biological yield cycles following consecutive high-yield years and an operational disruption caused by social dispute at one of the estates during the second half of the year. The said dispute has since been resolved with normal operations resuming in November 2024. Similarly, there has been a decline in average FFB yield from 24.1 MT/Ha in FY2023 to 21.1 MT/Ha in current year.

Others Segment

The Others segment is mainly made up of Renewable Energy and Wood division.

OTHERS SEGMENT RESULT (RM'MILLION)



The Others segment registered lower revenue of RM53.3 million compared with RM68.4 million in prior year. Wood division contributed lower sales due to lower demand for our engineered hardwood flooring as all major export markets saw hardwood flooring sales drop in FY2024. High interest rates in the United States ("US"), Europe and Australia significantly slowed construction and renovation activities in these key export markets. Additionally, there was no revenue contribution from the cocoa business as the Group has decided to cease the business.

The segment recorded marginally higher loss of RM12.7 million compared with RM11.8 million loss in FY2023. This was mainly due to the decline in the engineered hardwood flooring sales coupled with higher costs on purchase of raw materials incurred by the Renewable Energy division. However, the segment loss was cushioned by the absence of the cocoa division's losses in the current year.

2025 OUTLOOK

CPO production in Malaysia is expected to be relatively flat at 19.5 million MT for 2025 following a recovery in 2024. However, Indonesia's output is anticipated to recover to 49.8 million MT in 2025 following the drop in production in 2024 largely due to the impact of El Nino. Overall, global CPO production is expected to record only a modest growth in 2025 largely on account of several limiting factors in recent years including the lack of replanting, aging palm trees, labour shortages and rising costs. Notwithstanding the foregoing, unforeseen adverse weather poses one of the most significant threats to the crop supply and this has become a perennial problem in the wake of climate change.

On the demand side, any upside in production will largely be diverted to cater to the increased demand for Indonesia's B40 biodiesel blending requirements in 2025. The biodiesel quota to support the B40 blending policy is expected to increase to 15.6 million MT in 2025 from 13.2 million MT produced in 2024, according to the Indonesia Ministry of Energy and Mineral Resources. This increase in Indonesia's domestic consumption will support robust palm oil demand. As such, taking into account the supply and demand scenarios, export supplies from both Malaysia and Indonesia are not likely to see significant growth.

Price of CPO has been trading at above RM4,500 per MT (and mostly above RM4,700 per MT) since the start of the new year primarily due to the low levels of stockpiles. In the short term, CPO prices are anticipated to be well supported at the current level driven by supply tightness. Stock levels are expected to remain low for the next few months against the backdrop of low output. However, any upside to CPO prices will likely be limited due to the more attractively priced rival soybean oil which has been trading at a discount to CPO in recent months.

The Group is also mindful of the challenges posed by the uncertainties stemming from ongoing geopolitical conflicts and recent US tariffs, recognizing their potential impact on the global supply chain and the ripple effects on commodity demand and pricing.

To cushion ourselves against the external vagaries, the Group will focus on yield enhancement initiatives to improve crop yield and extraction rates along with emphasis to increase productivity and efficiency will further contribute to the Group's performance. The Group maintains a positive outlook on the long-term prospects of the palm oil industry. With global population and income growth, we believe demand for palm oil will remain resilient due to its efficiency and competitive pricing. Accordingly, backed by our strong balance sheet, the Group has embarked on a planting programme which will continue over the next few years to progressively expand the planted hectarage.

Barring any unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory performance in 2025.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This report is presented to provide an insight into TSH Resources Berhad ("TSH") and its subsidiaries (collectively referred to as "the Group"), highlighting our commitment to sustainability for the financial year 2024 ("FY2024").

We invite stakeholders to read this report together with other relevant sections in our Annual Report ("AR2024") (e.g. Chairman's Message, Management Discussion & Analysis, Corporate Governance Overview Statement, Audit Committee Report, Statement on Risk Management and Internal Control).

SCOPE AND BOUNDARY

This Sustainability Report 2024 ("SR2024") summarises our key sustainability-related performance with the disclosures covering the Group's business operations in Malaysia, Indonesia, and Singapore. The activities covered in the disclosures are as follows:

Plantations and Mills

Engineered Hardwood Flooring

Renewable Energy

Forest Management

Corporate and Investment Holding Activities

REPORTING PERIOD

All data and disclosures presented in this report are for the period of FY2024 between 1 January and 31 December 2024. Where available, the Group has also disclosed data over three years (FY2022 – FY2024) to show the general performance trends of key environmental, social and governance ("ESG") topics.

FRAMEWORKS AND STANDARDS

This report has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements on the enhanced sustainability reporting framework. It is further guided by various frameworks, standards, and references for their relevance and applicability, including:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative ("GRI") Standards
- Malaysian Code on Corporate Governance ("MCCG")
- Sustainability Accounting Standards Board for the Agricultural Products Sector ("SASB")
- United Nations Sustainable Development Goals ("UNSDG")

ASSURANCE

The Group has conducted a comprehensive internal review to ensure the reliability and credibility of the information presented. As part of the assurance process, selected aspects of this Sustainability Report have been internally reviewed by the Group's Internal Audit Department and subsequently approved by the Audit Committee ("AC"). For full details on the scope of assurance, please refer to the Group's Statement of Assurance on page 98.

We are continuously refining and enhancing our disclosures, as well as our methods for data collection and consolidation. Our objective is to provide greater transparency into how we sustainably manage operations across all business units. In this regard, any information corrected or updated from the previous year's disclosure (SR2023) has been indicated for easy reference in this report.

We also trust our certification processes conducted by independent certification bodies serve as an additional source of assurance for the production of sustainable palm oil and timber products.

Additionally, we have engaged external service provider to perform a greenhouse gas ("GHG") accounting exercise. This exercise covers Scope 1, Scope 2 and part of Scope 3 of the Group's GHG emissions, with the Scope 3 coverage limited to employee commuting and business travel.

FEEDBACK

We welcome your suggestions and feedback on this report. Please direct any feedback to:

Climate Action & Sustainability Advocacy Department ("CASA")

+603-2084 0888 casa@tsh.com.my

ABOUT TSH

Established in 1979, TSH Resources Berhad has evolved into a dynamic and forward-thinking oil palm industry player. Our core expertise lies in oil palm cultivation and the processing of Fresh Fruit Bunches ("FFB") into high-quality Crude Palm Oil ("CPO") and Palm Kernel ("PK").

Beyond our plantation operations, we have diversified into manufacturing of engineered hardwood flooring and renewable power generation, underscoring our dedication to sustainability and value creation.

At TSH, sustainability is not merely a buzzword but an integral part of our operations and daily decision-making process. Our integrated approach ensures that we remain at the forefront of the industry, delivering value to our stakeholders while maintaining high standards of environmental stewardship. The scope of our business is illustrated below, reflecting our integrated approach to responsible growth and long-term success.

39,000 Ha of plantation in Malaysia and Indonesia.

1 palm oil mill ("POM") in Malaysia and 4 POMs in Indonesia.

Renewable energy generation from an integrated biomass and biogas plant in Kunak, Sabah, Malaysia – turning waste into valuable energy.

Located in Perak, Malaysia, the engineered hardwood flooring plant is managed by Ekowood International Berhad ("EIB"). The products are marketed and sold in the United States, Europe, and Australia. EIB are certified with Forest Stewardship Council® ("FSC®") (FSC® C006543) Chain of Custody (Certificate No. SGSHK-COC-001265) and Programme for the Endorsement of Forest Certification ("PEFC") Chain of Custody (PEFC/34-31-125) (Certificate No. SGSMY-PEFC-COC-0120).

TSH signed a 100-year Sustainable Forest Management License Agreement ("SFMLA") with the Sabah Government to manage 123,385 Ha in the Ulu Tungud Forest Reserve. In 2016, TSH surrendered 28,375 Ha of the licensed area, which was reclassified as Class I Protection Forest for conservation purposes. This reduced the licensed area to its current 95,010 Ha, underscoring TSH's dedication to responsible forest management and environmental preservation.

For more information on our business activities and performance, please refer to Corporate Profile and Management Discussion & Analysis ("MD&A") of this AR2024.

VISION AND MISSION

The Group firmly believes that sustainability and business operations go hand in hand, driving long-term success and value creation. In line with this commitment, our mission is to be a trusted partner in our industries, recognised for our dedication to excellence, responsible practices, and care for our stakeholders and the environment.

Our vision is to uphold exceptional standards in all that we do, guided by dedication, respect, and a deep commitment to environmental stewardship and the well-being of people.

VISION

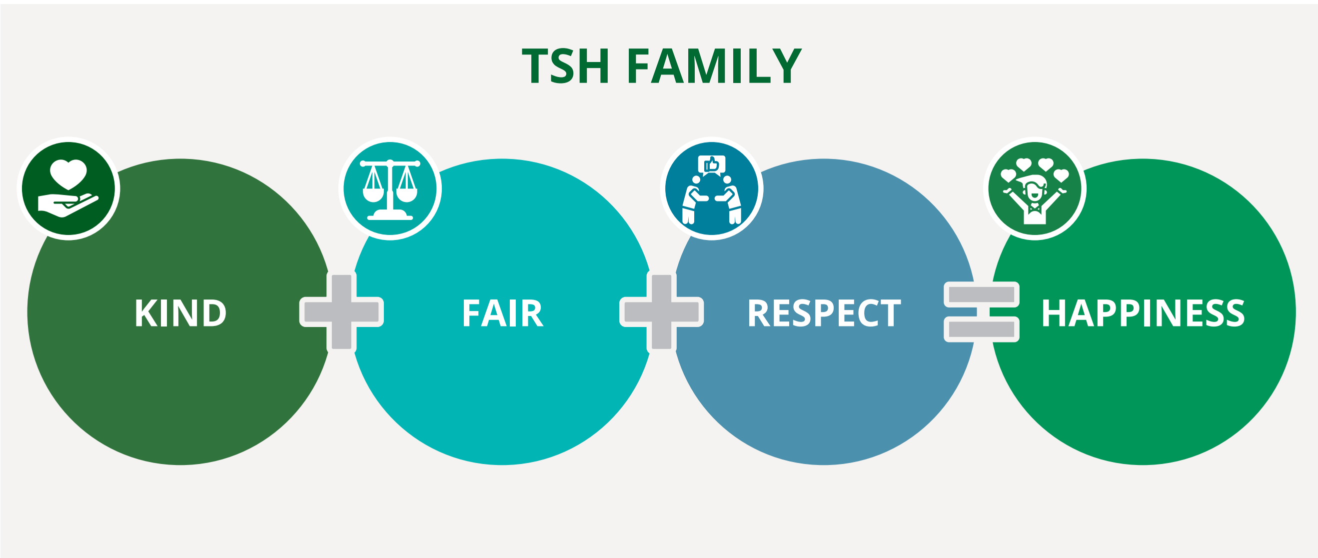
To be a trusted partner in our industries, recognised for our commitment and care to all our stakeholders and environment

MISSION

To deliver exceptional standards with dedication, respect, care for environment and people

To achieve these commitments, we follow our core values: "Kindness, Fairness and Respect" are the principles that guide our everyday actions and decisions. These values are the bedrock of our company culture and they collectively contribute to creating a workplace where happiness flourishes.

When Kindness, Fairness and Respect are consistently practised, they naturally lead to Happiness. A workplace where employees feel supported, valued and treated with dignity is one where happiness thrives. This happiness is not just about personal well-being, it is about collective joy that enhances collaboration, innovation, and productivity.



OUR PRINCIPAL OPERATING ENTITIES AND ACTIVITIES

UPSTREAM
- Oil Palm Plantations

MIDSTREAM
- Palm Oil Mills

OTHER BUSINESSES
- Engineered Hardwood Flooring
- Renewable Energy
- Forest Plantation

CORPORATE AND INVESTMENT HOLDING ACTIVITIES

Malaysia

TSH Plantation Sdn. Bhd.
TSH Plantation Management Sdn. Bhd.
Tan Soon Hong Holdings Sdn. Bhd.
LKSK Sdn. Bhd.
Landquest Sdn. Bhd.
RT Plantations Sdn. Bhd.

Indonesia

PT Andalas Agro Industri
PT Andalas Wahana Berjaya
PT Andalas Wahana Sukses
PT Bulungan Citra Agro Persada
PT Laras Internusa
PT Mitra Jaya Cemerlang
PT Farinda Bersaudara
PT Munte Waniq Jaya Perkasa
PT Perkebunan Sentawar Membangun
PT Teguh Swakarsa Sejahtera
PT Sarana Prima Multi Niaga

Malaysia

Ekowood International Berhad
Ekowood Malaysia Sdn. Bhd.
TSH Bio-Energy Sdn. Bhd.
TSH Bio-Gas Sdn. Bhd.
TSH Biotech Sdn. Bhd.
TSH Forest Plantation Sdn. Bhd.

Malaysia

TSH Logistics Sdn. Bhd.
GlobeFlex Advisory Sdn. Bhd.
Halaman Semesta Sdn. Bhd.
Bagan Agresif Sdn. Bhd.
Casa Logistic Sdn. Bhd.
Rinukut Sdn. Bhd.
Icon Field Ventures Sdn. Bhd.
TSH Palm Products Sdn. Bhd.
EkoLoc System Sdn. Bhd.

Singapore

TSH Agri Pte. Ltd.
TSH Oversea Pte. Ltd.
TSH Global Plantation Pte. Ltd.
TSH Mitra Capital Pte. Ltd.

Indonesia

PT Karya Unggulan Cemerlang

Note:
- *We have excluded the operations under joint venture and associate companies namely TSH-Wilmar Sdn. Bhd., TSH-Wilmar (BF) Sdn. Bhd. and Innoprise Plantations Berhad from the reporting scope as we do not have control over them consistent with that in the International Financial Reporting Standards ("IFRS").*

WHERE TSH OPERATES

We have our footing mainly in Southeast Asia; Malaysia, Indonesia and Singapore. Our plantations and mills are strategically located in Sabah, Malaysia and Sumatera & Kalimantan, Indonesia. We also have a management and investment holdings office in Singapore.

MEMBERSHIPS AND ASSOCIATIONS

At TSH, we actively engage with industry associations and sustainability initiatives to stay at the forefront of evolving industry trends and best practices. By actively participating in both domestic and international platforms, we gain valuable insights into emerging developments, regulatory expectations, and sustainability advancements. This enables us to benchmark our performance against industry standards, refine our strategies, and enhance our resilience in addressing challenges such as climate change, responsible sourcing, and ethical labour practices. Through continuous learning and collaborations, we remain committed to driving sustainable growth while upholding the highest environmental, social, and governance standards.

Below are the TSH's professional registrations with the following organisations:

MALAYSIA

- EAST MALAYSIA PLANTER'S ASSOCIATION ("EMPA")
- MALAYSIAN EMPLOYERS FEDERATION ("MEF")
- MALAYSIAN TIMBER INDUSTRY BOARD ("MTIB")
- FEDERATION OF MALAYSIAN MANUFACTURERS ("FMM")
- INCORPORATED SOCIETY OF PLANTERS ("ISP")

INDONESIA

- INDONESIAN PALM OIL ASSOCIATION ("IPOA")

CHAIRMAN'S MESSAGE

Dear Stakeholders,

It is with great pleasure that I present to you the latest edition of TSH's Sustainability Report, reaffirming our commitment to responsible growth that balances economic, environmental, and social priorities. As a company that values good governance and long-term sustainability, this report highlights the progress we have made in FY2024 and the practices that continue to guide our operations. Our focus remains on protecting the environment, empowering our people, and driving responsible business growth.

Palm oil and its derivatives play a vital role in today's global market, serving as essential ingredients across industries—from food and cosmetics to bioenergy and industrial applications. Its unique properties, such as stability at high temperatures, long shelf life, and cost-effectiveness, make it a preferred ingredient worldwide.

Recognising the vast potential of palm oil and its by-products, we continue to adopt responsible production practices that align with both industry needs and sustainability goals. Through adherence to the Malaysian Sustainable Palm Oil ("MSPO") and Indonesian Sustainable Palm Oil ("ISPO") certifications, we ensure that our products are produced in an environmentally conscious and economically viable manner. This commitment not only supports global sustainability efforts but also strengthens our role as a responsible supplier in the value chain.

At TSH, we view challenges as opportunities to innovate, adapt, and improve. Our sustainability efforts go beyond compliance; they reflect our dedication to operating efficiently, minimising environmental impact, and creating long-term value for stakeholders. Moving forward, we will continue to refine our approach, explore viable opportunities, and build on our sustainability journey with pragmatic and measurable steps.

Thank you for your continued trust and support.

DATUK KELVIN TAN AIK PEN
Chairman/Co-Founder

SUSTAINABILITY HIGHLIGHTS

Anti-Corruption
ZERO
incidence reported

Waste Management
3,617 kg
of waste was diverted from disposal through fabric recycling and other initiatives

Biodiversity
Biodiversity has been reassessed across eight (8) PTs in Indonesia, covering an area of
56,832 Ha

Regulatory Compliance
ZERO
incidence of regulatory non-compliances reported

CSR
A total of
RM992,887
spent on Corporate Social Responsibility ("CSR") initiatives

GHG
- **9.70%** reduction of total GHG emissions compared to FY2023
- *Perusahaan Listrik Negara* ("PLN") grid connection in Indonesia to reduce dependency on fuel

Data Security
ZERO
substantiated complaints concerning breaches of customer privacy or losses of customer data

Effluent
Reduction in total effluent discharged by **4.85%** in FY2024

Health & Safety
- Zero fatality and reduction in Lost Time Injury Frequency Rate ("LTIFR") by **41%** compared to FY2023
- **132,530** OHS trained staffs in FY2024

Energy Cost Saving
Approximately
RM1 million
in savings from EIB operations was achieved through solar panels and air compressors

Local Procurement
96.03%
of procurement spent on local vendors

Industry Certification
- **100%** MSPO
- All our **Indonesian mills** are certified with International Sustainability Carbon Certification ("ISCC")-EU (Waste and Residues)

Training
- Average training hours per employee is at **16.9 hours**
- **117,611** total training hours to all level of employees

AWARDS AND RECOGNITION

In demonstrating our integration of business and sustainability, we are honoured to have received the following awards and recognition:

Awards and Recognition	Awarding Body
Zero Accident Award – PT Laras Internusa Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 1,903,226 man-hours without work-related accidents from 1 January 2021 to 31 December 2023.	*Kementerian Ketenagakerjaan*
Zero Accident Award – PT Andalas Agro Industri Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 790,692 man-hours without work-related accidents from 1 January 2021 to 31 December 2023.	*Kementerian Ketenagakerjaan*
Zero Accident Award – PT Farinda Bersaudara Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 7,146,504 man-hours without work-related accidents from 1 January 2020 to 30 December 2023.	*Kementerian Ketenagakerjaan*
Zero Accident Award – PT Teguh Swakarsa Sejahtera Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 5,509,153 man-hours without work-related accidents from 1 January 2018 to 30 December 2023.	*Kementerian Ketenagakerjaan*
Zero Accident Award – PT Munte Waniq Jaya Perkasa Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 7,763,424 man-hours without work-related accidents from 2 January 2020 to 28 December 2023.	*Kementerian Ketenagakerjaan*
Zero Accident Award – PT Andalas Wahana Sukses Awarded for outstanding performance in implementing Health and Safety Programmes, achieving 4,845,111 man-hours without work-related accidents from 1 January 2016 to 30 December 2023.	*Kementerian Ketenagakerjaan*
Social Security Award – PT Sarana Prima Multi Niaga Awarded for its commitment to enrolling all employees in the Employment Social Security Protection Programme.	*Badan Penyeleggaraan Jaminan Sosial Ketenagakerjaan*
Social Health Insurance Award – PT Andalas Wahana Sukses Awarded for achieving 100% participation of employees and their families in the Social Health Insurance Programme (*Kartu Indonesia Sehat* – JKN-KIS), in accordance with Law No. 24 of 2011.	*Badan Penyeleggaraan Jaminan Sosial Ketenagakerjaan*
Environmental Management Award – PT Andalas Wahana Sukses Awarded for implementing exemplary environmental management in the category of forest and land fire control facilities, achieving the distinction of Best Monitoring Tower.	*Bupati Kutai Timur*

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY

Sustainability has been at the core of TSH's operations since our inception, shaping the way we cultivate, process, and innovate. For nearly three decades, we have integrated responsible practices into every aspect of our business, recognising that sustainability is not just an obligation — it is a long-term investment in the environment, our people, and the communities we serve.

In 2016, we took a significant step forward by formally communicating our sustainability efforts through our inaugural sustainability reporting. This marked an important milestone in our journey, providing transparency and accountability while reinforcing our commitment to sustainable palm oil production. However, our path has not been without challenges. Navigating complex environmental, social, and regulatory landscapes has strengthened our understanding of what needs to be done and the immense value that sustainability brings — not only to our business but to the broader industry and ecosystem.

Our dedication to continuous improvement led us to refresh our Group Sustainability Policy in 2024. This revision integrates our previously standalone Sustainable Palm Oil Policy into a comprehensive framework that aligns with evolving industry expectations and global best practices. Additionally, we have strengthened our commitment to responsible resource management by incorporating internationally recognised sustainability certifications, such as ISCC-EU (Waste and Residues), ensuring that our waste and by-products contribute to a circular economy.

As we move forward, we remain committed to embedding sustainability deeper into our operations, setting new benchmarks, and delivering long-term value for our stakeholders. Our journey continues, driven by innovation, integrity, and a vision for a more sustainable future.

START

- **1997** — Forest Rehabilitation and Environmental Conservation Concession in Ulu Tungud, Sabah
- **2003** — FSC® Certification for EIB
- **2005** — First Bio-Energy Plant
- **2011** — PEFC Certification for EIB
- **2019** — MSPO certifications for all mills and estates in Sabah
- **Sep 2020** — Release of Sustainable Palm Oil Policy
- **2021** — TSH First ISPO Certification
- **Oct 2022** — Establishment of Corporate ESG Department
- **Nov 2022** — Formation of ESG Governance Structure
- **2022** — Installation of Solar Panel in EIB
- **Mar 2023** — Development of GHG Corporate Inventory FY2019 - FY2023
- **Mar 2023** — Establishment of First Group Wide Materiality Matrix and Sustainability KPI
- **Nov 2023** — Roll Out of Climate Change Programme
- **Apr 2024** — ISCC-EU certifications for all mills in Indonesia
- **Jul 2024** — Reconducted materiality assessment for FY2024 - identified 13 material matters
- **Aug 2024** — Enhancement of workers housing procedure
- **Sep 2024** — Switching of diesel genset usage to PLN connection at PT AAI and PT SPMN. Shift towards cleaner energy in its mix & produce lower GHG emissions compared to diesel genset
- **Feb 2025** — Certification of PT TSS and PT MWJP with ISPO

WE ARE HERE

OUR SUSTAINABILITY FRAMEWORK

To ensure a structured and effective approach to sustainability, we are guided by a comprehensive sustainability framework, which provides a clear roadmap for integrating sustainable practices across our operations.

This framework serves as the foundation for our decision-making, aligning our business strategies with global sustainability goals while addressing key environmental, social, and governance priorities. By adopting a structured approach, we are able to mitigate risks, enhance resilience, and create long-term value for our stakeholders.

As shown in the figure below, our sustainability framework outlines the core pillars that drive our sustainability efforts — from reducing environmental impact and promoting responsible resource management to upholding ethical business practices and fostering social well-being. Through this framework, we remain committed to continuous improvement, innovation, and accountability as we navigate the evolving sustainability landscape.

TSH RESOURCES BERHAD
197901005269 (49548-D)

VISION

To be a trusted partner in our industries, recognised for our commitment and care to all our stakeholders and environment

MISSION

To deliver exceptional standards with dedication, respect, care for environment and people

GROUP SUSTAINABILITY POLICY

CORPORATE RESPONSIBILITY STRATEGY

IN CONSIDERATION OF STAKEHOLDERS' INPUT

- Shareholders
- Local Community
- Government & Regulators
- Financial Institutions
- Industry & Certification Bodies
- Suppliers
- Employees

PRODUCTS	WORKPLACE	ENVIRONMENT	COMMUNITY
Delivering high-quality and sustainable products while ensuring best practices throughout our production processes	Creating a safe, inclusive and supportive work environment that fosters growth, innovation, and well-being for all employees	Minimise our environmental impact by adopting eco-friendly practices and promoting resources efficiency	Engage with and support local communities through meaningful initiatives that contribute to their well-being and development
SDG 2, 9, 12, 17	SDG 1, 3, 5, 8, 10	SDG 6, 7, 13, 15, 14	SDG 1, 6, 8, 15, 16, 17

SUSTAINABILITY MATTERS

Products	Workplace	Environment	Community
1 Economic Performance 2 Supply Chain Management	1 Human Rights and Labour Practices 2 Diversity and Equal Opportunity 3 Health and Safety 4 Anti-Corruption and Governance 5 Data Privacy and Security 6 Procurement Practices	1 Energy and Climate Change 2 Water Management 3 Waste Management 4 Biodiversity 5 Pesticides and Chemical Use 6 Materials	1 Community Well-being

Group Sustainability Policy

Our Sustainability Policy provides a clear framework for the Group's approach to sustainability. It outlines our firm commitment to integrating sustainability into all aspects of our operations while aligning with broader global sustainability goals. The policy is built around the following key components:

Environmental Stewardship

Zero deforestation and conservation of High Conservation Value ("HCV") areas.	No new planting on peat since 2018, with peatland conservation using Best Management Practices ("BMP"). GHG emissions reduction through renewable energy, efficient operations, and sustainable land use. Zero-burning policy for land preparation and replanting.
Sustainable soil and water management to protect natural resources Integrated Pest Management ("IPM") to reduce reliance on chemical pesticides.	Responsible waste management with circular economy principles and conversion of waste into renewable energy.

Social Responsibility

Committed to upholding human rights, labour standards, and workplace equality in line with Universal Declaration of Human Rights ("UDHR"), United Nations Guiding Principles on Business and Human Rights ("UNGP"), and International Labour Organizations ("ILO") conventions.	Promotes diversity, inclusion, and zero tolerance for harassment, discrimination, or workplace violence.
Supports freedom of association, fair treatment, prohibition of child labour, and protection of women's rights.	Ensures compliance with national and international health and safety standards, banning hazardous chemicals like Paraquat and World Health Organization ("WHO") Class Ia/Ib pesticides.
Maintains open dialogue with local communities, respects Free, Prior and Informed Consent ("FPIC") principles, and supports initiatives that enhance livelihoods.	Implements transparent grievance systems and ensures protection for human rights defenders and whistle-blowers.

Good Governance

Whistle-blowing mechanism to ensure transparency and accountability.	Commitment to traceability and sustainability in the palm oil and timber supply chains.	Responsible sourcing of raw materials for engineered hardwood flooring.

For more information on TSH's Group Sustainability Policy, kindly visit our corporate website at www.tsh.com.my.

SUSTAINABILITY GOVERNANCE

At TSH, sustainability governance is structured to ensure that sustainability principles are embedded into corporate strategies and decision-making processes. Our governance framework comprises multiple levels of oversight and implementation, each playing a crucial role in driving our sustainability agenda.

The sustainability governance within the Group was formalised in 2022 with the establishment of Sustainability Steering Committee ("SSC") which is currently chaired by our Non-Independent Non-Executive Board member. The SSC has meetings on a quarterly basis.

Board of Directors ("Board")

- Ensures sustainability matters are integrated into corporate strategies and governance
- Provides oversight on all sustainability and climate-related risk and opportunities
- Approves the Group's sustainability strategies
- Reviews and approves sustainability policies and disclosures
- Continuously enhance knowledge of sustainability, including climate-related risks and opportunities, to ensure well-informed, strategic decision-making that aligns with long-term business resilience, regulatory expectations, and stakeholder interests

Quarterly reporting

SSC

- Develops and leads the implementation of sustainability strategies at management level, and monitors progress
- Develops and executes material sustainability matters and sustainability-related policies for the Group
- Reports to the Board on progress of sustainability initiatives
- Advises the Board on key sustainability issues

Monthly reporting

CASA Department

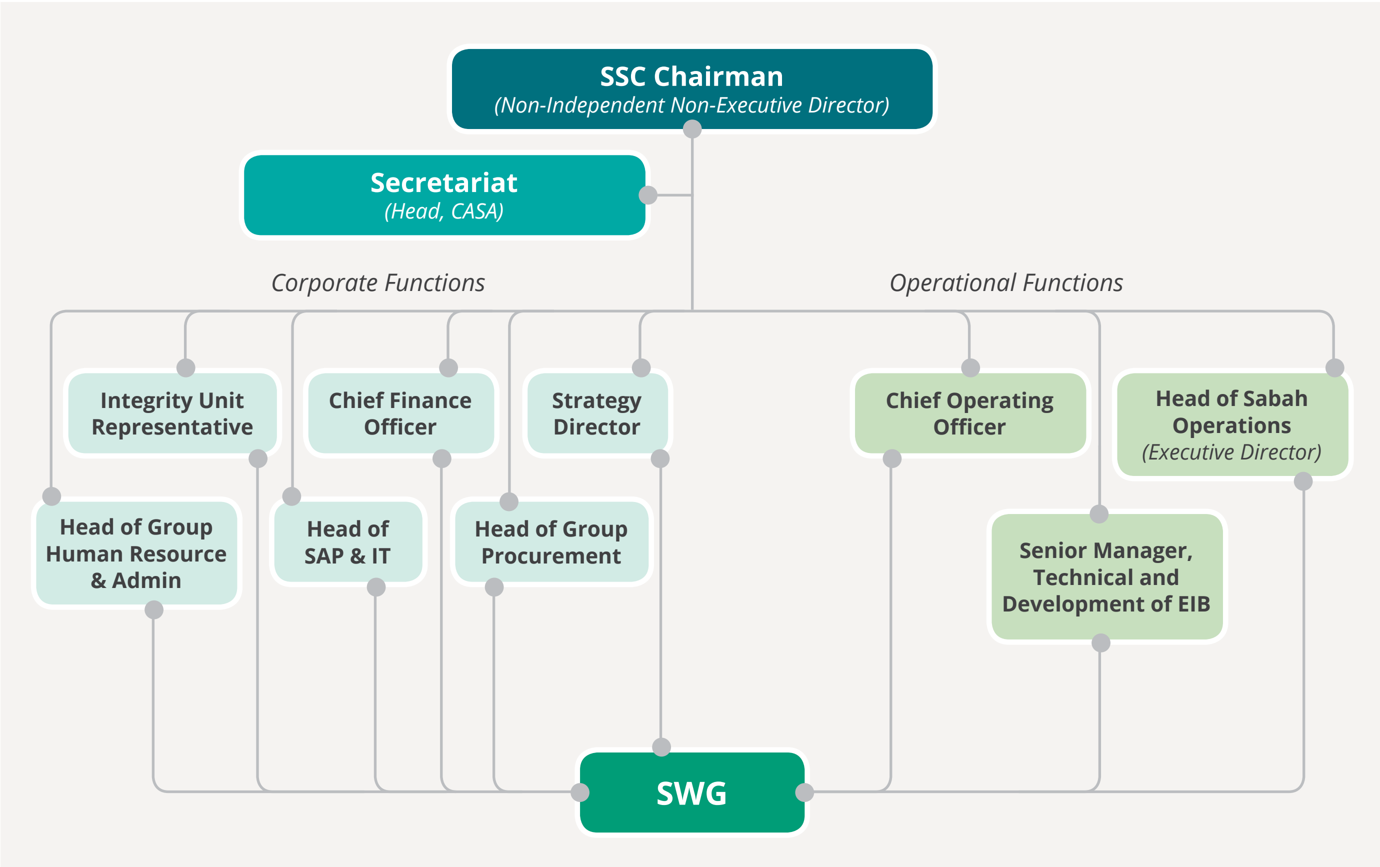
- Acts as subject matter experts on sustainability
- Coordinates the Group's sustainability efforts and performance
- Provides support to the SWG on management of material matters
- Leads and conduct materiality assessment process
- Consolidates sustainability data from SWG for reporting to the SSC

Quarterly reporting

Sustainability Working Group ("SWG")

- Implements sustainability initiatives at operation level
- Collects regular performance data on key sustainability issues for performance benchmarking and sustainability disclosures
- Proposes relevant sustainability initiatives to the Committee

The day-to-day implementation of sustainability initiatives are facilitated by the CASA Secretariat who coordinates it between all departments, business units and the SWG.



SSC Structure

The function of the Board Committee in supporting the implementation of sustainability governance is detailed in the Corporate Governance Overview Statement ("CGOS").

INTEGRATION OF SUSTAINABILITY INTO PERFORMANCE EVALUATION

At TSH, sustainability is a key factor in both performance evaluation and remuneration. The Board, through the Nomination Committee, assesses and reviews the capabilities, skills, and experience required of Directors in their roles. This evaluation measures their ability to deliberate on material sustainability matters, the adequacy of their sustainability training and professional development, and the effectiveness of the accountability regime established for senior management in achieving sustainability key performance indicators ("KPI") and targets.

STAKEHOLDER ENGAGEMENTS

At TSH, we recognise that our success is deeply interconnected with the expectations, needs, and concerns of our diverse stakeholders. As a responsible corporate entity, we are cognisant of the importance of maintaining open, transparent, and meaningful engagement to foster trust and long-term partnerships.

Understanding the evolving interests and priorities of our stakeholders enables us to align our sustainability strategies with their expectations while ensuring that our business decisions create shared value. We actively seek dialogue, listen to feedback, and integrate stakeholder perspectives into our sustainability management plans to drive positive impact.

Stakeholder	Method of Engagement	Area of Interest	Our Response
Employees	• Company intranet • Department meetings • Employee engagement events and trainings • Performance appraisals • Social Impact Assessments ("SIA") • Grievance channel	• Operational excellence and financial performance • Training and career development • Workplace culture & values • Work-life balance and employees' well-being • Health and safety	• Establish and maintain comprehensive working procedures and best practices • Conduct workplace health and safety inspections and audits • Conduct employee training and engagement programmes
Customers	• Formal and informal meetings and visits • Customer service channel • Customer survey and feedback • Training organised by customers	• Quality of products • Sustainable practices • Traceability and supply chain management	• Maintain management system certifications (e.g. ISO9001 for EIB) • Establish policies and procedures to ensure product quality • Improve understanding on sustainability and traceability requirements for supplied products through participation in programmes organised by customers • Provide visibility of Traceability to Plantation ("TTP") through regular updates to customers

Stakeholder	Method of Engagement	Area of Interest	Our Response
Local Community	• Stakeholder meetings • Community outreach programmes • Formal and informal meetings and visits • Other engagements and dialogues	• Community development and plasma obligations • Conflicts and grievance mechanism • Land-related claims and compensations • Pricing and crop quality for smallholders • Local hiring practices • Conservation and protection of HCV and biodiversity	• Identify and mitigate social impacts on communities through Social Impact Assessments ("SIA"), continuous engagement, and open dialogues with stakeholders • Establish a structured and accessible platform for communities to voice concerns, supported by a dedicated team to manage and resolve community issues • Encourage hiring local employees across operations • Conduct Focus Group Discussions with local communities on HCV, biodiversity protection and fire prevention
Government and Regulators	• Meetings, engagements and dialogues with regulators • Participation in government and regulatory events	• Regulatory compliance • Health and safety at workplace • Environmental protection • Corporate governance	• Ensure full compliance with all applicable regulations by regular internal inspections, assessments and certification audits • Conduct regular reviews and maintain an up-to-date legal register • Uphold strong corporate governance through on-going internal monitoring and transparent reporting to established committees and avenues, such as SSC meetings and quarterly operational reviews
Investors/ Financial Institutions	• Analyst and investor briefings • Announcement of financial results • Announcement of company updates and development • Investor relations portal • Annual general meetings • Investor questionnaire	• Business performance and dividend payout • Sustainability of business strategies and performance • Corporate governance and regulatory compliance • Business ethics and management of bribery, corruption and fraud	• Strategically manage the Group's assets to optimise financial returns • Improve sustainability disclosures through the company website and reports • Implement strategies to increase sustainability rating to enhance stakeholder's trust • Uphold strong corporate governance through on-going internal monitoring and transparent reporting to established committees and avenues, such as SSC meetings and quarterly operational reviews • Maintain a comprehensive internal control framework to enhance accountability and transparency in all operations

Stakeholder	Method of Engagement	Area of Interest	Our Response
Board of Directors	• Board meeting • Annual general meetings	• Good corporate governance • Group's sustainable business strategies and performance • Business ethics and management of bribery, corruption and fraud	• Provide Directors with essential support and information to effectively govern and execute their duties in business growth and advancing sustainability agenda • Incorporate sustainability considerations in Directors Assessment
Suppliers	• Formal and informal meetings and briefings • Contract negotiations/ tender • Supplier evaluation and sustainability questionnaires	• Business ethics and management of bribery, corruption and fraud • Quality of products and meeting customer expectations • Compliance with laws and regulations • Health and safety at the workplace	• Enforce Anti-Bribery and Corruption ("ABC") policy and procedures to all business dealings with customers and suppliers • Establish and maintain procedures for traceability and supply chain management • Enhance FFB traceability percentage through continuous engagement with third party suppliers • Provide training to employees and contractors on health and safety compliance
Industry and Certification Bodies	• Meetings, engagements and dialogues • Annual surveillance audits • Recertification audits • Meetings	• Adherence to national laws related to sustainable business and operations • Conformance with certification standards	• Stay updated on industry trends and developments by participating in annual general meetings • Maintain valid certification status with nationally mandated sustainability standards through certification and annual surveillance audits

MATERIALITY

Matters Material to TSH

Materiality assessment is a methodology used to provide insights of what really matters to us as a business and to our stakeholders. This effort allows us to identify opportunities and by prioritising key issues, we can develop effective strategic plans and address critical matters in a focused and meaningful way. Through this approach, we aim to align our sustainability initiatives with stakeholder needs and deliver lasting value.

In FY2024, we have conducted a comprehensive materiality assessment, not only to review the relevance of the existing matters, but to refresh and adapt to the current development and changes, which are important to both our internal and external stakeholders. The assessment was performed with reference to the methodologies outlined by Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition) and the GRI Standards.

STEP 1: IDENTIFICATION OF MATERIAL TOPICS

- Identified TSH's key internal and external stakeholders
- Created an inventory of material matters based on:
  - ✓ Key risks and opportunities identified
  - ✓ Stakeholders' areas of concern and interest
  - ✓ Sustainability reporting standards and guides (GRI Standards, Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition))
  - ✓ Sustainability trends in the plantation sector
  - ✓ Peer benchmarking exercises

STEP 2: PRIORITISATION

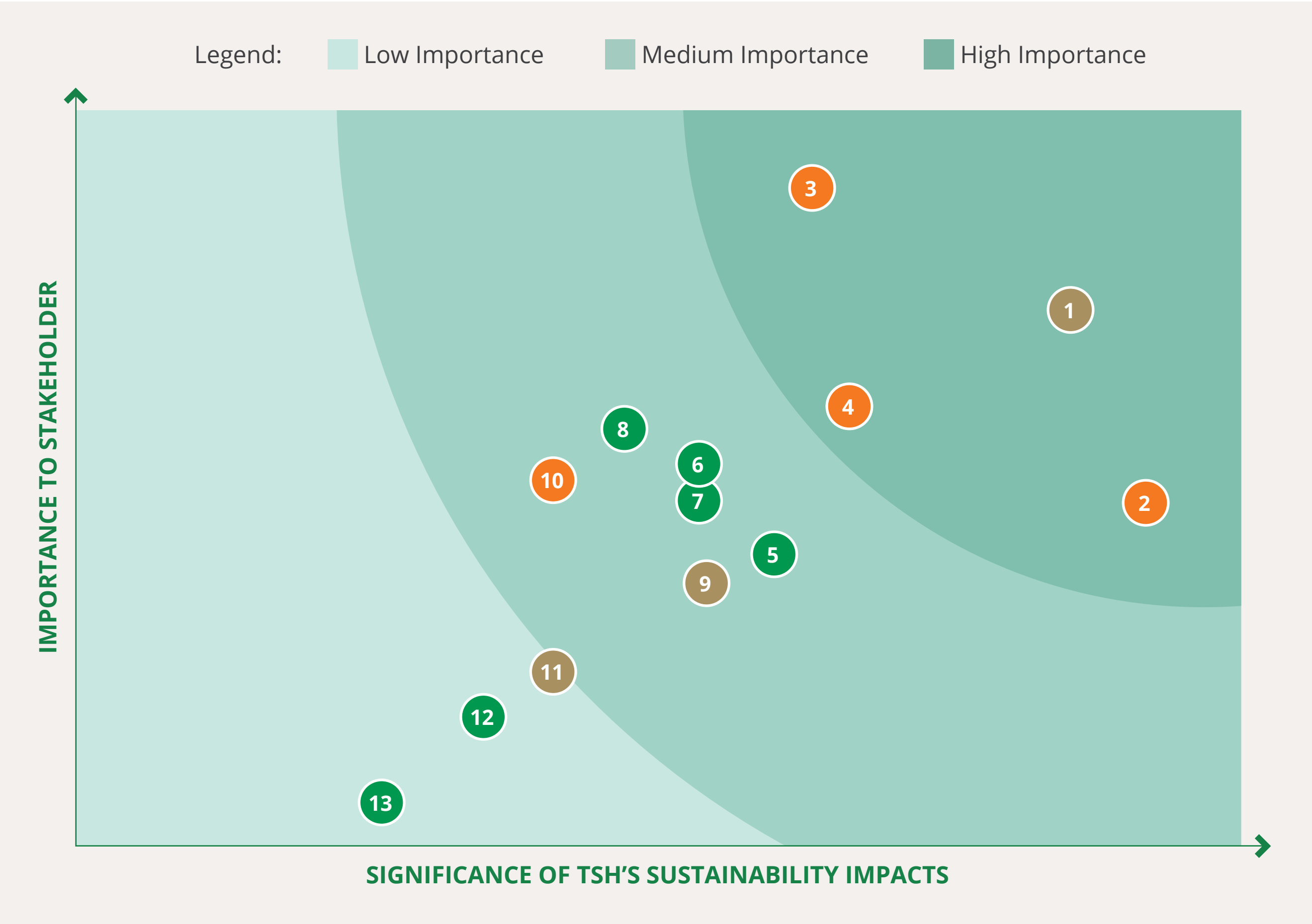
- Deployed a Materiality Assessment Survey to internal and external stakeholders to obtain input on the importance of each material matter
- Conducted a materiality assessment workshop to shortlist material matters and prioritise based on severity and likelihood of impact
- Developed the preliminary Materiality Matrix

STEP 3: VALIDATION

- Presented the final Materiality Matrix to the SSC for validation
- Obtained approval from the Board for the Materiality Matrix

The outcome of the materiality assessment process not only guides the disclosures and contents for this SR2024 but also becomes an input to our future business strategy and management plan. The assessment resulted in existing material topics being re-positioned and new additions to the material topic – pesticides and chemical use.

The summary of the assessment is depicted in the figure below.



Environment

- 5 Energy and Climate Change
- 6 Waste Management
- 7 Water Management
- 8 Biodiversity
- 12 Pesticides and Chemical Use
- 13 Materials

UNSDGs Impacted

Social

- 2 Community
- 3 Health and Safety
- 4 Human Rights and Labour Practices
- 10 Diversity and Equal Opportunity

UNSDGs Impacted

Governance

- 1 Anti-Corruption and Governance
- 9 Data Privacy and Security
- 11 Procurement Practices and Supply Chain Management

UNSDGs Impacted

Recognising the importance of navigating the evolving business landscape and rising consumer expectations on sustainability, it is important for the Group to capitalise on existing and emerging opportunities as well as mitigate risks that could affect long-term value creation. We have identified the risks and opportunities associated with material matters relevant to our business. This assessment is based on stakeholder concerns raised to us, as well as our internal development strategy.

FY2024 Material Matters' Risks and Opportunities

Material Matters	Risk	Opportunity
GOVERNANCE		
Anti-Corruption	Failure to adhere to anti-corruption laws and regulations could lead to legal consequences and erode trust among investors, financiers and other stakeholders	Demonstrate strong anti-corruption practices could: - Position the company as a trustworthy and reliable partner among customers and other stakeholders - Attract investors
	Allegations on corrupt or unethical business practices could lead to reputational risk and company image	Ethical business practices could streamline processes, reduce hidden costs, and foster a transparent work culture
Corporate Governance	Non-compliance with local or international regulations could lead to legal consequences including suspension of operations	Demonstrate strong regulatory adherence and establish a culture of continuous improvement in aiming to exceed minimum regulatory requirements to foster trust among stakeholders and enhance the Group's reputation
	Publicised non-compliance with regulatory or sustainability standards could erode trust among investors, financiers, customers and other stakeholders	Proactively align operation and practices with evolving or emerging rules & regulations to ensure business continuity and reduce disruption
	Emerging or changes in laws or regulations in the countries that the Group operates as well as the importing countries may require additional cost for adjustments to business practices or infrastructure	
Data Privacy and Security	Poor management of personal and/or private data could lead to legal consequences, reputational damage, financial loss, cyber-security threats, and competitive disadvantages	Effective personal data management enhances customers' trust, protects the organisation from legal consequences, strengthens its reputation and provides competitive advantages, particularly to clients and potential clients who value privacy and data protection

Material Matters	Risk	Opportunity
GOVERNANCE		
Procurement Practices and Supply Chain	Suppliers failed to meet legal and/or sustainability requirements (e.g., NDPE—No Deforestation, No Peat, No Exploitation policies) could lead to reputational damage and legal consequences	Build long-term partnership with suppliers to ensure reliable supply and fosters collaboration on innovative practices
	Challenges in verifying suppliers' traceability to the plantation/farm within the supply chain may lead to non-compliance and reputational risks	Implement robust procurement policies and ensure sustainable sourcing in enhancing conformance with certifications requirements as well as to attract ESG-focused investors and customers
	Lack of transparency in procurement processes could lead to fraud, bribery, or favouritism, resulting in financial and reputational losses	Engage with local suppliers to create economic opportunities within the communities, improve acceptance of the Group into the community (social license to operate), and reduce transportation costs and emissions
SOCIAL		
Health and Safety	Accident could result in lost time injury ("LTI") or operational shut down and legal consequences	A safe working environment reduces injuries and absenteeism, leading to higher efficiency and performance
	Extra cost incurred (hidden cost) due to accident (e.g. unproductive days, medical expenses)	Proactive health and safety measures reduce accident-related costs, such as medical expenses, compensation claims, and legal penalties
	Failure to comply with national legal and international requirements on Health and Safety could lead to legal consequences or operational shutdowns	Provision of safe working environment and the emphasis on importance of safety practices will lead to engaged and motivated workforce when they feel protected and valued
Human Rights and Labour Practices	Failure to adhere to national and international labour laws, MSPO, ISPO, ILO conventions, UNGP, could result in legal consequences and/or reputational damage	Adherence to ethical labour standards and practices enhance credibility and increases business opportunities with ESG-conscious buyers, investors, and global markets
	Poor working conditions, unfair wages, or lack of career development could lead to high attrition rates and increase in recruitment and training costs	Fair wages, safe working conditions, and employee welfare programmes reduce turnover and improve morale
	Investors, buyers, and regulatory bodies are increasingly prioritising ethical labour practices	Motivated workforce leads to higher productivity and better quality in plantation management, milling operations, and sustainability initiatives

Material Matters	Risk	Opportunity
SOCIAL		
Community	Poor community engagement can lead to resistance, protests, or operational disruptions, affecting plantation activities and long-term business stability	Positive relationships with local communities enhance trust and long-term business stability, reducing risks of conflicts and disruptions
	Conflicts with local communities can lead to project delays, higher security costs, and additional expenses for conflict resolution or damage control	Demonstrating responsible community engagement strengthens TSH's image, attracts ethical investors, and supports certification compliance
	Failure to address community concerns may result in regulatory fines, lawsuits, or non-compliance with sustainability standards like ISPO and MSPO	Investing in local communities fosters goodwill, creating opportunities for local employment, skill development, and a more stable workforce
	Negative publicity from unresolved community issues can harm TSH's image, stakeholder trust, and relationships with investors and buyers	Collaborating with communities on conservation efforts (e.g., HCV and biodiversity protection, fire prevention) strengthens environmental sustainability and ESG performance
Diversity and Equal Opportunity	A homogeneous team may lack diverse perspectives, stifling creativity and reducing the potential for innovative solutions	A diverse team brings varied perspectives and experiences, fostering creative problem-solving and driving innovation in sustainable plantation practices and operational efficiency
	A lack of diversity and inclusion can lead to a less supportive and engaging work environment, negatively affecting employee morale, job satisfaction, and retention	Inclusive workplaces boost morale, leading to higher job satisfaction, lower turnover rates, and increased productivity
	Without considering diversity, the organisation may fail to connect with or understand diverse audiences, leading to missed opportunities for engagement and market growth	A diverse workforce helps TSH better understand and engage with local communities, enhancing relationships and ensuring a strong social license to operate
	Failing to address diversity and inclusion can raise ethical concerns, damaging the organisation's reputation and credibility in promoting fairness and equality	Reduces the risk of discrimination-related legal issues and ensures compliance with labor and human rights regulations

Material Matters	Risk	Opportunity
ENVIRONMENT		
Energy and Climate Change	Fluctuations in energy prices, particularly fossil fuels, can lead to higher operating expenses and affect financial stability	Implement energy-efficient technologies and practices (e.g., LED lighting, energy audits) reduces operational costs and carbon emissions
	Inefficient energy use leads to higher GHG emissions which ultimately may contribute to undesirable climate risks	Investing in renewable energy sources such as biogas, solar, or biomass plants aligns with sustainability goals, reduces GHG emissions, and diversifies energy supply
	Extreme weather events including frequent natural disasters; and changing climate patterns can affect crop yields and disrupt operations	Utilising by-products like palm oil mill effluent ("POME") for biogas production or converting biomass into energy reduces waste and improves energy sustainability
	Rising concerns about climate change may result in more stringent requirements from the legal authorities, customers and the general public	Proactively adapting operations to mitigate climate risks (e.g., enhance water management in plantation) ensures business continuity and long-term resilience
Waste Management	Non-compliance with national and international waste management regulations and standards (MSPO, ISPO) could lead to fines, operational suspensions, or loss of certifications	Utilising POME and biomass waste (EFB, Palm Kernel Shell ("PKS") and fibre) to generate biogas can provide a renewable energy source for operations, reducing dependency on fossil fuels and lowering operational costs
	Improper POME handling can contaminate water bodies, while decomposing organic waste releases methane, contributing to climate change	Reusing and recycling by-products such as EFB as mulch or fertilisers could enhance soil quality and reduce the need for chemical inputs
	Poor waste management can cause environmental and health concerns, leading to conflicts with local communities and reputational damage	Effective waste management practices can support certification requirements and attracting eco-conscious buyers
	Inefficient waste management systems may increase costs associated with waste disposal and compliance with stricter environmental regulations	Reducing GHG emissions from waste decomposition through biogas capture and composting could qualify the company for carbon credits, generating additional revenue streams
Water Management	Poor water management will cause disruptions to plantation activities as well as worsen the climate change impact through unsustainable water use	Implementing rainwater harvesting systems could reduce reliance on natural water bodies and ensure water availability during dry periods
	Over extraction of water resources could deplete the shared natural resource, disrupts ecosystems and threaten biodiversity	Treating and reusing wastewater (e.g., POME) for irrigation could conserve freshwater resources and reduce operational costs
	Improper wastewater discharge can lead to pollution, fines, operational shutdowns, or loss of certifications (ISPO, MSPO)	Sustainable water usage could protect nearby ecosystems, enhancing the company's reputation for environmental stewardship
	Competing water demands between plantations and local communities can create tensions, risking the company's social license to operate	Supporting community water conservation initiatives could strengthen relationships with local stakeholders and build goodwill

Material Matters	Risk	Opportunity
ENVIRONMENT		
Biodiversity	No or lack of monitoring of the biodiversity condition could lead to accusations by Non-Governmental Organisations ("NGOs") and other stakeholders of lack of commitment to conserve the environment	Protecting biodiversity supports compliance with ISPO, MSPO, ISCC and other sustainability certifications, enhancing market access and investor confidence
	Illegal and unrestricted hunting or collecting of endangered flora/fauna within the area of jurisdiction would imply supporting of illegal activities	Conservation efforts strengthen relationships with local communities and regulators reinforcing TSH's social license to operate
Pesticides and Chemical Use	Overuse or improper handling of pesticides and chemicals can lead to soil contamination and degradation, water pollution, harming biodiversity and ecosystem as well as impacting community health	Responsible pesticide and chemical management enhances soil fertility, leading to higher yields, minimises waste and cost leading to long-term plantation sustainability
	This can result in higher operational costs due to soil rehabilitation efforts, and stricter environmental compliance requirements	Good management of pesticide and chemical use protects water sources, biodiversity, and surrounding communities, reinforcing TSH's reputation and social license to operate
	Poor management of pesticide and chemical use could also result in non-compliance with legal and sustainability certification requirements leading to penalties and suspensions	
Materials	Resource depletion as non-renewable material could lead to scarcity, creating long-term risks to the global economy	Efficient material management supports circular economy practices, extending the lifecycle of materials and reducing reliance on non-renewable resources
		Create value from wastes/residues to avoid disposal

SUSTAINABILITY TARGETS, ACHIEVEMENTS AND PROGRESS

Managing matters material to us is incomplete without measurements. We have our goals, targets, and action plans formulated to gauge our performance at all levels.

Material Topic	KPI/Target	FY2024 Performance	Corresponding UNSDG
ENVIRONMENT			
Waste and Effluent	To continue tracking waste generation (scheduled waste, non-scheduled waste) for each business segment	All business units are continuously tracking the waste generation for baseline setting and future reduction plan	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
	To ensure biological oxygen demand ("BOD") and chemical oxygen demand ("COD") level discharged to water bodies are within permissible limits. For land application in Indonesia (BOD < 5,000 mg/L), meanwhile in Sabah (BOD < 50 mg/L). For final discharge to river (BOD < 100 mg/L, COD < 350 mg/L)	Maintained zero penalty from environmental authority pertaining to waste and water discharge	
Water	Monitor water consumption and ensure average consumption is less than 1.5 m^3/MT FFB for mills	The average process water consumption for mills was 1.03 m^3/MT FFB	6 CLEAN WATER AND SANITATION
	For EIB – monitor water consumption according to the production output for 25,000 m^2 and ensure consumption is less than 0.30 m^3/m^2	Process water consumption for EIB was 0.16 m^3/m^2	
Biodiversity	To ensure existing areas located within estates of HCV are maintained for conservation	All estates in Sabah and Indonesia had completed the scheduled Wildlife Monitoring Assessment and Biodiversity Monitoring respectively	15 LIFE ON LAND

Material Topic	KPI/Target	FY2024 Performance	Corresponding UNSDG
SOCIAL			
Community	To ensure continuous support for education, healthcare, and society	Spent approximately RM1 million in community programme	1 NO POVERTY
Health and Safety	Zero work-related fatalities	Zero work related fatality recorded	3 GOOD HEALTH AND WELL-BEING
	Reduction of LTIFR	LTIFR reduced by 41% from FY2023 to FY2024	
Labour Practices	Maintain zero breaches of labour laws including no child labour and comply with minimum wage	Maintained zero breaches and zero summons from labour department pertaining to labour practices and minimum wage	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Diversity	Achieve zero substantiated grievances on gender discrimination and equal opportunity	Zero substantiated grievances on gender discrimination and equal opportunity recorded	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
GOVERNANCE			
Anti-Corruption and Governance	Provide ABC training for 100% relevant workforce (Executive and Management)	100% employees received ABC training across business units	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Include corruption risk in the annual risk assessment of the Group	Corruption risk was included in the Group's annual risk assessment	
	Maintain zero incidents of corruption cases year on year	Zero incidents of corruption cases recorded	
	All Board members attend at least one training/ refresher session on ESG-related issues annually	All Board members attended training/refresher session on ESG	
Supply Chain	Source materials from local suppliers (based on each business segment's definition of "local"): o Indonesia Operations - 95% o Sabah Operations - 100% o EIB - 20%	All business segments achieved their target of local suppliers, where Group spending on local suppliers was 96.03%	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Traceability	To ensure 100% palm products traceability to plantations	98% traceability to plantations	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GOVERNANCE

The Group believes that governance is key to being a responsible corporate entity. Therefore, we are committed to ethical business practices to maintain the integrity of our organisation. This includes the prevention of bribery and corruption, fair business practices, respecting human rights and safeguarding the interest of our stakeholders. This is crucial in preventing non-compliance with legal requirements, costly penalties and the risk of litigation, in addition to fostering trust and credibility.

UPHOLDING ETHICAL BUSINESS AND WORKPLACE PRACTICES INCLUDING ANTI-BRIBERY AND CORRUPTION

(GRI 3-3, GRI 205-1, GRI 205-2, GRI 205-3, GRI 13.26)

At TSH, we uphold the highest standards of integrity and transparency in all aspects of our operations. We do not tolerate bribery and corruption under any circumstances, as they undermine ethical business practices and corporate accountability.

Anti-bribery and corruption practices are integral to our corporate governance framework, reflecting our commitment to ethical business conduct and compliance with laws and regulations. To ensure this, we established the ABC Policy that sets requirements for risk assessments, training, disclosure, and reporting mechanisms to mitigate any potential bribery and corruption risks. The policy establishes clear reporting mechanism, requiring employees to report concerns to the Integrity Unit ("IU"). The policy is also aligned with regulatory requirements such as Section 17A (1) of the Malaysia Anti-Corruption Commission (Amendment) Act 2018.

Additionally, our approach to good corporate governance is guided by an array of policies as stated in the figure below. These governing policies are reviewed and updated as and when required. They are available on our website at www.tsh.com.my. Kindly refer to the CGOS section in this AR2024 for more details.

- Board Charter
- Remuneration Policy and Procedures
- Whistle-Blowing Policy
- Code of Ethics for Company Directors
- Code of Ethics for Employees
- Director's Fit and Proper Policy
- Conflict of Interest of Directors and Senior Management Policy
- Audit Committee Terms of Reference
- Nomination and Remuneration Committee Terms of Reference
- Group Sustainability Policy
- Transparency Policy
- ABC Policy

In supporting the implementation of ethical business practices, the Group has conducted ABC training in FY2024 for all levels of the workforce. The details of the training are explained below.

Training Agenda	Training Objective	Training Outcome
▸ Overview of the ABC Framework ▸ ABC Policy ▸ Governance structure and corruption risk management ▸ Managing transactions & business ethics ▸ Employee responsibilities for managing external parties ▸ Other enforcement and monitoring efforts ▸ Making a report	▸ Deploy various communication tools and methods to raise awareness of the ABC Policy and the Group's anti-bribery and corruption stance ▸ Create awareness in the organisation of the importance of employees preventing bribery and corruption	▸ All employees are compliant with ABC laws ▸ Create a culture of integrity within TSH ▸ Establish an ethical workplace and highlight the importance of employees' role in preventing bribery and corruption

Cascading ABC to Supply Chain

We have implemented a multi-tiered approval system that serves as a robust internal control framework. For instance, each financial transaction is subjected to a three-step review process—performed by the job performer, a checker, and an approver—ensuring that all commercial decisions are made with integrity and transparency while mitigating risks of corruption. Furthermore, our ABC Policy extends to our contractors, suppliers, and service providers, requiring them to adhere to the policy through contractual obligations by way of clauses included in legal documents and contracts in relation to all dealings with them. This reinforces our commitment to working with partners who uphold high standards of integrity, demonstrating TSH's seriousness in preventing bribery and corruption.

ABC briefing conducted by IU representative across the operating units

Sponsorship and Donation

At TSH, we integrate ethical practices into all areas of our operations, including sponsorships and donations. As an apolitical, publicly listed company, we maintain strict independence from any political party or group. Our zero-tolerance policy ensures that all sponsorship and donation proposals, whether for corporate social responsibility or community efforts, meet established criteria and would never influence business decisions or serve as improper compensation.

To reinforce these standards, we established the Gifts and Hospitality Policies & Procedures in 2021 to provide clear guidelines on the acceptable practices. Directors and employees must secure approval from the IU before offering gifts or hospitality beyond the prescribed monetary thresholds. Additionally, any donation or sponsorship made on behalf of the Group must obtain approvals from at least two Executive Directors or, when exceeding threshold amount, from two Directors and the TSH Board of Directors—to ensure transparency and accountability.

Our Performance

In FY2024, all 6,961 employees from all business units have completed ABC training and signed the ABC compliance form. There were also zero whistle-blowing cases, instances of bribery or corruption, penalty imposed, or employees dismissed or disciplined due to unethical behaviour for FY2024.

ABC Training and Signed Compliance Form by Employee Category	
Employee category	**%**
Board of Directors	100%
Management	100%
Executive	100%
Non-Executive	100%

ABC Training and Signed Compliance Form by Region	
Region	**%**
Malaysia	100%
Indonesia	100%
Singapore	100%

Note:
New employees receive training on our corporate policies, including ABC and Gifts & Hospitality, as part of their induction programme. To reinforce understanding, existing employees are required to undergo annual refresher training on these policies. While general workers are not required to complete ABC training, they are briefed on the Group's zero tolerance stance on bribery and corruption.

We have also extended the ABC Policy to our business partners mainly our suppliers and contractors, and required them to sign self-declarations of ABC compliance form before contract are awarded to them. In FY2024, 735 business partners representing our key and critical suppliers have signed the ABC Compliance Form.

DATA PRIVACY AND SECURITY
(GRI 3-3, GRI 418-1)

Why is it important?

Protecting data security and privacy is paramount for TSH in today's digital landscape. Robust security measures safeguard sensitive information from operational data and customer details to supplier relationships—against cyber threats, misuse, and unauthorised access. By implementing comprehensive controls, we not only mitigate financial losses and reputational damage but also ensure compliance with legal requirements. Our unwavering commitment to data security and privacy builds stakeholder trust, ensures business continuity, and reinforces our dedication to ethical practices in a rapidly evolving, competitive global market.

Our Approach

The Group adheres to the Personal Data Protection Act 2010 ("PDPA") and has implemented a robust set of controls and policies to enhance data security. These include mandatory password renewal every 90 days, automatic account locking after five failed login attempts, and the use of a virtual private network ("VPN") alongside SSL/TLS encryption to secure data transmission between servers and clients. To further protect internal networks, we maintain segmented wireless connection for guests and employees, enforce firewall policies to prevent unauthorised lateral access to servers, restrict direct access to servers from public internet. Our systems are also regularly backed up to separate storage devices in distinct, segmented networks, ensuring data integrity and resilience.

Our Performance

We maintained our record of having no substantiated complaints concerning breaches of customer and other stakeholder privacy and losses of customer data.

PROCUREMENT PRACTICES AND SUPPLY CHAIN MANAGEMENT
(GRI 3-3, GRI 204-1, GRI 308-2, GRI 414-2, GRI 13.23)

Why is it important?

Responsible sourcing and procurement practices are important to TSH because they underpin the sustainability and integrity of our operations. By evaluating suppliers against sustainability, quality, and cost criteria, we do not only minimise environmental impacts and support local communities but also ensure that our supply chain remains resilient and ethically sound.

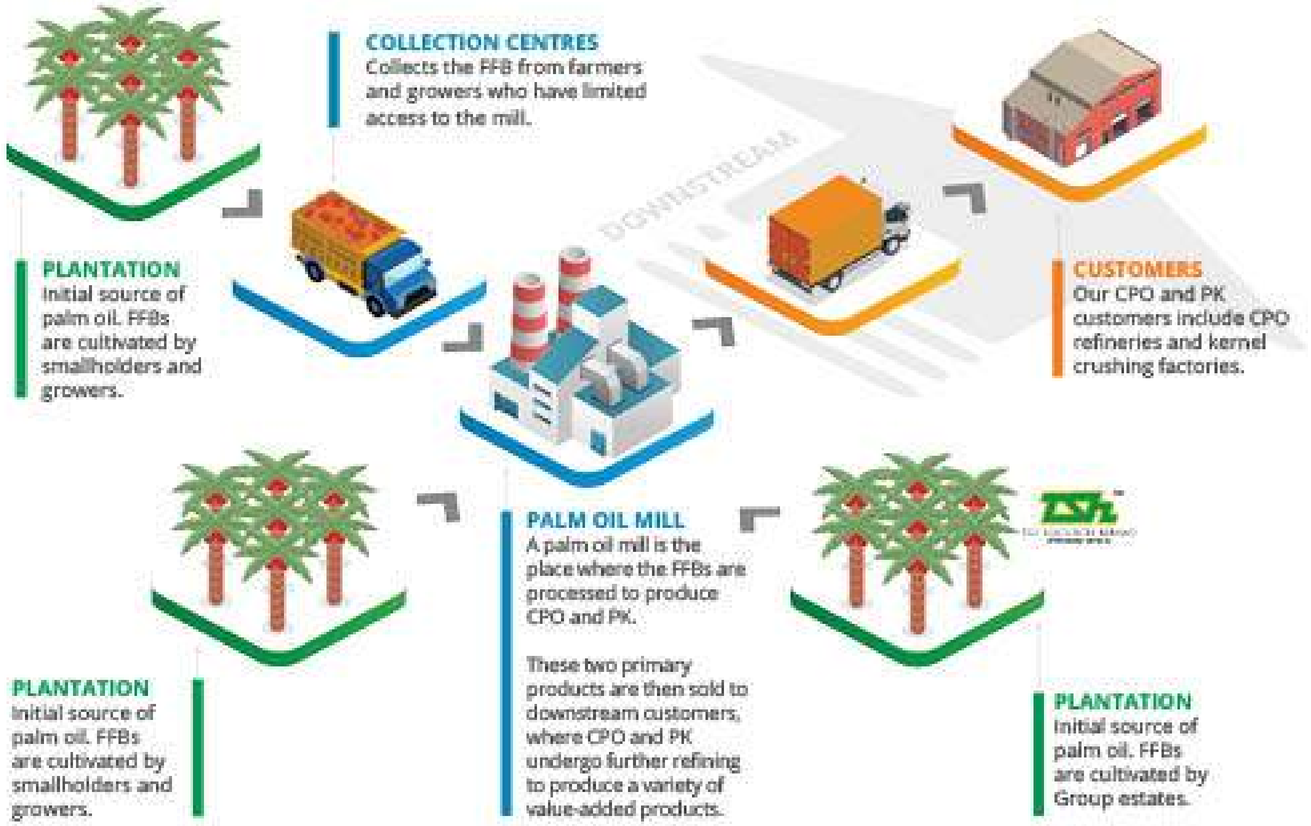
Our Approach

At TSH, our procurement practices are integral to our sustainability commitment and local economic development. We prioritise local suppliers through a fair and transparent tendering process, ensuring that every supplier is evaluated on sustainability, quality, and cost. Sustainability criteria are integrated into new supplier selection and evaluation of existing and active suppliers.

Integration of sustainability considerations into supplier selection → Approved suppliers and vendors registry → Integration of sustainability criteria into supplier performance evaluation

Sourcing of Raw Material FFB

Our commitment to ethical and sustainable palm oil production is reinforced through compliance with the industry standards and certification schemes of MSPO and ISPO. We implement robust verification processes in line with our Supply Chain & Traceability Standard Operating Procedure ("SOP") which outlines the sustainability criteria and tracking mechanisms to verify supplier compliance. Leveraging digital tools and regular audits, we ensure data accuracy and traceability across all levels.



We employ systematic approach to verify the origin and sustainability of all FFB including those from third-party suppliers. Main criteria include but not limited to:

Quality Checks	Assessing the quality of the FFB received to meet processing standards
Legal Ownership	Ensuring the legality of land ownership to prevent illegal cultivation. In Malaysia, all FFB suppliers must hold a valid Malaysian Palm Oil Board ("MPOB") license to sell their FFB to our mills or collection centres
Global Positioning System ("GPS") Location Tracking	Recording the geographic origin of FFB to validate its source and prevent deforestation. We also extend assistance to growers and smallholders to develop their boudary maps and tag their geo-locations
Volume Monitoring	Ensuring FFB volumes align with expected yields to identify inconsistencies and prevent the sourcing of illegal FFB

By integrating these controls, we improve traceability and accountability across our supply chain. We also aim to raise awareness and highlight the importance of responsible sourcing while gradually expanding our minimum requirements to include more sustainability criteria, fostering stronger partnerships with our suppliers and communities.

Our Performance

The Group remains committed to prioritising local supply procurement, maintaining a high proportion of spending on local suppliers. Nevertheless, the proportion of spending on local suppliers in FY2023 has been corrected due to inaccuracies in the previously disclosed data.

Region	Proportion of Spending on Local Suppliers (%)	
	FY2023	FY2024
Sabah, Malaysia	100.00	100.00
Indonesia	99.50	99.16
EIB	29.11	20.77
Overall	**96.60**	**96.03**

This local supplier refers suppliers that operate locally within the country we operate in. In FY2024, 96.03% of procurement was sourced locally, while the remaining 3.97% came from overseas suppliers. This was mainly due to the requirements of EIB's hardwood flooring business, which relies on temperate hardwood species preferred by its customers.

We have also completed assessing 78% of our suppliers against the sustainability criteria. The assessment was conducted through a survey using self-filled questionnaires.

For the FFB sources, we have achieved 100% FFB traceability to plantations within the group in Indonesia. For our Malaysian operation, the FFB traceability to the plantation is at 98%. The remaining 2% refers to the FFB source from third party collection centres which we are actively engaging to obtain more information.

100%

FFB traceable to plantation (for Indonesian operations)

4 TSH POMs in Indonesia process FFB sourced from our plantations as well as from our scheme smallholders (Plasma). All FFB is fully traceable.

98%

FFB traceable to plantation (for Malaysian operations)

At least 85% of the FFB processed at TSH POM in Malaysia sourced from third-party suppliers. Additionally, all FFB sourced through TSH's second-tier collection centres are fully traceable.

INDUSTRY CERTIFICATIONS

Certification is a mechanism accepted worldwide to provide credentials that organisations have conducted their businesses that fulfil specific requirements. Sector-specific certification for palm oil and timber industry elevates the credibility and trust among the supply chain players.

The Group has obtained 100% certification for the mandatory MSPO scheme since 2019 for our estates and mill in Malaysia. We aim to achieve 100% certification under the ISPO standards by 2025. Currently, 55% of our Indonesian operations have attained ISPO certification. The POMs in Indonesia have also obtained the ISCC-EU for waste and residues.

For sustainable forest operation, the Group has been certified with Sabah Timber Legality Assurance System ("TLAS") Certificate of Compliance. Engineering hardwood products are certified to FSC® (FSC® C006543) Chain of Custody (Certificate No. SGSHK-COC-001265) and PEFC (PEFC/34-31-125) Chain of Custody (Certificate No. SGSMY-PEFC-COC-0120).

ECONOMIC

DIRECT AND INDIRECT SUSTAINABILITY ECONOMIC IMPACTS

(GRI 3-3, GRI 203-1, GRI 203-2, GRI 13.22)

Why is it important?

At TSH, our economic performance extends beyond financial resilience to include meaningful direct and indirect impacts on the communities and economies where we operate. Through sustainable practices and responsible growth, we create jobs, support local businesses, and contribute to regional development. Our commitment to long-term value creation ensures that our operations not only drive financial sustainability but also foster positive socio-economic outcomes for stakeholders and communities alike.

Our Approach

Financial and Business Performance

In ensuring sustainable growth and business success, our goal is to achieve profitability without compromising the environment and our social license to operate. It is imperative that we establish an optimal capital and debt composition by preserving the right balance while ensuring a strong financial basis to enhance growth, provide shareholder returns as well as contribute back to countries where we operate through tax payments.

Correspondingly, we place great importance on operational efficiency, achieved through streamlined plantation practices, effective supply chain management, and prudent financial decision-making. The Group is committed to continual improvement, optimising operations to enhance cost-effectiveness while carefully evaluating potential investments and expenditures to ensure alignment with our strategic priorities.

A breakdown of financial figures for FY2024 can be found in the MD&A section in AR2024.

Tax Practices

Tax contributions play a vital role in supporting public finances and driving social and economic development in the regions where we operate. As a responsible corporate citizen, we are committed to complying with tax laws, maintaining transparency, and acting in good faith.

Through our tax contributions, we help fund essential infrastructure, education, healthcare, and community programmes in the countries where we operate. TSH has established tax procedures to ensure accurate reporting in line with applicable laws and regulations.

Kindly refer to the Statements of Cash Flows in the Financial Statements section for amount of income tax paid/refunded during the year.

BALANCING ECONOMIC VALUE AND ENVIRONMENTAL RESPONSIBILITY

(GRI 3-3, GRI 201-1)

Why is it important?

At TSH, we recognise that palm oil production is a key driver of economic growth, creating jobs, supporting livelihoods, and contributing to national development. Our operations generate value across the supply chain, from smallholder farmers to downstream markets, strengthening the economies of the regions where we operate.

However, we also acknowledge the environmental footprint associated with the industry, including challenges such as ecosystem disruption, biodiversity loss, carbon emissions, and water usage. As a responsible organisation, we are committed to minimising these impacts while ensuring the continued economic benefits of sustainable palm oil production.

Our Approach

To achieve this balance, we integrate best management practices, innovation, and sustainability-driven strategies across our operations. This includes reducing greenhouse gas emissions, protecting HCV areas, promoting responsible land use, and ensuring compliance with ISPO and MSPO standards.

Our Performance

Kindly refer to Environment section of this Sustainability Report.

ENVIRONMENT

ENERGY AND CLIMATE CHANGE

(GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 13.1, GRI 13.9)

TSH recognises the impact of energy use on climate change and remains committed to improving energy efficiency and reducing emissions. Our focus is on integrating renewable energy where feasible, enhancing operational efficiency, and optimising fuel use to lower environmental impact. Through targeted energy management initiatives, we continue to refine our approach to balancing production needs with sustainability goals.

Why is it important?

Energy efficiency and climate resilience are essential to ensuring long-term sustainability. Rising energy costs, particularly fossil fuels, can increase operating expenses, while inefficient energy use leads to higher GHG emissions, contributing to climate risks. Extreme weather events such as storms and droughts can disrupt operations and affect crop yields, impacting productivity. Additionally, growing concerns over climate change are driving stricter regulations and stakeholder expectations. To address these risks, TSH is committed to reducing our carbon footprint, improving energy efficiency, and strengthening climate adaptation efforts to ensure business continuity and environmental sustainability.

Our Approach

Renewable Energy Initiatives

TSH remains committed to advancing renewable energy through various initiatives, including:

- **Bio-Integration Complex (Kunak, Sabah):** At our Bio-Integration Complex, we operate a 14 MW biomass co-generation power plant and a 3 MW biogas power plant. Our fully integrated biomass and biogas power plants convert POM by-products and methane from POME into renewable electricity. This initiative reduces our reliance on fossil fuels and contributes to the national renewable energy grid.

Bio-Integration Complex: Harnessing biomass and biogas for renewable energy

- **Biomass Energy for Mill and Estate Operations:** TSH utilises palm biomass, such as shells and EFB as fuel for boiler operations. The boilers generate steam to power turbines, which in turn produce electricity used to support mill operations as well as estate facilities, including workers' housing, offices, and other infrastructure. This approach reduces reliance on fossil fuels, enhances energy efficiency, and promotes sustainable energy use by repurposing palm oil by-products for internal electricity generation.

- **Solar Power at EIB**: TSH has implemented a 1.5 MWp solar panel system at EIB as part of our energy optimisation strategy. This installation supports our efforts to reduce our carbon footprint and integrate renewable energy into our operations. The solar panel system supplements EIB's energy needs, contributing to a more sustainable and efficient energy approach.

Energy Efficiency Measures

We remain committed towards energy efficiency across its operations by implementing targeted measures that optimise energy consumption and enhance operational performance. These efforts play a crucial role in reducing GHG emissions and enhancing operational efficiency.

- **Oil Separation Technology**
  To enhance energy efficiency and optimise the CPO extraction process, TSH has integrated high-speed separator machines that improve oil recovery while minimising material losses. These machines use centrifugal separation technology to refine the extraction process, reducing heavy-phase sludge content and maximising the yield of high-quality oil. By ensuring minimal waste and improving separation efficiency, this technology contributes to lower energy consumption in downstream processing. Furthermore, its adherence to stringent environmental and safety standards reinforces our commitment to operational sustainability.

- **Operational Energy Efficiency Initiatives**
  TSH has undertaken multiple energy-saving initiatives across its corporate offices, estates, and mills to systematically reduce energy demand. These include:

Light Sensors in Corporate Office
Light sensors installed at KL office to reduce unnecessary lighting energy use

LED Lights in Estates and Mills
Switching to energy-efficient lighting

Energy-Saving Reminders
Encouraging responsible usage among employees

Investment in Air Compressors
Enhancing energy efficiency in operations

PLN Grid Connection in Indonesia

TSH has connected two mills in Indonesia to the PLN national grid, reducing diesel consumption and improving energy efficiency. While the mills receive a stable power supply from the grid, electricity distribution to estate facilities is managed internally to ensure efficient usage. This transition enhances energy reliability for mill operations while optimising power distribution within estates, contributing to improved energy efficiency and lower emissions.

PLN substation powering our mills for improved energy efficiency

GHG Emissions Management

TSH actively monitors and manages GHG emissions across its operations through comprehensive assessments of our GHG inventory, covering Scope 1, 2, and 3 emissions. We track emissions from sources such as diesel usage, fertiliser application, and other operational processes, while also incorporating Scope 3 emissions related to employee commuting and business travel. Our emissions management approach aligns with global sustainability objectives, ensuring that we take proactive steps to reduce carbon intensity, enhance operational efficiency, and transition towards renewable energy sources.

Scope 1

Direct source emissions from mechanical and non-mechanical sources, such as genset, boiler, fertilisers, open lagoons, and biomass land application

Scope 2

Indirect source emissions related to purchased electricity consumption

Scope 3

Indirect source emissions primarily associated with employee commuting and business travel

Beyond Energy: Strengthening Climate Resilience

While energy efficiency and renewable energy are primary drivers of TSH's emissions reduction strategy, land-based initiatives also play a supporting role in long-term climate resilience. Tree planting and sustainable agriculture practices contribute to carbon sequestration, enhancing ecosystem stability and reinforcing TSH's broader environmental commitments.

- **Agroforestry and Food Security Collaboration:**
  As part of our estate-level initiative, TSH integrates reforestation with sustainable land use to support HCV enrichment, while contributing to carbon absorption and food security. To enhance tree cover and soil health, durian, avocado, corn, and mahogany seedlings have been planted in selected areas.

  To support this initiative, TSH requested and received seedlings from *Badan Pengelolaan Daerah Aliran Sungai* ("BPDAS") at no cost. By incorporating agroforestry practices, this programme contributes to long-term carbon storage, reduces soil degradation, and improves biodiversity within our estates.

TSH advances reforestation and agroforestry to enhance HCV enrichment and sustainability

- **Urban Greenery and CO_2 Absorption:**
  As part of our CSR programme, TSH contributed to a Tree Planting initiative at Zoo Negara, where three plant species – *Mussaenda* "Dona Eva," Jasmine, and *Loropetalum* rubrum, were planted. This initiative supports carbon absorption, improves urban air quality, and strengthens environmental awareness.

Enhancing urban greenery and CO_2 absorption through tree planting at Zoo Negara

Our Performance

Renewable Energy Consumption

TSH continues to integrate renewable energy solutions into its operations as part of our sustainability strategy. Our focus on biomass, biogas, and solar energy helps to reduce reliance on fossil fuels while improving energy efficiency. These efforts are aligned with our sustainability commitments to lower GHG emissions, improve energy resilience, and support national renewable energy goals.

- **Renewable Energy Generation and Internal Consumption**
  In FY2024, TSH generated 296,096 GJ of renewable energy, reinforcing our commitment to clean energy adoption. Of this, 138,345 GJ was utilised within our operations, supporting energy resilience and reducing dependency on fossil fuels. Our biomass and biogas energy initiatives, along with solar integration, remain central to our renewable energy strategy, enhancing operational efficiency and reducing our carbon footprint.

- **Renewable Energy Sold to the Grid**
  A significant portion of the renewable energy generated was exported to the national grid, supplying 154,307 GJ in FY2024. The trend highlights TSH's continuous contribution to national renewable energy supply, reinforcing our role in advancing Malaysia's renewable energy landscape while maintaining sustainable operations.

Renewable Energy	FY2022	FY2023	FY2024
Renewable Energy Generation (GJ)	267,016	314,596	296,096
Renewable Energy Sold (GJ)	138,594	164,328	154,307

Energy Consumption and Efficiency

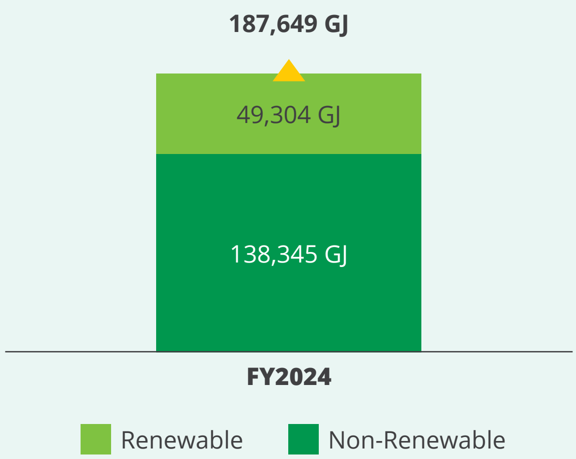
TSH monitors energy usage across all operational sites to ensure efficient consumption while minimising environmental impact. In FY2024, total energy consumption was 187,649 GJ, whereas in FY2023, it was 156,370 GJ. The increase in FY2024 was due to an expanded reporting scope that includes the entire Group's operations, providing a more comprehensive representation of energy use.

Energy Consumption	FY2023	FY2024
Renewable Source (GJ)	143,338	138,345
Non-Renewable Source (GJ)	13,032	49,304
Total Energy Consumption (GJ)	156,370	187,649

Renewable energy continues to form a significant portion of our energy mix, with 138,345 GJ derived from biomass, biogas, and solar power in FY2024. Non-renewable energy consumption stood at 49,304 GJ, reflecting the inclusion of additional operational sites.

Despite the broader reporting scope, we remain committed to energy efficiency through initiatives such as biomass boilers, biogas capture, and solar power systems. These measures support our efforts to reduce dependency on fossil fuels while ensuring operational resilience.

Total Energy Consumption Breakdown: Renewable vs. Non-Renewable Energy



Energy Intensity

The energy intensity for our mills increased to 0.45 GJ/MT CPO in FY2024, up from 0.41 GJ/MT CPO in FY2023. This increase reflects a lower CPO production volume during the year. Meanwhile, EIB's energy intensity rose to 0.08 GJ/m², compared to 0.07 GJ/m² in FY2023, mainly due to a decline in production output.

Operational Energy Improvements: Solar Utilisation and Efficiency Measures

For FY2024, TSH's solar energy generation at EIB contributed 7,334 GJ to the overall renewable energy mix. The solar panel system continues to support our sustainability initiatives by providing a supplementary energy source and reducing reliance on non-renewable electricity. Additionally, it helps manage operational costs while aligning with our long-term energy efficiency goals. Below is a detailed breakdown of the solar energy generation and its associated benefits:

Solar Efficiency	FY2023	FY2024
Solar generated (GJ)	7,414	7,334
Total EIB energy consumption (GJ)	16,296	13,202
Cost Savings (RM)	1,001,000	956,000

- **Energy Savings from Air Compressor Efficiency**
  As part of our on-going energy efficiency initiatives, TSH has optimised air compressor performance at our EIB plant. In 2021, a new Variable Speed Drive ("VSD") air compressor was installed, allowing for better energy regulation by adjusting motor speed based on demand. Unlike conventional compressors that operate at a fixed speed regardless of actual air usage, VSD technology dynamically adjusts the motor speed to match real-time air requirements, minimising energy wastage and improving efficiency. This reduces power consumption, particularly during periods of lower demand, leading to overall energy savings. These efforts resulted in measurable energy reductions:

Air Compressor Efficiency	FY2023	FY2024
Energy Savings (GJ)	263	229
Cost Savings (RM)	25,000	21,000

GHG Emissions

TSH has restated its GHG emissions data for FY2022 and FY2023 due to updates in the emission factor ("EF") for Scope 2 in Malaysian operations and revisions to the reported CPO production figures for both years. These updates ensure alignment with the latest published EF values and more precise production data. As a result, while absolute emissions for FY2024 reflects a 9.70% reduction compared to FY2023, the revised GHG intensity figures for previous years provide a more accurate baseline for year-on-year comparisons.

FY2024 Absolute Emission

242,949 tCO_2e

Scope 1

235,971 tCO_2e

Scope 2

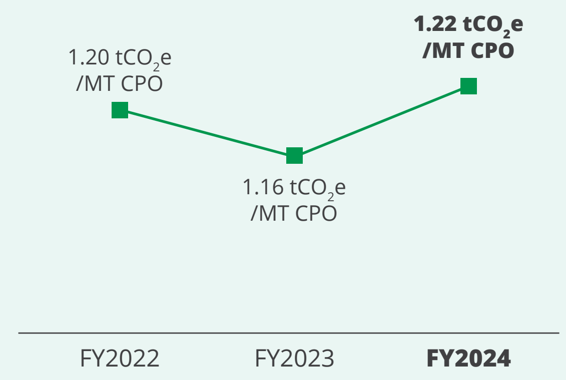
5,070 tCO_2e

Scope 3

1,908 tCO_2e

TSH's GHG emissions intensity increased from 1.16 tCO_2e/MT CPO in FY2023 to 1.22 tCO_2e/MT CPO in FY2024, due to decrease in CPO production despite the reduction in absolute emissions.

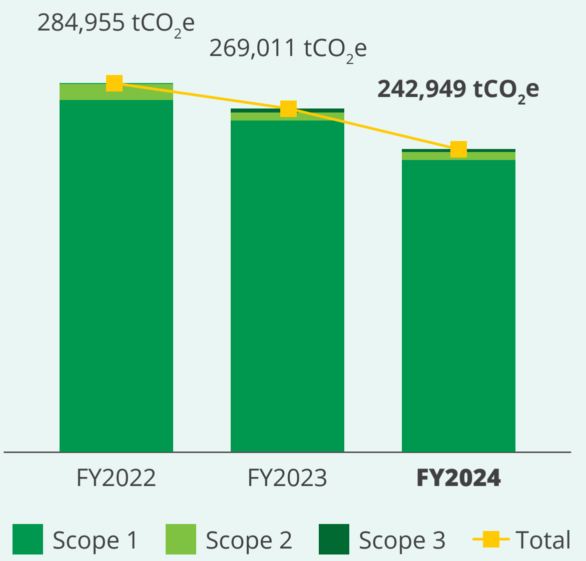
GHG Intensity



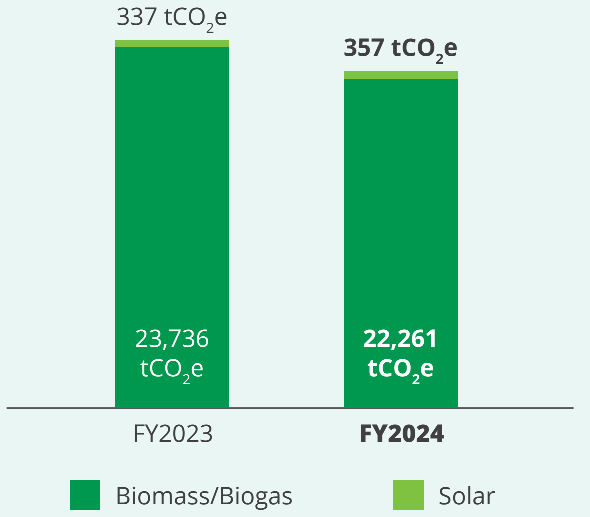
In 2024, TSH's Bio-Integration Complex in Kunak, Sabah, generated 231,721 GJ of renewable electricity. Of this, 152,646 GJ (65.90%) was supplied to the grid, avoiding an estimated 22,261 tonnes of CO_2e emissions. The remainder was used internally and supplied to the neighbouring mill, Kunak POM.

In Peninsular Malaysia, the solar system at EIB generated 1,661 GJ of electricity for the grid, avoiding approximately 357 tonnes of CO_2e emissions.

GHG Emissions Trend Analysis



Avoided GHG Emissions from Grid



WASTE AND MATERIAL MANAGEMENT

(GRI 3-3, GRI 301-1, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 13.8)

TSH adopts a resource-efficient approach to material use and waste management, ensuring that raw materials are utilised optimally while minimising waste through circular economy practices. Our operations focus on maximising the value of raw materials, repurposing by-products, and integrating sustainable waste management solutions.

Why is it important?

Material consumption and waste generation are closely linked, impacting operational efficiency, environmental footprint, and resource sustainability. TSH ensures responsible material usage and waste repurposing to:

- **Ensure compliance** with environmental regulations in Malaysia and Indonesia while reducing long-term operational risks.
- **Minimise waste disposal** through recycling and energy recovery.
- **Support a circular economy** by transforming waste into valuable resources, such as biomass energy and organic soil enhancers.

Our Approach

TSH's waste management practices are grounded in key initiatives aimed at minimising waste generation, promoting resource recovery, and ensuring responsible disposal. These efforts help reduce our environmental impact, improve resource efficiency, and contribute to a more sustainable future.

We adhere to national environmental laws and standards to ensure proper waste management:

MALAYSIA

Our operations comply with the Environmental Quality Act 1974. Scheduled waste ("SW") is managed through Department of Environment ("DOE")-licensed contractors who handle collection and disposal at approved facilities. We utilise the electronic Scheduled Waste Information System ("eSWIS") to monitor and document waste generation, storage, and disposal activities.

INDONESIA

Waste management aligns with *Undang-Undang Perlindungan dan Pengelolaan Lingkungan Hidup Tahun 2009* and *Undang-Undang Pengelolaan Sampah Tahun 2008*. Hazardous and Toxic Waste *(Limbah Bahan Berbahaya dan Beracun* or *Limbah B3)* is managed by appointed third-party contractors. In some estates, the waste is temporarily stored in *Tempat Penampungan Sementara* ("TPS") before being transferred to licensed recycling facilities or *Tempat Pengolahan Sampah Terpadu* ("TPST"). All activities are reported through *Sistem Informasi Pelaporan Elektronik Lingkungan* ("SIMPEL") to ensure regulatory compliance.

TSH has established a structured approach to waste and material management, guided by our Group Sustainability Policy, SOPs, and operational guidelines. These policies provide a clear framework for responsible waste handling, resource efficiency, and regulatory compliance across all operational sites. It outlines best practices for minimising waste, optimising resource use, and ensuring proper disposal methods. This includes:

- **Waste Management SOP:** Governs hazardous and non-hazardous waste handling, ensuring compliance with environmental regulations in Malaysia and Indonesia.
- **Landfill SOP:** Establishes criteria for landfill operations, ensuring waste are managed in a way that minimises environmental risks.
- **Hazardous Waste Management SOP:** Defines strict controls for handling, storing, and disposing of hazardous materials in compliance with national regulations.

By integrating these policies into daily operations, TSH strengthens its commitment to waste reduction, circular resource use, and responsible material sourcing. Our procedures ensure that by-products such as EFB, PKS, and POME are repurposed effectively, supporting biomass energy generation and soil enrichment initiatives.

Employee Engagement and Circular Economy Awareness

In 2024, TSH launched a Fabric Recycling Programme in collaboration with Kloth Care Malaysia to reduce textile waste and promote circular economy principles within the organisation. Through this partnership, the programme successfully collected **3,617 kg** of unwanted textiles and clothing, diverting them from incinerators and landfills. This initiative resulted in an equivalent avoidance of **8,084 kg of CO_2e** emissions, highlighting its contribution to mitigating environmental impact.

The key activities included:

- **Knowledge Sharing Webinar title "Keep Fabric out of Incinerators and Landfills":** Held on 14 October 2024, this webinar provided employees with valuable insights on sustainable recycling practices and the importance of textile reuse. The session emphasised the 5Rs: Rethink, Reduce, Reuse, Repurpose, and Recycle, reinforcing the Group's commitment to sustainability.

- **Group Challenge – "Weigh Your Waste: Textile Edition":** A month-long challenge running from 15 October to 14 November 2024, encouraged employees at the KL office to collect textile waste for recycling. This initiative fostered teamwork and environmental responsibility, motivating employees to actively contribute to waste reduction efforts.

These programmes, together with our on-going waste management practices, demonstrate TSH's proactive approach to responsibly managing waste and reducing its environmental impact.


kloth
KEEP FABRIC OUT OF INCINERATORS & LANDFILLS
Inspired by: Key partners: Strategic partner:
This certificate is proudly presented to
TSH RESOURCES BERHAD
FOR RECYCLING 3,617.0 KG
OF UNWANTED TEXTILES AND CLOTHING
FROM 15 OCTOBER 2024 TO 15 NOVEMBER 2024
Let's visualise and evaluate the environmental benefits!
Equivalent to 21,702 pieces of t-shirts diverted from the incinerators and landfills
Equivalent to 8,084 kg of CO2-e GHG avoided
Equivalent to 145 medium suitcases full of textiles
Equivalent to 385 days the average GHG emissions of a Malaysian avoided
Equivalent to MYR 558.90 of landfill cost avoided
Equivalent to 4,042 fire extinguishers filled with CO2
*Notes:
GHG: Greenhouse Gas
CO2: Carbon Dioxide
COe-2: Carbon Dioxide equivalent
13/12/2024
Date
Nik Suzila, Co-founder

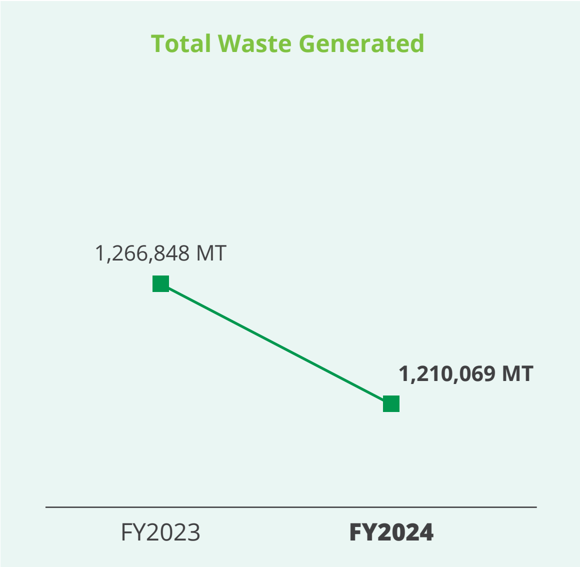
TSH's Fabric Recycling Programme collected 3,617 kg of textiles, reducing waste and CO_2e emissions

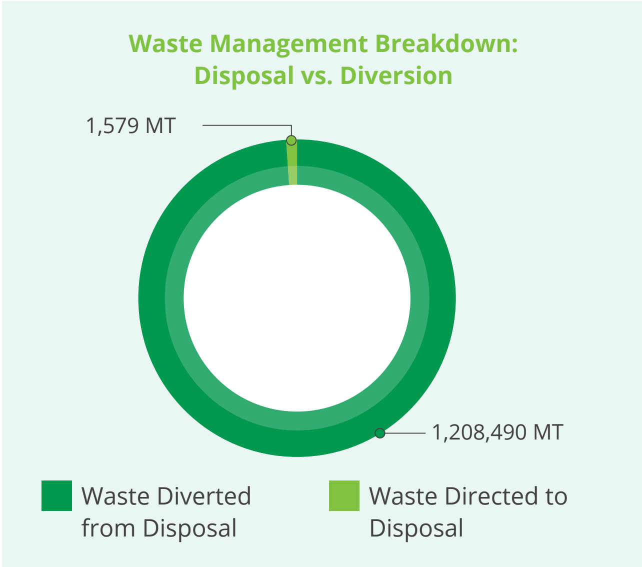
Employees take action by recycling old fabrics, supporting TSH's waste reduction efforts

Our Performance

Waste Management Performance

- **Total Waste Generated**
  The total waste generated by TSH recorded a slight decrease, from 1,266,848 MT in FY2023 to 1,210,069 MT in FY2024, reflecting a 4.50% improvement in waste management. This performance demonstrates our continuous efforts to optimise waste segregation, enhance recycling processes, and minimise environmental impact.





Notably, the majority of our waste continues to be diverted from disposal, with 1,208,490 MT of biomass waste repurposed for beneficial uses such as energy generation and composting in FY2024. This represents 99.90% of our total waste being diverted from landfills, underscoring our strong commitment to circular economy principles and resource efficiency.

- **Waste Diverted from Disposal**
  Non-Hazardous Waste (Biomass Waste): In FY2024, TSH diverted 1,208,490 MT of biomass waste from disposal by repurposing it for energy generation and agricultural applications. The difference from FY2023, which recorded 1,266,381 MT, is primarily due to lower production output, leading to a reduced volume of biomass by-products. Despite this, our commitment to maximising biomass utilisation remains unchanged, aligning with our circular economy approach and resource efficiency goals.

Waste Diverted from Disposal	FY2023 (MT)	FY2024 (MT)
Non-Hazardous Waste (Biomass Waste)	1,266,381	1,208,490

Palm oil production generates various by-products that would traditionally be considered waste. However, at TSH, these materials are repurposed to minimise waste and maximise resource value:

- **EFB:** Used as organic mulch to improve soil fertility, reducing the need for synthetic fertilisers.
- **PKS and Fibres:** Utilised as biofuel in biomass boilers to generate energy, reducing reliance on fossil fuels (refer to *Energy and Climate Change* section).
- **POME:** Treated and converted into biogas for renewable energy generation, mitigating emissions and supporting energy transition.

These initiatives ensure that biomass by-products are not disposed off in landfills or incinerated but instead are converted into valuable resources, classifying them as waste diverted from disposal.

To provide transparency in material flow and waste generation, TSH tracks raw material inputs and by-product outputs. In FY2024, 795,002 MT of FFB was produced across our mills in Malaysia and Indonesia, resulting in various biomass by-products that were effectively repurposed:

Material/By-Product (MT)	FY2022	FY2023	FY2024
FFB (Raw Material)	923,990	905,437	795,002
CPO Production	236,482	232,543	199,142
EFB (By-Product)	382,378	282,679	259,058
PKS and Fibers (By-Product)	199,843	201,505	179,466
POME (By-Product)	619,107	741,983	730,469

By repurposing biomass waste for energy generation and agricultural applications, TSH minimises waste disposal and enhances circular economy practices, ensuring that valuable resources are recovered rather than discarded.

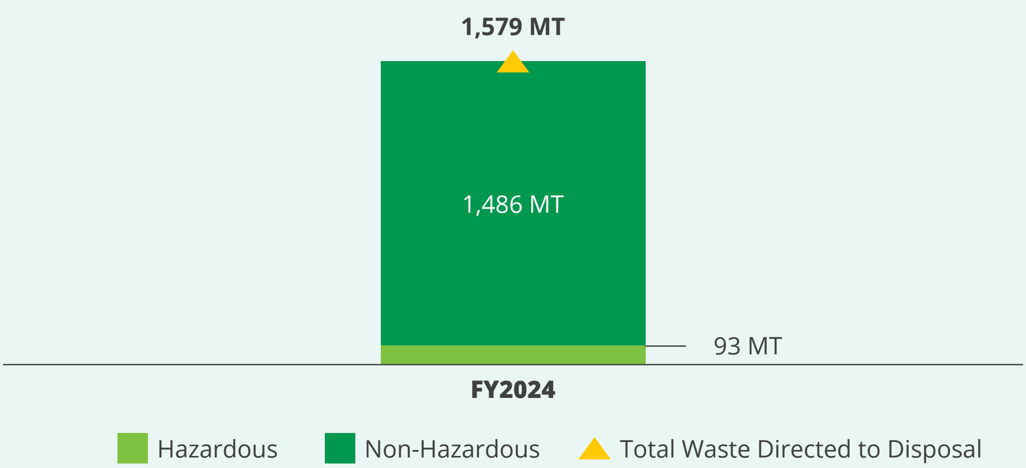
- **Waste Directed to Disposal**

  Non-Hazardous Waste (General Waste): In FY2024, general waste disposal totalled 1,486 MT compared to 427 MT in FY2023. The increase was due to the expanded scope of monitoring across operations. With a clearer and more accurate waste inventory, we continue to focus on refining segregation practices and implementing waste reduction measures.

  Hazardous Waste (SW): SW disposal in FY2024 amounted to 93 MT compared to 40 MT in FY2023. This increase reflects a broader reporting scope and enhanced tracking measures. All hazardous waste is managed according to strict safety protocols, stored in designated facilities, and disposed of by licensed vendors in compliance with regulatory requirements in Malaysia and Indonesia.

Waste Directed to Disposal (MT)	FY2023	FY2024
Hazardous Waste (SW)	40	93
Non-Hazardous Waste (General Waste)	427	1,486
Total Waste Directed to Disposal	467	1,579

Waste Directed to Disposal Performance for FY2024



WATER MANAGEMENT

(GRI 3-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 13.7)

Water is an essential resource for TSH, especially in our palm oil milling and plantation activities. It plays a critical role in ensuring efficient processing, maintaining product quality, and supporting the surrounding ecosystems. Recognising the importance of responsible water use, TSH is committed to sustainable water management practices that align with both local and global environmental standards. By continuously improving water efficiency and minimising our environmental footprint, we strive to make a positive contribution to the communities where we operate and the ecosystems we affect.

Why is it important?

Sustainable water use is not only essential for maintaining operational efficiency but also for reducing the environmental impact on local ecosystems. By managing water responsibly, we can mitigate potential issues such as water scarcity, pollution, and ecosystem disruption, which are vital for both our business and the communities where we operate.

Our Approach

Water Efficiency, Sources and Monitoring

TSH prioritises efficient water management across our operations. We continuously monitor water consumption at all our operational sites to ensure we minimise over-extraction from surface and groundwater sources. Water efficiency measures, such as rainwater harvesting systems and the use of riparian reserves, help us reduce water waste and safeguard surrounding ecosystems. We have set targets for reducing water intensity across our operations and are working towards further enhancing water use efficiency.

In line with our commitment to sustainability, we set specific targets for water consumption at our operational sites:

- **POM:** Aim for an average water consumption less than 1.5 m^3/MT FFB.
- **EIB:** Targets vary by production output:

Output (m^2)	Target (m^3/m^2)
15,000 – 25,000	0.30
25,001 – 40,000	0.20
40,001 – 50,000	0.14
50,001 – 60,000	0.09

Our water sources include surface water, groundwater, and third-party/municipal water. By monitoring and managing these sources, we aim to minimise our environmental impact while ensuring our operational water needs are met sustainably.

Effluent Management

To minimise environmental impacts, TSH ensures that all effluent discharge from our mills complies with regulatory standards. We conduct monthly water and effluent quality monitoring, including BOD and COD analysis, to ensure that water quality remains within permissible limits. These efforts are critical for preventing pollution and protecting local water bodies.

Riparian Reserves and Water Conservation

Our estates incorporate riparian reserves, which serve as natural filters for water entering nearby water bodies, ensuring our operations do not contaminate local water supplies. In addition, the implementation of rainwater harvesting systems recycles water within our operations, further contributing to resource conservation.

Harnessing rainwater for sustainable water management in offices and housing

Rainwater harvesting pond supporting sustainable water use in the nursery

Our Performance

Water Management

Water management is a crucial part of our sustainability strategy, and we continuously track our water consumption to optimise usage and reduce waste. The data below shows water consumption for FY2022 to FY2024:

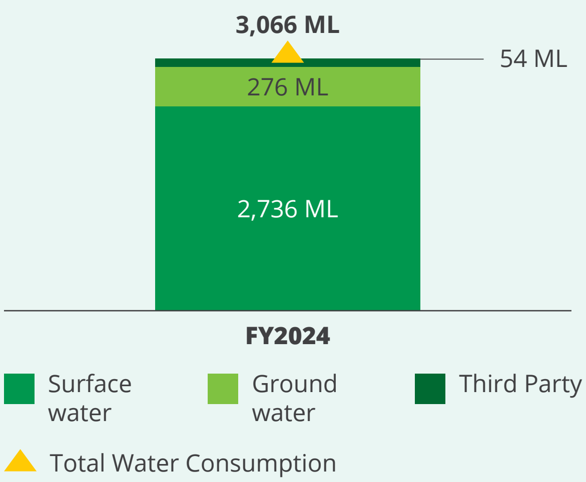
Water Consumption (ML)	FY2022	FY2023	FY2024
Total Water Consumption	1,386	1,038	3,066

Previous data accounts for the water consumption of only POMs and EIB, whereas FY2024 data reflects the Group water consumption.

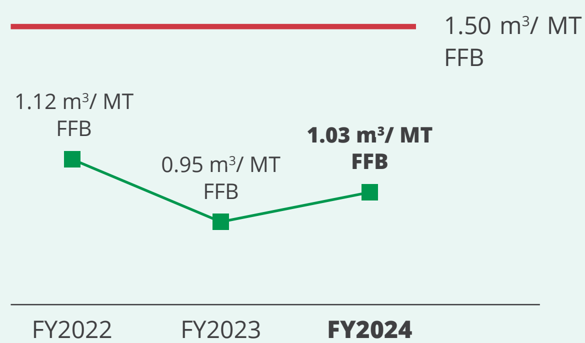
Average water consumption at our POMs increased slightly in FY2024, primarily due to fluctuations in crop availability, operational cleaning requirements, and process adjustments. Periods of lower crop processing resulted in higher relative water consumption, while additional cleaning activities were undertaken to maintain operational efficiency. Furthermore, modifications in water usage for process optimisation contributed to the overall increase. Despite these factors, we maintained our performance below the target of 1.5 m³/MT FFB.

At EIB, average water consumption decreased from 0.23 m³/m² in FY2023 to 0.16 m³/m² in FY2024, mainly due to lower production output.

Breakdown of Water Consumption Source for FY2024



Average Water Consumption of Mills against Target



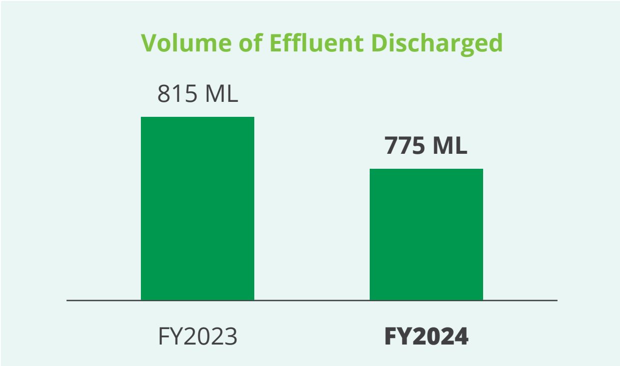
Average Water Consumption of EIB against Target

Year	EIB (m³/m²)	Target (m³/m²)
FY2022	0.13	0.14
FY2023	0.23	0.30
FY2024	0.16	0.30

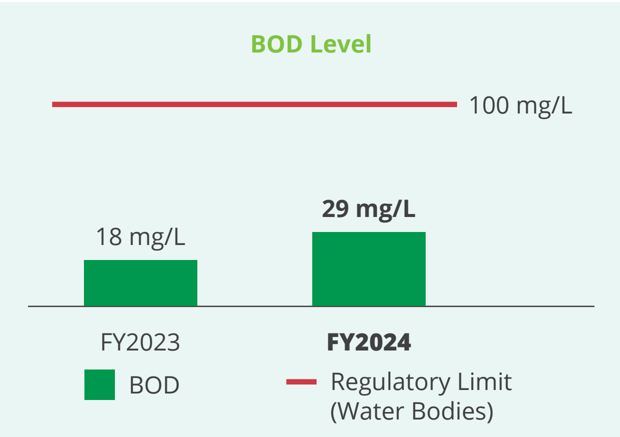
Effluent Management

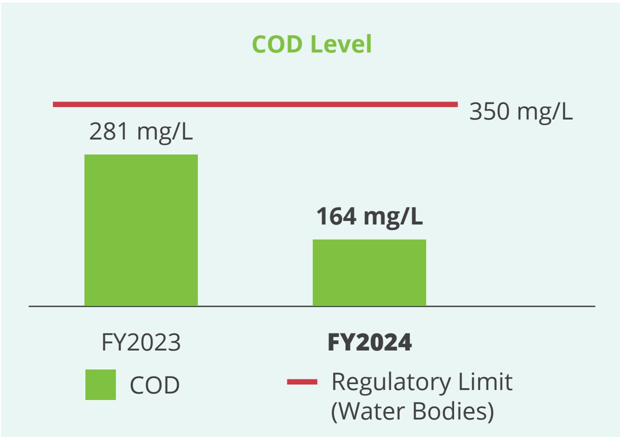
TSH ensures responsible effluent management across our operations, focusing on regulatory compliance and minimising environmental impact. Our approach includes continuous monitoring, treatment, and safe discharge practices aligned with national environmental regulations.

- **Effluent Discharge Performance:** In FY2024, the total volume of effluent discharged was 775 ML, a reduction from 815 ML in FY2023. This reflects our on-going efforts to improve water efficiency and optimise treatment processes.

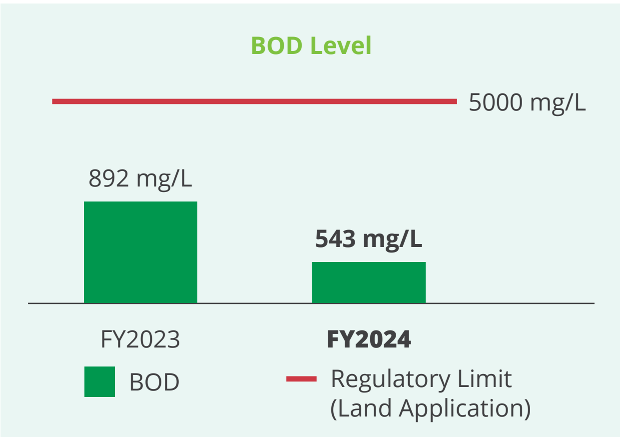


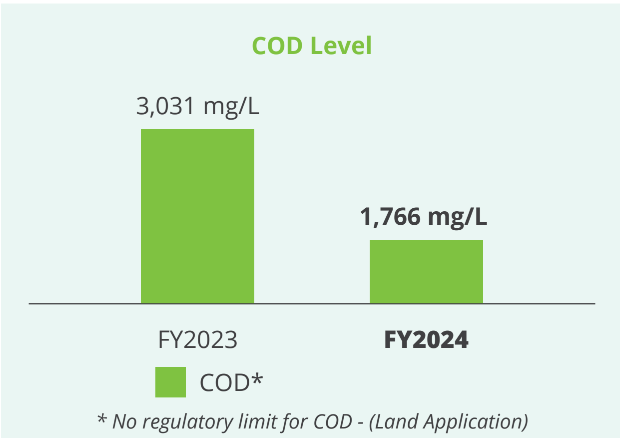
- **Effluent Discharged to Water Bodies:** Effluent discharged into water bodies is closely monitored to ensure compliance with regulatory limits. In FY2024, the BOD level increased to 29 mg/L, while COD levels improved to 164 mg/L. Despite this variation, both parameters remain within permissible limits for final discharge to rivers (BOD < 100 mg/L, COD < 350 mg/L).





- **Effluent Discharge for Land Application:** Treated POME is applied to land to support soil fertility and nutrient recycling. In FY2024, BOD levels for land application decreased to 543 mg/L, while COD levels improved to 1,766 mg/L. These improvements align with the BOD limit of <5,000 mg/L for land application.





BIODIVERSITY

(GRI 3-3, GRI 304-2, GRI 304-3, GRI 304-4, GRI 13.3)

Biodiversity refers to the variety of life forms on Earth, including species, ecosystems, and genetic diversity. It plays a crucial role in maintaining ecosystem balance and providing essential services such as pollination, water purification, and climate regulation.

At TSH, we recognise that biodiversity conservation is integral to responsible palm oil production. Maintaining healthy ecosystems supports the long-term sustainability of our operations while minimising environmental impact. Our commitment to biodiversity aligns with industry best practices and regulatory requirements, ensuring a balance between economic growth and ecological preservation.

Why is it important?

Protecting biodiversity is both an environmental responsibility and a business priority for TSH. Maintaining diverse species and ecosystems supports ecological stability, enhances soil health, and contributes to overall environmental resilience. By integrating biodiversity conservation into our operations, we aim to support local ecosystems, strengthen relationships with surrounding communities, and reinforce sustainable palm oil production.

Our Approach

TSH is committed to integrating biodiversity conservation into our operations by focusing on habitat protection, biodiversity risk assessment, and monitoring the impact of our activities on ecosystems. Our approach prioritises proactive conservation measures while ensuring responsible land management.

Biodiversity Risk Assessment and Monitoring

- **Protecting High Conservation Value Areas**
  TSH remains committed to protecting HCV areas, which are crucial for the survival of endangered species and maintaining ecological balance. We implement regular monitoring and management plans, utilising advanced technologies like satellite imagery and drones to ensure the effective protection of these areas. Our on-going efforts reflect our dedication to responsible and sustainable biodiversity management.

Utilising drone technology for effective monitoring and protection of HCV areas

- **Biodiversity Assessments and International Union for Conversation of Nature ("IUCN") Species Monitoring**

Conducting biodiversity assessments to protect and monitor key species in our land banks

Our land banks are rich in biodiversity, housing numerous species of flora and fauna. We conduct thorough biodiversity assessments to identify and track key species, many of which are listed on the IUCN Red List. Our biodiversity assessments enable us to track population trends of key species and adjust conservation strategies accordingly, ensuring minimal impact on natural habitats.

Harpactes duvaucelii (Near Threatened)

Nasalis larvatus (Endangered)

Rubroshorea balangera Kahoi (Vulnerable)

- **Forest Restoration and Conservation Efforts**
  TSH actively contributes to habitat conservation through reforestation and habitat restoration programmes. In Ulu Tungud, Sabah, we manage over 95,010 Ha of commercial forest land, with 3,387 Ha designated for conservation. These efforts contribute to maintaining biodiversity, protecting wildlife corridors, and mitigating climate change through carbon sequestration. On-going restoration projects aim to rehabilitate degraded landscapes and enhance ecological resilience.

Fire Prevention and Wildlife Protection

- **Robust Fire Prevention Measures**
  Recognising the devastating potential of forest fires, TSH has implemented a comprehensive fire prevention strategy. We have constructed 119 fire towers across our plantations and utilise drone technology to monitor potential hotspots. In collaboration with the Indonesian *Manggala Agni Pemadam Kebakaran Hutan dan Lahan*, we provide training and resources to our teams, ensuring an effective response to fire incidents and protecting both our operations and surrounding ecosystems.

Equipping our team with fire prevention training to safeguard plantations and ecosystems

- **Wildlife Warden Training & Patrols**
  In FY2024, our Sabah operation conducted *Kursus Warden Kehormat Hidupan Liar*, a training programme by *Jabatan Hidupan Liar Sabah* to ensure compliance with biodiversity protection standards. Certified Wildlife Wardens are responsible for continuous monitoring of rare, threatened, and endangered species, conducting patrols to detect and prevent illegal hunting, disturbance, or habitat destruction.

Empowering our team through Wildlife Warden training to protect biodiversity and prevent illegal activities

Engaging Local Communities

Community involvement is key to our biodiversity efforts. TSH actively engages with local communities through educational programmes that raise awareness about the importance of biodiversity conservation. By fostering a culture of stewardship and collaboration, we empower communities to participate in protecting HCV areas and preserving their natural environments.

Our Performance

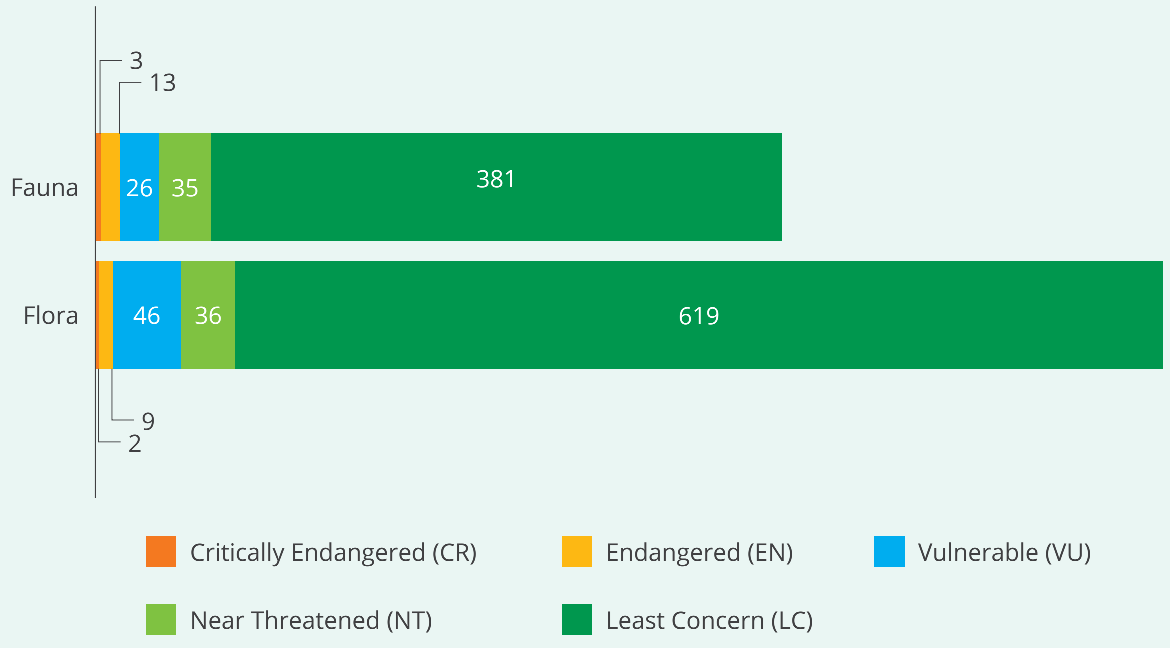
In FY2024, TSH demonstrated its commitment to biodiversity through notable achievements:

- Achieved 100% completion of HCV assessments across all estates, reinforcing our dedication to environmental protection.
- Maintained zero non-compliance reports related to biodiversity management during all audits for the year.

As part of our on-going conservation efforts, TSH conducted biodiversity assessments across our operational areas, documenting a diverse range of flora and fauna, including species categorised under the IUCN Red List.

Findings from the assessments confirm the presence of species across multiple conservation status categories, from Critically Endangered ("CR") to Least Concern ("LC"). These results highlight the importance of our habitat protection initiatives, particularly within designated HCV areas, where proactive monitoring and conservation efforts are in place.

IUCN Species Breakdown by Category



PESTICIDES AND CHEMICAL USE
(GRI 3-3, GRI 13.6)

Pesticides and chemicals play a critical role in plantation management, ensuring productivity and maintaining health of our estates. However, responsible use is the key to prevent potential environmental and health risks, making it essential to manage and monitor their application.

Why is it important?

At TSH, we recognise the importance of transparency and accountability in pesticide and chemical usage. Their application in our operations carry potential risks, including:

- **Environmental Impacts:** Excessive or improper application can lead to soil degradation, water contamination, and harm to non-target species such as beneficial insects and nearby ecosystems.
- **Human Health Risks:** Improper handling or exposure can pose health risks to plantation workers and local communities.
- **Economic Implications:** Long-term degradation of soil and water resources may affect agricultural productivity, increasing operational costs and affecting long-term sustainability.

To address these challenges, TSH adheres to safety protocols and continuously reviews its pesticides and chemical usage to minimise negative impacts. By prioritising responsible chemical management, we aim to protect the environment, safeguard human health, and uphold our commitment to sustainable practices.

Our Approach

TSH adopts a structured and sustainable approach to chemical and pesticide management, focusing on minimising risks through:

IPM Practices

We prioritise biological and mechanical pest control methods to reduce chemical dependency, including:

- Planting Beneficial Flora – Species like Antigonon *(Coral Vine)* and Turnera *(Yellow Alder)* are planted across our estates to attract natural predators of harmful pests, reducing reliance on synthetic pesticides.

- Barn Owls as Natural Pest Control – We maintain barn owl *(Tyto alba)* nesting programmes to naturally control rodent populations without the use of harmful rodenticides.

- Pest Census and Targeted Application – Regular monitoring of pest populations ensures that chemical treatments are only applied when necessary, preventing excessive use.

Barn owls as natural pest control – sustaining rodent management without harmful chemicals

Safe Chemical Handling and Worker Protection

TSH enforces strict safety measures in chemical handling and application, ensuring compliance with industry best practices:

- Worker Training on Chemical Safety – Our safety team provides chemical handling training to the Spraying Team to ensure proper application and risk mitigation.
- Provision of Personal Protective Equipment ("PPE") – All workers involved in pesticide application receive suitable PPE, including gloves, respirators, and protective suits, to ensure a safe working environment.
- Controlled Application and Buffer Zones – We enforce buffer zones around environmentally sensitive areas to prevent pesticide runoff into waterways.
- Phasing Out Highly Hazardous Pesticides – TSH prohibits the use of Paraquat and WHO Class Ia/Ib pesticides, complying with the Stockholm and Rotterdam Conventions. We actively review and transition to safer alternatives where feasible.

Ensuring safe chemical handling through training, PPE, and controlled application measures

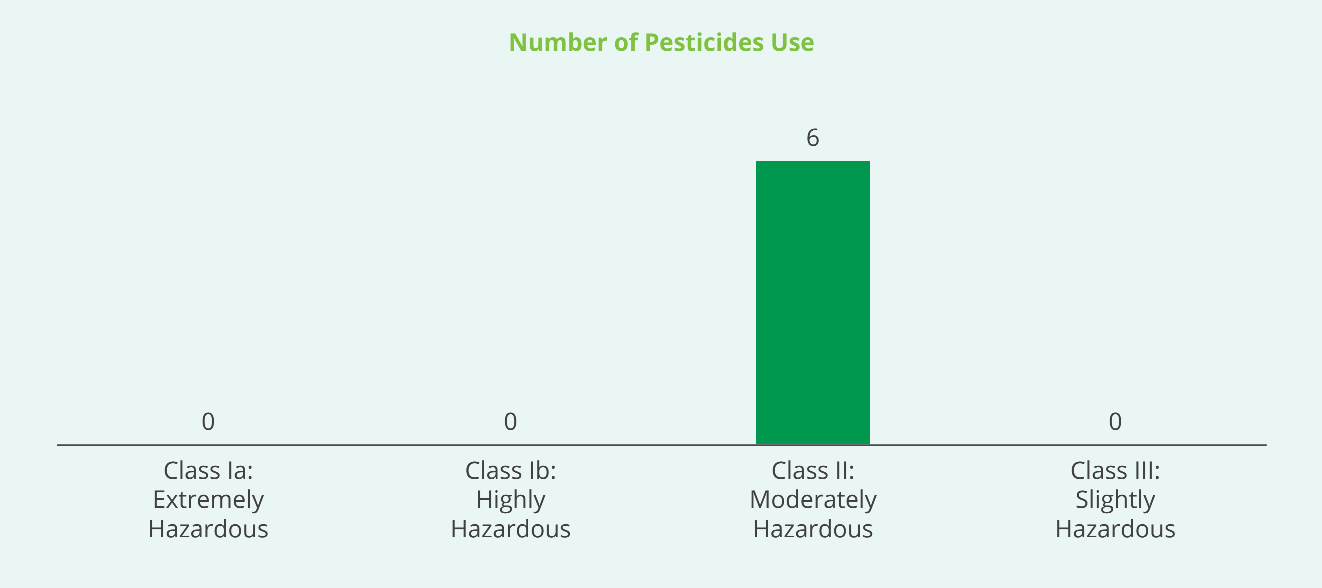
Our Performance

TSH is committed to responsible pesticide management, ensuring compliance with sustainability standards while minimising risks to the environment and workers. As part of our efforts, we have classified the pesticides used in our estate operations based on the WHO Recommended Classification of Pesticides by Hazard. This classification provides transparency on potential risks and supports informed decision-making in pesticide use.

Pesticide Classification by Hazard Level

In line with GRI 13.6 requirements, the pesticides used in our estates have been categorised according to their hazard levels based on acute toxicity (LD_{50} values), which measure the lethal dose required to cause fatality in 50% of test subjects. The classification criteria are as follows:

Class		LD_{50} for the rat (mg/kg body weight)	
		Oral	Dermal
Ia	Extremely hazardous	<5	<50
Ib	Highly hazardous	5 – 50	50 – 200
II	Moderately hazardous	50 – 2000	200 – 2000
III	Slightly hazardous	Over 2000	Over 2000
Unlikely to Present Acute Hazard		5000 or higher	



SOCIAL

STRATEGIC APPROACHES TO SOCIAL IMPACT

At TSH, corporate responsibility goes beyond business success—it is about creating positive and lasting impacts on employees, communities, and stakeholders. We are committed to building sustainable communities by supporting local development, fostering economic empowerment, and ensuring the well-being of those connected to our operations. A key part of our social initiatives is ensuring employee well-being through a safe, inclusive workplace with fair compensation. A dedicated workforce not only enhances productivity and efficiency but also strengthens relationships with value chain partners and local communities.

TSH aligns with key global frameworks on human rights, labor rights, and sustainability, integrating UDHR principles by ensuring fair wages, safe workplaces, and equal opportunities for all employees. We uphold the UN Global Compact Principles and follow the UNGPs on Business and Human Rights by preventing, mitigating, and addressing human rights risks while providing grievance mechanisms. Our adherence to ILO Core Conventions ensures compliance with labor standards, while adopting UNSDG 8.8 reinforces efforts to protect labor rights, eliminate forced labor, and ensure a safe working environment. We invest in employee development and community well-being, fostering trust, transparency, and long-term sustainable growth.

CORPORATE RESPONSIBILITY AND SUSTAINABLE COMMUNITIES

(GRI 3-3, GRI 201-1, GRI 413-1, GRI 413 -2, GRI 13.12)

Why is it important?

We believe that engaging with communities and addressing their needs is key to sustainable development. By building strong relationships, we create mutual growth opportunities, ensuring our operations are responsible, inclusive, and aligned with local needs. Ethical practices, transparent engagement, and targeted community programmes help strengthen social well-being while reinforcing our social license to operate.

Our Approach

At TSH, we recognise that strong community relationships are essential for sustainable growth. Our commitment to community engagement and respect for human rights is firmly outlined in our Group Sustainability Policy, guiding our efforts to create mutually beneficial partnerships with the communities where we operate.

We take a proactive and inclusive approach to community management by:

Collaborative Partnerships
We prioritise open dialogue to ensure community voices are heard and considered in decision-making processes.

Sustainable Development
We support initiatives that promote community well-being and respect their rights.

Respect for Indigenous and Local Communities
We uphold land tenure and cultural rights, following FPIC principles for developments affecting their land.

Impact Mitigation
We conduct assessments to prevent adverse social and environmental impacts on communities.

Grievance Mechanism
We provide an open, transparent process for communities to raise concerns, resolving grievances fairly and equitably.

Protection of Human Rights Defenders
We safeguard human rights defenders, whistle-blowers, and community representatives from retaliation or intimidation, ensuring their safety to advocate for their rights.

Recognising the importance of community engagement, we have established a dedicated Social, Security and People ("SSP") team in Indonesia to oversee community relations and address concerns arising from our operations. This team plays a crucial role in ensuring that our presence brings positive and sustainable impacts to the communities where we operate.

To guide our efforts, we have established a CSR SOP that outlines key programmes and initiatives aimed at enhancing social well-being. These initiatives focus on:

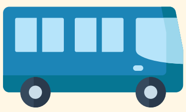
Through these structured programmes, we are committed to making meaningful contributions that uplift communities and create lasting positive change.

Empowering Education for a Brighter Future

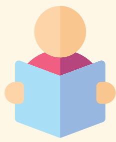
We believe that education is the foundation of a thriving community and a key driver of nation-building. By ensuring that children have access to quality education, we help unlock their potential while fostering a more equitable and sustainable future. We recognise that access to education provides peace of mind for parents, allowing them to focus on their work, which in turn enhances productivity and overall well-being. Our commitment extends beyond infrastructure, as we actively support initiatives that promote learning, personal growth, and long-term opportunities for the next generation.

We have established childcare centres across our plantations in Indonesia and Malaysia, offering a safe, nurturing environment where children receive supervised care and early childhood education. Through these efforts, we strengthen both families and communities, fostering a more sustainable and responsible future.

43
SCHOOL TRANSPORTATION



1,870
STUDENTS



Transportation provided to ensure students access to school

Students in SDS Sarana Tunas Harapan, PT Sarana Prima Multi Niaga, Kalimantan Tengah, Indonesia

TSH has also contributed approximately RM90,000 to support public school programmes and provide sponsorships for individuals pursuing tertiary education.

We believe every child deserves the opportunity to thrive. True CSR goes beyond financial aid—it's about making a real difference. We proudly support Pusat Kreatif Kanak-kanak Tuanku Bainun with a RM30,000 donation, reflecting our commitment to nurturing future leaders. While the amount may be modest, our goal is to inspire young minds to explore their talents, embrace creativity, and develop values that will guide them through life.

Supporting Access to Quality Healthcare and Community Well-being

We believe that access to quality healthcare is a fundamental right, and we remain committed to supporting medical institutions and emergency response bodies that provide essential care to communities. Our long-standing connections with hospitals have allowed us to contribute meaningfully toward enhancing healthcare services and supporting those in urgent need.

Blood donation programme

Dengue Screening

In FY2024, we made several monetary donations to Assunta Hospital, Hospital Fatimah, Tung Shin Hospital, Adventist Hospital, and other medical institutions, helping to improve patient care and medical resources. Additionally, we contributed to Persatuan Bencana Alam Kedah, providing aid for children in need of urgent surgery.

We also extended support to emergency response organisations, donating computers to Hospis Malaysia, a unit of ambulance to Assunta Hospital and chairs and tables to Balai Bomba dan Penyelamat, ensuring they are better equipped to serve the public.

Caring for the underserved and underprivileged has always been important to us, as it serves as a reminder to stay humble and grateful. We contributed to Persatuan Kebajikan Orang Terabai & Warga Emas Rumah Kasih KL, Persatuan Kebajikan Ti-Ratana, Shelter Christian Fellowship for Aid and Welfare, and Perak Palliative Care Society.

In total, we allocated approximately RM380,000 to these initiatives, reaffirming our commitment to community well-being and ensuring that essential healthcare and support services reach those who need them most.

Supporting Sports and Community Engagement

We believe that sports play a vital role in fostering teamwork, discipline, and community spirit. As part of our commitment to youth development and a healthy lifestyle, we actively support local and national sporting initiatives through sponsorships and donations.

In FY2024, we provided financial support to clubs and associations, including the Sandakan Eagles Rugby Club, helping to nurture young talent and promote the sport within the community. In commemoration of our donation, the club organised a tree planting ceremony to symbolize growth, resilience, and sustainability, values that align with both sports and our commitment to the environment. Additionally, we proudly sponsored the Malaysian Under-23 football team under the Football Association of Malaysia ("FAM"), contributing to the development of emerging football players representing the country on a larger stage.

Overall, TSH has invested over RM200,000 in sports, reinforcing our commitment to empowering athletes, strengthening local sports culture, and encouraging active and healthy communities.

Respecting and Supporting Places of Worship in Our Communities

We deeply respect the role that places of worship play in fostering spiritual well-being, social unity, and cultural identity within the communities where we operate. We have built 24 mosques and 11 churches in our vicinity, recognizing their significance as centers of faith, guidance, and communal support.

With a strong commitment to respecting diverse beliefs and traditions, we actively contribute to the maintenance and enhancement of these religious spaces, ensuring they remain accessible and well-preserved for the communities they serve. Apart from infrastructure support, we also organise programmes for workers' children and the broader community, fostering spiritual enrichment, education, and social well-being in alignment with the values upheld by these places of worship. In FY2024, we invested over RM125,000 in culture and religious initiatives, reinforcing our dedication to fostering inclusive and thriving communities.

Happy Wednesday (Church Children): Learning and Teaching General Knowledge and Religion

Magrib Mengaji (Muslim Children): Learning General Knowledge and Religion – Held After Maghrib Prayer

Our Performance

TSH takes great pride in our commitment to supporting local communities through a variety of CSR activities and programmes. In FY2024, we invested RM992,887 in various community initiatives across Malaysia and Indonesia, benefiting approximately 200 individuals and positively impacting our external stakeholders.

CSR SPENT IN FY2024

RM992,887

ENSURING HEALTH AND SAFETY AT WORKPLACE

(GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 404-2, GRI 13.19)

Why is it important?

TSH prioritises the health, safety, and well-being of our employees, workers, and all those involved in our operations. Given the physically demanding nature of our work—ranging from harvesting and operating heavy machinery to transporting goods—strict adherence to health and safety protocols is essential to protecting our people and ensuring smooth operations.

Our Approach

TSH's approach to health and safety spans across our entire organisation and is integrated into our operational practices, procedures, and corporate culture. Our approach to health and safety is aligned with sustainability pillars: workplace.

The Group has established a Group Sustainability Policy that incorporates Occupational Health and Safety ("OHS"), ensuring a structured and proactive approach to workplace safety. The SSC oversees safety and health matters, with regular performance reporting. Compliance with OHS legal requirements is strictly monitored and reinforced through a comprehensive OHS Management System supported by specific SOPs.

To drive continuous improvement, the Group has established an OHS Target for FY2024 as a sustainability KPI, endorsed at the Board level, with the goal of zero fatalities and a reduction in LTIFR compared to the previous year. The implementation of OHS initiatives is cascaded to the operational level, where the dedicated OHS committee is responsible for driving health and safety strategies, while actively addressing workplace issues, concerns, and improvements through the participation of both management and employees.

Health and Safety Risk Assessment and Mitigation

Regular health and safety risk assessments, along with workplace inspections, are conducted to proactively identify potential hazards and implement effective mitigation strategies. Worker participation is integral to the risk assessment process, ensuring greater visibility and engagement. Additionally, clear and strategically placed safety and warning signs reinforce awareness and promote a safer work environment.

OHS Training and Awareness

Comprehensive and regular training programmes are conducted to equip employees with the necessary knowledge and skills to uphold workplace health and safety standards. These programmes cover a wide range of critical areas, including safety drills to prepare for emergency situations, hands-on training for effective emergency response, proper use and maintenance of PPE, and safe handling of hazardous chemicals. By fostering a strong safety culture through continuous education and engagement, employees are empowered to identify risks, respond effectively to emergencies, and contribute to a safer working environment.

OHS Training Programmes

List of OHS Training
First Aid and Cardiopulmonary Resuscitation Training
Authorised Entrant and Standby Person for Confined Space
Authorised Gas Tester and Entry Supervisor for Confined Space
Occupational Health and Safety Coordinator
Seminar Implikasi AKKP (Pindaan) 2022 (A1648) dan Perundangan Berkaitan Kepada Industri
Ergonomic Awareness Training
Personnel Protective Equipment Training
Safe Handling of Chemical Training
Workshop Maintenance Training
Fire Fighting, Fire Drill and Fire Extinguisher Training
Hearing Conservation Training

Fire Fighting Training

First Aid Training

OHS Committees

OHS committees are established across all business units, comprising representatives from both management and the workforce. These committees play a vital role in overseeing safety protocols, ensuring compliance with regulations, and fostering a well-organised and secure work environment. They serve as a key platform for employees to voice safety concerns, facilitating open communication and prompt management intervention to address workplace hazards and enhance overall safety standards.

Health and Wellness Programmes

Apart from safety, we emphasise employee wellness through programmes aimed at promoting basic health screening, vaccination and overall well-being. TSH prioritises the health and well-being of our employees across all regions through a comprehensive suite of employee benefits and medical programmes. Our pre-employment screening ensures new hires are fit for their roles, while annual medical check-ups help monitor and maintain their overall health. We also carry out scheduled health surveillance programmes, such as the Cholinesterase Monitoring Programme and Spirometry test for fertilisers and pest handlers, to ensure their health status when working with potentially hazardous materials. Additionally, we conduct Audiometry test to our machinery operators and technicians to assess their hearing condition, further safeguarding employees' health and addressing potential risks. These initiatives reflect our commitment to maintaining a healthy workforce and providing a safe working environment.

Site OHS Plan Implementation

A site OHS plan is in place across all business units to ensure a standardised approach to workplace safety and regulatory compliance. These plans outline clear guidelines, responsibilities, and procedures for managing occupational risks, reinforcing best practices in hazard identification, incident prevention, and emergency response. They are regularly reviewed and updated to align with evolving safety standards, operational needs, and legal requirements, ensuring a proactive and consistent OHS management framework across all sites.

SOP on Occupational Incident and Reporting

Employees are required to report any workplace incidents using a designated form, ensuring timely documentation and response. Immediate emergency actions are taken to mitigate risks, followed by a thorough investigation process. This includes evidence collection, witness interviews, and root cause analysis to identify contributing factors and implement preventive measures, strengthening workplace safety and incident management.

Medical Aid

On-site medical support is readily available, including a dedicated estate mandore serving as a standby first aider, ensuring immediate response to workplace injuries or health concerns. Employees also have access to a clinic for medical consultations and treatment, as well as ambulance services for emergency situations, ensuring prompt and efficient medical assistance when needed.

One of the clinics located at the estate site

A dedicated estate mandore serves as a standby first aider at site

Dedicated OHS Personnel

Each business unit is assigned dedicated OHS personnel responsible for maintaining a safe work environment. Their key duties include identifying and monitoring workplace hazards, enforcing safety regulations, conducting training sessions, and ensuring prompt response to incidents.

Safety signboards displayed clearly at the workplace

Panel inspection before plant start up

Our Performance

Tracking OHS performance is key for TSH to continuously improve workplace safety across its business segments. We monitor key metrics such as LTI to ensure the Group can identify areas for enhancements and address potential risks proactively. A comprehensive OHS performance measurement system protects our employees while enhancing productivity and operational effectiveness.

- **Work-related Fatalities**
  We are pleased to report that in FY2024, there were zero work-related fatalities.

- **LTIFR**
  A revision of the LTIFR data for FY2023 has been made due to improvements in our data collection methodology and corrections in the number of LTI cases. As a result, the LTIFR for FY2023 has been restated to 14.49 per 200,000 man-hours, compared to the previously reported 3.86 per 200,000 man-hours.

Employees OHS Performance		
Year	**FY2023**	**FY2024**
Work-related Fatalities	1	0
LTIFR	14.49	8.62

Notes:
LTI is defined as an accident which results in the injured person being absent for one or more workdays beyond the day of the accident. LTIFR indicates the number of injuries per 200,000 man-hours.

- **OHS Training and Programmes**

132,530
OHS Trained Staff

Note:
The number of OHS trained staffs are based on accumulated numbers.

HUMAN RIGHTS AND LABOUR PRACTICES

(GRI 3-3, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 13.15, GRI 13.16, GRI 13.17, GRI 13.18, GRI 13.20)

Why is it important?

Human rights and fair labour practices form the foundation of an ethical, sustainable, and responsible workplace. Upholding these principles ensures that employees are treated with dignity and respect, provided with fair working conditions, and protected from exploitation. By preventing issues such as forced labour and ensuring fair wages, we foster a positive and inclusive work environment while strengthening trust and long-term relationships with stakeholders. Adhering to ethical and legal standards not only safeguards employee well-being but also mitigates risks, preventing reputational damage, legal complications, and operational disruptions.

UPHOLDING FUNDAMENTAL HUMAN RIGHTS

Diversity & Inclusion	Right to Fair Treatment	No Child Labour
Non-Discrimination		Excessive Working Hours
Women's Empowerment & Rights	Whistle-Blowing Policy	Workplace Health and Safety
Freedom of Association	Grievance Mechanism	No Forced or Bonded Labour
Zero Tolerance for Harassment	Human Rights Defenders	Decent Living Wage

Our Approach

Policies and Frameworks

We have established a comprehensive Group Sustainability Policy that outline our stance on human rights and labour practices. We strictly prohibit forced labour, bonded labour, and human trafficking within our operations and supply chain as outlined below:

- **Diversity and Inclusion:** We believe that a diverse and inclusive workforce drives innovation and success. We actively promote an environment where everyone can thrive, contribute, and succeed, cultivating a culture of respect, fairness and collaboration.

- **Non-Discrimination and Zero Tolerance for Harassment:** We maintain a zero tolerance policy towards any form of harassment, including sexual harassment, workplace violence, or bullying. Any form of intimidation, harassment, or abuse will not be tolerated, and we encourage all employees to raise concerns without fear of retaliation.

- **Worker's Rights and Freedom of Association:** We are committed to respecting and upholding the rights of all workers, ensuring dignity and equality in the workplace. We fully support the right of workers to freely associate, form, or join unions, and engage in collective bargaining in accordance with local laws and international standards.

- **Child Rights and Protection:** We strictly prohibit child labour in all our operations and supply chain, in compliance with international laws. Every child has the right to education, health, and development, and we actively support initiatives that safeguard these rights.

- **Women's Empowerment and Rights:** We advocate for women's reproductive rights and respect motherhood responsibilities, creating a nurturing environment where women can thrive both personally and professionally. We maintain a zero-tolerance policy for child exploitation and harassment against women, working closely with our partners and communities to ensure these rights are protected.

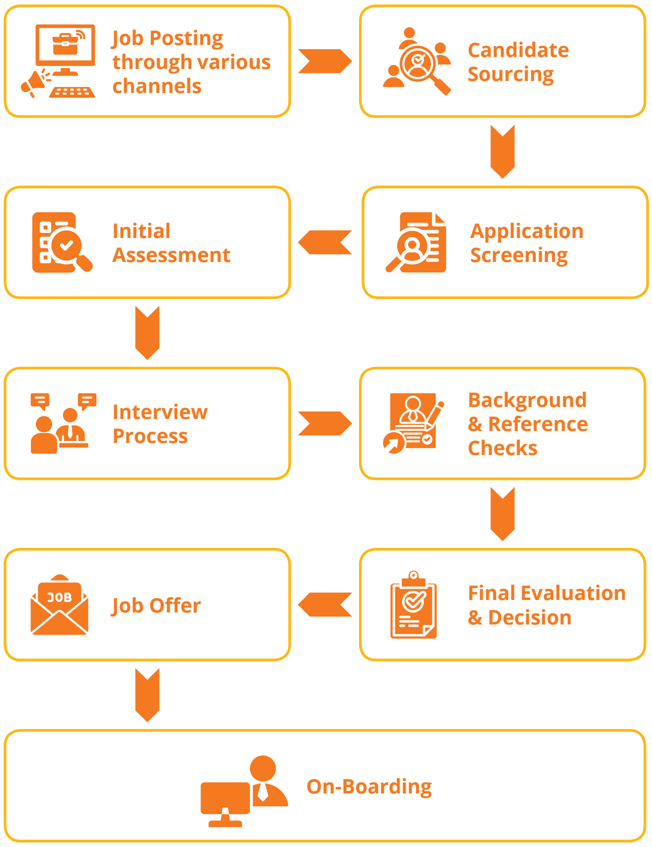
- **Learning and Development:** We are committed to providing training and development opportunities that enhance the skills, knowledge, and professional growth of our workforce. Our focus on continuous learning fosters a culture of innovation, excellence, and personal development, ensuring that our team remains equipped to meet the evolving challenges of our industry.

Employee Empowerment and Welfare

Hiring and Retention

At TSH, we prioritise attracting and retaining top talent to drive the Group's long-term success. Our comprehensive induction programme enables new hires to seamlessly integrate into our organisational culture, values, and operational practices, ensuring alignment with our mission, vision, and strategic objectives. We are committed to employee retention by fostering a positive work environment, providing career development opportunities, and offering competitive compensation and benefits. By investing in a skilled and motivated workforce, we strengthen our foundation for sustained growth and success.

Our hiring process is designed to attract a diverse and highly qualified talent pool by focusing on key competencies, leadership abilities, qualifications, experience, and professional contributions. As part of our commitment to ethical labour standards, we strictly prohibit the employment of children or individuals under the age of 18 across our operations. All job applicants undergo thorough screening to verify their eligibility, including date of birth and identity document checks. To further ensure compliance with ethical hiring practices, we conduct regular spot checks across our operations.



We are also committed to fostering an inclusive and diverse workplace, ensuring that recruitment decisions are free from biases related to gender, age, or race. By embracing diversity in our hiring approach, we cultivate a workforce enriched by varied perspectives and skills, driving innovation and long-term success. For further details, refer to the Diversity section.

Participated in Career Exhibition

Remuneration and Benefits

TSH is committed to creating a workplace that prioritises employee well-being and professional growth. Recognising the importance of competitive compensation, we align our pay structures with industry standards to reflect the value of our employees' dedication and contributions.

We offer a comprehensive range of benefits to support our workforce. This includes leave entitlements to promote rest and rejuvenation, as well as health insurance to ease the burden of medical expenses.

- Gym and sport facility
- Annual Leave
- Health Insurance
- Outpatient Medical
- Marriage Leave
- Free Housing, Electricity and Water Supply to Estates
- Medical facilities on site
- Parental Leave
- Compassionate Leave
- Dental and Optic
- Study Leave

As part of our commitment to employee welfare, we provide free housing with electricity and water supply to all estate workers. TSH ensures that essential amenities, such as community and recreational facilities, schools, and places of worship, are available to support a fulfilling life. This initiative fosters a sense of belonging and security while enhancing overall well-being and work-life balance within the communities where we operate.

24 mosques

11 churches

Housing area at one of the estates in Kalimantan Tengah, Indonesia

Employee Engagement

We believe in fostering a strong sense of community and collaboration among employees to maintain a motivated and productive workforce. To promote team spirit, we regularly organise team-building activities, celebrating festive seasons, family day, and sports competition to strengthen interpersonal relationships and encourage cooperation across departments.

Durian Feast Gathering in Menara TSH

Family day in PT Sarana Prima Multi Niaga

Corporate Team Building

Care and Support

Training and Development

At TSH, we place a strong emphasis on employee talent development and capacity building through regular training and skill development programmes, empowering our workforce to continuously grow and contribute to the Group's success. By carefully assessing the relevant skills and knowledge required for different roles, we ensured that the training delivered was both targeted and impactful. This approach allowed us to address the unique requirements of staff, labour, and other categories within the workforce, ensuring that every employee received the support they needed to thrive in their respective positions.

Examples of Technical Skills Programmes

1. Microsoft Excel - Beginner, Intermediate & Advanced Levels
2. Professional Measurement & Verification For Energy Efficiency
3. Kursus dan Peperiksaan Kemahiran Menggred Buah Sawit-Wilayah Sabah
4. MSPO (MS 2530:2022) Lead Auditor Training
5. Seminar Akta Kualiti Alam Sekeliling 1974: Kelestarian Alam Teras Madani
6. Estate Hospital Nurse Training (Obstetrics & Gynecology Management Seminar)
7. Basic Greenhouse Gas (GHG) Accounting, Mitigation, Audit and Reporting
8. Carbon Accounting and Reporting: From Basics to Best Practices
9. Taxation of Capital Gains in Malaysia
10. Mastering the Employment Act 1966, EPF Act 1991, SOCSO Act 1969, EIS 2018 with latest amendments
11. Task Automation with Microsoft Excel VBA (Fundamental & Intermediate Levels)
12. ChatGPT Prompt Engineering for Financials Professionals

Grievances Mechanism and Welfare Committee

At TSH, we are dedicated to fostering a supportive and inclusive workplace where employees feel valued, respected, and heard. We prioritise employee well-being by upholding fair labour practices, offering career development opportunities, and cultivating a positive work environment that nurtures both personal and professional growth.

A key aspect of our commitment to employee care is the grievance mechanism, which provides a safe and confidential platform for employees to raise concerns or report workplace issues without fear of retaliation. In Indonesia, this process is further reinforced by a SOP on Grievance Mechanism, ensuring grievances are reported, addressed, and resolved transparently and effectively. Additionally, Welfare Committees have been established in Indonesia to oversee employee well-being, address concerns, and enhance workplace support systems. By continuously strengthening our employee support initiatives, we foster a workplace culture built on trust, accountability, and collaboration, enhancing overall engagement and satisfaction across all levels of the organisation.

Our Performance

Hiring and Retention

As of 31 December 2024, the workforce at TSH is primarily composed of permanent employees, who represent 97.10% of our total workforce. Contractors and temporary staff make up the remaining portion. This structure reflects our commitment to providing stable, long-term employment opportunities while leveraging temporary resources for specific, short-term needs. The high proportion of permanent employees highlights our focus on building a dedicated and committed workforce.

97.10% Permanent

2.90% Contract

The total employee turnover across different categories has shown a notable decrease in FY2024 compared to the previous two years.

Total Number of Employee Turnover by Employee Category

Employee Category	FY2024
Board of Directors	2
Management	139
Executive	41
Non-Executive	73
Labour / General Workers	3,149

Employee Category	FY2022	FY2023
Staff	257	267
Labour	4,525	3,744

The decrease in overall turnover in FY2024 can be attributed to several factors. TSH's strengthened employee engagement initiatives, improved retention strategies, and more robust workforce management have likely contributed to the lower turnover. Additionally, enhanced employee benefits, better work conditions, and career development opportunities may have encouraged employees to remain with the company longer. These efforts suggest that TSH is increasingly successful in fostering a stable and committed workforce, particularly in the labour category, which typically experiences higher turnover rates.

Recognising and rewarding estate employees for their outstanding attendance and performance

Human Rights Practices

We uphold a strict zero-tolerance policy against discrimination, forced labour, and child labour, ensuring ethical and responsible employment practices across our operation. During the reporting period, no incidents of child labour were identified. In FY2024, we received zero human rights-related grievances, reflecting our on-going efforts to foster a fair, safe, and rights-respecting work environment.

ZERO CASE
Of Child Labour Reported

ZERO GRIEVANCES
on Human Rights Violation

Training and Development

In FY2024, a total of 117,611 training hours were provided across the organisation, with an average of 16.9 training hours per employee. This reflects our commitment to investing in our employees' growth and maintaining a skilled, adaptable workforce. The breakdown of training hours is as follows:

Training for new harvester

DIVERSITY AND EQUAL OPPORTUNITY

(GRI3-3, GRI 405-1, GRI 406-1, GRI 13.15)

Why is it important?

Diversity and equal opportunity are essential to fostering innovation, creativity, and sustainable growth. An inclusive workplace, where individuals from diverse backgrounds collaborate, not only drives business success but also upholds ethical standards and social responsibility. A diverse workforce brings a wealth of perspectives, ideas, and solutions, enhancing problem-solving, driving innovation, and enabling organisations to better serve their stakeholders.

At TSH, we are committed to cultivating an inclusive work culture that values and celebrates the unique backgrounds, skills, and perspectives of all employees. Our policies and initiatives are designed to eliminate discrimination, promote equal opportunities, and ensure that every employee—regardless of race, gender, age, religion, and disability, or sexual orientation—feels valued, respected, and supported.

Our Approach

At TSH, we take proactive steps to foster diversity and equal opportunity at all levels of our organisation. We are committed to creating a fair and inclusive workplace by upholding non-discriminatory hiring and remuneration practices. We believe that a diverse workforce—enriched by individuals from different backgrounds—brings valuable perspectives that drive innovation, enhance decision-making, and contribute to sustainable growth.

By ensuring equal opportunities for all employees, we cultivate an environment where individuals feel valued, leading to higher job satisfaction, engagement, and performance. Over the past year, we have made significant strides in advancing diversity and inclusion through key initiatives, including:

- **Diversity in Recruitment:** Strengthened our recruitment practices to attract a broad range of candidates, ensuring a more inclusive workforce. We impose no restrictions on women’s participation at any level, including the Board and senior management.

- **Career Development:** Provided career development opportunities that empower employees—regardless of their background—to grow and progress within the Group.

- **Zero-Tolerance Policy:** Enforced a strict zero-tolerance policy against discrimination and harassment, fostering a safe, respectful, and equitable workplace.

We actively support women's participation across all business functions, ensuring fair representation and opportunities. Through targeted initiatives, we strive to maintain a balanced workforce that reflects our diverse society, reinforcing organisational resilience, adaptability, and innovation.

Our Performance

While TSH remains dedicated to gender equality at all levels, the nature of work in the plantation sector naturally results in a higher proportion of male employees due to its physically demanding tasks. Nonetheless, we continue to champion equal opportunities across all roles, ensuring a workplace built on fairness, respect, and meritocracy. The diversity of the TSH Group is illustrated as follows:

Diversity Of TSH Group (%) for FY2024					
	Age Group			Diversity	
Employee Category	Below 30	30 – 50	Above 50	Men	Women
Management	11	72	17	83	17
Executive	19	69	12	53	47
Non-Executive	22	70	8	56	44
Labour	28	63	9	80	20

Note:
Figures are rounded up to nearest whole percentage.

We recognise the importance of diversity at all levels of the organisation, including leadership and governance. In FY2024, women representation on the Board reached 25%, reflecting our commitment to fostering greater gender balance in decision-making roles. Across our workforce, we continue to enhance gender representation by ensuring equal access to leadership opportunities and career advancement.

Women in Board Composition			
Ratio **25%**	Age Group (Men & & Women) (%)		
	< 30	30 – 50	> 50
	0	12	88

As of 31 December 2024, TSH has achieved zero substantiated grievances related to gender discrimination and equal opportunity.

BURSA ESG PERFORMANCE DATA TABLE

The ESG Performance Data Table included in this Sustainability Report was generated from Bursa Malaysia's ESG Reporting Platform, in compliance with the enhanced sustainability reporting requirements outlined in Bursa Malaysia's Main Market Listing Requirements.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Board of Directors	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	992,887.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	200
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Board of Directors Under 30	Percentage	0.00
Board of Directors Between 30-50	Percentage	12.50
Board of Directors Above 50	Percentage	87.50
Management Under 30	Percentage	11.61
Management Between 30-50	Percentage	71.61
Management Above 50	Percentage	16.77
Executive Under 30	Percentage	19.51
Executive Between 30-50	Percentage	68.90
Executive Above 50	Percentage	11.59
Non-Executive Under 30	Percentage	22.35
Non-Executive Between 30-50	Percentage	69.91
Non-Executive Above 50	Percentage	7.74
General worker / Labour Under 30	Percentage	28.01
General worker / Labour Between 30-50	Percentage	63.41
General worker / Labour Above 50	Percentage	8.58
Gender Group by Employee Category		
Board of Directors Male	Percentage	75.00
Board of Directors Female	Percentage	25.00
Management Male	Percentage	82.58
Management Female	Percentage	17.42
Executive Male	Percentage	53.05
Executive Female	Percentage	46.95
Non-Executive Male	Percentage	56.45
Non-Executive Female	Percentage	43.55
General worker / Labour Male	Percentage	79.58
General worker / Labour Female	Percentage	20.42

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2024
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	12.50
Above 50	Percentage	87.50
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	52,124.75
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	8.62
Bursa C5(c) Number of employees trained on health and safety standards	Number	132,530
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Board of Directors	Hours	112
Management	Hours	4,182
Executive	Hours	4,135
Non-Executive	Hours	7,665
General workers / Labour	Hours	101,517
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.90
Bursa C6(c) Total number of employee turnover by employee category		
Board of Directors	Number	2
Management	Number	139
Executive	Number	41
Non-Executive	Number	73
Labour	Number	3,149
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.03
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3,065.970000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	1,210,069.26
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,208,489.57
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,579.69
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	235,970.95
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	5,069.64
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,908.44

Internal assurance External assurance No assurance (*)Restated

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STATEMENT OF ASSURANCE

Assurance Statement

In strengthening the credibility of the Sustainability Report, selected aspects/parts of this Sustainability Report have undergone an internal review conducted by the Group's Internal Audit Department and subsequently approved by the AC.

The subject matters and scope, which includes the operating activities in the respective countries, covered by the internal review are provided below:

No.	Subject matter	Scope Operating Activity	Scope Country
1.	**Community/Society** • Amount contributed to the communities • Number of beneficiaries from the contributions	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	
2.	**Diversity** • Percentage of employees by gender and age group • Percentage of directors by gender and age group	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	
3.	**Health and Safety** • Number of work-related fatalities • Lost time incident rate • Number of employees trained on health and safety standards	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	
4.	**Labour Practices and Standards** • Training hours by employee category • Percentage of employees that are contractors/non-staff • Employee turnover by category • Number of substantiated complaints concerning human rights violations	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	

No.	Subject matter	Scope: Operating Activity	Scope: Country
5.	**Supply Chain Management** • Proportion of spending on local supplier	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management	
6.	**Data Privacy and Security** • Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	
7.	**Water** • Total volume of water used	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	
8.	**Waste Management** • Total waste generated, which includes total waste diverted from and directed to disposal	• Plantations and Mills • Engineered Hardwood Flooring • Renewable Energy • Forest Management • Corporate and Investment Holding Activities	

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2024

TSH RESOURCES BERHAD

PALM PRODUCTS SEGMENT

100%
TSH Plantation Sdn. Bhd.

100%
TSH Plantation Management Sdn. Bhd.

90%
PT. Sarana Prima Multi Niaga

90%
PT. Teguh Swakarsa Sejahtera

90%
PT. Farinda Bersaudara

90%
PT. Mitra Jaya Cemerlang

90%
PT. Bulungan Citra Agro Persada

90%
PT. Munte Waniq Jaya Perkasa

90%
PT. Perkebunan Sentawar Membangun

90%
PT. Andalas Wahana Sukses

90%
PT. Prima Usaha Sukses

70%
PT. Andalas Agro Industri

70%
PT. Andalas Wahana Berjaya

69.77%
PT. Laras Internusa

60%
RT Plantations Sdn. Bhd.

56.68%
Landquest Sdn. Bhd.

51%
LKSK Sdn. Bhd.

50%
TSH-Wilmar Sdn. Bhd.

21.94%
Innoprise Plantations Berhad

OTHERS SEGMENT

100%
Ekowood International Berhad

100%
Ekowood Malaysia Sdn. Bhd.

100%
TSH Bio-Energy Sdn. Bhd.

100%
TSH Bio-Gas Sdn. Bhd.

100%
TSH Biotech Sdn Bhd

100%
TSH Agri Pte. Ltd.

100%
TSH Oversea Pte. Ltd.

50%
TSH-Wilmar (BF) Sdn. Bhd.

Notes:
- *The companies reflected above are operating subsidiaries/associated company/joint venture.*
- *The full list of companies under the TSH Group is set out in the Financial Statements.*

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK KELVIN TAN AIK PEN
Chairman

VELAYUTHAN A/L TAN KIM SONG
Non-Independent Non-Executive Director

DATO' JASMY BIN ISMAIL
Independent Non-Executive Director/
Senior Independent Director

NATASHA BINTI MOHD ZULKIFLI
Independent Non-Executive Director

PAUL LIM JOO HENG
Independent Non-Executive Director

INA HASNIZA BINTI IBRAHIM
Independent Non-Executive Director

TAN AIK KIONG
Executive Director

LIM FOOK HIN
Non-Independent Non-Executive Director

AUDIT COMMITTEE

PAUL LIM JOO HENG
Chairman/Independent
Non-Executive Director

DATO' JASMY BIN ISMAIL
Member/Independent
Non-Executive Director

LIM FOOK HIN
Member/Non-Independent
Non-Executive Director

NOMINATION COMMITTEE

DATO' JASMY BIN ISMAIL
Chairman/Independent
Non-Executive Director

NATASHA BINTI MOHD ZULKIFLI
Member/Independent
Non-Executive Director

LIM FOOK HIN
Member/Non-Independent
Non-Executive Director

REMUNERATION COMMITTEE

PAUL LIM JOO HENG
Chairman/Independent
Non-Executive Director

INA HASNIZA BINTI IBRAHIM
Member/Independent
Non-Executive Director

LIM FOOK HIN
Member/Non-Independent
Non-Executive Director

COMPANY SECRETARY

WONG MAY FUN, MAYEEN
MAICSA 7018697
SSM PC No.: 202008002194

REGISTERED OFFICE

Level 10, Menara TSH
No. 8 Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel : +603-2084 0888
Fax : +603-2084 0828
E-mail : tsh@tsh.com.my

AUDITORS

BDO PLT (LLP 0018825-LCA & AF 0206)
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : +603-2616 2888
Fax : +603-2616 3190/3191

PRINCIPAL BANKERS

AMBANK (M) BERHAD
HONG LEONG BANK BERHAD
OCBC BANK MALAYSIA BERHAD
RHB BANK BERHAD
UNITED OVERSEA BANK (MALAYSIA) BHD
PT BANK CIMB NIAGA TBK

SHARE REGISTRAR IN MALAYSIA

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670
E-mail : BSR.Helpdesk@boardroomlimited.com

SHARE TRANSFER AGENT IN SINGAPORE

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
1 Harbourfront Avenue
Keppel Bay Tower
#14-07 Singapore 098632
Tel : (65) 6536 5355
E-mail : srs.teamb@boardroomlimited.com

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
Stock code : 9059
Stock name : TSH

MAIN BOARD OF SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED
Stock code : TSH
Stock name : TSH Resources
Listing date : 26 September 2023

COMPANY WEBSITE

www.tsh.com.my

PROFILE OF BOARD OF DIRECTORS

DATUK KELVIN TAN AIK PEN

Chairman/Co-Founder

Age	Gender	Nationality
67	Male	Malaysian

Kelvin is the Chairman and Co-Founder of the Company. He has been a Director of TSH since 17 January 1986 and was re-designated as Executive Chairman on 1 September 2024. He also sits on the board of a number of private companies.

In 1977, Kelvin began his entrepreneurial journey by starting a cocoa trading business in Bagan Datoh, Perak. Foreseeing the potential of national cocoa production would be centred in Sabah's east coast, he expanded to Tawau in 1986, pioneering an integrated approach to the cocoa business that combined upstream sourcing with downstream processing.

In the 1990s, Kelvin applied a similar integrated strategy to the oil palm industry by establishing plantations and mills in Sabah. To enhance sustainability, TSH built a biomass cogeneration plant in 2004. In 2006, the Company formed TSH-Wilmar Sdn. Bhd., a downstream palm oil refinery joint venture with Wilmar.

Collaborating with Indonesian entrepreneur Garibaldi Thohir, Kelvin expanded TSH's operations to Indonesia in 2003. The venture now encompasses 36,000 hectares of oil palm plantations and four mills, establishing TSH as a regional integrated player in the oil palm industry.

TSH was listed on Bursa Malaysia's Second Board in 1994 and elevated to the Main Board in 2000. He also spearheaded the Company's secondary listing on the Main Board of the Singapore Exchange in September 2023.

Kelvin is committed to environmental conservation. He led a biodiversity conservation programme in Sabah's Meliau Range with the Sabah Forestry Department, and served as a trustee of the Borneo Conservation Trust Sabah from 2010 to 2013.

- Kelvin was first conferred the Pingat Panglima Gemilang Darjah Kinabalu (PGDK) that carries the title Datuk by the Governor of Sabah, Tun Datuk Seri Panglima Hj Sakaran bin Hj Dandai on the 16 September 1998.
- On 3 September 2006, Universiti Malaysia Sabah conferred an Honorary Doctorate in Philosophy (Agroforestry) to Kelvin for his many contributions to environmental conservation and forestry.
- On 19 April 2009, he was conferred the Darjah Dato' Paduka Mahkota Perak (DPMP) award that carries the title Dato' by the Sultan of Perak, Sultan Azlan Shah.
- He serves as an Honorary Director of Sabah Chinese High School since 2013.
- Kelvin was appointed to the Board of Directors of University Malaysia Sabah from August 2017 to January 2020.

He is a brother of Tan Aik Kiong.

He does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Age
70

Gender
Male

Nationality
Malaysian

VELAYUTHAN A/L TAN KIM SONG

Non-Independent Non-Executive Director

Velayuthan a/l Tan Kim Song was appointed as an Independent Non-Executive Director of TSH on 24 November 2023 and was re-designated as a Non-Independent Non-Executive Director of TSH on 1 September 2024.

He has a Diploma in Management from the Malaysian Institute of Management.

He served Multi-Purpose Holdings Berhad for five years before joining IJM Corporation Berhad in 1985. In 1994, he was appointed as Group General Manager and later as Executive Director in 1997 and Managing Director in 2003. He was appointed as Group Executive Director of IJM Corporation Berhad from 2001 to 2003. He was the catalyst and spearheaded the listing of IJM Plantations Berhad on the Bursa Malaysia Securities Berhad in 2003. He was the Chief Executive Officer and Managing Director of IJM Plantations Berhad in 2004 and retired in 2010. He was later appointed as Chief Executive Officer to complete the group's Indonesian plantation development.

In the years to follow, Vela focused on overseas investments and plantations related opportunities in Fiji and Solomon Islands, apart from managing his family and own plantations in both Malaysia and Indonesia. In 2018, he ventured into coconut plantation business with the establishment of Islands Own Pte. Ltd., having its first operations initiated in the Solomon Islands. He and his management team are currently and actively pursuing rejuvenation efforts for the coconut industry of the Solomon Islands, through rehabilitation and replanting programmes and introduction of coco-technology, whilst initiating for a second and similar set up in East Malaysia.

Vela was conferred with an Honorary fellowship of the Malaysian Oil Scientists' & Technologists' Association (MOSTA) in June 2010 & also Sabah Sports Laureate (Tokoh Sukan) in 2010. He was a Council Member of the Malaysian Estate Owners' Association (MEOA) for term 2010/2011. He was also a Council Member of Malaysian Palm Oil Association (MPOA) and alternate Board Member on the Malaysian Palm Oil Board (MPOB).

He was appointed as an Independent Executive Member of Asia Rugby (2025-current) and Chairperson of the Nominations Committee of Asia Rugby (2025-current). He was elected as the Vice President of Asia Rugby (2019-2024) Chairman of the Development Committee (2017-2024) and assigned as Chairman to reform and restructure Asia Rugby. He was the Vice President (Hon) of Malaysia Rugby (2019-2023) and Deputy Vice President of Malaysia Rugby (2016-2019).

Vela is the President of Sabah Rugby Union since 2002 and Founding President of Eagles Rugby Club, Sandakan.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROFILE OF BOARD OF DIRECTORS

AGE		
Age	Gender	Nationality
61	**Male**	**Malaysian**

DATO' JASMY BIN ISMAIL

Independent Non-Executive Director

Dato' Jasmy bin Ismail was appointed as an Independent Non-Executive Director of TSH on 4 June 2014. Currently, he also serves as the Chairman of the Nomination Committee and a member of the Audit Committee. He was appointed as the Senior Independent Director on 24 November 2023.

He obtained his Chartered Institute of Logistics and Transport in the United Kingdom and Master of Science (Msc) in Transport Management from City University, London.

In 1988, Dato' Jasmy joined IBM Malaysia and held various positions within the Sales and Marketing Division, responsible mainly for the public sector and financial service industries. Prior to leaving IBM Malaysia, he was the Executive Assistant to the Chief Executive Officer of IBM Malaysia.

Dato' Jasmy joined CCAAP Technologies Sdn. Bhd. as General Manager in 1996. He was also the Executive Director of New Technology & Innovation Sdn. Bhd..

In 2001, Dato' Jasmy co-founded Symphony Global Technologies Sdn. Bhd. (now known as SGT International Sdn. Bhd.) and was involved in the formulation of Symphony House Berhad which was then listed on Bursa Malaysia Securities Berhad in 2003. He was the Chief Executive of Symphony's Technology Services Division. He also served as the Chairman of Symphony BCSIS Sdn. Bhd., a joint-venture company with OCBC Singapore's subsidiary, BCS Information Systems Pte. Ltd. ("BCSIS") and held the position until 2007. He was also an Independent Non-Executive Director of Malaysia Building Society Berhad, Reach Energy Berhad and Symphony Life Berhad up to February 2018, March 2023 and April 2024 respectively.

He was appointed as the Independent Non-Executive Chairman of Vizione Holdings Berhad on 31 May 2024. He is also the Independent Non-Executive Chairman of Naza TTDI Sdn. Bhd. and Naza Automotive Group. He is a Trustee of Yayasan Budi Penyayang. In August 2024, he resigned as a Council Member of Badminton Association of Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Age	Gender	Nationality
50	**Female**	**Malaysian**

NATASHA BINTI MOHD ZULKIFLI

Independent Non-Executive Director

Natasha binti Mohd Zulkifli was appointed as an Independent Non-Executive Director of TSH on 2 July 2018. Currently, she also serves as a member of the Nomination Committee.

She studied in Kuala Lumpur, New Zealand and London, obtaining a law degree from the London School of Economics (LSE) with a special focus on European Union and international law.

She is Director (Stakeholder & Business Development) at YTL Construction, part of the project team that is building the new 192km electrified double track rail link for the Malaysian government, in the state of Johor. Natasha has extensive experience in the Malaysian public transport space, having worked previously at Prasarana Malaysia Berhad and also at Malaysia's Land Public Transport Commission (SPAD).

Given her deep interest to strengthen human capital development in the Malaysian rail space, in 2017, Natasha founded Women in Rail Malaysia, a not-for-profit entity which was established to support and promote equality and diversity within the Malaysian rail industry. She is passionate about driving Women in Rail Malaysia for the benefit of women not just currently working within the industry but to also promote the Malaysian rail space as a career of choice to young women studying in secondary schools and in universities.

Natasha also previously ran the Malaysia-Europe Forum (MEF) as its Executive Director. The MEF was set up to improve economic relations and bilateral understanding between Malaysia and Europe in areas relating to business and trade.

From 2012 to 2015, Natasha sat as Malaysia's representative on the Asia Low Emission Development Strategies (LEDS) Partnership Steering Committee, which is a voluntary regional network set up by United States Agency for International Development (USAID) to support and promote low-emission development across Asia and the Pacific region.

Between 2015 and 2019, Natasha represented Malaysia on the Business Women's Working Group in the ASEAN Business Advisory Council (ASEAN-BAC).

In 2019, the German government recognised Natasha as a one of the 'Remarkable Women in Transport', officially recognising her as a female change-maker and highlighting her contribution to sustainable mobility solutions.

In 2021, the Malaysian government awarded Natasha as the inaugural winner of the Outstanding Woman of the Year in Rail Award.

In 2022, International Railway Journal ("IRJ") recognised Natasha and profiled her as one of the winners of IRJ in Women in Rail Awards 2022.

Natasha is currently Chair of the British-Malaysian Chamber of Commerce (BMCC) Diversity, Equity & Inclusivity Network.

She does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. She has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Age	Gender	Nationality
69	Male	Singaporean

PAUL LIM JOO HENG

Independent Non-Executive Director

Paul Lim Joo Heng was appointed as an Independent Non-Executive Director of TSH on 1 March 2023. He also serves as the Chairman of the Audit Committee and the Remuneration Committee.

He obtained his professional accounting qualification from the Association of Chartered Certified Accountants (ACCA), United Kingdom.

He started his career with KPMG (then known as Peat Marwick Mitchell & Co) in Singapore in 1978. While in public practice, he has gained experience in auditing both private and public companies in a wide range of industries including plantations, manufacturing services and financial institutions.

He presently holds the position of Chief Investment Officer of CM Energy Tech Co. Ltd. ("CM Energy") which from 2009 till 2019, he served as Group Chief Financial Officer. CM Energy is an Offshore & Marine engineering and service provider listed on the Hong Kong Stock Exchange. In his current position as Chief Investment Officer with the CM Energy Group, in addition to leading the investment function, he also undertakes key roles in chartering and sale of Offshore Marine Vessels and management of offshore asset contracts for oil rigs and offshore service vessels.

Prior to joining CM Energy, from 2007 to 2008, he served as VP Finance at Yantai Raffles Shipyard Limited ("YRS"), a Singaporean owned shipyard group with shipyard facilities located in Yantai, Shandong, China. Before joining YRS, from 2000 to 2006, he was the Group General Manager and Chief Financial Officer of Choo Bee Metal Industries Berhad ("CBMI"), a steel product manufacturing company listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

He also has experience in managing oil palm plantations owned by the major shareholders of CBMI. His plantation management experience also includes approximately six years with North Borneo Plantations Sdn. Bhd. from 1986 to 1992 where he served as Finance Director.

He was also employed as Group Financial Controller/Company Secretary of TSH from 1993 to 1998.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AGE
Age
52

Gender
Female

Nationality
Malaysian

INA HASNIZA BINTI IBRAHIM

Independent Non-Executive Director

Ina Hasniza binti Ibrahim was appointed as an Independent Non-Executive Director of TSH on 1 September 2024. She also serves as a member of the Remuneration Committee.

She graduated from Keele University, Staffordshire, United Kingdom with a BA in Economics in 1993, and subsequently in 1994, she obtained her Masters in International Business and Management from Westminster University, London, United Kingdom. In 1998, she obtained her Treasury Dealing Licence from Persatuan Pasaran Kewangan Malaysia (PPKM).

She is a retired investment banker who possesses 29 years of treasury and markets experience with various banks in Malaysia. She has good knowledge of regulatory requirements and industry development. Her main job scope was to provide hedging solutions to clients like GLCs, Ministries, Corporates and Financial Institutions via the use of exchange rates, interest rates, commodities and investment products as well as derivatives. She was involved in the development of Sustainability-linked Treasury solutions for clients and actively participated in human development initiatives namely training, mentoring and leadership selection.

She started her career with Petroliam Nasional Berhad as a Treasury Executive in 1995 and had gained experience in corporate sales in the banking industry from 1998 to 2005 at Deutsche Bank (Malaysia) Berhad and HSBC Bank Malaysia Berhad. From 2005 to 2013, she served as Managing Director, Head of Financial Markets Sales, Treasury and Global Markets of Standard Chartered Bank Malaysia Berhad. In 2014, she joined CIMB Bank Malaysia Berhad as Managing Director, Regional Head of Corporate Sales, Treasury and Markets. Her latest expanded role was as Regional Islamic Treasurer since 2021 for CIMB Islamic Bank Berhad and a member of Bank Negara Malaysia's Islamic Financial Markets Committee contributing to the development of Islamic financial products. She retired in June 2024.

She does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. She has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Age
64

Gender
Male

Nationality
Malaysian

TAN AIK KIONG

Executive Director

Tan Aik Kiong is an Executive Director of TSH. He was appointed to the Board of Directors of TSH on 25 November 1987. He sits on the board of various subsidiary companies and jointly controlled companies of TSH and holds directorship in other private limited companies. He is currently the Managing Director of Innoprise Plantations Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

He holds a Masters Degree in Civil Engineering, majoring in Construction Management, from the Oklahoma State University, United States of America.

He has more than 30 years of experience in resource-based industries, which include cocoa and palm oil covering both the primary, processing, refining and international trade segments throughout his career with the Company, Innoprise Plantations Berhad, Prudential Bache Ltd., an established brokerage and commission house and Ameroid Services Pte. Ltd., an independent warehousing company in Singapore.

He is a brother of Datuk Kelvin Tan Aik Pen.

He does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AGE

Age
75

Gender
Male

Nationality
Malaysian

LIM FOOK HIN

Non-Independent Non-Executive Director

Lim Fook Hin was appointed as an Executive Director of TSH on 9 May 1997. On 1 February 2016, he was re-designated as a Non-Independent Non-Executive Director. Currently, he serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee. He also sits on the board of some of the subsidiaries of the TSH Group and holds directorship in other private limited companies.

He is a member of the Malaysian Institute of Certified Public Accountants. After qualifying as a member of the Institute of Chartered Accountants in England and Wales, he joined Coopers & Lybrand as an Audit Senior in 1976 and was transferred to Coopers' management consultancy services in 1977. He joined the Commonwealth Development Corporation ("CDC") in 1978 and was seconded to Sarawak Oil Palm Sdn. Bhd. as Company Secretary.

He was transferred to BAL Plantation Sdn. Bhd. in 1981 as Financial Controller until 1993. His main responsibility included financial management, merger and acquisition and commodity marketing. He was again transferred by CDC to assume the position of the Chief Executive of United Palm Oil Industries PLC, a company listed on the Stock Exchange of Thailand before joining TSH in 1997.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

PROFILE OF KEY SENIOR MANAGEMENT

R KRISHNA MOORTHY RAMASAMY

Chief Operating Officer

Gender	**Male**
Age	**62**
Nationality	**Malaysian**

R Krishna Moorthy Ramasamy joined TSH on 1 October 2024. He has 36 years of experience in oil palm plantation management which comprise 15 years in Malaysia and 21 years in Indonesia. He started his career in the oil palm industry in 1988 and spent 15 years with two plantation companies in Malaysia, Austral Enterprises Bhd and Dunlop Estate Bhd (under IOI Group).

From 2005 to 2017, Krishna was attached with a few plantation companies in Indonesia namely Kalimantan Plantation Unit (AGRINDO), PT Sampoerna Agro Tbk and PT Sinar Dinamika Kapuas (Lyman Agro) and held various senior positions.

In 2017, he joined Minamas Plantation, Indonesia which is part of SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad) as a Regional CEO, taking charge of 57,718 hectares of planted areas. His responsibilities include among others, providing leadership and direction to the estate, mill, palm kernel crushing plant and bulking operations across the region and ensuring operational efficiency of the plantation. He left Minamas Plantation, Indonesia in September 2024.

MICHAEL WONG CHUNG HAU

Strategy Director

Gender	**Male**
Age	**59**
Nationality	**Malaysian**

Michael Wong Chung Hau is a member of the Malaysian Institute of Accountants and CPA Australia. He holds a Bachelor of Commerce (Honours) from the University of Melbourne, Australia.

He was appointed as Chief Financial Officer of the Group on 9 January 2018. He resigned as the Chief Financial Officer to assume his current role on 1 June 2022. He has more than 35 years of working experience in accounting, corporate finance, auditing and corporate advisory. Immediately prior to joining the Company, he was the Chief Financial Officer of Warisan TC Holdings Berhad. Prior to that, he had also served as Director of Corporate Finance at Deloitte Corporate Advisory Services Sdn. Bhd. where he led various engagements, including mergers and acquisitions, operational restructurings, feasibility studies and valuations.

FONG GING PANG

Chief Financial Officer

Gender	**Male**
Age	**58**
Nationality	**Malaysian**

Fong Ging Pang joined TSH in 2010 and was appointed as General Manager, Finance on 1 January 2022. He was subsequently promoted to Chief Financial Officer on 1 September 2024.

He started his working career in a management service company in 1988. Prior to joining the Company, he was the Assistant General Manager of Finance in a public listed company.

He is a graduate of the Association of Chartered Certified Accountant and holds a Master of Business Administration from The Open University, United Kingdom. Fong is a member of the Malaysian Institute of Accountants and has more than 30 years of experience in Finance and Accounting.

WONG MAY FUN, MAYEEN

Company Secretary

Gender	**Female**
Age	**55**
Nationality	**Malaysian**

Wong May Fun, Mayeen is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

She was appointed as the Company Secretary of TSH on 1 January 2023 overseeing the corporate secretarial functions of TSH Group including its joint-venture companies. She has more than 30 years of experience in corporate secretarial practice. Prior to joining TSH, she was the Company Secretary of a few public companies listed on the Main Board of Bursa Malaysia Securities Berhad, which include amongst others, Fraser & Neave Holdings Bhd, UEM Sunrise Berhad and Sunrise Berhad.

SALWA MD. YAZID

Head, Climate Action & Sustainability Advocacy (CASA)

Gender	**Female**
Age	**37**
Nationality	**Malaysian**

Salwa Md. Yazid is a dedicated sustainability leader with extensive expertise in palm oil sustainability, operational sustainability and ESG strategies and stakeholder engagement. She plays a key role in driving TSH's environmental and social commitments in alignment with national and global ESG standards.

She joined TSH's Sustainability Department in July 2023 and was appointed Head of Climate Change & Sustainability Advocacy (CASA) on 9 January 2025. With over 16 years of experience, she has a strong background in sustainable palm oil, environmental stewardship, stakeholder engagement, human rights, climate change mitigation and responsible sourcing and supply chain management. She began her career as a management system auditor before advancing into key leadership roles across public and private sectors, specialising in sustainability certifications, ESG consulting and advisory services to corporations beyond the plantation sector, prior to joining TSH.

CHOONG WEI THENG

General Manager, Centralised Finance

Gender	**Female**
Age	**54**
Nationality	**Malaysian**

Choong Wei Theng is a member of the Malaysian Institute of Accountants. She obtained her professional accounting qualification from the Association of Chartered Certified Accountants (ACCA), United Kingdom.

She has been with TSH Group since 2011 and was appointed as General Manager, Centralised Finance on 1 January 2022. She has over 20 years of experience in auditing, accounting, taxation, treasury and business information system. She started her career as an auditor and has subsequently served in a few public and private companies prior to joining TSH Group.

PROFILE OF KEY SENIOR MANAGEMENT

ANG WEI ENG

Head, Group Human Resources

Gender	**Male**
Age	**48**
Nationality	**Malaysian**

Ang Wei Eng joined the Group on 30 May 2024 as Head of Group Human Resources. He holds a Master degree in Business Administration from Anglia Ruskin University, UK.

Prior to joining the Company, he held senior position in few public listed and multinational companies overseeing the development of HR strategies and the improvement of business processes.

PANG THAU YIN, JOE

General Manager, Research and Development

Gender	**Male**
Age	**63**
Nationality	**Malaysian**

Pang Thau Yin, Joe was appointed as General Manager, Research & Development on 1 October 2007. He obtained his BSc Hons in Agricultural Science from the University of Nottingham, United Kingdom.

Prior to joining the Company, he was a Chief Research Officer in the research and development department of a major plantation group. He has more than 38 years of experience in plantation crop research and advisory.

LAM KAH KUAN

Head, Mill & Engineering

Gender	**Male**
Age	**50**
Nationality	**Malaysian**

Lam Kah Kuan was appointed as General Manager, Mill on 1 September 2023. He obtained his Diploma in Marine Engineering from Politeknik Ungku Omar, Malaysia and Diploma in Oil Palm Milling Technology & Management (Distinction) from Malaysian Palm Oil Board, Malaysia. He is a Certified Steam Engineer from Jabatan Keselamatan Dan Kesihatan Pekerjaan, Malaysia.

Prior to joining the Company, he was a General Manager of Taner Industrial Technology (M) Sdn. Bhd. and has held various senior roles in similar field, extensively in the oil palm industry with major players such as Kuala Lumpur Kepong Berhad, Rimbunan Hijau Group and Royal Golden Eagle (Indonesia). He has more than 26 years of working experience in palm oil mill operation and project.

PROFILE OF KEY SENIOR MANAGEMENT

GOH KIAN YIN, DANNY

Regional Financial Controller, Indonesia

Gender	**Male**
Age	**45**
Nationality	**Malaysian**

Goh Kian Yin, Danny joined the TSH Group as Regional Financial Controller on 4 January 2016. He holds a Bachelor's Degree in Accounting from La Trobe University, Australia and is a member of CPA Australia.

His work experience spans more than 20 years in several public listed and multinational companies in corporate finance, accounting, and taxation within various industries. Prior to joining the Company, he held senior positions in the finance division of GMG Global Ltd, a Singapore based integrated natural rubber producer, with primary focus on the production and supply of premium natural rubber products to the European, American and Asian markets. He was responsible for leading the development and execution of the GMG Group's long-term strategy for its operation in Africa and Indonesia. He has previously served as Director in IMC Plantation Group of Companies in Indonesia. He started his career with RSM International in Malaysia.

SUHAIMI BIN SUWITI

General Manager, Mill Operations, Sabah

Gender	**Male**
Age	**49**
Nationality	**Malaysian**

Suhaimi bin Suwiti was appointed as General Manager, Mill Operations on 1 March 2020. He obtained his BEng (Hons) in Electrical & Electronic Engineering from the University of Malaya, Malaysia.

Prior to joining the Company in 2005, he was an Engineer attached to a few palm oil mills in IOI group. He has 24 years of experience in palm oil milling. He also holds a few Competency Certificates endorsed by local authorities.

CHEW CHEE YOONG

Head, Purchasing

Gender	**Male**
Age	**49**
Nationality	**Malaysian**

Chew Chee Yoong was appointed as Head of Purchasing on 25 July 2022. He holds a Bachelor of Science degree in Mechanical Engineering from Michigan Technological University, United States of America.

His professional history demonstrates over 25 years of impactful leadership across a range of multinational and local conglomerate organisations. His comprehensive expertise extends across critical business functions, including procurement, supply chain management, sales and marketing, and engineering, cultivated within a diverse array of industries. Prior to his appointment with the Company, he held senior leadership positions in regional procurement and supply chain operations at Regal Beloit Malaysia. His prior responsibilities include serving as Head of Procurement & Supply Chain for Marelli Manufacturing Asia. He possesses a deep understanding of global sourcing strategies, with particular expertise in the procurement of steel, resin, aluminium and castings from China, India and Southeast Asia. Furthermore, he was directly responsible for the establishment and strategic planning of the Asian supply chain to achieve optimal solutions for the company's Malaysian manufacturing operations. He commenced his professional career within the prominent automotive industries in Malaysia.

None of the above Key Senior Management hold any directorship in public companies and listed issuers or have any family relationship with any Director and/or major shareholder of the Company. They don't have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. They have had no conviction for offences (excluding traffic offences) within the past five years and have had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of TSH Resources Berhad ("TSH" or "Company") recognises that exercise of good corporate governance in conducting the businesses and affairs of the Company with integrity, transparency and professionalism are the key components for long-term sustainability of the businesses and performance of TSH Group ("Group"). These will not only safeguard and enhance shareholders' investment and value but will at the same time, ensure that the interests of other stakeholders are protected.

The Board is therefore, committed to high standard of corporate governance and business practices. Accordingly, the Board has put in place TSH Corporate Governance Guidelines ("TSH CG Guidelines") to assist the Board in the exercise of its responsibilities. The TSH CG Guidelines and the Board Charter which includes the terms of reference ("TOR") of the Board Committees, provide the framework for corporate governance at TSH. The Board reviews periodically or as and when required, the TSH CG Guidelines, the Board Charter along with the TORs of the Board Committees to ensure their relevance.

The Board is pleased to present this Statement, an overview of TSH's corporate governance practices during the financial year with reference to the following three principles of the Malaysian Code on Corporate Governance 2021 ("Code"):

PRINCIPLE		
A BOARD LEADERSHIP AND EFFECTIVENESS	B EFFECTIVE AUDIT AND RISK MANAGEMENT	C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

This Statement should be read together with the Corporate Governance Report ("CG Report"), which elaborates further on the detailed application of each practice set out in the Code. The CG Report is available on the Company's website at www.tsh.com.my.

PRINCIPLE A • BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board has the overall responsibility for overseeing the effective management and control of the Group on behalf of TSH's shareholders and supervising executive management's conduct of the Group's affairs within a controlled authority framework, which is designed to enable all aspects of operation are prudently and effectively assessed and monitored. The Board has put in place a schedule of matters reserved to it for decision, the details of which are set out in the Board Charter. A copy of the Board Charter is available on TSH's website at www.tsh.com.my.

The Board is guided by the Board Charter, which sets out the Board's roles, powers, duties and functions. The structure of the Board ensures that no individual or a group of individuals dominates the Board's decision-making process. The Board is supported by the Audit Committee, Nomination Committee and Remuneration Committee. Each Board Committee has its defined TOR, which are available on the Company's website.

Clear Functions of the Board and Management

There is a clear distinction between the roles and responsibilities of the Board, Chairman and Group Managing Director, which are set out in the TSH CG Guidelines. The Board determines the strategic objectives and policies of the Group for delivering sustainable value and long-term success. It ensures effective leadership through oversight on management and robust monitoring of performance and governance in the Group.

The respective roles of the Chairman and the Group Managing Director are clearly defined in order to promote accountability and facilitate division of responsibilities between them and as a mechanism for checks and balances. The Board believes that the aforesaid separation of roles and responsibilities ensures appropriate balance of power and authority. The Chairman leads the Board by setting the tone at the top and managing Board effectiveness that focuses on strategy, governance and compliance. The Group Managing Director focuses on the business, organisational effectiveness and day-to-day management of the Group. He also executes the Board's decisions and strategic policies, and leads the management executives to oversee the operations of the Group. Nevertheless, on 1 September 2024, the Group Managing Director stepped down, and the Chairman was re-designated as Executive Chairman, and assumed the executive role and responsibilities.

The Board retains full and effective control of the Company. Matters specifically referred to the Board for approval include, inter-alia reviewing and approving corporate proposals, strategic plans and annual budgets, matters relating to sustainability and climate change, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions and changes to the management and control structure within the Group, including key policies and procedures and delegated authority limits.

The Board delegates some of its function to the Board Committees, which operate within their clearly defined TOR with a view to assisting the Board in the fulfillment of its responsibilities. The respective chairmen of the Board Committees report to the Board with a recommendation on the matters considered at the meetings of the Board Committees. In addition, minutes of meetings of the Board Committees are circulated to all Board members to keep them abreast of the actions and decisions taken by the Board Committees.

The Board plays an active role in the development of the Group's strategic plan with a view to maximising shareholder value and promoting sustainability. The role includes reviewing and commenting on the Group's strategic plan prepared by management along with providing final approval for the plan. In conjunction with this, the Board also reviews and approves the annual budget for the ensuing year and monitors management's implementation and performance of the agreed strategic plan.

The Board carries out periodic review of the achievements by the various operating segments against their respective business targets to determine whether these divisions are efficiently managed. Financial statements are reviewed by the Board before being released to the public through Bursa LINK and SGXNet.

Some of the matters considered by the Board in relation to strategic priorities are disclosed in the CG Report.

Company Secretary

The Board is supported by an in-house qualified Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), suitably experienced and competent. The Company Secretary ensures that the Directors are provided with sufficient information and time to prepare for Board meetings. She provides advice to the Board on corporate administration and governance matters including compliance with relevant laws, rules and regulations.

Access to Information and Meeting Materials

The Directors have access to all information within the Company, whether as a full board or in their individual capacity, to the extent that the information required is pertinent to the discharge of their duties as Directors.

For meetings of the Board and Board Committees, a formal agenda and meeting papers are provided to all Directors, to the extent feasible, five working days before the respective meetings, to enable the Directors to review, seek additional information and/or clarification on the matters to be deliberated at the meetings. Adequate time is allocated for Directors to raise other matters that are not covered by the formal agenda. Minutes of meetings are circulated to Directors for review on a timely basis.

Management may, from time to time, be invited to attend meetings of the Board and Board Committees to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

Code of Ethics

The Board is guided by a high standard of ethical conduct in accordance with the Group's Code of Conduct and Ethics, and is ultimately responsible for its implementation. The Board has tasked the Nomination Committee to administer the Code of Conduct and Ethics. The relevant procedures of the Code of Conduct and Ethics are disclosed in the CG Report.

TSH Employees' Code of Ethics sets out the principles and standards of good practice in relation to conduct in the workplace, business conduct when dealing with external parties, avoiding conflict of interests, maintaining confidentiality and privacy, proper use of TSH's assets and resources, anti-bribery and anti-corruption and restrictions on insider trading and money laundering. All employees are expected to observe and adhere to the highest standard of professional conduct and to maintain the Group's reputation for integrity and professionalism.

Anti-Bribery and Corruption Policy

The Group always believes in being open and transparent in conducting its business. With this also comes the Group's commitment to operating in an ethical and responsible manner, accompanied by the highest standard of integrity and compliance with laws and regulations.

The existing Anti-Bribery and Corruption Policy ("ABC Policy") of the Group plays the role to reinforce the Group's principle towards zero tolerance approach to bribery and corruption in all forms. The ABC Policy has been developed as part of the Group's Anti-Bribery Management System, which has been designed to help prevent, detect and address bribery and corruption, by establishing a culture of integrity, transparency and compliance.

TSH has further enhanced its ABC Policy by developing the Gifts and Hospitality Policies and Procedures setting out the quantitative guidance for acceptable standard and to maintain high level of integrity in the conduct of the Group's businesses.

The ABC Policy and the Gifts and Hospitality Policies and Procedures had been distributed to all employees within the Group for awareness. The Group's commitment on, and compliance with, anti-bribery and anti-corruption practices are also communicated to all its business associates at the onset of relationship with them and repeated or reinforced as appropriate thereafter.

The Board will review the ABC Policy once in every three years or as and when necessary, to assess its effectiveness and ensure that the ABC Policy reflects the relevant developments in the legislation as well as evolving industry and international standards. The ABC Policy was last reviewed and updated in February 2024, and is available on the Company's website at www.tsh.com.my for reference.

The Internal Audit Department is tasked with the responsibilities aimed at fortifying the Group's procedural framework by examining staff claims for validity and compliance, reviewing donations through budgetary reviews and alignment with the Limits of Authority, as well as examining authorisations for gifts, hospitality, and donations against prescribed limits. This oversight responsibility also ensures proper transaction-recording for effective monitoring and evaluation, assuring the Group's high standard of corporate conduct against bribery and corruption.

An Integrity Unit is tasked to oversee day-to-day responsibilities for implementing the ABC Policy of the Group.

During the financial year under review, the Group has taken various proactive actions to strengthen its internal processes and practices in order to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct. Training and communication in respect of anti-bribery and anti-corruption along with gifts and hospitality had also been carried out for directors and employees of the Group.

Whistle-Blowing Policy

The Group has a Whistle-Blowing Policy in place that outlines the principles underpinning the policy and procedures. This policy was last reviewed and updated in November 2024.

The Whistle-Blowing Policy aims to encourage the reporting of any misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group, in good faith, with the confidence that stakeholders making such reports will, to the extent possible, be protected from reprisal. The Group is committed to absolute confidentiality and fairness in relation to the matters raised.

The Whistle-Plowing Policy is available on the Company's website at www.tsh.com.my.

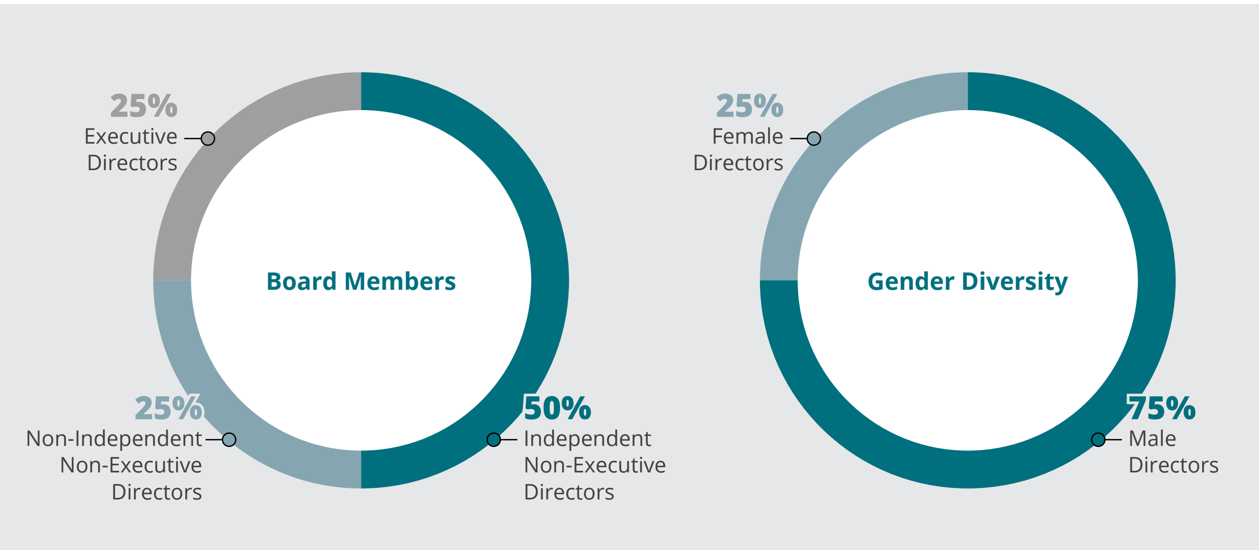
Governing Sustainability

The Board together with senior management is responsible for the governance of sustainability in the Company including the setting of the Company's sustainability strategies, priorities and targets.

The Board is supported by the Sustainability Steering Committee ("SSC") presently chaired by a Non-Independent Non-Executive Director, and comprises the Group Head of Climate Action & Sustainability Advocacy ("CASA") as well as other senior management members and heads of departments or business units across the Company. In addition, the Board is kept abreast on the sustainability issues through quarterly updates from the Head of CASA. The sustainability governance framework, the Group's strategies, priorities and targets and their performance against the set targets are disclosed in the Company's Sustainability Report, which is set out in this Annual Report.

II. Board Composition

Currently, the Board comprises eight members namely the Executive Chairman, four Independent Non-Executive Directors of which two are female Directors, two Non-Independent Non-Executive Directors and one Executive Director.



The Board composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), which requires a minimum of two Directors or one-third of the board of directors, whichever is the higher, to be independent directors and one director to be a woman. It also complies with Practice 5.2 of the Code stating that at least half of the board comprises independent directors. In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Board will fill the vacancy within three months.

The Board comprises a majority of Non-Executive Directors, and the Independent Directors are able to exercise strong independent judgement and provide checks and balances to the Board with their unbiased and independent views, advice and judgement in all Board deliberations. The composition of the Board continues to provide the Group with a wealth of knowledge and experience to draw from a comprehensive mix of skills including financial, technical, accountancy, audit, human capital, business, sustainability, investment, management expertise and investment banking, which is important for the continued successful direction of the Group.

The Board, through its Nomination Committee, reviews annually the size, composition and diversity of the Board and Board Committees together with the skills and core competencies of the members, to ensure an appropriate balance and diversity of skills and experience. The Board and the Nomination Committee have upon their annual assessment, concluded that the current Board size and composition of a balanced mix of skills, knowledge and experience in the business and management fields are appropriate and adequate to enable the Board to carry out its responsibilities in an effective and efficient manner.

Annual Assessment of Independent Directors

Independent Non-Executive Directors play a crucial role in bringing objectivity to the decisions made by the Board. They provide independent judgement, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all stakeholders are taken into account and that the relevant issues are subject to objective and impartial consideration by the Board.

All Independent Directors are required to assess their level of independence annually by completing an annual assessment of the independence of Independent Directors for submission to the Nomination Committee for review and assessment. The Chairman of the Nomination Committee will then report the findings and/or recommendations to the Board.

For the financial year under review, the four Independent Non-Executive Directors had provided an annual confirmation of their independence to the Board based on the criteria for assessing independence in line with the definition of "independent directors" prescribed by the Listing Requirements. The Nomination Committee and the Board had assessed the four Independent Non-Executive Directors namely Dato' Jasmy bin Ismail, Natasha binti Mohd Zulkifli, Paul Lim Joo Heng and Ina Hasniza binti Ibrahim, and were satisfied with the level of independence demonstrated by the said Independent Directors and their ability to act in the best interests of the Company. Each Independent Director has retained their independence throughout the tenure and had not in any circumstances formed any association with management that might compromise their ability to exercise independent judgement.

Tenure of Independent Directors

The Board believes that the interests of all stakeholders are best served if its composition includes a blend of experience and tenure among Directors. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service or any pre-determined age. Instead, Directors' health, attitude, integrity, ability for dispassionate discourse, business knowledge or judgement, and the discharge of their duties and responsibilities in the best interests of the Group, are also valid criteria to determine their independence and effectiveness. Their long service should not affect their independence as they are independent-minded, and they continue to provide the necessary checks and balances in the best interests of the Company.

Dato' Jasmy bin Ismail, an Independent Non-Executive Director and the Senior Independent Director of the Company, has served beyond nine years. The Board intends to retain the services of Dato' Jasmy as an Independent Non-Executive Director and will seek the annual shareholders' approval through a two-tier voting process at the forthcoming annual general meeting.

The Board has through the Nomination Committee undertaken the relevant assessment and recommended that Dato' Jasmy be retained as an Independent Non-Executive Director premised on the following justifications:

(a) Dato' Jasmy remains objective and independent-minded in Board deliberations;

(b) Dato' Jasmy's vast experience has enabled him to provide the Board and the Board Committees that he serves, with pertinent experience and competencies to facilitate sound decision-making;

(c) Dato' Jasmy's length of service does not in any way interfere with his exercise of independent judgement or hinder his ability to act in the best interest of the Company; and

(d) Dato' Jasmy fulfils the definition of independent director set out in the Listing Requirements of Bursa Securities.

Diversity

The Board acknowledges the importance of Board diversity, including gender, ethnicity, age and business experience, to the effective functioning of the Board. While it is important to promote such diversity, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge in the areas identified by the Board should remain a priority in order not to compromise on the effectiveness in carrying out the Board's functions and duties.

While the Board does not have a specific policy on setting targets for women candidates and ethnicity, the Board will as best as it can, ensure that its composition not only reflects the diversity as recommended by the Code but also has the right mix of skills and balance to contribute to the achievement of the Group's goals. The Board, through the Nomination Committee, will evaluate and match the criteria of future potential nominees to the Board as well as considering boardroom diversity, including gender diversity.

The Company also does not have a specific policy on setting targets for women representation in senior management due to the nature of its primary business. It practises equal employment opportunities for all qualified individuals to create a workforce that is fair and inclusive, and seeks to retain and attract the best people to do the job. Besides, the Company rewards and promotes employees based on assessment of individual performance, capability and potential, and is committed to providing opportunities that allow individuals to reach their full potential irrespective of individual background or difference.

Criteria and Source for Identifying Candidates for Appointment to the Board

A formal and transparent procedure has been established for appointment of new Directors to the Board. The Nomination Committee is empowered to identify and recommend suitable Directors to fill new positions created by expansion and vacancies arising from resignation, retirement or any other reasons.

In considering candidates as potential Directors, the Nomination Committee, while taking into account the current and future needs of the Company, boardroom diversity and other required soft attributes for Directors, also takes into account the following criteria:

- skills, knowledge, expertise and experience;
- character, integrity and professionalism;
- perceived ability to work cohesively with other members of the Board;
- number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution;
- diversity in age, gender and experience/background; and
- such other relevant factors as may be determined by the Nomination Committee, which would contribute to the Board's collective skills.

Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from:

(a) Directors or shareholders for executive position;

(b) Non-Executive and/or Independent Directors or non-major controlling shareholders for non-executive position; and/or

(c) external parties including the Company's contacts in related industries as well as independent sources such as women directors' registry.

A comprehensive and independent assessment of the candidates will be conducted by the Nomination Committee without any influence from the major controlling shareholder/Chairman or Executive Director.

Time Commitment

The Board has adopted a policy whereby all its Board members are required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

A schedule of meetings of the Board and Board Committees for the entire financial year is prepared and informed to the Board and Board Committees before the commencement of a new financial year to enable the Directors to plan ahead and allocate time in their respective schedules.

During the financial year, the Board met four times, whereat it deliberated and considered various matters among others, including the Group's financial performance, annual assessment of the Board and Board Committees, environmental, social and governance matters, corporate proposals, annual budget, Directors' fees and benefits, changes to the Board and Board Committees and policy on conflict of interest of Directors and Key Senior Management. The attendance of the Board members is as follows:

Name	No. of Meetings Attended	Attendance Percentage
Datuk Kelvin Tan Aik Pen	4 out of 4	100%
Velayuthan a/l Tan Kim Song	4 out of 4	100%
Dato' Jasmy bin Ismail	4 out of 4	100%
Natasha binti Mohd Zulkifli	4 out of 4	100%
Paul Lim Joo Heng	3 out of 4	75%
Ina Hasniza binti Ibrahim (appointed on 1 September 2024)	1 out of 1	100%
Tan Aik Kiong	4 out of 4	100%
Lim Fook Hin	4 out of 4	100%
Dato' Aik Sim, Tan (stepped down on 1 September 2024)	2 out of 3	67%
Yap Boon Teck (retired on 1 September 2024)	3 out of 3	100%

All the Directors of the Company have complied with the Listing Requirements for not holding more than five directorships in listed issuers at any given time.

Directors' Training

All Directors receive a briefing on first appointment, with subsequent updates as necessary. They were also provided with a Directors' manual containing amongst others, the background information about the Group, TSH CG Guidelines and other relevant policies for their reference.

All Directors had attended Mandatory Accreditation Programme ("MAP") Part I. With respect to MAP Part II, four Directors have attended the programme in 2024 with the remaining four Directors attending the programme in 2025. The Board, through the Nomination Committee, had evaluated the training needs of each Director and concluded that all Board members have vast experience and extensive knowledge in managing the core business of the Group. Nevertheless, the Directors are encouraged to attend various training from time to time to effectively discharge their duties as Directors.

For the financial year under review, the Directors had attended various training either collectively or individually, the details of which are set out in the CG Report.

<u>Nomination Committee</u>

Currently, the Nomination Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director, and is chaired by the Senior Independent Director of the Company:

- Dato' Jasmy bin Ismail (Chairman)
- Natasha binti Mohd Zulkifli (Member)
- Lim Fook Hin (Member)

The Nomination Committee is responsible for reviewing the Board's succession plans and training for Directors and assessing the effectiveness of the Board and Board Committees. The TOR of the Nomination Committee is available on the Company's website at www.tsh.com.my.

<u>Annual Assessment</u>

The Board has adopted a formal process to be carried out by the Nomination Committee for reviewing its own effectiveness and that of the Board Committees and individual Directors as well as assessing the independence of the Independent Directors. The process will also take into account the fulfillment of the Board Charter and the respective TORs of the Board Committees. Details of the evaluation process and criteria are disclosed in the CG Report.

The results of the annual assessment of the Board and Board Committees for the financial year 2024 revealed that no items were evaluated as weak or need improvement and there were no exceptional matters being brought up by the Directors. The Board and Board Committees had carried out their duties well and amicably, and the functioning of the Board and Board Committees remain highly effective. The Board agreed that the Board as a whole, the Board Committees and all Directors had performed well for the financial year under review.

The Nomination Committee was also satisfied with the existing composition of the Board and Board Committees, and was of the view that with the current mix of skills, knowledge, experience and strength of the Directors, the Board and the Board Committees are able to discharge their duties effectively.

In accordance with the Constitution of the Company, an election of Directors shall take place each year at the annual general meeting ("AGM") of the Company. All Directors shall retire from office once at least in each three years but shall be eligible for re-election.

The Directors who are due for retirement and re-election pursuant to Clause 100 of the Company's Constitution are Datuk Kelvin Tan Aik Pen and Natasha binti Mohd Zulkifli. For the purpose of determining their eligibility to stand for re-election at the forthcoming AGM of the Company, the Board had through the Nomination Committee assessed their performance and contribution. Besides, they were also assessed by the Chairman of the Nomination Committee based on the Group Directors' Fit and Proper Policy. According to the results of their performance and fit and proper evaluations conducted, the Board is satisfied with their performance and the level of their contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interests of the Company. In addition, the Independent Director namely, Natasha Zulkifli who stands for re-election, has also provided her annual confirmation of independence. Premised on this, the Board has accepted the Nomination Committee's recommendation for their re-election at the forthcoming AGM of the Company.

With respect to the re-election of Ina Hasniza binti Ibrahim as a Director pursuant to Clause 97 of the Company's Constitution, the Board had through the Nomination Committee assessed her performance and contribution. The Chairman of the Nomination Committee had also assessed Ina Hasniza based on the Group Directors' Fit and Proper Policy. Based on the results of Ina Hasniza's performance and fit and proper evaluation conducted, the Board is satisfied with her performance and the level of her contribution to the Board through her knowledge, skills and commitment as well as her ability to act in the best interest of the Company. In addition, Ina Hasniza has also provided her annual confirmation of independence. Accordingly, the Board has accepted the Nomination Committee's recommendation for Ina Hasniza's re-election at the forthcoming AGM of the Company.

Shareholders may refer to the profile of Datuk Kelvin Tan, Natasha Zulkifli and Ina Hasniza disclosed in this Annual Report for the required information.

The Nomination Committee will continue to review the overall composition of the Board, in terms of appropriate size, skills, experience and qualification, paying attention to the Board's gender diversity and number of Independent Directors.

During the financial year under review, the Nomination Committee held three meetings, and all the members of the Nomination Committee attended the meetings. At the said meetings, the Nomination Committee discussed inter-alia the following matters:

(a) reviewed the required mix of skills and experience and core competencies of Non-Executive Directors;

(b) reviewed the assessment results of the effectiveness of the Board and Board Committees and the performance of individual Directors;

(c) reviewed the Board composition and tenure of each Director;

(d) reviewed and recommended the re-election of Directors who were due for retirement at the Company's AGM in May 2024;

(e) assessed the independence of Independent Directors and reviewed their annual confirmation on independence;

(f) evaluated the training needs of each Director and noted the training attended by Directors;

(g) reviewed and recommended the appointment of Ina Hasniza binti Ibrahim as an Independent Non-Executive Director;

(h) reviewed and recommended the re-designation of Datuk Kelvin Tan Aik Pen as Executive Chairman and the re-designation of Velayuthan a/l Tan Kim Song as a Non-Independent Non-Executive Director; and

(i) reviewed and recommended changes to the composition of the Audit Committee and Remuneration Committee.

III. Remuneration

Remuneration Policy and Procedures for Directors and Senior Management

The Board has a formal Remuneration Policy and Procedures in place for Directors and senior management ("Remuneration Policy"). The Remuneration Policy establishes a formal and transparent procedure for developing a structure for the remuneration of Directors and senior management of the Company with the objective of supporting and driving the business strategy and long-term interests of the Company.

The Board, through the Remuneration Committee, will conduct a periodic review of the criteria to be used in recommending the remuneration package of Directors and senior management to ensure that it is in line with current market practices and needs. The Remuneration Policy is available on the Company's website at www.tsh.com.my.

Remuneration Committee

Currently, the Remuneration Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. During the financial year under review, the following changes to the composition of the Remuneration Committee took place:

- Paul Lim Joo Heng (Chairman)
- Ina Hasniza binti Ibrahim (Member)
  (appointed on 1 September 2024)
- Lim Fook Hin (Member)
- Yap Boon Teck (Member)
  (retired on 1 September 2024)

The Remuneration Committee's primary responsibility is to recommend to the Board the remuneration of the Executive Directors and senior management staff in all its forms, drawing from outside advice as necessary.

The Remuneration Committee assists the Board in developing a policy on remuneration of Directors to attract and retain Directors and ensure that rewards and remuneration packages are commensurate with their expected responsibilities and contribution to the growth and long-term profitability of the Company.

The remuneration of Executive Directors is structured on the basis of linking rewards to corporate and individual performance. The Executive Directors play no part in deciding their own remuneration, and they will abstain from all discussions pertaining to their own remuneration.

The level of remuneration for Non-Executive Directors reflects their experience and level of responsibilities. The Board as a whole determines the remuneration package of Non-Executive Directors. The annual Directors' fees payable to Non-Executive Directors are subject to shareholders' approval at AGM based on the recommendation of the Board. Meeting allowances are paid to certain Non-Executive Directors in accordance with the number of meetings of the Board and Board Committees attended during the financial year.

Details of the remuneration of the Directors of the Company for the financial year under review are disclosed in the CG Report.

During the financial year under review, the Remuneration Committee convened three meetings and all the members of the Remuneration Committee attended the meetings. At the meetings, the Remuneration Committee conducted inter-alia the following businesses:

(a) reviewed and recommended Directors' fees for financial year 2023 and Directors' benefits from the date immediately after the 2024 AGM to the date of the next AGM of the Company in 2025;

(b) reviewed and recommended the range of bonus and increment for senior management at Group level;

(c) reviewed and recommended revised remuneration for directors of subsidiaries; and

(d) reviewed and recommended salary, bonus & other emoluments for directors of the Company and its subsidiaries.

The Board has subsequently, approved the recommendation of the Remuneration Committee to seek shareholders' approval at the AGM in May 2025 for payment of (i) Directors' fees of RM312,000 for financial year 2024, (ii) Directors' fees of RM374,000 for the period 1 January 2025 to the date of the next AGM of the Company in 2026 and (iii) Directors' benefits of up to RM1,500,000 for the duration from the date immediately after the AGM of the Company in May 2025 to the date of the next AGM of the Company in 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B • EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee currently comprises three members, all of whom are Non-Executive Directors with a majority of them being Independent Directors. The Audit Committee is chaired by an Independent Non-Executive Director who is not the Chairman of the Board. None of the Audit Committee members were former audit partners who are required to observe a cooling-off period of at least three years before being appointed in accordance with the TOR of the Audit Committee.

The Audit Committee has a key role in the oversight of the effectiveness of the risk management and internal control systems of the Company. Its key function is to assist the Board to assess the risks and control environment, oversee the financial reporting process, evaluate the internal and external audit process and review any related party transactions and conflict of interest situations along with the measures taken to resolve, eliminate or mitigate such conflicts. The roles and responsibilities of the Audit Committee are governed by its TOR, which is periodically assessed, reviewed and updated or as and when there are changes to the regulatory requirements and direction or strategies of the Company that may affect the Audit Committee's role. The term of office and performance of the Audit Committee and each of its members are reviewed annually by the Board through the Nomination Committee, to ensure that the Audit Committee and its members have carried out their duties in accordance with the TOR of the Audit Committee.

The Audit Committee is authorised by the Board to investigate any matters within its TOR and to have the resources in order to perform its duties and responsibilities as set out in its TOR. The Audit Committee's TOR is available on the Company's website at www.tsh.com.my, and its report is set out in the ensuing pages of this Annual Report.

The Company's financial statements for the year ended 31 December 2024 are prepared in accordance with the provisions of the Companies Act 2016 and applicable financial reporting standards in Malaysia. The Board is responsible to ensure that the financial statements give a true and fair view and balanced and understandable assessment of the state of affairs of the Company and of the Group. The Statement on Directors' Responsibilities in respect of the preparation of the annual audited financial statements is set out in the ensuing page of this Annual Report.

The Audit Committee assists the Board to review the adequacy and integrity of the Group's financial administration and reporting, internal control and risk management systems.

During the financial year under review, the Audit Committee reviewed the Company's quarterly results and annual financial statements prior to recommending them for the Board's approval and for release to the public through Bursa LINK and SGXNet.

The Chief Financial Officer presented the Company's quarter-to-quarter and year-to-date financial performance against budget as well as performance of each business segment during meetings. Assurance had also been provided to the Audit Committee that adequate processes and controls were in place for an effective and efficient financial statement close process, that appropriate accounting policies have been adopted and applied consistently and that the relevant financial statements gave a true and fair view of the state of affairs of the Group.

In addition, the Head of Internal Audit also undertook an independent assessment of the system of internal control and assured the Audit Committee that no material issue or major deficiency had been noted, which would have posed a high risk to the overall system of internal control under review.

Assessment of Suitability and Independence of External Auditors

The Board through the Audit Committee maintains a formal and transparent relationship with the Company's external auditors. The external auditors are invited to attend the Audit Committee meetings and AGMs, and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report.

The Audit Committee undertakes an independent assessment of the external auditors annually, the details of which are disclosed in the CG Report. The Audit Committee continually reviews and approves the nature and extent of non-audit services provided to the Group by the external auditors to ensure that external auditors' independence and objectivity are safeguarded. The external auditors have presented their Annual Transparency Reporting and provided written assurances to the Audit Committee on their independence.

Overall, the Audit Committee was satisfied with the suitability of BDO PLT as the external auditors of the Company and certain subsidiaries within the Group based on the quality of audit services and sufficiency of resources provided by them.

II. Risk Management and Internal Control Framework

The Board recognises the importance of risk management and internal controls in the overall management process. It is responsible for maintaining a sound system of risk management and internal controls to safeguard shareholders' investment and the Company's assets, and is supported by the Audit Committee to ensure that the risks in the Group are identified and managed with appropriate risk management system.

The Board has established framework and policies to ensure that risk management and internal controls across the various risk classes are managed within the risk appetite set by the Board. To ensure their continuous effectiveness, the framework and policies are reviewed periodically, and when there are significant regulatory changes. Risk management is an on-going process facilitated by Internal Audit Function. The assessments together with mitigating measures are presented to the Audit Committee on a quarterly basis for deliberation.

The Company has put in place a comprehensive system of internal control, which is embodied within the Standard Operating Procedures covering financial controls, operational and compliance controls and risk management. The Company will continue to review, add on or update the system to be in line with the changes in the operating environment. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal and external auditors. Information on the Group's internal control and risk management are presented in the Statement on Risk Management and Internal Control set out in the ensuing pages of this Annual Report.

In addition to routine business, the Audit Committee through the Internal Audit Function, actively reviews:

- whether the systems in place are being followed;
- risk register at every meeting as an on-going process for risk identification, assessment and mitigation on Group's operation; and
- audit findings are discussed with management for execution and implementation.

The Company has established an adequately resourced in-house Internal Audit Function which reports directly to the Audit Committee. The Head of the Internal Audit Function communicates regularly with the members of the Audit Committee, and he is invited to attend meetings of the Audit Committee. Internal Audit activities, all of which are risk-based, are performed by a team of appropriate, qualified and experienced employees. Further information on the Internal Audit Function is set out in the Audit Committee Report of this Annual Report and the CG Report.

PRINCIPLE C • **INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

I. Engagement with Stakeholders

The Group is committed to engaging stakeholders and/or shareholders in a timely, effective and transparent manner. The Company maintains a corporate website at www.tsh.com.my, which provides the relevant information to its stakeholders and supports its communication with the investment community. Investors' enquiries can be directed to the Company via email at ir@tsh.com.my. Besides, stakeholders can also reach out to the Company via the contact details provided in "Contact Us" section of the Company's website. There is a dedicated "Sustainability" section on the Company's website where stakeholders can obtain information about the Group's commitment to sustainability. A summary of the stakeholder engagements is disclosed in the Sustainability Report 2024.

The stakeholders whose activities could have a significant impact on the Group's business, are carefully identified and are engaged at various platforms and intervals throughout the year. A variety of engagement initiatives including direct meetings and dialogues with the community are constantly conducted. The Group also actively seeks solutions to grievances and disputes through negotiations and other due processes.

The Company's Corporate Disclosure Policy is designed to ensure the timely and equal release of material price-sensitive information to the market. This policy establishes the procedures to ensure that Directors and employees are aware of the Company's disclosure obligations and procedures, and have accountability for the Company's compliance with those obligations.

The Company has also put in place the precautions to be observed in order to keep the information completely confidential. The Board is mindful that information which is expected to be material must be announced immediately.

The Board also encourages other channel of communication with shareholders. For this purpose, shareholders and stakeholders may convey their concerns relating to the Company to the Senior Independent Director, Dato' Jasmy bin Ismail at jasmy.ismail@tsh.com.my. At all times, shareholders may contact the Company Secretary for information relating to the Company.

II. Conduct of General Meetings

AGM is the principal forum for dialogue with the Company's shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Group. Hence, the Board encourages shareholders to attend and participate in the AGM and any general meetings of the Company. Barring any unforeseen circumstances, all Directors have always used their best endeavours to attend general meetings. The respective Chairmen of the Audit Committee, Nomination Committee and Remuneration Committee are also available at general meetings to provide meaningful response to any question raised by shareholders.

On 20 May 2024, the Company held its 44th AGM on a fully virtual basis. The conduct of the fully virtual 44th AGM was in compliance with the Company's Constitution, which allows general meetings to be held using any technology or electronic means. The Company adopted an online remote voting for the conduct of poll on all resolutions. All shareholders were briefed on the voting procedures via a short video presented by the poll administrator. The Chairman of the Board, the other Board members, Head of Finance, Company Secretary and external auditors attended the Company's 44th AGM virtually.

In line with Practice 13.1 of the Code, the Notice of the 44th AGM was issued at least 28 days before the AGM.

At the 44th AGM, shareholders were given the opportunity to seek clarification on all the agenda items for approval at the meetings before the resolutions were put to vote. It has always been the practice of the Chairman to provide ample time for the Question & Answer session at general meetings and for suggestions and comments given by shareholders to be noted by management for consideration. Where it is not possible to provide immediate answers to shareholders' enquiries, the Board will undertake to provide the answer after the meeting via email.

An independent scrutineer was appointed to validate all the votes cast. The poll results were announced by the scrutineer and displayed on the screen before the closure of the 44th AGM. The poll results were also announced by the Company via Bursa LINK and SGXNet on the same day for the benefit of all shareholders. The minutes of the 44th AGM was published on the Company's website within 30 business days from the meeting.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board acknowledges the importance of environmental, social and governance ("ESG") factors being embedded as part of how the businesses within the Group are run. The Group has completed a comprehensive re-assessment of its material sustainability matters in FY2024, through which 13 material matters were prioritised. The Group has enhanced its governance structure relating to sustainability, to ensure that the Board provides sufficient oversight over sustainability matters and through the SSC, actions are actively being pursued throughout the organisation to continuously progress the Group's sustainability agenda. Additionally, the Company has adopted a Group Sustainability Policy, which sets the tone on how the Group operates its businesses. With the assistance of the SSC, the CASA team aims to drive the Sustainability agenda more aggressively across the Group, and this include the Group's decarbonisation efforts. The CASA team has made significant progress at this front by completing the Group Corporate Greenhouse Gas Inventory based on the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, for the years 2019 – 2024. From there, the Group shall establish its baseline and targets, towards reducing its carbon footprint from all the business activities within the Group.

As part of the Group's commitment to sustainability, the Group is focused on establishing a robust framework to measure and track its sustainability performance. The Group is setting a baseline for sustainability, ensuring it can accurately assess its progress and identify areas for improvement. The Group's approach includes defining clear, actionable targets that align with global sustainability goals, which will serve as the foundation for the Group's sustainability roadmap. This roadmap will outline short, medium, and long-term goals to ensure a phased and strategic approach to achieving the Group's sustainability vision.

In light of the evolving regulatory landscape, the Group recognises the need to prepare for future challenges beyond the timelines set by regulatory bodies. As such, the Group is developing the building blocks for climate resilience, ensuring that its operations can adapt to changing climate conditions and continue to thrive. This includes conducting thorough climate scenario analyses to assess potential risks and opportunities related to climate change, which will inform the Group's business decisions and ensure that the Group is proactive in addressing climate-related impacts.

This commitment also aligns with the International Financial Reporting Standards (IFRS) requirements, and the Group will provide further updates on its progress in the next reporting cycle. Through these efforts, the Group is working to future-proof its operations, contribute to global sustainability efforts, and ensure the long-term success of the Group's business.

With respect to gender diversity, the Board does not presently have a formal policy. The Board is of the opinion that it is important to recruit and retain the best available talent, taking into account the mix of skills, experience, knowledge and independence, and based on the Group's needs and operating environment. Going forward, gender diversity will continue to be one of the factors to be considered in evaluating prospective candidates when board vacancy arises.

This Statement has been reviewed and approved by the Board of Directors on 27 February 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of TSH ("Board") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Set out below is the Board's Statement on Risk Management and Internal Control which outlines the nature and state of internal control of the Group during the year under review, and up to the date of this Annual Report.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the establishment of the Group's system of internal control as well as periodically reviewing its adequacy and integrity to safeguard shareholders' investments, customers' interests and Group assets. However, such a system can only reduce but not eliminate the possibility of poor judgment in decision making, human error, occurrences of unforeseeable events and circumvention of controls by employees. Accordingly, such a system can be expected to provide only reasonable but not absolute assurance against material misstatement, operational failures and fraudulent activities. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

CONTROL ENVIRONMENT AND ACTIVITIES

RISK MANAGEMENT FRAMEWORK

Risk management is regarded by the Board as an important aspect of the Group's operations with the objective of maintaining a sound system of internal control to ensure that the Group's assets are well protected and shareholders' value are enhanced.

TSH has established an Enterprise Risk Management framework. The framework provides a structured approach towards identifying, measuring, managing, monitoring and reporting key risks affecting the Group's business operations. Key risks identified are assessed for their likelihood and impact should the risks materialise. Upon identifying, assessing and prioritising the risks, steps have to be taken to mitigate them. These procedures are subjected to review periodically to cater for process changes and changing risks.

Within the framework, the Board of Directors retains the overall risk management responsibility by performing risk oversight and delegate day-to-day decisions to the Group Managing Director and Senior Management team. Besides, the Group Internal Auditors also independently examine and verify the risk management framework for its completeness and reliability.

As an on-going compliance effort with regard to Section 17A of the Malaysian Anti- Corruption Commission (Amendment) Act 2018, management ensures that continuing refresher courses and exams are being rolled out. These courses act as a reminder for the initial Anti- bribery training provided.

Broadly, the Group focuses on managing two types of risks, strategic and operational. Strategic risks are caused by events that are external to the Group, but have a significant impact on its strategic decisions or activities. These are dealt with by the Board.

Operational risks are inherent in the activities within the different business units or subsidiaries of the Group. These risks are the responsibility of the various business units or department heads. However, the Group impresses on all its employees that everyone at TSH Group is responsible for good risk management. In addition, Internal Audit facilitates the risk management process through identification, evaluation, mitigating and reporting key risk on a quarterly basis.

KEY RISKS IN 2024

MAXIMISING YIELDS TO OFFSET OPERATIONAL COSTS IN THE PLANTATION SEGMENT

As part of operational cost management, emphasis is placed on generating higher estate and oil yields by utilising improved planting materials, driving higher productivity of workers, and site specific agro-management inputs. TSH continuously improvises by fine-tuning/upgrading existing mechanisation processes and explore new mechanisation initiatives to further increase productivity and reduce labour. Palm oil mills by-products were applied to fields to further improve the field yields and optimise the use of fertilisers. Prudent measures are in place through the budgeting process and continuous monitoring to manage costs.

SUSTAINABILITY RISKS

At TSH, a robust commitment to sustainability is integrated in our businesses and operations, serving as a cornerstone for long-term resilience and growth. Our key stakeholders, including customers, regulators, financiers, and investors, have elevated expectations in sustainability. Governed by the Board and supported by the Sustainability Steering Committee ("SSC"), TSH's sustainability efforts involve crafting ESG strategies, ensuring policy compliance, and tracking target achievements. The SSC actively monitors sustainability initiatives through dedicated task forces, reflecting our commitment to responsible and enduring business practices in alignment with evolving stakeholder expectations.

In FY2024, we conducted a comprehensive materiality assessment to evaluate the relevance of current issues and adapt to any changes that affect both internal and external stakeholders. The assessment followed the guidelines from Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition) and the GRI Standards. Details of the materiality assessment including the risks and opportunities with material matters relevant to our business are set out in the Sustainability Report.

WEATHER CONDITIONS

Extreme weather, including both drought (El Nino) and prolonged rainy seasons (La Nina) may adversely impact estate operations and yield. Prolonged dry weather brought on by El Nino causes moisture stress in palms and can lead to crop reduction in the medium and longer terms. On the other hand, prolonged rainy seasons may also affect the progress and effectiveness of field maintenance programmes as well as hamper harvesting and logistic activities. In addition weather conditions also affect the success rate of pollination which play a major role in oil palm yield. This include the transfer of pollens from the male and to the female flowers that leads to successful fruit formation.

TSH Group has implemented several measures to alleviate problems associated with unfavourable weather conditions i.e. floods and dry weather. For example, to mitigate issues arising from floods, the Group has adopted measures to construct bunds and water gates in low lying areas. During the dry weather, fire patrols are constantly on guard and on the look out for any potential fire hazards and all palm oil mills and housing quarters are equipped with fire fighting equipment as an emergency safety measure. Fire fighting training was conducted jointly with government agencies in all units in ensuring preparedness during the dry weather. Socialisation was carried out with local community on the fire hazard and potential damages to the environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

COMPETING MILLS

TSH Group sources its supplies of fresh fruit bunches ("FFB") from its oil palm plantation, private estates and smallholders who have estates situated near the Group's palm oil mills. The Group has a long history of sourcing FFB from out growers and in the process has built close rapport with them. Nonetheless, moving forward, TSH Group will be undertaking more planting in Indonesia to boost the supply of FFB for its own mills. Our FFB production will also increase in the coming years as our immature area comes into harvesting and young matured area reaches peak yielding age.

LABOUR FORCE

TSH Group respects, supports and upholds fundamental human rights, and does not engage in any form of illegal, forced, bonded or human trafficking and shall take appropriate measures to prevent the use of such labour in connection with its operations.

Employment of child is prohibited within TSH Group's operations. Remedial actions with appropriate follow up actions shall be imposed if any child labour spotted in order to protect the welfare of the child.

TSH Group adopts measures to ensure the retention of efficient employees by providing formal training, standard operating procedures, competitive remuneration, housing and amenities and a harmonious working environment. The well-being of our employees have always been our utmost priority. We constantly emphasise on the importance of safety and health, as well as a conducive working and living environment for our employees and their families. Over the years, we have been steadfast in taking concrete steps to upgrade and conduct regular maintenance of our existing housing facilities while constructing additional houses to meet on-going requirements.

The Group is currently in the process of mechanising certain field operations to reduce dependency on labour. To date, the Group has not encountered any serious labour shortage or any significant labour dispute that could cause a major disruption in its daily operations. In addition, the Group has also appointed experienced estate managers to manage the estates.

PESTS AND DISEASES

There are two ways to curb the outbreak of pests and diseases in oil palm plantations, either organically or chemically. As we strive to minimise the usage of chemical, we have opted for non-chemical measures such as planting of beneficial plants to attract predators of insect pests, use of baits and natural predators of rodents, such as barn owls. The Group has also introduced Integrated Pest Management system for early detection of pest incidents and control. Pesticides will only be utilised in case of major outbreak. In addition, the Group also provides continuous education to its employees on the latest pest control methods, adopting and implementing good field hygiene and integrated pest management practices. Since the commencement of the Group's business operations, we have not experienced any outbreak of pest infection that has a significant impact on its daily operations. The Group has engaged a Visiting Advisor to monitor and improve the Pest Management Practice in all estates. SOP on planting of beneficial plants is in place and implemented in all estates.

INTERNAL CONTROLS

The process is periodically reviewed by the Board through the Audit Committee and is guided by the publication – Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control.

The key processes that the Directors have established with regards to the system of internal control are as follows:

- Organisational structure with defined reporting line.
- Clearly documented standard operating procedures covering key processes are adopted. These established procedures define the level of authorities and lines of responsibilities from operating units up to the Group corporate level to ensure accountabilities for risk management and control activities.
- Corporate policy on zero tolerance pertaining to fraud and criminal breach of trust.
- Regular Board and Management meetings to assess the Group's performance and continually monitor the adequacy and integrity of the internal control framework.
- Comprehensive management and financial information are provided to the Board to facilitate decision making.
- Comprehensive budgeting and forecasting system are established. Each operating unit submits a budget annually for approval by the Board. The actual results are reported, analysed and monitored against the budget.
- Group Internal Audit function is established to assist in providing assurance on the effectiveness of the internal control system within the Group. Internal auditors conduct regular visits to review the effectiveness of the control procedures in place and to ensure accurate and timely financial management reporting.
- The Group's internal audit department reports directly to the Audit Committee. Upon conducting reviews on the system of internal control and effectiveness of processes that are in place, internal audit reports are prepared and presented to the Audit Committee on a quarterly basis or earlier, as appropriate.
- The internal audit function adopts a risk-based approach and prepares its audit plan based on the risk profiles of the key business units of the Group after taking into consideration input of Senior Management and the Audit Committee.
- Internal audit department also conducts subsequent follow-up review to ensure Management has dealt with audit recommendations and taken appropriate actions satisfactorily.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedure on the Statement on Risk Management and Internal Control pursuant to the scope set out in Audit Assurance and Practice Guide 3 ("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 Malaysia Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that causes them to believe the Statement on Risk Management and Internal Control intended to be included in the Annual Report is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement on Risk Management and Internal Control 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 Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the risk management and internal control system through the above activities and is not aware of any significant weaknesses or deficiencies in the Group's risk management and internal control practices for the year under review and to the date of this report. The Board has also obtained assurance from the Executive Chairman and the Chief Financial Officer that the risk management and internal control system is in place and operating effectively.

This Statement on Risk Management and Internal Control does not cover associate and joint ventures where the internal control systems of these companies are managed by the respective management teams.

This Statement has been reviewed and approved by the Board of Directors on 27 February 2025.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee Report and its activities for the financial year ended 31 December 2024.

AUDIT COMMITTEE COMPOSITION AND MEETINGS

Currently, the Audit Committee comprises three Non-Executive Directors, a majority of whom are Independent Directors, and is chaired by an Independent Non-Executive Director. One of the members of the Audit Committee is a Member of the Malaysian Institute of Certified Public Accountants, and he has more than three years of working experience in accounting and finance. Accordingly, the Audit Committee meets the requirements of Paragraph 15.09(1) of the Listing Requirements of Bursa Malaysia Securities Berhad.

During the financial year under review, the following changes to the composition of the Audit Committee took place:

Paul Lim Joo Heng (appointed on 1 September 2024)	Chairman, Independent Non-Executive Director
Dato' Jasmy bin Ismail	Member, Independent Non-Executive Director
Lim Fook Hin	Member, Non-Independent Non-Executive Director (Member of the Malaysian Institute of Certified Public Accountants)
Yap Boon Teck (retired on 1 September 2024)	Chairman, Independent Non-Executive Director (Member of the Malaysian Institute of Accountants)
Velayuthan a/l Tan Kim Song (ceased on 1 September 2024)	Member, Independent Non-Executive Director

The Audit Committee held five meetings during the financial year under review to discharge its duties and responsibilities. Attendance of the members of the Audit Committee is as follows:

Name	No. of Meetings Attended	Attendance Percentage
Paul Lim Joo Heng (appointed on 1 September 2024)	1 out of 1	100%
Dato' Jasmy bin Ismail	5 out of 5	100%
Lim Fook Hin	5 out of 5	100%
Yap Boon Teck (retired on 1 September 2024)	4 out of 4	100%
Velayuthan a/l Tan Kim Song (ceased on 1 September 2024)	4 out of 4	100%

During the financial year, the Audit Committee had engaged on a continuous basis with senior management, Head of Internal Audit and external auditors to keep abreast of matters and issues affecting the Group. The Chairman of the Audit Committee reported to the Board, matters of significant concern that were raised by the internal auditors and external auditors and presented the Audit Committee's recommendations to the Board for approval.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of meetings are circulated electronically to the members of the Audit Committee on a timely manner for their review. Minutes of meetings are also disseminated to the other Board members for notation. The Audit Committee may request for clarification or raise comments before the minutes are tabled for confirmation. The minutes are signed by the Chairman of the meeting.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The Audit Committee is responsible for amongst others, reviewing and monitoring the system of internal control and audit process and ensuring that the Company's financial statements comply with the applicable financial reporting standards as this is integral to the reliability of the financial statements.

The Audit Committee is governed by its terms of reference, which will be periodically reviewed and updated. The terms of reference of the Audit Committee is available on the Company's website at www.tsh.com.my.

REVIEW OF THE AUDIT COMMITTEE

The Board had through the Nomination Committee undertaken an assessment of the performance and effectiveness of the Audit Committee for the financial year ended 31 December 2024. The Audit Committee was assessed based on the following six key areas, and the Board was satisfied that the Audit Committee and its members had carried out their duties and functions in accordance with terms of reference of the Audit Committee:

(a) Composition and quality;
(b) Process and procedures;
(c) Communications and information;
(d) Oversight of the financial reporting process including internal controls;
(e) Oversight of audit functions; and
(f) Financial literacy.

TRAINING

For the financial year under review, all the members of the Audit Committee had attended various training either collectively or individually, the details of which are set out in the Corporate Governance Report 2024.

SUMMARY OF ACTIVITIES

The key activities undertaken by the Audit Committee during the financial year are as follows:

1. Financial Reporting and Compliance

The Audit Committee reviewed the unaudited quarterly financial statements and annual audited consolidated financial statements to ensure compliance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016 and Paragraph 9.22 including Appendix 9B of the Listing Requirements.

The Audit Committee's recommendations were presented at the respective Board meetings held subsequently for approval.

To safeguard the integrity of financial statements of TSH Group, the Chief Financial Officer had given assurance to the Audit Committee that:

(a) adequate processes and controls were in place for an effective and efficient financial statements close process;

(b) appropriate accounting policies had been adopted and applied consistently;

(c) the relevant financial statements gave a true and fair view of the state of affairs of TSH Group;

(d) the going concern basis applied in the annual financial statements and condensed consolidated financial statements was appropriate; and

(e) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS, IFRS and Listing Requirements.

2. External Audit

The Audit Committee had three meetings and two private sessions with external auditors, BDO PLT ("BDO"). The private sessions were held without the presence of the Executive Directors, management and internal auditors. The Audit Committee reviewed with BDO matters relating to the audit of the statutory accounts, audit report and recommendations made by them in their letter and the adequacy of TSH management's responses thereto. The Audit Committee also reviewed the non-audit services provided by BDO and the aggregate fee paid to them, taking into consideration the process and requirements including the fee threshold established under the policy, and was satisfied that the non-audit services were not likely to create any conflicts of interest or impair the independence and objectivity of the external auditors.

During the private sessions held with BDO, the Audit Committee discussed the audit findings and other observations that the external auditors had during their audit process. There were no major concerns raised by the external auditors at the said private sessions.

In April 2024, the Audit Committee evaluated the performance of BDO based on four key areas, namely quality of service, sufficiency of resources, communication with management and independence, objectivity and professionalism. The Audit Committee assessed the performance of the lead engagement partner and his engagement team based on the private sessions held between the Audit Committee and BDO. The Audit Committee had also invited management to join the assessment as they had substantial contact with the external audit team throughout the year. Being satisfied with BDO's performance, technical competency, audit independence, adequacy of experience and resources of the firm as well as active engagement during the audit process, the Audit Committee recommended to the Board the reappointment of BDO as the external auditors of the Company for shareholders' approval. At the last annual general meeting held on 20 May 2024, the shareholders approved the reappointment of BDO as the auditors of the Company.

In November 2024, the Audit Committee reviewed the audit plan for financial year 2024 prepared by BDO outlining among others, their scope of work, audit approach, deliverables and proposed fees for the statutory audit and non-statutory audit as well as audit areas requiring significant attention of BDO.

BDO had provided a written confirmation of their independence to the Audit Committee that they are independent in the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

In March 2025, the Audit Committee conducted an evaluation of the performance of BDO for its reappointment as the Company's auditors. Following evaluation, the Audit Committee recommended the reappointment of BDO as the external auditors of the Company for the financial year ending 31 December 2025 for shareholders' approval.

3. Internal Audit

The Audit Committee reviewed and approved the annual internal audit plan for 2024 having regard to the adequacy of scope and coverage of the activities of the Group. The Internal Audit Function conducted the audit activities based on the internal audit plan approved by the Audit Committee.

The Head of Internal Audit attended meetings of the Audit Committee and presented on, inter-alia, summaries of the internal audit reports issued, internal auditors' recommendations along with management's responses thereto and corrective actions taken by management on audit issues raised by the internal auditors.

The Audit Committee also reviewed the performance evaluation of the Internal Audit Function, and was satisfied with its performance. Besides, the Audit Committee also discussed and proposed various internal audit initiatives to cater to the needs of the Group.

4. Risk Management

The Audit Committee reviewed the risk management reports for the business operations highlighting the relevant risks faced. After review, the Audit Committee noted the action plans proposed or taken to mitigate the risks and risk rating after the respective action plans had been taken.

5. Recurrent Related Party Transactions

The Audit Committee reviewed all recurrent related party transactions entered into by the Group to ensure that they are conducted at arm's length and on commercial term and rate.

6. Conflict-of-Interest or Potential Conflict-of-Interest Situations

There were no conflict-of-interest or potential conflict-of-interest situations brought to the attention of the Audit Committee for review.

7. Other Matters

The Audit Committee reviewed and evaluated the questionnaires completed by the Chief Financial Officer on information relating to risk and control environment of the Group. With the assistance of the Internal Audit Function, which reports directly to the Audit Committee, the Audit Committee completed its review of the adequacy and effectiveness of the Group's system of internal control and reported its findings and recommendations to the Board. The Audit Committee was satisfied that the controls in place are adequate and functioning properly to address the risks. The Audit Committee was also satisfied with the assurance provided by the Head of Internal Audit that no material issue or major deficiency had been noted, which would have posed a high risk to the overall system of internal control under review.

The Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in this Annual Report were reviewed by the Audit Committee prior to the Board's approval.

In relation to the respective proposals to declare a first and final single-tier dividend for financial year 2023 and an interim single-tier dividend for financial year 2024, the Audit Committee reviewed the dividends proposed by management by taking into account the Company's profits, cash flows and capital investment requirements. The Audit Committee also reviewed the solvency tests undertaken by the management, and was satisfied with the results, which showed that the Company is able to pay its debts as and when the debts become due within 12 months after the distribution of said dividends, pursuant to Section 132(3) of the Companies Act 2016. Accordingly, the Audit Committee recommended the declaration of the said dividends for the Board's approval.

The Audit Committee reviewed the Proposed Policy on Conflict of Interest of Directors and Key Senior Management ("COI Policy") and the proposed amendments to the existing Whistle-Blowing Policy and Anti-Bribery and Corruption Policy of the Group. After review, the Audit Committee recommended the COI Policy and the aforesaid proposed amendments for approval by the Board.

INTERNAL AUDIT FUNCTION

The Internal Audit Function of TSH Group reports directly to the Audit Committee. It assists the Audit Committee in the discharge of its duties and responsibilities. The key role of the Internal Audit Function is to provide independent and objective assurance designed to add value and assist the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit activities, all of which are risk-based, were established after taking into consideration the key business units of the Group and input from senior management and the members of the Audit Committee.

Every quarter, the Internal Audit Function submits a report on its audit findings and recommendations to the Audit Committee for review and deliberation at meeting. The Head of Internal Audit attends the quarterly meetings to present the internal audit findings and makes appropriate recommendations on areas of concern within the Company and the Group.

For the financial year under review, the activities undertaken by Internal Audit Function were amongst others, the following:

(a) developed an annual internal audit plan using a risk-based approach, taking into consideration the key business units of the Group and input from senior management and the members of the Audit Committee;

(b) provided independent assessment and objective assurance over the adequacy and effectiveness of risk management and internal control processes via structured reviews of units and operations identified in the annual internal audit plan;

(c) provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate the risk exposures;

(d) ascertained the level of compliance with established policies and procedures of the Company; and

(e) recommended improvements and enhancements to the existing system of internal controls and work procedures/ processes.

The total cost incurred in managing the Internal Audit Function in respect of the financial year 2024 was RM860,000.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are required by the Companies Act 2016 ("Act") to prepare financial statements for the financial year which give a true and fair view of the financial positions of the Company and the Group as at 31 December 2024 as well as their financial performance and cash flows for the year then ended.

In preparing the financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements in accordance with applicable Financial Reporting Standard in Malaysia, the provisions of the Act and the Listing Requirements.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records that disclose with reasonable accuracy at any time, the financial position of each company and enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

On 4 April 2022, PT Bulungan Citra Agro Persada ("BCAP"), a 90%-owned subsidiary of TSH Resources Berhad, PT Kawasan Industri Kalimantan Indonesia ("KIKI") and PT Kalimantan Industrial Park Indonesia ("KIPI") had entered into a conditional sale, purchase and compensation of land agreement ("CSPA") for the proposed disposal by BCAP of 13,214.90 hectares of certificated land together with the 683.36 hectares of uncertified land adjoining thereto (collectively referred to as "Sale Land") for a total cash consideration of IDR 2,428.86 billion (equivalent to approximately RM731.09 million).

During the year 2022 and 2023, the disposal of 7,817.36 hectares of the Sale Land and 574.56 hectares of the uncertified land were completed.

KIKI, KIPI and BCAP had on 7 August 2024, mutually agreed to terminate the acquisitions of the remaining Sale Land due to the non-fulfilment of a condition precedent namely, the signing of the Minutes of Clean and Clear by KIKI or KIPI and BCAP by the Extended Long Stop Date as well as the inability of the parties to mutually agree upon an alternative measure for the closing of the remaining Sale Land within 30 days from the expiry of the Extended Long Stop Date.

As at the date of termination, total proceeds raised from the disposal was RM457.5 million, which were fully utilised by the Group as follows:

Details of Utilisation	Proposed utilisation* RM'000	Actual utilisation** RM'000
Partial repayment of interest-bearing borrowings	550,000	400,304
New planting and replanting of oil palm	45,000	593
Infrastructure works and capital expenditure	47,000	9,204
General working capital	68,944	34,093
Defray estimated expenses relating to the disposals	20,143	13,305
	731,087	457,499

* This is based on the exchange rate of Rp 1.00 : RM0.000301 as disclosed in the Circular.
** This is based on the spot exchange rates upon utilisation of the disposal proceeds.

The actual utilisation was within the limits of the respective categories of the Proposed Utilisation. Following the termination, BCAP has refunded to KIKI and KIPI their respective down payments for the remaining land totalling IDR59.21 billion (equivalent to approximately RM16.70 million), free of interest.

2. **Audit and Non-Audit Fees**

The amount of fees paid or payable to the external auditors and its affiliates in relation to the audit and non-audit services rendered to the Company and the Group for the financial year ended 31 December 2024 are as follows:

	Group RM'000	Company RM'000
Audit fees	880	183
Non-audit fees	260	97

3. **Material Contracts**

During the financial year under review, save as disclosed in the aforesaid section on Utilisation of Proceeds, there were no other material contracts entered into by the Company and/or its subsidiaries involving the interests of Directors or major shareholders, which were still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

2024

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and forest plantation. The principal activities of the subsidiaries are primarily involved in investment holding, oil palm cultivation and processing, generation and supply of electricity from biomass plants, forest plantation, manufacture and sales of downstream wood products and other related business activities. The principal activities and details of the subsidiaries are stated in Note 22 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	158,281	23,911
Attributable to:		
Owners of the Company	135,662	23,911
Non-controlling interests	22,619	-
	158,281	23,911

DIVIDENDS

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	Company RM'000
In respect of the financial year ended 31 December 2023	
First and final single-tier dividend of 2.5 sen per ordinary share, paid on 17 May 2024	34,505
In respect of the financial year ended 31 December 2024	
Interim single-tier dividend of 2.5 sen per ordinary share, paid on 20 December 2024	34,505
	69,010

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the net foreign currency translation loss amounted to RM95,241,000 taken up in statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares and debentures during the financial year.

TREASURY SHARES

At the Annual General Meeting held on 20 May 2024, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase up to ten per centum (10%) of its own ordinary shares.

During the financial year, the Company repurchased 13,166,000 of its issued ordinary shares from the open market at prices between RM1.20 to RM1.25 per ordinary share. The total consideration paid and payable for the repurchase was RM16,406,000 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 December 2024, the Company had 14,795,000 ordinary shares held as treasury shares with a carrying amount of RM17,873,000. The details of treasury shares are disclosed in Note 35 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

<u>TSH Resources Berhad</u>

Datuk Tan Aik Pen	
Velayuthan A/L Tan Kim Song	
Dato' Jasmy Bin Ismail	
Natasha Binti Mohd Zulkifli	
Paul Lim Joo Heng	
Ina Hasniza Binti Ibrahim	(Appointed on 1 September 2024)
Tan Aik Kiong	
Lim Fook Hin	
Tan Aik Sim	(Resigned on 1 September 2024)
Yap Boon Teck	(Retired on 1 September 2024)

<u>Subsidiaries of TSH Resources Berhad</u>

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries of TSH Resources Berhad during the financial year and up to the date of this report are as follows:

Datuk Tan Aik Pen	
Velayuthan A/L Tan Kim Song	(Appointed on 1 August 2024)
Tan Aik Sim	
Datuk Jaswant Singh Kler	
Paul Lim Joo Heng	
Lim Fook Hin	
Tan Aik Kiong	
Tan Ek Huat	
Asgari Bin Tun Mohd Fuad Stephens	
Fuad Bin Asgari Stephens (Alternate to Asgari Bin Tun Mohd Fuad Stephens)	
Chen Chu Chai @ Anthony Tsen Sui Lin	
Tan Aik Choon	
Lok Huey Ming	
Ainahwati Binti Abd Sani	

DIRECTORS (continued)

Subsidiaries of TSH Resources Berhad (continued)

John Bin Sindin	
Raden Harry Zulnardy	
Karsidi	
Michael Wong Chung Hau	
Michelle L. Brantley	
Fiona Lane	
Darwin Arriega*	
Haji Abdul Wahab*	
Mudappathi Sugunan Nair	
Mohamed Alkaf Bin Abdul Rahman	(Appointed on 6 November 2024)
Asran Bin Sutasmin	(Appointed on 15 November 2024)
M Murali Manikam	(Resigned on 6 November 2024)
Peter Dodoo	
Wong Twee Jong	(Resigned on 7 March 2025)
Ong Chu Yaw	
Li Fui Yee	
Goh Kian Yin	
Roland Lajoie Hubert	
Ong Chau Jinn	
R Krishna Moorthy Ramasamy	(Appointed on 26 September 2024)
Joshua Wong Yin Kai	(Appointed on 6 November 2024)
Syamsul Bahri Ilyas	(Appointed on 7 March 2025)
Bambang Sulistiono	(Appointed on 7 March 2025)
Chok Kon Fatt	(Appointed on 7 March 2025)

** Ceased office on 30 July 2024 due to winding up of the subsidiary.*

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.1.2024	Acquired/ Transferred	Disposed	Balance as at 31.12.2024
Shares in the Company				
Direct interests:				
Datuk Tan Aik Pen	342,708,887	-	-	342,708,887
Tan Aik Kiong	57,348,265	-	-	57,348,265
Lim Fook Hin	2,102,000	-	-	2,102,000
Indirect interests:				
Tan Aik Kiong	27,125	-	-	27,125
Lim Fook Hin	500,000	-	-	500,000

DIRECTORS' INTERESTS (continued)

By virtue of Section 8(4)(c) of the Companies Act 2016 in Malaysia, Datuk Tan Aik Pen is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) 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 deemed benefits arising from related party transactions entered into in the ordinary course of business as disclosed in Note 42 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Executive:		
Salaries and bonus	6,198	3,196
Other emoluments	884	553
Total Executive Directors' remuneration (excluding benefits-in-kind)	7,082	3,749
Estimated money value of benefits-in-kind	313	305
Total Executive Directors' remuneration (including benefits-in-kind)	7,395	4,054
Non-Executive:		
Fees	819	312
Salaries	350	-
Other emoluments	1,265	1,250
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	2,434	1,562
Estimated money value of benefits-in-kind	259	259
Total Non-Executive Directors' remuneration (including benefits-in-kind)	2,693	1,821
Total Directors' remuneration	10,088	5,875

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Directors and Officers of the Group are covered by a Directors and Officers Liability Insurance ("D&O Policy") for any liability incurred in the discharge of their duties, subject to the terms of the D&O Policy. The amount of insurance premium paid by the Company during the financial year was RM84,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from recognition of prior periods depreciation charges of approximately RM21,974,000 in respect of property, plant and equipment and right-of-use assets which were classified as assets held for sale since the previous financial years.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 4 April 2022, PT Bulungan Citra Agro Persada ("PT BCAP"), a 90% owned subsidiary of the Company entered into a conditional sale, purchase and compensation of land agreement ("CSPA") with PT Kawasan Industri Kalimantan Indonesia ("KIKI") and PT Kalimantan Industrial Park Indonesia ("KIPI") for the proposed disposal by PT BCAP of 13,214.90 hectares of certificated land together with 683.36 hectares of uncertified land adjoining thereto (collectively referred to as "the Sale Land") for a total cash consideration of IDR2,428.86 billion (or equivalent to approximately RM731,090,000).

During the year 2022 and 2023, the disposal of 7,817.36 hectares of the Sale Land and 574.56 hectares of the uncertified land were completed.

KIKI, KIPI and BCAP had on 7 August 2024, mutually agreed to terminate the acquisitions of the remaining Sale Land due to the non-fulfilment of a condition precedent namely, the signing of the Minutes of Clean and Clear by KIKI or KIPI and BCAP by the Extended Long Stop Date as well as the inability of the parties to mutually agree upon an alternative measure for the closing of the remaining Sale Land within 30 days from the expiry of the Extended Long Stop Date.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit		
- BDO PLT	527	183
- Other auditors	353	-
Other services		
- BDO PLT	101	97
	981	280

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

....
Datuk Tan Aik Pen
Director

....
Lim Fook Hin
Director

Kuala Lumpur
10 April 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 154 to 262 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions 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 at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

....	....
Datuk Tan Aik Pen	**Lim Fook Hin**
Director	Director

Kuala Lumpur
10 April 2025

STATUTORY DECLARATION

I, Fong Ging Pang (CA 9024), being the officer primarily responsible for the financial management of TSH Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 154 to 262 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly	)	
declared by the abovenamed at	)	
Kuala Lumpur, this	)	
10 April 2025	)	**Fong Ging Pang**

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TSH RESOURCES BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TSH Resources Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 154 to 262.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a. Impairment of plasma receivables

As at 31 December 2024, the Group had plasma receivables amounted to RM34,060,000, which was net of impairment losses of RM14,895,000. The details of plasma receivables and its credit risks have been disclosed in Note 26(b)(ii) to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by plasma receivables, appropriate forward-looking information i.e. Gross Domestic Product ("GDP") and crude palm oil prices, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

Audit response

Our audit procedures, with the involvement of the component auditors, included the following:

<u>Impairment assessment of plasma receivables</u>

(i) evaluated assessments performed by management and assessed adequacy of expected credit losses based on expected cash flows recoverable from plasma receivables, which were derived from expectation of repayment patterns from plasma receivables, either through funding from banks and/or cash flows through sales of fresh fruit bunches;

Key Audit Matters (continued)

a. Impairment of plasma receivables (continued)

Audit response (continued)

Our audit procedures, with the involvement of the component auditors, included the following (continued):

<u>Impairment assessment of plasma receivables (continued)</u>

(ii) assessed and evaluated reasonableness of discount rate used in calculating the present value of non-current plasma receivables over their expected repayment periods;

(iii) recomputed the probability of default using historical data and forward-looking information adjustment;

(iv) assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages; and

(v) evaluated basis used by management in determining cash flows recoverable in worst-case scenarios, where applicable.

b. Impairment of amount due from a subsidiary

As at 31 December 2024, non-current non-trade amount due from a subsidiary of the Company was RM90,147,000 which was net of impairment losses of RM2,053,000 as disclosed in Note 26 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by the subsidiary, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

Audit response

Our audit procedures included the following:

(i) recomputed probability of default using historical data and forward-looking adjustment;

(ii) assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages;

(iii) evaluated basis used by management in determining cash flows recoverable in worst-case scenarios; and

(iv) assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

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 other information and we do not express any form of assurance conclusion thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

(d) 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.

(e) 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 achieves fair presentation.

(f) 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 financial 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 22 to the financial statements.

Other Matters

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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lum Chiew Mun
03039/04/2027 J
Chartered Accountant

Kuala Lumpur
10 April 2025

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	6	1,019,807	1,066,516	69,647	114,524
Cost of sales	7	(636,922)	(668,077)	(4,005)	(3,140)
Gross profit		382,885	398,439	65,642	111,384
Other items of income					
Interest income	8	12,794	13,398	11,911	17,806
Dividend income	9	332	1	1	1
Other income	10	28,191	50,260	3,074	14,700
Net impairment write back on financial assets	12	-	-	2,336	314
Other items of expenses					
Marketing and distribution costs		(22,948)	(30,310)	-	-
Administrative expenses		(182,271)	(190,171)	(40,964)	(53,131)
Finance costs	11	(12,570)	(20,147)	(12,700)	(21,710)
Other expenses		(11,025)	(28,167)	(3,330)	(49,695)
Net impairment losses on financial assets	12	(2,857)	(3,662)	-	-
Share of profit of associate, net of tax		18,887	11,189	-	-
Share of profit/(loss) of joint ventures, net of tax		8,452	(2,993)	-	-
Profit before tax	12	219,870	197,837	25,970	19,669
Taxation	15	(61,589)	(72,012)	(2,059)	(5,831)
Profit for the financial year		158,281	125,825	23,911	13,838

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive (loss)/income					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translations	15(d)	(111,066)	96,886	-	-
Net gain/(loss) on financial assets measured at fair value through other comprehensive income ("FVOCI")	15(d)	135	(261)	-	-
Cumulative (gain)/loss on financial assets measured at FVOCI reclassified to profit or loss upon redemption/ disposal	15(d)	(34)	97	-	-
		(110,965)	96,722	-	-
Item that may not be reclassified subsequently to profit or loss:					
Remeasurements of net defined benefit liabilities	15(d)	1,879	(676)	-	-
Other comprehensive (loss)/income for the financial year, net of tax		(109,086)	96,046	-	-
Total comprehensive income for the financial year		49,195	221,871	23,911	13,838
Profit attributable to:					
Owners of the Company		135,662	95,112	23,911	13,838
Non-controlling interests		22,619	30,713	-	-
		158,281	125,825	23,911	13,838
Total comprehensive income attributable to:					
Owners of the Company		42,096	180,639	23,911	13,838
Non-controlling interests		7,099	41,232	-	-
		49,195	221,871	23,911	13,838
Earnings per share attributable to owners of the Company (sen per share):					
Basic earnings per share	16	9.83	6.89		
Diluted earnings per share	16	9.83	6.89		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	18	1,337,950	1,277,756	51,639	52,842
Right-of-use assets	19	248,536	253,435	8,188	8,249
Biological assets	20	366,362	366,003	273,782	274,506
Intangible assets	21	42,148	44,319	-	-
Investments in subsidiaries	22	-	-	677,973	676,694
Investments in associates	23	84,873	78,645	61,259	61,259
Investments in joint ventures	24	111,542	103,090	20,750	20,750
Deferred tax assets	25	192	473	-	-
Other receivables	26	34,060	47,910	90,147	198,830
Investment securities	27	64,529	28,094	-	50
Derivative assets	31	-	717	-	717
		2,290,192	2,200,442	1,183,738	1,293,897
Current assets					
Biological assets	20	20,131	14,697	-	-
Inventories	28	102,683	93,718	1,567	1,048
Trade and other receivables	26	44,130	36,214	5,153	11,418
Other current assets	29	3,080	5,320	464	216
Tax recoverable		20,979	17,995	1	1
Investment securities	27	-	1	-	1
Derivative assets	31	298	295	298	161
Short term funds	32	2,961	5,349	160	155
Cash and bank balances	33	263,361	250,138	37,357	31,207
		457,623	423,727	45,000	44,207
Assets held for sale	34	-	220,853	-	-
TOTAL CURRENT ASSETS		457,623	644,580	45,000	44,207
TOTAL ASSETS		2,747,815	2,845,022	1,228,738	1,338,104
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	35	740,512	740,512	740,512	740,512
Treasury shares	35	(17,873)	(1,467)	(17,873)	(1,467)
Other reserves	36	(264,017)	(168,877)	-	-
Retained earnings	37	1,545,031	1,476,805	194,053	239,152
		2,003,653	2,046,973	916,692	978,197
Non-controlling interests		257,380	258,308	-	-
TOTAL EQUITY		2,261,033	2,305,281	916,692	978,197

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	38	58,579	110,963	58,579	110,963
Retirement benefits	39	22,489	22,982	-	-
Lease liabilities	19	863	955	12	32
Deferred tax liabilities	25	87,619	86,973	3,003	3,468
		169,550	221,873	61,594	114,463
Current liabilities					
Loans and borrowings	38	201,108	191,157	154,433	119,294
Trade and other payables	40	108,381	123,475	95,999	126,127
Lease liabilities	19	351	420	20	23
Current tax payable		7,392	2,816	-	-
		317,232	317,868	250,452	245,444
TOTAL LIABILITIES		486,782	539,741	312,046	359,907
TOTAL EQUITY AND LIABILITIES		2,747,815	2,845,022	1,228,738	1,338,104

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

			Attributable to owners of the Company									
				Non-distributable		Distributable	Non-distributable					
2024	Note	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Share of associate reserve RM'000	Fair value reserve RM'000	Non-controlling interests RM'000
Group												
Balance as at 1 January 2024		2,305,281	2,046,973	740,512	(1,467)	1,476,805	(168,877)	9,630	(178,443)	100	(164)	258,308
Profit for the financial year		158,281	135,662	-	-	135,662	-	-	-	-	-	22,619
Other comprehensive (loss)/income												
Foreign currency translations	15(d)	(111,066)	(95,241)	-	-	-	(95,241)	-	(95,241)	-	-	(15,825)
Net gain on financial assets measured at FVOCI	15(d)	135	135	-	-	-	135	-	-	-	135	-
Cumulative gain on financial assets measured at FVOCI reclassified to profit or loss upon redemption	15(d)	(34)	(34)	-	-	-	(34)	-	-	-	(34)	-
Remeasurements of net defined benefit liabilities	15(d)	1,879	1,574	-	-	1,574	-	-	-	-	-	305
Other comprehensive (loss)/income for the financial year, net of tax		(109,086)	(93,566)	-	-	1,574	(95,140)	-	(95,241)	-	101	(15,520)
Total comprehensive income/(loss) for the financial year		49,195	42,096	-	-	137,236	(95,140)	-	(95,241)	-	101	7,099

				← Attributable to owners of the Company →								
				← Non-distributable →		Distributable	← Non-distributable →					
2024	Note	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Share of associate reserve RM'000	Fair value reserve RM'000	Non-controlling interests RM'000
Group												
Transactions with owners												
Repurchase of treasury shares	35	(16,406)	(16,406)	-	(16,406)	-	-	-	-	-	-	-
Dividends paid on ordinary shares	17	(69,010)	(69,010)	-	-	(69,010)	-	-	-	-	-	-
Dividends paid to non-controlling interests		(8,027)	-	-	-	-	-	-	-	-	-	(8,027)
Total transactions with owners		(93,443)	(85,416)	-	(16,406)	(69,010)	-	-	-	-	-	(8,027)
Balance as at 31 December 2024		2,261,033	2,003,653	740,512	(17,873)	1,545,031	(264,017)	9,630	(273,684)	100	(63)	257,380

			Attributable to owners of the Company									
				Non-distributable		Distributable	Non-distributable					
2023	Note	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Share of associate reserve RM'000	Fair value reserve RM'000	Non-controlling interests RM'000
Group												
Balance as at 1 January 2023		2,132,058	1,900,839	740,512	(1,467)	1,416,700	(254,906)	9,630	(264,636)	100	-	231,219
Profit for the financial year		125,825	95,112	-	-	95,112	-	-	-	-	-	30,713
Other comprehensive income/(loss)												
Foreign currency translations	15(d)	96,886	86,193	-	-	-	86,193	-	86,193	-	-	10,693
Net loss on financial assets measured at FVOCI	15(d)	(261)	(261)	-	-	-	(261)	-	-	-	(261)	-
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon disposal	15(d)	97	97	-	-	-	97	-	-	-	97	-
Remeasurements of net defined benefit liabilities	15(d)	(676)	(502)	-	-	(502)	-	-	-	-	-	(174)
Other comprehensive income/(loss) for the financial year, net of tax		96,046	85,527	-	-	(502)	86,029	-	86,193	-	(164)	10,519
Total comprehensive income/(loss) for the financial year		221,871	180,639	-	-	94,610	86,029	-	86,193	-	(164)	41,232

			Attributable to owners of the Company									
				Non-distributable		Distributable	Non-distributable					
2023	Note	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Share of associate reserve RM'000	Fair value reserve RM'000	Non-controlling interests RM'000
Group												
Transactions with owners												
Additional interest in subsidiaries		2,736	-	-	-	-	-	-	-	-	-	2,736
Reduction of interest upon winding up of subsidiaries		(252)	-	-	-	-	-	-	-	-	-	(252)
Dividends paid on ordinary shares	17	(34,505)	(34,505)	-	-	(34,505)	-	-	-	-	-	-
Dividends paid to non-controlling interests		(16,627)	-	-	-	-	-	-	-	-	-	(16,627)
Total transactions with owners		(48,648)	(34,505)	-	-	(34,505)	-	-	-	-	-	(14,143)
Balance as at 31 December 2023		2,305,281	2,046,973	740,512	(1,467)	1,476,805	(168,877)	9,630	(178,443)	100	(164)	258,308

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

			← Non-distributable	→	Distributable
2024	**Note**	**Equity, total RM'000**	**Share capital RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**
Company					
Balance as at 1 January 2024		978,197	740,512	(1,467)	239,152
Profit for the financial year		23,911	-	-	23,911
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive income for the financial year		23,911	-	-	23,911
Transactions with owners					
Repurchase of treasury shares	35	(16,406)	-	(16,406)	-
Dividends paid on ordinary shares	17	(69,010)	-	-	(69,010)
Total transactions with owners		(85,416)	-	(16,406)	(69,010)
Balance as at 31 December 2024		916,692	740,512	(17,873)	194,053
2023					
Company					
Balance as at 1 January 2023		998,864	740,512	(1,467)	259,819
Profit for the financial year		13,838	-	-	13,838
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive income for the financial year		13,838	-	-	13,838
Transactions with owners					
Dividends paid on ordinary shares	17	(34,505)	-	-	(34,505)
Total transactions with owners		(34,505)	-	-	(34,505)
Balance as at 31 December 2023		978,197	740,512	(1,467)	239,152

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		219,870	197,837	25,970	19,669
Adjustments for:					
Depreciation of biological assets	20	1,181	1,181	1,181	1,181
Bad debts written off/(recovered)		65	(118)	-	-
Depreciation of property, plant and equipment	12	116,423	90,255	2,374	2,214
Depreciation of right-of-use assets	12	10,615	9,705	61	61
Dividend income	9	(332)	(1)	(1)	(1)
Fair value loss/(gain) on forward currency contracts		580	(4,115)	580	(4,145)
Fair value loss/(gain) on commodity future contracts		134	(149)	-	-
Gain on disposal of:					
- property, plant and equipment	10	(902)	(446)	(218)	(143)
- assets held for sale		-	(27,604)	-	-
Gain on lease reassessments	10	(43)	(31)	-	-
Gain on remeasurement of financial guarantee contracts	40(d)	(35)	(24)	(108)	(249)
(Gain)/Loss from fair value adjustment of forest planting expenditure	20	(188)	(341)	754	(2,613)
Gain on redemption of financial assets	10	(6)	-	-	-
Loss on disposal of financial assets	12	-	192	-	-
Impairment losses on:					
- property, plant and equipment	18	3,249	-	-	-
- goodwill	21	-	7,769	-	-
- investment in subsidiaries	22(c)	-	-	860	46,784
- investment securities	27(h)	1	-	1	-
- trade receivables	26(a)	797	138	-	-
- other receivables	26(b)	4,257	4,206	-	-
Interest expense	11	12,570	20,147	12,700	21,710
Interest income	8	(12,794)	(13,398)	(11,911)	(17,806)
Inventories written off	28(c)	651	6,798	-	-
Investment securities written off	27(g)	50	-	50	-
Loss on striking off of a subsidiary	12	-	-	24	-
Net gain from fair value adjustment of fresh fruit bunches	20	(6,607)	(432)	-	-
Net unrealised foreign exchange (gain)/loss		(5,328)	7,080	(1,555)	(4,431)
Net write back of inventories written down	28	(8,299)	(6,375)	-	-
Property, plant and equipment written off		260	449	1	-
Share of profit of associate		(18,887)	(11,189)	-	-
Share of (profit)/loss of joint ventures		(8,452)	2,993	-	-
Subtotal		88,960	86,690	4,793	42,562

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subtotal (continued)		88,960	86,690	4,793	42,562
Waiver of debt on amount due from subsidiaries		-	-	229	-
Write back of impairment losses on:					
- trade receivables	26(a)	(468)	(358)	-	-
- other receivables	26(b)	(1,729)	(324)	-	(11)
- amounts due from subsidiaries	26(c)	-	-	(2,336)	(303)
Total adjustments		86,763	86,008	2,686	42,248
Operating cash flows before changes in working capital		306,633	283,845	28,656	61,917
Changes in working capital					
Decrease/(Increase) in inventories		968	35,704	(519)	524
Decrease/(Increase) in receivables		10,856	6,323	(409)	4,306
(Decrease)/Increase in payables		(22,056)	(11,506)	(3,159)	429
Increase in retirement benefits obligations		3,436	3,824	-	-
Total changes in working capital		(6,796)	34,345	(4,087)	5,259
Cash flows from operations		299,837	318,190	24,569	67,176
Income tax paid		(64,288)	(92,819)	(2,524)	(3,854)
Income tax refunded		5,076	1,310	-	-
Net cash flows from operating activities		240,625	226,681	22,045	63,322
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of right-of-use assets		(3,462)	(4,690)	-	-
Additional investments in subsidiaries	22(d)	-	-	(20,809)	(37,769)
Distribution for return of capital from liquidation of a subsidiary	22(e)	-	-	-	468
Dividends received from:					
- associate	23(d)	12,659	9,981	-	-
- investment securities	9	331	-	-	-
- short term funds	9	1	1	1	1
Forest planting expenditure		(1,351)	(1,974)	(1,210)	(1,198)
Interest received		12,794	13,398	11,911	17,806
Withdrawal/(Placement) of deposits with maturity of over 3 months		496	(3)	-	-
Proceeds from disposal of:					
- property, plant and equipment		2,845	2,257	383	143
- assets held for sale		-	28,716	-	-
- other investment		-	2,040	-	-
Purchase of investment securities		(42,682)	(29,261)	-	-
Redemption of investment securities		4,195	-	-	-
Subtotal		(14,174)	20,465	(9,724)	(20,549)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subtotal (continued)		(14,174)	20,465	(9,724)	(20,549)
Purchase of property, plant and equipment		(52,595)	(57,410)	(1,338)	(1,609)
Withdrawal of deposits pledged with licensed banks		-	1,028	-	-
Redemptions of non-cumulative redeemable convertible preference shares	22(d)	-	-	20,346	77,982
Repayments from subsidiaries		-	-	108,152	99,276
Net cash flows (used in)/from investing activities		(66,769)	(35,917)	117,436	155,100
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	17	(69,010)	(34,505)	(69,010)	(34,505)
Dividends paid to non-controlling interests		(8,027)	(16,627)	-	-
Interest paid		(12,512)	(20,077)	(12,698)	(21,707)
Repayments to subsidiaries		-	-	(18,817)	(42,315)
Net (repayments)/drawdowns of bankers' acceptances	38(i)	(15,704)	24,817	-	-
Net drawdowns/(repayments) of revolving credits	38(i)	29,800	(105,500)	40,000	(42,500)
Net repayments of Sukuk Murabahah Medium Term Notes	38(i)	-	(90,000)	-	-
Net repayments of term loans	38(i)	(56,466)	(88,519)	(56,466)	(88,519)
Payments of lease interest	19(j)	(58)	(70)	(2)	(3)
Payments of lease liabilities	19(j)	(430)	(649)	(23)	(23)
Proceeds from issuance of preference shares to non-controlling interest		-	2,736	-	-
Repurchase of treasury shares		(16,310)	-	(16,310)	-
Net cash flows used in financing activities		(148,717)	(328,394)	(133,326)	(229,572)
Net increase/(decrease) in cash and cash equivalents		25,139	(137,630)	6,155	(11,150)
Effects of exchange rate changes		(14,258)	12,433	-	-
Cash and cash equivalents as at beginning of financial year		251,034	376,231	31,362	42,512
Cash and cash equivalents as at end of financial year	33(d)	261,915	251,034	37,517	31,362

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

TSH Resources Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad and Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Bangunan TSH, TB 9, KM 7, Apas Road, 91000 Tawau, Sabah.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries and the interests of the Group in associates and joint ventures. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 April 2025.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and forest plantation. The principal activities of the subsidiaries are primarily involved in investment holding, oil palm cultivation and processing, generation and supply of electricity from biomass plants, forest plantation, manufacture and sales of downstream wood products and other related business activities. The principal activities and details of the subsidiaries are stated in Note 22 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 43.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The Group has positive cash flows from its business activities and has sufficient credit facilities in place to meet its operational requirements (as disclosed further in Note 5(b)(ii) to the financial statements), notwithstanding that the current liabilities of the Company exceeded its current assets by RM205,452,000 as at 31 December 2024. In addition, the Group and the Company carried out cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to meet their obligations as and when they fall due. Historical results of the treasury management show that the Group and the Company have the ability to meet their obligations as and when they fall due and the Group and the Company have not defaulted on any obligations due or payable to financial institutions or creditors.

3. BASIS OF PREPARATION (continued)

The Directors are confident that the Group and the Company will continue to operate profitably and generate sufficient cash flows from operations in the foreseeable future, together with continuous financial support from the lenders and shareholders.

4. SEGMENT INFORMATION

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organised into business units based on their products and services, and the operation of oil palm plantations, manufacture and sale of crude palm oil and palm kernel has been designated as a reportable segment under “Palm products” segment.

Other non-reportable segments include manufacture and sale of downstream wood products, operation of a forest management unit, and generation and supply of electricity from biomass plants, which do not individually meet the quantitative thresholds in respect of profit or loss required for separate disclosure as reporting segments. Accordingly, financial information for these segments has been combined and presented under the "Others" segment.

Group financing (including finance costs), income taxes, share of results of associate and joint ventures are managed on a group basis and are not allocated to operating segments.

4. SEGMENT INFORMATION (continued)

	Palm products RM'000	Others RM'000	Adjustment and eliminations RM'000	Notes	Total RM'000
2024					
Revenue					
External customers	966,514	53,293	-		1,019,807
Inter-segment	17,548	-	(17,548)	(a)	-
Total revenue	984,062	53,293	(17,548)		1,019,807
Results					
Interest income	39,942	192	(27,340)		12,794
Dividend income	332	-	-		332
Depreciation	(114,689)	(13,530)	-		(128,219)
Gain on disposal of property, plant and equipment	814	88	-		902
Other material non-cash items	12,771	(80)	-	(b)	12,691
Segment profit/(loss)	232,772	(12,706)	(196)	(c)	219,870
Assets:					
Additions to non-current assets	52,344	5,320	-	(d)	57,664
Segment assets	1,875,297	576,234	296,284	(e)	2,747,815
Segment liabilities	116,425	13,871	356,486	(f)	486,782
2023					
Revenue					
External customers	998,080	68,436	-		1,066,516
Inter-segment	22,224	-	(22,224)	(a)	-
Total revenue	1,020,304	68,436	(22,224)		1,066,516
Results					
Interest income	60,374	1,361	(48,337)		13,398
Dividend income	1	-	-		1
Depreciation	(87,805)	(13,336)	-		(101,141)
Gain on disposal of assets held for sale	27,604	-	-		27,604
Gain on disposal of property, plant and equipment	618	(172)	-		446
Other material non-cash items	(9,698)	(4,648)	-	(b)	(14,346)
Segment profit/(loss)	251,587	(11,805)	(41,945)	(c)	197,837
Assets:					
Additions to non-current assets (including assets held for sale)	51,083	13,459	-	(d)	64,542
Segment assets (including assets held for sale)	1,981,589	588,421	275,012	(e)	2,845,022
Segment liabilities	119,628	18,517	401,596	(f)	539,741

4. SEGMENT INFORMATION (continued)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

(a) Inter-segment revenue is eliminated on consolidation.

(b) Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	2024 RM'000	2023 RM'000
Fair value (loss)/gain on forward currency contracts	(580)	4,115
Fair value (loss)/gain on commodity future contracts	(134)	149
Gain from fair value adjustments of forest planting expenditure	188	341
Impairment losses on goodwill	-	(7,769)
Impairment loss on property, plant and equipment	(3,249)	-
Inventories written off	(651)	(6,798)
Net gain from fair value adjustments of fresh fruit bunches	6,607	432
Net impairment losses on other receivables	(2,528)	(3,882)
Net impairment (losses)/write back on trade receivables	(329)	220
Net unrealised foreign exchange gain/(loss)	5,328	(7,080)
Net write back of inventories written down	8,299	6,375
Property, plant and equipment written off	(260)	(449)
	12,691	(14,346)

(c) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the statements of comprehensive income:

	2024 RM'000	2023 RM'000
Share of profit of associate	18,887	11,189
Share of profit/(loss) of joint ventures	8,452	(2,993)
Finance costs	(12,570)	(20,147)
Unallocated corporate expenses	(14,965)	(29,994)
	(196)	(41,945)

(d) Additions to non-current assets (including assets held for sale) consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment	52,880	57,910
Biological assets	1,352	2,001
Right-of-use assets - land use rights	3,432	4,631
	57,664	64,542

4. SEGMENT INFORMATION (continued)

(e) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2024 RM'000	2023 RM'000
Investments in associates	84,873	78,645
Investments in joint ventures	111,542	103,090
Tax recoverable	20,979	17,995
Deferred tax assets	192	473
Unallocated amounts	78,698	74,809
	296,284	275,012

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2024 RM'000	2023 RM'000
Deferred tax liabilities	87,619	86,973
Loans and borrowings	259,687	302,120
Unallocated amounts	9,180	12,503
	356,486	401,596

Geographical information

Revenue and non-current assets information are presented based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	326,785	305,414	998,467	996,928
Indonesia	668,275	724,094	1,192,944	1,126,320
United States of America	12,270	16,323	-	-
Southwest Pacific	8,112	13,628	-	-
Others	4,365	7,057	-	-
	1,019,807	1,066,516	2,191,411	2,123,248

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The objectives of the Group's capital management are to ensure that it maintains a good credit rating and healthy capital ratios in order to support a balanced growth objective in its business, maintain an optimal capital structure to reduce the cost of capital and ultimately maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the free cash flow position. To achieve this objective, the Group may adjust the Group internal plans in its expansion of plantation land areas and plantation programme. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a debt/equity ratio, which among other things is aimed at ensuring its financial covenant under the current banking facilities of 1.25 level is met. However, the Group seeks to maintain a net debt/equity ratio at below 1.0 level.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans and borrowings	259,687	302,120	213,012	230,257
Less: Cash and bank balances	(263,361)	(250,138)	(37,357)	(31,207)
Less: Short term funds	(2,961)	(5,349)	(160)	(155)
Net (cash)/debt	(6,635)	46,633	175,495	198,895
Total equity	2,261,033	2,305,281	916,692	978,197
Debt*/equity ratio	0.11	0.13	0.23	0.24
Net debt/equity ratio	-	0.02	0.19	0.20

* *Represents loans and borrowings.*

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 31 December 2024.

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Directors and Head of Finance. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including short term funds and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Information regarding credit enhancements for trade and other receivables and credit risk concentration profiles has been disclosed in Note 26 to the financial statements.

(ii) Liquidity risk

The Group maintains sufficient levels of cash and cash equivalent and banking facilities at a reasonable level to meet its working capital requirements. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. While the Group is in net current assets position, the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. In this regard, the Group maintains centralised treasury functions where all strategic funding requirements of the Company are managed. The Company diligently manages its debt maturity profile, operating cash flows and various sources of funding after taking in account of refinancing, repayment and funding requirements to provide an adequate liquidity buffer. Besides maintaining a reasonable level of cash and cash convertible investments to meet its working capital needs, the Company also ensures it has sufficient undrawn credit facilities available to complement its overall liquidity management. As at 31 December 2024, the Company has RM282,378,000 in unused credit facilities.

At the end of the reporting period, approximately 77% and 72% (2023: 63% and 52%) of the Group's and of the Company's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The analysis of financial instruments by remaining contractual maturities is disclosed in Notes 19, 38 and 40 to the financial statements.

(iii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 19, 26, 33, 38 and 40 to the financial statements.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, which are United States Dollars (USD), Australian Dollars (AUD), Euro (EUR), Indonesia Rupiah (IDR), Singapore Dollar (SGD) and RM. The foreign currencies in which these transactions are denominated are mainly USD.

Approximately 98% (2023: 96%) of the Group's sales and 97% (2023: 94%) of cost of sales are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group may require its operating entities to use forward currency contracts to eliminate the currency exposures on any individual transactions for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

At 31 December 2024, the Group hedged 100% (2023: 100%) of its foreign currency denominated loans and borrowings for which firm commitments existed at the end of the reporting period.

The Group's significant exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk are as follows:

Group	USD RM'000	AUD RM'000	EUR RM'000	IDR RM'000	SGD RM'000	RM RM'000
2024						
Investment securities	11,235	-	-	-	-	-
Trade and other receivables	2,736	3,455	364	-	-	276
Cash and bank balances	1,292	3	2	12,712	1,150	3,674
Loans and borrowings	(30,433)	-	-	-	-	-
Trade and other payables	(4,179)	(1,475)	(1,953)	-	-	(26)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

The Group's significant exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk are as follows (continued):

Group	USD RM'000	AUD RM'000	EUR RM'000	IDR RM'000	SGD RM'000	RM RM'000
2023						
Investment securities	7,471	-	-	-	-	-
Trade and other receivables	2,563	3,511	538	-	-	278
Cash and bank balances	2,596	540	96	9,279	38	26,174
Loans and borrowings	(61,506)	-	-	-	-	-
Trade and other payables	(1,583)	(446)	(1,158)	-	-	(25)

Company	USD RM'000	IDR RM'000	SGD RM'000
2024			
Trade and other receivables	-	1,671	125
Cash and bank balances	410	12,143	1,150
Loans and borrowings	(30,433)	-	-
Trade and other payables	-	(46,512)	(908)

Company	USD RM'000	IDR RM'000	SGD RM'000
2023			
Trade and other receivables	-	109,287	123
Cash and bank balances	236	8,678	38
Loans and borrowings	(61,506)	-	-
Trade and other payables	-	(50,162)	(845)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax to a reasonably possible change in the USD, AUD, EUR, IDR, SGD and RM exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

		Profit net of tax			
		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
USD/RM	- strengthened by 5%	(1,196)	(2,273)	(1,141)	(2,328)
	- weakened by 5%	1,196	2,273	1,141	2,328
USD/SGD	- strengthened by 5%	461	355	-	-
	- weakened by 5%	(461)	(355)	-	-
AUD/RM	- strengthened by 5%	75	137	-	-
	- weakened by 5%	(75)	(137)	-	-
EUR/RM	- strengthened by 5%	(60)	(20)	-	-
	- weakened by 5%	60	20	-	-
IDR/RM	- strengthened by 5%	461	330	(1,242)	2,576
	- weakened by 5%	(461)	(330)	1,242	(2,576)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax to a reasonably possible change in the USD, AUD, EUR, IDR, SGD and RM exchange rates against the respective functional currency of the Group entities, with all other variables held constant. (continued)

		Profit net of tax			
		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
IDR/SGD	- strengthened by 5%	22	23	-	-
	- weakened by 5%	(22)	(23)	-	-
SGD/RM	- strengthened by 5%	44	2	14	(26)
	- weakened by 5%	(44)	(2)	(14)	26
RM/SGD	- strengthened by 5%	7	7	-	-
	- weakened by 5%	(7)	(7)	-	-
RM/IDR	- strengthened by 5%	142	998	-	-
	- weakened by 5%	(142)	(998)	-	-

The effects of the changes in the exchange rates to the equity are not presented as they are not significant.

(v) Market price risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia and are classified as held for trading.

The sensitivity analysis of market price risk has been disclosed in Note 27 to the financial statements.

6. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers:				
- Sales of oil palm products	966,513	998,080	-	-
- Sales of wood products	29,801	40,088	-	-
- Supply of electricity	13,537	13,978	-	-
- Sales of cocoa beans and cocoa products	-	7,966	-	-
- Sales of timber and latex	7,250	4,271	7,250	4,067
- Supply and installation services	1,815	1,116	-	-
- Sales of ramets and laran plantlet and plantable	891	1,017	-	-
	1,019,807	1,066,516	7,250	4,067
Other revenue				
- Management fees	-	-	17,548	22,224
- Dividend income from subsidiaries, associate and joint ventures	-	-	44,849	88,233
	1,019,807	1,066,516	69,647	114,524
Timing of revenue recognition				
- Over time	1,815	1,116	-	-
- At a point in time	1,017,992	1,065,400	7,250	4,067
	1,019,807	1,066,516	7,250	4,067

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

(a) Sales of goods and supply of electricity

Revenue from sales of goods and supply of electricity are recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and service-type warranty provided to the customers on the sales of products and services rendered.

There is no significant financing component in the revenue arising from sales of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

6. REVENUE (continued)

(b) Supply and installation service contracts

Revenue from supply and installation service contracts is measured at the fixed transaction price agreed under the agreement.

Revenue from supply and installation service contracts is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time.

If control of asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

(c) Management fees

Management fees are recognised during the period in which the services are rendered.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

7. COST OF SALES

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cost of inventories sold	622,215	655,509	4,005	3,140
Supply and installation service costs	1,528	755	-	-
Cost of production of electricity	13,179	11,813	-	-
	636,922	668,077	4,005	3,140

8. INTEREST INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income from:				
Amounts due from subsidiaries	-	-	10,858	16,837
Financial assets	1,530	1,064	-	-
Plasma receivables	2,096	3,147	-	-
Short-term deposits	9,168	9,187	1,053	969
	12,794	13,398	11,911	17,806

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

9. DIVIDEND INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Dividend income from:				
Short term funds	1	1	1	1
Investments securities	331	-	-	-
	332	1	1	1

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

10. OTHER INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bad debts recovered	-	118	-	-
Fair value gain on forward currency contracts	-	4,115	-	4,145
Fair value gain on commodity future contracts	-	149	-	-
Fair value gain on short term funds	93	162	4	4
Gain from fair value adjustment of forest planting expenditure (Note 20)	188	341	-	2,613
Gain on disposal of:				
- property, plant and equipment	902	446	218	143
- assets held for sale (Note 34)	-	27,604	-	-
Gain on lease reassessments	43	31	-	-
Gain on redemption of financial assets	6	-	-	-
Gain on remeasurement of financial guarantees contracts (Note 40(d))	35	24	108	249
Insurance claims received and receivable	505	2,385	-	-
Management fee	3,274	3,392	-	-
Net gain from fair value adjustment of fresh fruit bunches (Note 20)	6,607	432	-	-
Net gain on foreign exchange				
- unrealised	5,328	-	1,555	4,431
Net write back of inventories written down (Note 28(d))	8,299	6,375	-	-
Realised gain from commodity future contracts	-	313	-	-
Rental income	1,168	1,073	958	2,992
Sales of scrap iron	303	462	-	-
Miscellaneous	1,440	2,838	231	123
	28,191	50,260	3,074	14,700

<u>Rental income</u>

Rental income is recognised on a straight line basis over the period of tenancy.

11. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
Amounts due to subsidiaries	-	-	2,830	7,093
Bank overdrafts	22	29	-	-
Bankers' acceptances	1,272	1,287	-	-
Lease liabilities	58	70	2	3
Revolving credits	4,329	5,769	2,979	3,762
Term loans	6,889	10,853	6,889	10,852
Others	-	10	-	-
	12,570	18,018	12,700	21,710
Islamic financing distribution payment:				
Sukuk Murabahah Medium Term Notes	-	2,195	-	-
Total finance costs	12,570	20,213	12,700	21,710
Less: Interest expense capitalised in bearer plants and forest planting expenditure	-	(66)	-	-
Net finance costs	12,570	20,147	12,700	21,710

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

In the previous financial year, interest expense capitalised under bearer plants of the Group amounted to RM56,000 and under biological assets of the Group amounted to RM10,000 at interest rates ranging from 4.99% to 5.44%.

12. PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, the following items have been included in arriving at profit before tax:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation of biological assets	20	1,181	1,181	1,181	1,181
Auditors' remuneration:					
BDO PLT and affiliates					
- statutory audits		527	520	183	174
- non-statutory audit					
- tax compliance and advisory services		159	65	-	-
- other services		101	544	97	539
Other auditors					
- statutory audits:					
- current year		353	349	-	-
- under provision in prior years		2	2	-	-
Bad debts written off		65	-	-	-
Depreciation of property, plant and equipment		116,423	90,255	2,374	2,214
Depreciation of right-of-use assets		10,615	9,705	61	61
Employee benefits expense	13	120,830	123,530	24,917	28,653
Fair value loss on commodity future contract		134	-	-	-
Fair value loss on forward currency contracts		580	-	580	-
Inventories written off	28(c)	651	6,798	-	-
Impairment losses on:					
- property, plant and equipment	18	3,249	-	-	-
- goodwill	21	-	7,769	-	-
- investment in subsidiaries	22(c)	-	-	860	46,784
- investment securities	27(h)	1	-	1	-
Waiver of debt on amount due from subsidiaries		-	-	229	-
Investment securities written off	27(g)	50	-	50	-
Loss from fair value adjustment of forest planting expenditure	20	-	-	754	-
Losses on striking off of a subsidiary		-	-	24	-
Loss on disposal of financial assets		-	192	-	-
Net loss on foreign exchange:					
- realised		233	1,889	437	2,036
- unrealised		-	7,080	-	-
Non-Executive Directors' remuneration	14	2,434	4,845	1,562	1,735
Property, plant and equipment written off		260	449	1	-
Realised loss on commodity future contracts		118	-	-	-
Realised loss on forward currency contracts		-	295	-	-
Rental expenses on premises		106	112	92	112

12. PROFIT BEFORE TAX (continued)

(b) Net impairment (losses)/write back on financial assets recognised in profit or loss were as follows:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Impairment losses on:					
- trade receivables	26(a)	(797)	(138)	-	-
- other receivables	26(b)	(4,257)	(4,206)	-	-
		(5,054)	(4,344)	-	-
Write back of impairment losses on:					
- trade receivables	26(a)	468	358	-	-
- other receivables	26(b)	1,729	324	-	11
- amounts due from subsidiaries	26(c)	-	-	2,336	303
		2,197	682	2,336	314
Net impairment (losses)/ write back on financial assets		(2,857)	(3,662)	2,336	314

13. EMPLOYEE BENEFITS EXPENSE

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries		103,908	105,815	23,141	25,911
Contributions to defined contribution plan		3,525	4,476	1,868	2,789
Social security contributions		9,143	9,100	163	172
Increase in liability for defined benefit plan		5,248	5,346	-	-
		121,824	124,737	25,172	28,872
Less: Amount capitalised in bearer plants	18(d)	(557)	(732)	-	-
Less: Amount capitalised in forest planting expenditure	20(a)	(437)	(475)	(255)	(219)
		120,830	123,530	24,917	28,653

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM7,082,000 (2023: RM5,232,000) and RM3,749,000 (2023: RM5,163,000) respectively as further disclosed in Note 14 to the financial statements.

14. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Company during the financial year are as follows:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive:					
Salaries and bonus		6,198	4,510	3,196	4,448
Other emoluments		884	722	553	715
Total Executive Directors' remuneration (excluding benefits-in-kind)	13	7,082	5,232	3,749	5,163
Estimated money value of benefits-in-kind		313	284	305	284
Total Executive Directors' remuneration (including benefits-in-kind)		7,395	5,516	4,054	5,447
Non-Executive:					
Fees		819	358	312	281
Salaries		350	2,730	-	-
Other emoluments		1,265	1,757	1,250	1,454
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	12	2,434	4,845	1,562	1,735
Estimated money value of benefits-in-kind		259	303	259	303
Total Non-Executive Directors' remuneration (including benefits-in-kind)		2,693	5,148	1,821	2,038
Total Directors' remuneration		10,088	10,664	5,875	7,485

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2024	2023
Executive Directors:		
RM1,250,000 - RM1,300,000	1	-
RM1,850,000 - RM1,900,000	-	1
RM2,850,000 - RM2,900,000	1	-
RM3,200,000 - RM3,250,000	1	-
RM3,600,000 - RM3,650,000	-	1

14. DIRECTORS' REMUNERATION (continued)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below: (continued)

	Number of Directors	
	2024	**2023**
Non-Executive Directors:		
Below RM50,000	1	3
RM50,000 - RM100,000	3	3
RM100,000 - RM150,000	1	-
RM150,000 - RM200,000	-	1
RM400,000 - RM450,000	1	-
RM800,000 - RM850,000	1	-
RM1,000,000 - RM1,050,000	-	1
RM1,050,000 - RM1,100,000	1	-
RM3,650,000 - RM3,700,000	-	1

During the financial year, there was redesignation of a non-executive director to an executive director.

15. TAXATION

(a) Major components of taxation

The major components of taxation for the financial years ended 31 December 2024 and 31 December 2023 are:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	4,374	3,439	-	-
- Foreign tax	46,640	50,559	-	-
- Withholding tax on foreign dividend income	6,419	12,332	2,524	3,854
	57,433	66,330	2,524	3,854

15. TAXATION (continued)

(a) Major components of taxation (continued)

The major components of taxation for the financial years ended 31 December 2024 and 31 December 2023 are: (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statements of comprehensive income: (continued)				
Under/(Over) provision in prior years:				
- Malaysian income tax	36	91	-	17
- Foreign income tax	2,462	(42)	-	-
	2,498	49	-	17
Deferred tax				
- Origination and reversal of temporary differences	1,289	3,520	(754)	42
- Under provision in prior years	369	2,113	289	1,918
	1,658	5,633	(465)	1,960
Taxation recognised in profit and loss	61,589	72,012	2,059	5,831

15. TAXATION (continued)

(b) Reconciliation between taxation and accounting profit

The reconciliation between taxation and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 31 December 2023 is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	219,870	197,837	25,970	19,669
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	52,769	47,481	6,233	4,720
Different tax rates in other countries	(4,101)	(4,756)	-	-
Tax effects in respect of:				
Non-deductible expenses	16,352	13,587	4,223	19,218
Income not subject to taxation	(2,215)	(6,388)	(11,210)	(23,896)
Revenue expenditure capitalised in biological assets	-	(23)	-	-
Share of profit of associate	(4,533)	(2,685)	-	-
Share of (profit)/loss of joint ventures	(2,028)	718	-	-
Effect of utilisation of previously unrecognised tax losses, unabsorbed allowances and other deductible temporary differences	(7,075)	(65)	-	-
Effect of different tax rate for small and medium scale company	(10)	(7)	-	-
Deferred tax assets not recognised	3,144	9,656	-	-
Withholding tax on foreign dividend income	6,419	12,332	2,524	3,854
Under provision of current tax expense in prior years	2,498	49	-	17
Under provision of deferred tax in prior years	369	2,113	289	1,918
Taxation recognised in profit and loss	61,589	72,012	2,059	5,831

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

15. TAXATION (continued)

(c) Value-added tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT except:

(i) Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

(ii) Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

(d) Tax effect on each component of other comprehensive income is as follows:

	Before tax RM'000	Tax effect RM'000	After tax RM'000
Group			
At 31 December 2024			
Item that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translations	(111,066)	-	(111,066)
Net gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	135	-	135
Cumulative gain on financial assets measured at FVOCI reclassified to profit or loss upon redemption	(34)	-	(34)
	(110,965)	-	(110,965)
Item that may not be reclassified to profit or loss in subsequent periods:			
Remeasurement of net retirement benefit obligations	2,362	(483)	1,879
At 31 December 2023			
Item that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translations	96,886	-	96,886
Net loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(261)	-	(261)
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon disposal	97	-	97
	96,722	-	96,722
Item that may not be reclassified to profit or loss in subsequent periods:			
Remeasurement of net retirement benefit obligations	(870)	194	(676)

16. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share amounts are calculated by dividing profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year after deducting treasury shares.

	Group	
	2024	**2023**
Profit attributable to owners of the Company used in the computation of basic or diluted earnings per share (RM'000)	135,662	95,112
Weighted average number of ordinary shares in issue ('000)	1,379,606	1,380,174
Basic earnings per ordinary share (sen)	9.83	6.89

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the end of the reporting period and the date of authorisation of these financial statements.

17. DIVIDENDS

	Group and Company	
	2024 RM'000	**2023 RM'000**
Recognised during the year:		
First and final single-tier dividend for financial year ended 31 December 2023 of 2.5 sen per ordinary share	34,505	-
Interim single-tier dividend for financial year ended 31 December 2024 of 2.5 sen per ordinary share	34,505	-
Final single-tier dividend for financial year ended 31 December 2022 of 2.5 sen per ordinary share	-	34,505
	69,010	34,505

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

18. PROPERTY, PLANT AND EQUIPMENT

Group	Bearer plants RM'000	Plantation infrastructure RM'000	Buildings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and renovation RM'000	Assets under construction RM'000	Total RM'000
2024								
Carrying amount								
Balance as at 1 January 2024	869,286	61,446	178,939	10,439	114,658	34,207	8,781	1,277,756
Additions	10,605	47	1,886	4,536	12,956	1,897	20,953	52,880
Disposals	-	-	(1,109)	(721)	(107)	(6)	-	(1,943)
Write-offs	(103)	(1)	(79)	-	(68)	(6)	(3)	(260)
Reclassifications	-	10,761	3,847	-	5,398	(19)	(19,987)	-
Reclassified from assets held for sale (Note 34(c))	199,193	1,766	6,944	-	577	80	-	208,560
Depreciation charged for the financial year	(63,578)	(9,937)	(13,588)	(4,411)	(23,637)	(1,460)	-	(116,611)
Impairment losses	(3,249)	-	-	-	-	-	-	(3,249)
Exchange differences	(65,417)	(3,494)	(6,526)	(596)	(2,686)	(146)	(318)	(79,183)
Balance as at 31 December 2024	946,737	60,588	170,314	9,247	107,091	34,547	9,426	1,337,950

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Bearer plants RM'000	Plantation infrastructure RM'000	Buildings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and renovation RM'000	Assets under construction RM'000	Total RM'000
2023								
Carrying amount								
Balance as at 1 January 2023	855,054	58,100	183,795	7,410	107,146	34,082	10,969	1,256,556
Additions	11,299	320	808	6,308	13,127	1,438	24,610	57,910
Disposals	-	(218)	-	(114)	(1,462)	(17)	-	(1,811)
Write-offs	-	(30)	(129)	(1)	(214)	(75)	-	(449)
Reclassifications	-	9,938	1,141	-	16,144	-	(27,223)	-
Reclassified to assets held for sale	-	-	-	-	-	(15)	-	(15)
Depreciation charged for the financial year	(42,105)	(9,317)	(12,280)	(3,454)	(22,071)	(1,265)	-	(90,492)
Exchange differences	45,038	2,653	5,604	290	1,988	59	425	56,057
Balance as at 31 December 2023	869,286	61,446	178,939	10,439	114,658	34,207	8,781	1,277,756

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 31.12.2024 Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Bearer plants	1,339,222	(373,059)	(19,426)	946,737
Plantation infrastructure	149,115	(88,527)	-	60,588
Buildings	362,590	(158,235)	(34,041)	170,314
Motor vehicles	45,638	(36,391)	-	9,247
Plant, machinery and equipment	464,095	(352,205)	(4,799)	107,091
Furniture, fittings and renovation	61,668	(26,101)	(1,020)	34,547
Assets under construction	194,290	-	(184,864)	9,426
	2,616,618	(1,034,518)	(244,150)	1,337,950

Group	At 31.12.2023 Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Bearer plants	1,200,975	(314,222)	(17,467)	869,286
Plantation infrastructure	144,881	(83,435)	-	61,446
Buildings	359,676	(146,696)	(34,041)	178,939
Motor vehicles	49,480	(39,041)	-	10,439
Plant, machinery and equipment	455,971	(336,514)	(4,799)	114,658
Furniture, fittings and renovation	59,734	(24,506)	(1,021)	34,207
Assets under construction	193,645	-	(184,864)	8,781
	2,464,362	(944,414)	(242,192)	1,277,756

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Plantation infrastructure RM'000	Buildings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and renovation RM'000	Assets under construction RM'000	Total RM'000
2024							
Carrying amount							
Balance as at 1 January 2024	10,643	34,955	1,088	1,248	1,975	2,933	52,842
Additions	-	-	587	325	256	170	1,338
Disposals	-	-	(159)	(3)	(3)	-	(165)
Write-offs	-	-	-	(1)	-	-	(1)
Reclassifications	-	-	-	1,161	-	(1,161)	-
Depreciation charged for the financial year	(162)	(1,026)	(320)	(464)	(403)	-	(2,375)
Balance as at 31 December 2024	10,481	33,929	1,196	2,266	1,825	1,942	51,639

Company	Plantation infrastructure RM'000	Buildings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and renovation RM'000	Assets under construction RM'000	Total RM'000
2023							
Carrying amount							
Balance as at 1 January 2023	10,806	35,975	1,359	1,086	2,281	1,942	53,449
Additions	-	7	-	509	102	991	1,609
Depreciation charged for the financial year	(163)	(1,027)	(271)	(347)	(408)	-	(2,216)
Balance as at 31 December 2023	10,643	34,955	1,088	1,248	1,975	2,933	52,842

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
	At 31.12.2024		
Plantation infrastructure	13,144	(2,663)	10,481
Buildings	51,188	(17,259)	33,929
Motor vehicles	6,829	(5,633)	1,196
Plant, machinery and equipment	15,668	(13,402)	2,266
Furniture, fittings and renovation	12,781	(10,956)	1,825
Assets under construction	1,942	-	1,942
	101,552	(49,913)	51,639

Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
	At 31.12.2023		
Plantation infrastructure	13,144	(2,501)	10,643
Buildings	51,188	(16,233)	34,955
Motor vehicles	8,935	(7,847)	1,088
Plant, machinery and equipment	14,226	(12,978)	1,248
Furniture, fittings and renovation	12,549	(10,574)	1,975
Assets under construction	2,933	-	2,933
	102,975	(50,133)	52,842

(a) All items of property, plant and equipment are initially recorded at cost. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. The mature bearer plants are depreciated over their estimated useful lives of twenty-two (22) to twenty-five (25) years on a straight-line basis. The immature bearer plants are not depreciated until such time when they are available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Plantation infrastructure	4%
Buildings	2%
Motor vehicles	10% to 20%
Plant, machinery and equipment	5% to 33%
Furniture, fittings and renovation	5% to 10%

Assets under construction are stated at cost and not depreciated as the assets are not yet available for use.

18. PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Depreciation capitalised under bearer plants and biological assets during the financial year is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Property, plant and equipment				
Bearer plants (Note 18(d))	187	230	-	-
Biological assets				
Forest planting expenditure (Note 20(a))	1	7	1	2

(d) Included in bearer plants during the financial year are:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Depreciation of property, plant and equipment (Note 18(c))	187	230	-	-
Depreciation of right-of-use assets (Note 19(d))	101	270	-	-
Interest expense (Note 11)	-	56	-	-
Employee benefits expense (Note 13)	557	732	-	-

(e) Management estimates the useful lives of plant and machinery to be between 3 to 20 years. These are common life expectancies applied in the palm oil and woods industries. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Sensitivity analysis for depreciation rate

	Profit net of tax	
	Group	
	2024 RM'000	**2023 RM'000**
Depreciation rate		
- increased by 10%	(2,364)	(2,207)
- decreased by 10%	2,364	2,207

(f) The Group assessed whether there were any indicators of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management considered the losses in certain subsidiaries in the current financial year as impairment indicators.

18. PROPERTY, PLANT AND EQUIPMENT (continued)

(f) (continued)

A CGU's recoverable amount is based on value-in-use. Management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenue, as well as determining an appropriate pre-tax discount rate.

The disclosures of the key inputs and assumptions are set out as follows:

(i) The CPO price and pre-tax discount rate applied to the cash flow projections are as follows:

	2024	2023
CPO price (RM/MT)	4,000	3,800
Pre-tax discount rates (%)	10.00 - 13.00	10.00 - 13.00

(ii) The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

CPO price - CPO price is based on average historical price in the previous financial year immediately before the budgeted period.

FFB yields - FFB yields are based on the average yields achieved in the previous financial year immediately before the budgeted period.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to each CGU.

During the current financial year, the Group had determined that the recoverable amount of the bearer plant in respect of a loss-making subsidiary in Indonesia was lower than its carrying amount. Accordingly, an impairment loss amounted to RM3,249,000 had been recognised within other expenses in the Statements of Comprehensive Income.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, the management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

(g) During the current financial year, the Company disposed a motor vehicle with carrying amount of RM1 to its subsidiary for a total consideration of RM90,000.

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

Right-of-use assets

Group	Long term leasehold land RM'000	Land use rights RM'000	Short term leasehold land RM'000	Equipment RM'000	Buildings RM'000	Total RM'000
2024						
Carrying amount						
At 1 January 2024	83,296	168,774	678	74	613	253,435
Additions	-	3,432	624	-	97	4,153
Depreciation charged for the financial year	(1,577)	(8,664)	(170)	(23)	(282)	(10,716)
Reclassified from assets held for sale (Note 34(c))	-	12,293	-	-	-	12,293
Exchange differences	-	(10,246)	-	-	(15)	(10,261)
Reassessments	-	-	(353)	-	(15)	(368)
At 31 December 2024	81,719	165,589	779	51	398	248,536
2023						
Carrying amount						
At 1 January 2023	84,874	168,307	710	97	1,094	255,082
Additions	-	4,631	208	-	60	4,899
Depreciation charged for the financial year	(1,578)	(7,713)	(147)	(23)	(534)	(9,995)
Reclassified to assets held for sale	-	(3,765)	-	-	-	(3,765)
Exchange differences	-	7,314	-	-	31	7,345
Reassessments	-	-	(93)	-	(38)	(131)
At 31 December 2023	83,296	168,774	678	74	613	253,435

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Right-of-use assets (continued)

Group	At 31.12.2024 Cost RM'000	 Accumulated depreciation RM'000	 Carrying amount RM'000
Long term leasehold land	99,818	(18,099)	81,719
Land use rights	277,991	(112,402)	165,589
Short term leasehold land	1,215	(436)	779
Equipment	238	(187)	51
Buildings	3,347	(2,949)	398
	382,609	(134,073)	248,536

Group	At 31.12.2023 Cost RM'000	 Accumulated depreciation RM'000	 Carrying amount RM'000
Long term leasehold land	99,818	(16,522)	83,296
Land use rights	272,609	(103,835)	168,774
Short term leasehold land	712	(34)	678
Equipment	238	(164)	74
Buildings	3,324	(2,711)	613
Motor vehicle	176	(176)	-
	376,877	(123,442)	253,435

Company	Long term leasehold land RM'000	Equipment RM'000	Total RM'000
2024			
Carrying amount			
At 1 January 2024	8,196	53	8,249
Depreciation charged for the financial year	(38)	(23)	(61)
At 31 December 2024	8,158	30	8,188

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Right-of-use assets (continued)

Company	Long term leasehold land RM'000	Equipment RM'000	Total RM'000
2023			
Carrying amount			
At 1 January 2023	8,234	76	8,310
Depreciation charged for the financial year	(38)	(23)	(61)
At 31 December 2023	8,196	53	8,249

	At 31.12.2024		
Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Long term leasehold land	8,872	(714)	8,158
Equipment	202	(172)	30
	9,074	(886)	8,188

	At 31.12.2023		
Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Long term leasehold land	8,872	(676)	8,196
Equipment	202	(149)	53
	9,074	(825)	8,249

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Lease liabilities

Group	Short term leasehold land RM'000	Equipment RM'000	Buildings RM'000	Total RM'000
2024				
Carrying amount				
At 1 January 2024	1,106	55	214	1,375
Additions	624	-	67	691
Lease payments	(213)	(25)	(250)	(488)
Interest expense	45	2	11	58
Reassessments	(396)	-	(15)	(411)
Exchange difference	-	-	(11)	(11)
At 31 December 2024	1,166	32	16	1,214
2023				
Carrying amount				
At 1 January 2023	1,175	78	682	1,935
Additions	209	-	-	209
Lease payments	(198)	(26)	(495)	(719)
Interest expense	44	3	23	70
Reassessments	(124)	-	(38)	(162)
Exchange difference	-	-	42	42
At 31 December 2023	1,106	55	214	1,375

Company	Equipment RM'000
2024	
Carrying amount	
At 1 January 2024	55
Lease payments	(25)
Interest expense	2
At 31 December 2024	32
2023	
Carrying amount	
At 1 January 2023	78
Lease payments	(26)
Interest expense	3
At 31 December 2023	55

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Lease liabilities (continued)

Represented by:	**Group**		**Company**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Non-current liabilities	863	955	12	32
Current liabilities	351	420	20	23
Total lease liabilities	1,214	1,375	32	55
Lease liabilities owing to non-financial institutions	1,214	1,375	32	55

(a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal depreciation periods are as follows:

Long term leasehold land	over the remaining lease period from 32 to 906 years
Land use rights	over the lease period from 20 to 30 years
Short term leasehold land	over the lease period from 4 to 20 years
Equipment	over the lease period from 2 to 6 years
Buildings	over the lease period from 2 to 5 years

(b) Included in land use rights of the Group are prepayments amounting to RM30,579,000 (2023: RM36,016,000), which the Group has yet to obtain the titles to use the rights as at the end of the reporting period.

(c) The Group and the Company have certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM5,000 and below. The Group and the Company apply the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(d) Depreciation capitalised under bearer plants and biological assets during the financial year is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
<u>Property, plant and equipment</u>		
Bearer plants (Note 18(d))	101	270
<u>Biological assets</u>		
Forest planting expenditure (Note 20(a))	-	20

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(e) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM'000	**2023 RM'000**
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	10,615	9,705
Interest expense on lease liabilities (included in finance costs)	58	70
Expense relating to short-term leases (included in administration expenses)	106	112
	10,779	9,887

	Company	
	2024 RM'000	**2023 RM'000**
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	61	61
Interest expense on lease liabilities (included in finance costs)	2	3
Expense relating to short-term leases (included in administration expenses)	92	112
	155	176

(f) During the financial year, the Group and the Company had total cash outflows for leases of RM594,000 (2023: RM831,000) and RM117,000 (2023: RM138,000) respectively.

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(g) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and the Company:

Group	Weighted average incremental borrowing rate per annum %	Within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
31 December 2024						
Lease liabilities						
Fixed rates	3.66% - 5.58%	351	162	453	248	1,214
31 December 2023						
Lease liabilities						
Fixed rates	3.51% - 5.58%	420	291	274	390	1,375

Company	Weighted average incremental borrowing rate per annum %	Within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
31 December 2024						
Lease liabilities						
Fixed rate	3.72% - 4.05%	20	8	4	-	32
31 December 2023						
Lease liabilities						
Fixed rate	3.72% - 4.05%	23	20	12	-	55

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(h) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.

(i) The table below summarises the maturity profile of the lease liabilities of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
31 December 2024				
Lease liabilities	401	721	285	1,407
31 December 2023				
Lease liabilities	472	676	445	1,593
Company				
31 December 2024				
Lease liabilities	20	12	-	32
31 December 2023				
Lease liabilities	26	33	-	59

(j) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows are as follows:

	Lease liabilities			
	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	1,375	1,935	55	78
Additions	691	209	-	-
Cash flows				
- Payments of lease liabilities	(430)	(649)	(23)	(23)
- Payments of lease interest	(58)	(70)	(2)	(3)
Non-cash flows				
- Interest expense	58	70	2	3
- Reassessments	(411)	(162)	-	-
- Exchange differences	(11)	42	-	-
At 31 December	1,214	1,375	32	55

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessor

The Group and the Company have entered into non-cancellable lease agreements on certain properties, mainly for own use, for terms of between one (1) to five (5) years and renewable at the end of the lease period subject to an increase clause.

The Group and the Company have aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Not later than 1 year	697	569	607	475
Later than 1 year but not later than 2 years	583	298	503	212
Later than 2 years but not later than 3 years	378	265	368	185
Later than 3 years but not later than 4 years	290	72	290	62
Later than 4 years but not later than 5 years	145	-	145	-
	2,093	1,204	1,913	934

20. BIOLOGICAL ASSETS

Group	Forest planting expenditure (At fair value) RM'000	Forest planting expenditure (At cost) RM'000	Total RM'000
Non-current assets			
At cost/valuation			
At 1 January 2024	278,620	95,650	374,270
Additions during the financial year	1,352	-	1,352
Gain from fair value adjustment (Note 10)	188	-	188
At 31 December 2024	280,160	95,650	375,810
At 1 January 2023	276,278	95,650	371,928
Additions during the financial year	2,001	-	2,001
Gain from fair value adjustment (Note 10)	341	-	341
At 31 December 2023	278,620	95,650	374,270
Accumulated depreciation			
At 1 January 2024	-	(8,267)	(8,267)
Depreciation for the year:			
Recognised in profit or loss (Note 12)	-	(1,181)	(1,181)
At 31 December 2024	-	(9,448)	(9,448)
At 1 January 2023	-	(7,086)	(7,086)
Depreciation for the year:			
Recognised in profit or loss (Note 12)	-	(1,181)	(1,181)
At 31 December 2023	-	(8,267)	(8,267)
Net carrying amount:			
At cost/valuation			
At 31 December 2024	280,160	86,202	366,362
At 31 December 2023	278,620	87,383	366,003

20. BIOLOGICAL ASSETS (continued)

Company	Forest planting expenditure (At fair value) RM'000	Forest planting expenditure (At cost) RM'000	Total RM'000
Non-current assets			
At cost/valuation			
At 1 January 2024	187,123	95,650	282,773
Additions during the financial year	1,211	-	1,211
Loss from fair value adjustment (Note 12)	(754)	-	(754)
At 31 December 2024	187,580	95,650	283,230
At 1 January 2023	183,310	95,650	278,960
Additions during the financial year	1,200	-	1,200
Gain from fair value adjustment (Note 10)	2,613	-	2,613
At 31 December 2023	187,123	95,650	282,773
Accumulated depreciation			
At 1 January 2024	-	(8,267)	(8,267)
Depreciation for the year:			
Recognised in profit or loss (Note 12)	-	(1,181)	(1,181)
At 31 December 2024	-	(9,448)	(9,448)
At 1 January 2023	-	(7,086)	(7,086)
Depreciation for the year:			
Recognised in profit or loss (Note 12)	-	(1,181)	(1,181)
At 31 December 2023	-	(8,267)	(8,267)
Net carrying amount:			
At cost/valuation			
At 31 December 2024	187,580	86,202	273,782
At 31 December 2023	187,123	87,383	274,506

20. BIOLOGICAL ASSETS (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current assets				
At fair value				
Fresh fruit bunches				
At beginning of financial year	14,697	13,531	-	-
Changes in fair value less costs to sell (Note 10)	6,607	432	-	-
Exchange differences	(1,173)	734	-	-
At end of financial year	20,131	14,697	-	-

The nature and purpose of each category of biological assets are as follows:

(a) Forest planting expenditure

(i) Forest planting expenditure represents Industrial Timber Plantation expenses incurred on the development of the Group's Sustainable Forest Management Project under a Sustainable Forest Management License Agreement ("SFMLA") with the State Government of Sabah, in respect of a long term concession for 95,000 hectares of timber land under Forest Management Unit at Ulu Tungud, Sabah. The SFMLA area comprises Industrial Timber Plantation area, Conservation area and Natural Forest Management area.

The biological assets within Industrial Timber Plantation area is carried at its fair value with changes in fair value recognised in profit or loss. During the current financial year, the Group had carried out a valuation exercise to reflect the fair value of the Group's forest planting expenditure within the Industrial Timber Plantation area. CH Williams Talhar & Wong conducted the latest valuation exercise with a valuation report for the valuation as at 31 December 2024.

Areas beyond the Industrial Timber Plantation are either protected or have limited permitted use for commercial timber harvesting, as such, the direct and related cost incurred and capitalised under biological assets within these areas will be depreciated over the remaining concession period of 73 years as the fair value of such areas cannot be reliably measured without undue cost or effort.

(ii) The methods and assumptions used by management to determine fair values are as follows:

Investment method is adopted to value forest planting expenditure within the Industrial Timber Plantation area. For rubber, the annual income from latex is estimated based on yield and long term average price of the crop. Thereafter, the cost of production is deducted and the net income is derived. In the final year, the value of rubberwood that could be harvested from the old rubber trees to be felled before replanting is added. The whole income flow from latex and from the rubberwood in the last year is then capitalised using the net present value, discounted at the appropriate rate of return for the remaining cropping life of the rubber trees to obtain the value of the present crops.

20. BIOLOGICAL ASSETS (continued)

(a) Forest planting expenditure (continued)

(ii) The methods and assumptions used by management to determine fair values are as follows (continued):

For the other plantation trees, the present tree crop is valued as profits from timber extraction and sales obtained by deducting the production costs from sales revenue. This is discounted at the appropriate rate of return to obtain the value of the present tree crop. For both the rubber and the other plantation trees, the scrub value (infrastructure value only, and excluding land cost) to which the land reverts at the end of the economic life of the cultivations, deferred (discounted) for the period is then added to the value of the present crops. The fair value is derived from deducting the value of the infrastructures from the market value of the trees.

Biological assets	Valuation technique used	Significant unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value
Forest planting expenditure within the Industrial Timber Plantation area	Investment method	(a) Discount rate	2024: 10% - 15% (2023: 10% - 15%)	The higher the discount rate, the lower the fair value.
		(b) Estimated yield - rubber (kg/Ha) - wood/timber (M^3/Ha)	2024: 675 - 1,940 (2023: 675 - 1,940) 2024: 108 - 200 (2023: 108 - 200)	The higher the yield rate, the higher the fair value.
		(c) Estimated price - rubber (RM/KG) - wood/timber (RM/M^3)	2024: 6.50 (2023: 6.50) 2024: 350 - 425 (2023: 350 - 425)	The higher the price, the higher the fair value.

(iii) Included in forest planting expenditure incurred during the financial year are:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Depreciation of property, plant plant and equipment (Note 18(c))	1	7	1	2
Depreciation of right-of-use assets (Note 19(d))	-	20	-	-
Interest expense (Note 11)	-	10	-	-
Employee benefits expense (Note 13)	437	475	255	219

(iv) The fair value of forest planting expenditure of the Group and of the Company is categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the fair value hierarchy during the financial year.

20. BIOLOGICAL ASSETS (continued)

(b) Fresh Fruit Bunches ("FFB") prior to harvest

(i) The valuation model adopted by the Group and the Company considers the present value of the net cash flows expected to be generated from the sales of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost, transport and windfall profit levy.

(ii) During the financial year, the Group harvested approximately 795,000 tonnes (2023: 905,000 tonnes) of FFB.

(iii) The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy. If the FFB selling price changes by 10%, fair value gain/loss for the Group would have equally increased or decreased by approximately RM2,956,000 (2023: RM2,317,000).

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

21. INTANGIBLE ASSETS

Goodwill

	RM'000
Group	
Cost:	
At 1 January 2023	55,061
Exchange differences	1,738
At 31 December 2023 and 1 January 2024	56,799
Exchange differences	(2,171)
At 31 December 2024	54,628
Accumulated impairment:	
At 1 January 2023	(4,711)
Impairment during the financial year	(7,769)
At 31 December 2023	(12,480)
At 1 January 2024/31 December 2024	(12,480)
Net carrying amount	
At 31 December 2024	42,148
At 31 December 2023	44,319

21. INTANGIBLE ASSETS (continued)

Goodwill (continued)

Impairment tests for goodwill

The carrying amounts of goodwill allocated to each CGU are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Segments:		
Palm products	42,148	44,319

The recoverable amounts of the CGU have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. For palm product companies, cash flows projections are extrapolated to a period of up to twenty-three (23) years, which would cover the major life cycle of oil palm trees. Whilst for other companies, cash flows projections are extrapolated to the average economic useful lives of the assets.

Growth rate for the plantation segment is determined based on the management's estimate of commodity prices, FFB yields, oil extraction rates and also cost of productions whilst growth rates of other segments are determined based on the industry trends and past performances of the segments.

The key assumptions applied to the cash flow projections are as follows:

	2024	**2023**
CPO price (RM/MT)	4,000	3,800
Pre-tax discount rates (%)	10.00 - 13.00	10.00 - 13.00

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

Palm products segment:

CPO price - CPO price is based on average historical price in the previous financial year immediately before the budgeted period.

FFB yields - FFB yields are based on the average yields achieved in the previous financial year immediately before the budgeted period.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to each CGU.

Others segment:

Budgeted gross profit margins - Gross profit margins are based on historical profit margin achieved. These are increased over the budget period for anticipated efficiency improvements.

P*re-tax discount rates* - Discount rates reflect the current market assessment of the risks specific to each CGU.

In the previous financial year, impairment losses on goodwill amounting to RM7,769,000 have been recognised within other expenses in the Statements of Comprehensive Income.

21. INTANGIBLE ASSETS (continued)

Goodwill (continued)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, the management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost:		
In Malaysia	236,721	236,986
Outside Malaysia	39,311	39,311
	276,032	276,297
ESOS granted to employees of subsidiaries	2,342	2,446
Non-cumulative redeemable convertible preference shares	448,856	447,693
	727,230	726,436
Less: Impairment losses	(49,257)	(49,742)
	677,973	676,694

(a) In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

(b) Management has made estimates about the future results and key assumptions applied to cash flow projections of subsidiaries in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenue, as well as determining an appropriate pre-tax discount rate.

The disclosures of the key assumptions are similar to the impairment assessment on the intangible assets, which have been set out in Note 21 to the financial statements.

(c) Impairment losses on investments in subsidiaries amounting to RM860,000 (2023: RM46,784,000) have been recognised within other expenses in the Statement of Comprehensive Income during the financial year in respect of certain subsidiaries due to continuous losses making of these subsidiaries. The net carrying amounts of investments in these subsidiaries amounted to RM8,446,000 (2023: RM13,356,000) as at 31 December 2024.

22. INVESTMENTS IN SUBSIDIARIES (continued)

(d) During the financial year, the Company:

(i) subscribed for an additional 11,420,000 non-cumulative redeemable convertible preference shares in certain subsidiaries for a total subscription consideration of RM20,809,000 by cash and remaining balance of RM6,500,000 was satisfied by way of contra against amount due from a subsidiary.

(ii) redeemed 9,300,000 non-cumulative redeemable convertible preference shares in certain subsidiaries at the total redemption amount of RM25,146,000. The consideration for the redemptions amounted to RM20,346,000 was satisfied by cash and remaining balance of RM4,800,000 was satisfied by way of contra against amount due to a subsidiary.

(iii) struck off TSH Timber Industries Sdn. Bhd from the register of Companies Commission of Malaysia upon the application by the Company and wound-up PT Aramico Komoditi and PT Sejahtera Aman Sejati which were the direct subsidiaries of the Company. The strike-off and winding up of the subsidiaries did not have any material impact on the financial statements of the Company.

(e) In the previous financial year, the Company:

(i) subscribed for an additional 390,000 ordinary shares in certain subsidiaries for a total subscription consideration of RM767,000. The consideration for the subscriptions amounted to RM345,000 was satisfied by cash and remaining balance of RM422,000 was satisfied by way of contra against amount due from a subsidiary.

(ii) subscribed for an additional 52,040,000 non-cumulative redeemable convertible preference shares in certain subsidiaries for a total subscription consideration of RM37,424,000 by cash.

(iii) redeemed 93,335,000 non-cumulative redeemable convertible preference shares in certain subsidiaries at the total redemption amount of RM122,575,000. The consideration for the redemptions amounted to RM77,982,000 was satisfied by cash and remaining balance of RM44,593,000 was satisfied by way of contra against amount due to certain subsidiaries.

(iv) received distribution for return of capital of RM468,000 from PT Sejahtera Aman Sejati, the direct subsidiary of the Company which is under winding up process. The members' voluntary winding up of the subsidiary did not have any material impact on the financial statements of the Company.

(v) struck off Polar Vertix Sdn. Bhd. which was the direct subsidiary of the Company from the register of Companies Commission of Malaysia upon the application by the Company. The strike-off of the subsidiary did not have any material impact on the financial statements of the Company.

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group 2024 %	2023 %	% of ownership held by non-controlling interest 2024 %	2023 %
Held by the Company:						
TSH Plantation Sdn. Bhd. [i]	Malaysia	Operation of palm oil mills and investment holding	100	100	-	-
CocoaHouse Industries Sdn. Bhd. [i]	Malaysia	Dormant	100	100	-	-
CocoaHouse Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Ekowood International Berhad [i]	Malaysia	Manufacture and sale of downstream wood products	100	100	-	-
TSH Bio-Gas Sdn. Bhd. [i]	Malaysia	Operation of biogas power plant	100	100	-	-
LKSK Sdn. Bhd. [i]	Malaysia	Oil palm plantations	51	51	49	49
Tan Soon Hong Holdings Sdn. Bhd. [i]	Malaysia	Oil palm plantations and investment holding	100	100	-	-
TSH Bio-Energy Sdn. Bhd. [i]	Malaysia	Operation of a power plant	100	100	-	-
TSH Timber Industries Sdn. Bhd. [iv]	Malaysia	Dormant	-	100	-	-
POME Energy Sdn. Bhd. [i]	Malaysia	Dormant	100	100	-	-
Landquest Sdn. Bhd. [i]	Malaysia	Oil palm plantations	56.68	56.68	43.32	43.32
TSH Sumbar Group Limited [iii]	Seychelles	Investment holding	100	100	-	-

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group 2024 %	% of effective ownership interest held by the Group 2023 %	% of ownership held by non-controlling interest 2024 %	% of ownership held by non-controlling interest 2023 %
Held by the Company (continued):						
PT Aramico Komoditi [iv]	Indonesia	Dormant	-	74.42	-	25.58
TSH Logistics Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
TSH Oversea Pte. Ltd. [iii]	Singapore	Investment holding	100	100	-	-
TSH Global Plantation Pte. Ltd. [iii]	Singapore	Investment holding	100	100	-	-
TSH Mitra Capital Pte. Ltd. [iii]	Singapore	Investment holding	100	100	-	-
GlobeFlex Advisory Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Halaman Semesta Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Bagan Agresif Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Casa Logistic Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Rinukut Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
TSH Sukuk Capital Sdn. Bhd. [i]	Malaysia	Dormant	100	100	-	-
TSH Sukuk Murabahah Sdn. Bhd. [i]	Malaysia	Undertake of Islamic Securities transactions	100	100	-	-
Icon Field Ventures Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group 2024 %	% of effective ownership interest held by the Group 2023 %	% of ownership held by non-controlling interest 2024 %	% of ownership held by non-controlling interest 2023 %
Held by the Company (continued):						
TSH Agri Pte. Ltd. [iii]	Singapore	Management services and trading of goods	100	100	-	-
PT Sejahtera Aman Sejati [iv]	Indonesia	Dormant	-	65	-	35
Held through Ekowood International Berhad						
Ekowood Malaysia Sdn. Bhd. [i]	Malaysia	Supply and installation of timber flooring	100	100	-	-
EkoLoc System Sdn. Bhd. [i]	Malaysia	Sub-licensing of strip lock system	100	100	-	-
Held through TSH Plantation Sdn. Bhd.						
TSH Plantation Management Sdn. Bhd. [i]	Malaysia	Operation of a palm oil mill	100	100	-	-
TSH Biotech Sdn. Bhd. [i]	Malaysia	Production and supply of tree plantlets and plantables grown through tissue culture process	100	100	-	-
TSH Forest Plantation Sdn. Bhd. [i]	Malaysia	Forest plantation	100	100	-	-
Held through CocoaHouse Sdn. Bhd.						
Afromal Cocoa Limited [ii/iii]	Ghana	Dormant	100	100	-	-

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group 2024 %	2023 %	% of ownership held by non-controlling interest 2024 %	2023 %
Held through Tan Soon Hong Holdings Sdn. Bhd.						
TSH Palm Products Sdn. Bhd. [i]	Malaysia	Investment holding	100	100	-	-
Held through TSH Palm Products Sdn. Bhd.						
Eko Pulp & Paper Sdn. Bhd. [i]	Malaysia	Dormant	100	100	-	-
Held through TSH Sumbar Group Limited						
PT Andalas Agro Industri [iii]	Indonesia	Operation of a palm oil mill and investment holding	70	70	30	30
PT Andalas Wahana Berjaya [iii]	Indonesia	Oil palm plantations and operation of a palm oil mill	70	70	30	30
Held through TSH Oversea Pte. Ltd.						
PT Sarana Prima Multi Niaga [iii]	Indonesia	Oil palm plantations and operation of a palm oil mill	90	90	10	10
PT Teguh Swakarsa Sejahtera [iii]	Indonesia	Oil palm plantations	90	90	10	10
Held through PT Andalas Agro Industri						
PT Laras Internusa [iii]	Indonesia	Oil palm plantations	69.77	69.77	30.23	30.23

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group 2024 %	2023 %	% of ownership held by non-controlling interest 2024 %	2023 %
Held through TSH Global Plantation Pte. Ltd.						
PT Farinda Bersaudara [iii]	Indonesia	Oil palm plantations and operation of a palm oil mill	90	90	10	10
Held through TSH Mitra Capital Pte. Ltd.						
PT Mitra Jaya Cemerlang [iii]	Indonesia	Oil palm plantations	90	90	10	10
Held through GlobeFlex Advisory Sdn. Bhd.						
PT Karya Unggulan Cemerlang [iii]	Indonesia	Provision of management services	90	90	10	10
Held through TSH Logistics Sdn. Bhd.						
PT Bulungan Citra Agro Persada [iii]	Indonesia	Oil palm plantations	90	90	10	10
Held through Halaman Semesta Sdn. Bhd.						
PT Munte Waniq Jaya Perkasa [iii]	Indonesia	Oil palm plantations	90	90	10	10
Held through Bagan Agresif Sdn. Bhd.						
PT Andalas Wahana Sukses [iii]	Indonesia	Oil palm plantations	90	90	10	10

22. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows (continued):

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	% of effective ownership interest held by the Group		% of ownership held by non-controlling interest	
			2024 %	2023 %	2024 %	2023 %
Held through Casa Logistic Sdn. Bhd.						
PT Perkebunan Sentawar Membangun [iii]	Indonesia	Oil palm plantations	90	90	10	10
Held through Rinukut Sdn. Bhd.						
RT Plantations Sdn. Bhd. [i]	Malaysia	Oil palm plantations	60	60	40	40
Held through Icon Field Ventures Sdn. Bhd.						
PT Prima Usaha Sukses [iii]	Indonesia	Oil palm plantations	90	90	10	10

[i] *Audited by BDO PLT, Malaysia.*
[ii] *These subsidiaries were placed under members' voluntary winding-up/strike off.*
[iii] *Not audited by BDO PLT or member firms of BDO International.*
[iv] *Struck off/ Wound up and did not have any material effect to the financial performance.*

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries

Summarised financial information of partly-owned subsidiaries, which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests ("NCI") in respect of other subsidiaries is not material to the Group.

(i) Summarised statements of financial position

	Subsidiaries of TSH Sumbar Group Limited		Subsidiaries of TSH Oversea Pte. Ltd.		Subsidiary of TSH Logistics Sdn. Bhd.		LKSK Sdn. Bhd.		Landquest Sdn. Bhd.		Subsidiary of Rinukut Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets and liabilities												
Non-current assets	407,347	420,972	395,900	336,004	271,710	319,681	39,914	40,345	30,660	31,248	81,142	83,389
Current assets	95,312	90,041	129,435	107,777	32,720	23,908	5,263	2,783	2,829	2,482	6,142	4,260
Total assets	502,659	511,013	525,335	443,781	304,430	343,589	45,177	43,128	33,489	33,730	87,284	87,649
Current liabilities	18,754	18,366	124,327	14,967	5,898	23,224	903	791	838	1,380	2,255	1,915
Non-current liabilities	7,985	9,148	8,402	7,654	3,410	2,416	9,397	9,437	5,916	5,853	92,000	94,935
Total liabilities	26,739	27,514	132,729	22,621	9,308	25,640	10,300	10,228	6,754	7,233	94,255	96,850
Net assets/(liabilities)	475,920	483,499	392,606	421,160	295,122	317,949	34,877	32,900	26,735	26,497	(6,971)	(9,201)
Carrying amounts of NCI	142,888	145,161	39,406	42,261	29,512	31,795	20,951	19,982	11,054	10,951	6,983	6,091

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries (continued)

(ii) Summarised statements of comprehensive income

	Subsidiaries of TSH Sumbar Group Limited		Subsidiaries of TSH Oversea Pte. Ltd.		Subsidiary of TSH Logistics Sdn. Bhd.		LKSK Sdn. Bhd.		Landquest Sdn. Bhd.		Subsidiary of Rinukut Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Results												
Revenue	145,918	216,521	241,448	226,829	56,035	50,365	12,904	10,880	4,330	4,152	30,569	23,846
Profit/(Loss) for the year	23,064	64,121	80,506	65,328	1,486	54,038	3,978	2,598	238	263	2,229	(4,528)
Total comprehensive income/(loss) for the year	24,648	63,590	80,983	65,164	1,597	54,056	3,978	2,598	238	263	2,229	(4,528)
Profit/(Loss) allocated to NCI	7,185	19,410	8,098	6,533	157	5,405	1,949	1,273	103	113	892	(1,811)
Total comprehensive income/(loss) allocated to NCI	7,049	19,142	8,057	6,478	81	5,405	1,949	1,273	103	113	892	(1,811)

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries (continued)

(iii) Summarised cash flows

	Subsidiaries of TSH Sumbar Group Limited		Subsidiaries of TSH Oversea Pte. Ltd.		Subsidiary of TSH Logistics Sdn. Bhd.		LKSK Sdn. Bhd.		Landquest Sdn. Bhd.		Subsidiary of Rinukut Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net cash flows from operating activities	13,061	71,881	82,921	83,654	12,538	18,130	3,996	3,377	792	855	13,267	7,737
Net cash flows from/(used in) investing activities	6,246	(32,481)	(29,691)	(76,734)	(4,669)	11,219	(590)	(1,689)	(203)	(644)	(1,814)	(3,056)
Net cash flows used in financing activities	(29,353)	(32,549)	(77,013)	(7,284)	-	(29,800)	(2,000)	(5,800)	(515)	-	(10,448)	(4,864)
Net (decrease)/increase in cash and cash equivalents	(10,046)	6,851	(23,783)	(364)	7,869	(451)	1,406	(4,112)	74	211	1,005	(183)
Effect of exchange rate changes	(4,499)	3,232	(4,152)	3,342	(928)	766	-	-	-	-	-	-
Cash and cash equivalents at beginning of the year	67,044	56,961	61,865	58,887	13,819	13,504	1,344	5,456	287	76	918	1,101
Cash and cash equivalents at end of the year	52,499	67,044	33,930	61,865	20,760	13,819	2,750	1,344	361	287	1,923	918
Dividends paid to non-controlling interests	-	-	17,783	10,735	-	3,050	980	2,842	-	-	-	-

23. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Quoted equity shares in Malaysia				
At cost	61,259	61,259	61,259	61,259
Share of post-acquisition reserves	23,614	17,386	-	-
	84,873	78,645	61,259	61,259
Unquoted equity shares in Malaysia				
At cost	-*	-	-*	-
	84,873	78,645	61,259	61,259
Fair value of investment in an associate for which there is published price quotation	172,299	137,629	172,299	137,629

* *The amount is negligible as it is less than RM1,000.*

(a) Investments in associates are measured at cost in the separate financial statements of the Company and is accounted for using the equity method in the consolidated financial statements.

(b) The details of the associates are as follows:

Name of associates	Principal place of business/ Country of incorporation	Principal activities	Effective interest 2024 %	Effective interest 2023 %
Innoprise Plantations Berhad *	Malaysia	Operation of oil palm plantations and palm oil mill, and producer and supplier of renewable energy	21.94	21.94
Inno Solar Sdn. Bhd.*	Malaysia	Dormant	30.00	-

* *Not audited by BDO PLT or member firms of BDO International.*

(c) The financial year end of the above associates are coterminous with those of the Group.

23. INVESTMENTS IN ASSOCIATES (continued)

(d) The summarised financial information of significant associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

(i) Summarised statements of financial position

	2024 RM'000	2023 RM'000
Assets and liabilities		
Current assets	67,238	39,552
Non-current assets	369,187	362,903
Total assets	436,425	402,455
Current liabilities	30,544	23,289
Non-current liabilities	68,541	70,208
Total liabilities	99,085	93,497
Net assets	337,340	308,958

(ii) Summarised statements of comprehensive income

	2024 RM'000	2023 RM'000
Results		
Revenue	277,782	227,133
Profit for the year	87,157	53,463
Total comprehensive income	87,157	53,463

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate.

	2024 RM'000	2023 RM'000
Net assets at 1 January	308,958	303,451
Total comprehensive income	87,157	53,463
Transaction with owners	(58,775)	(47,956)
Net assets at 31 December	337,340	308,958
Interest in associate (%)	21.94%	21.94%
	74,013	67,785
Goodwill	10,860	10,860
Carrying value of Group's interest in associate	84,873	78,645

(iv) Dividends received from associate during the financial year amounted to RM12,659,000 (2023: RM9,981,000).

(v) The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

24. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	20,750	20,750	20,750	20,750
Share of post-acquisition reserves	90,792	82,340	-	-
	111,542	103,090	20,750	20,750

The Group has 50% of the voting rights of its joint arrangements. Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities. The Group's interest in joint ventures is accounted for using the equity method in the consolidated financial statements. In the separate financial statements of the Company, investments in joint ventures are measured at cost.

The joint arrangements are structured via separate entities and provide the Group with the rights to the net assets of the entities under the arrangements. Therefore, these entities are classified as joint ventures of the Group.

(a) Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest 2024 %	Effective interest 2023 %
TSH-Wilmar Sdn. Bhd.*	Malaysia	Operation of palm oil refinery mill and kernel crushing plant	50	50
TSH-Wilmar (BF) Sdn. Bhd.*	Malaysia	Operation of a power plant	50	50

* *Audited by BDO PLT, Malaysia.*

These joint ventures have the same reporting period as the Group.

(b) Summarised financial information of TSH-Wilmar Sdn. Bhd. and TSH-Wilmar (BF) Sdn. Bhd. is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

(i) Summarised statements of financial position

	TSH-Wilmar Sdn. Bhd.		TSH-Wilmar (BF) Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets	51,457	50,972	11,250	11,831
Cash and cash equivalents	45,115	48,566	2,882	2,716
Other current assets	334,952	363,157	25,270	19,877
Total current assets	380,067	411,723	28,152	22,593
Total assets	431,524	462,695	39,402	34,424

24. INVESTMENTS IN JOINT VENTURES (continued)

(b) Summarised financial information of TSH-Wilmar Sdn. Bhd. and TSH-Wilmar (BF) Sdn. Bhd. is set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts. (continued)

(i) Summarised statements of financial position (continued)

	TSH-Wilmar Sdn. Bhd.		TSH-Wilmar (BF) Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current liabilities	4,353	1,419	1,510	1,378
Current liabilities	240,961	287,733	1,467	1,596
Total liabilities	245,314	289,152	2,977	2,974
Net assets	186,210	173,543	36,425	31,450

(ii) Summarised statements of comprehensive income

	TSH-Wilmar Sdn. Bhd.		TSH-Wilmar (BF) Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	2,192,974	2,220,625	26,352	26,754
Depreciation and amortisation	(3,058)	(2,717)	(825)	(821)
Interest income	2,110	1,258	723	509
Interest expense	(6,277)	(6,681)	-	-
Profit/(Loss) before tax	15,818	(15,360)	6,562	9,879
Taxation	(3,151)	4,370	(1,587)	(2,402)
Profit/(Loss) after tax, total comprehensive income/(loss)	12,667	(10,990)	4,975	7,477

(c) Reconciliations of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures are as follows:

	TSH-Wilmar Sdn. Bhd.		TSH-Wilmar (BF) Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net assets at 1 January	173,543	184,533	31,450	23,973
Profit/(Loss) for the year	12,667	(10,990)	4,975	7,477
Net assets at 31 December	186,210	173,543	36,425	31,450
Interests in joint ventures	50%	50%	50%	50%
	93,105	86,772	18,213	15,725
Unrealised profit on inventories	224	593	-	-
Carrying value of Group's interests in joint ventures	93,329	87,365	18,213	15,725

25. DEFERRED TAX

(a) Deferred tax as at 31 December related to the following:

Group	At 1 January 2024 RM'000	Recognised in profit or loss (Note 15) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 31 December 2024 RM'000
Deferred tax liabilities:					
Property, plant and equipment	55,797	1,874	-	(1,150)	56,521
Biological assets	72,615	1,312	-	(233)	73,694
Land use rights	7,049	(1,312)	-	(582)	5,155
Right-of-use assets	15,083	(291)	-	-	14,792
Others	(351)	423	-	34	106
	150,193	2,006	-	(1,931)	150,268
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(56,270)	(434)	-	125	(56,579)
Others	(7,423)	86	480	595	(6,262)
	(63,693)	(348)	480	720	(62,841)
	86,500	1,658	480	(1,211)	87,427

25. DEFERRED TAX (continued)

(a) Deferred tax as at 31 December related to the following (continued):

Group	At 1 January 2023 RM'000	Recognised in profit or loss (Note 15) RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	At 31 December 2023 RM'000
Deferred tax liabilities:					
Property, plant and equipment	52,033	3,098	-	666	55,797
Biological assets	68,304	4,405	-	(94)	72,615
Land use rights	7,916	(1,332)	-	465	7,049
Right-of-use assets	15,367	(284)	-	-	15,083
Others	398	(753)	-	4	(351)
	144,018	5,134	-	1,041	150,193
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(56,861)	695	-	(104)	(56,270)
Others	(6,628)	(196)	(194)	(405)	(7,423)
	(63,489)	499	(194)	(509)	(63,693)
	80,529	5,633	(194)	532	86,500

25. DEFERRED TAX (continued)

(a) Deferred tax as at 31 December related to the following (continued):

Company	At 1 January 2023 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 December 2023/ 1 January 2024 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 December 2024 RM'000
Deferred tax liabilities:					
Property, plant and equipment	5,055	(77)	4,978	(41)	4,937
Biological assets	45,746	624	46,370	(113)	46,257
	50,801	547	51,348	(154)	51,194
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(47,046)	1,334	(45,712)	(1,040)	(46,752)
Others	(2,247)	79	(2,168)	729	(1,439)
	(49,293)	1,413	(47,880)	(311)	(48,191)
	1,508	1,960	3,468	(465)	3,003

25. DEFERRED TAX (continued)

(a) Deferred tax as at 31 December related to the following (continued):

Presented after appropriate offsetting:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Deferred tax assets, net*	(192)	(473)	-	-
Deferred tax liabilities, net*	87,619	86,973	3,003	3,468
	87,427	86,500	3,003	3,468

* *The amount of set-off between deferred tax assets and deferred tax liabilities was RM62,649,000 (2023: RM63,220,000) for the Group.*

(b) Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	**2023 RM'000**
Unused tax losses		
- No expiry date	61,399	60,222
- Expires by 2026 to 2034	145,438	150,108
Unabsorbed capital allowances	11,014	10,758
Other deductible temporary differences	38,103	51,245
	255,954	272,333

The Group and the Company have assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences. Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board while the unused tax losses of certain foreign subsidiaries are available for carry forward in the jurisdiction in which the foreign subsidiaries operate for a period of 5 years from the year in which those tax losses arose.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

(c) Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's foreign subsidiaries as the Group is able to control the timing of the reversal of temporary differences associated with the investments.

26. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Trade receivables				
Amounts due from subsidiaries	-	-	1,588	1,093
Third parties	34,458	21,784	636	621
Joint ventures	1,767	5,488	-	-
Retention sums on contract (Note 30)	547	529	-	-
	36,772	27,801	2,224	1,714
Less: Allowance for impairment	(1,472)	(1,229)	-	-
Trade receivables, net	35,300	26,572	2,224	1,714
Other receivables				
Amounts due from related parties:				
- subsidiaries	-	-	1,785	8,345
- joint ventures	7	161	7	55
	7	161	1,792	8,400
Less: Allowance for impairment	-	-*	(52)	(273)
	7	161	1,740	8,127
Other deposits	1,407	1,645	290	471
Sundry receivables	8,980	9,299	2,169	2,376
	10,394	11,105	4,199	10,974
Less: Allowance for impairment	(1,564)	(1,463)	(1,270)	(1,270)
	8,830	9,642	2,929	9,704
	44,130	36,214	5,153	11,418
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	92,200	202,998
Plasma receivables (Note 26(b)(ii))	48,955	52,897	-	-
Sundry receivables	-	8,498	-	-
	48,955	61,395	92,200	202,998
Less: Allowance for impairment	(14,895)	(13,485)	(2,053)	(4,168)
	34,060	47,910	90,147	198,830
Total trade and other receivables (current and non-current)	78,190	84,124	95,300	210,248
Add: Cash and bank balances and deposits (Note 33)	263,361	250,138	37,357	31,207
Total financial assets at amortised cost	341,551	334,262	132,657	241,455

* *The expected credit loss is immaterial.*

26. TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables are classified as financial assets and measured at amortised cost.

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of the Group's and of the Company's trade receivables are as follows:

	2024		
Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
Current	28,571	(9)	28,562
Past due			
- 1 to 30 days	3,166	(3)	3,163
- 31 to 60 days	11	-	11
- 61 to 90 days	170	(58)	112
- 91 to 120 days	-	-	-
- More than 121 days	3,839	(387)	3,452
	7,186	(448)	6,738
Credit impaired			
Individually impaired	1,015	(1,015)	-
	36,772	(1,472)	35,300

	2023		
Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
Current	22,142	(52)	22,090
Past due			
- 1 to 30 days	2,838	(62)	2,776
- 31 to 60 days	-	-	-
- 61 to 90 days	-	-	-
- 91 to 120 days	-	-	-
- More than 121 days	2,361	(655)	1,706
	5,199	(717)	4,482
Credit impaired			
Individually impaired	460	(460)	-
	27,801	(1,229)	26,572

26. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

The ageing analysis of the Group's and of the Company's trade receivables are as follows (continued):

	2024		
Company	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
Current	2,224	-	2,224

	2023		
Company	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
Current	1,714	-	1,714

Impairment losses

Impairment losses for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements, based on the following common credit risk characteristics - geographic region and type of products purchased, to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information i.e. Gross Domestic Product (GDP) and crude palm oil prices and multiplied by the amount of the expected loss to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within other expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

26. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Impairment losses (continued)

Movements in allowance for impairment accounts are as follows:

Group	Lifetime ECL* allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2024	769	460	1,229
Charge for the financial year	33	764	797
Write back of impairment loss	(345)	(123)	(468)
Exchange differences	-	(86)	(86)
At 31 December 2024	457	1,015	1,472
At 1 January 2023	650	1,474	2,124
Charge for the financial year	119	19	138
Write back of impairment loss	-	(358)	(358)
Write-offs	-	(670)	(670)
Exchange differences	-	(5)	(5)
At 31 December 2023	769	460	1,229

* *Expected credit losses*

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

The maximum exposures to credit risk of trade receivables of the Group and of the Company are represented by the carrying amounts of trade receivables recognised in the statements of financial position. These receivables are not secured by any collateral or credit enhancement as at the end of the current financial year.

(b) Other receivables

(i) Impairment for amounts due from subsidiaries, joint ventures, plasma receivables, other receivables and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which credit risk had increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

26. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

(i) (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group determined significant increase in credit risk based on past due information, i.e. overdue amounts more than 90 days.

The probabilities of non-payment by amounts due from subsidiaries, joint ventures, plasma receivables, other receivables and deposits are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for amounts due from subsidiaries, joint ventures, plasma receivables, other receivables and deposits.

It requires management to exercise significant judgement in determining the probability of default by amounts due from subsidiaries, joint ventures, plasma receivables, other receivables and deposits, appropriate forward-looking information i.e. Gross Domestic Product (GDP), crude palm oil prices, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

Movements in allowance for impairment accounts for current and non-current other receivables (included plasma receivables) are as follows:

Group	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total allowance RM'000
At 1 January 2024	193	7,658	7,097	14,948
Charge for the financial year	125	-	4,132	4,257
Write back of impairment loss	-	(1,729)	-	(1,729)
Written off	(24)	-	-	(24)
Exchange differences	-	(993)	-	(993)
At 31 December 2024	294	4,936	11,229	16,459
At 1 January 2023	195	9,101	1,270	10,566
Charge for the financial year	24	-	4,182	4,206
Write back of impairment loss	(26)	(298)	-	(324)
Reclassified from stage 2 to stage 3	-	(1,645)	1,645	-
Exchange differences	-	500	-	500
At 31 December 2023	193	7,658	7,097	14,948

26. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

(i) (continued)

Company	12-month ECL RM'000	Lifetime ECL - credit impaired RM'000	Total allowance RM'000
At 1 January 2023	11	1,270	1,281
Write back of impairment loss	(11)	-	(11)
31 December 2023/2024	-	1,270	1,270

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

(ii) Plasma receivables

The Indonesian government requires oil palm plantation companies to develop new plantations together with the local small landholders. This form of assistance to local small landholders is generally known as the "Plasma Scheme". Once developed, the plasma plantations are transferred to the small landholders who then operate the plasma plantations under the supervision of the developer. In line with this requirement, certain subsidiaries have commitments to develop plantations under the Plasma Scheme. The funding for the development of the plantations under the Plasma Scheme is provided by the designated banks and/or by the subsidiaries. The subsidiaries also provide corporate guarantees for the loans advanced by the banks.

The Group through this partnership scheme also provides technical assistance to the plasma farmers to maintain the productivity of plasma plantations as part of the Group's strategy to strengthen relationship with plasma farmers. This is expected to improve the repayments of plasma receivables.

The accumulated development costs net of funds received are presented as plasma receivables in the consolidated statement of financial position under the Palm Products segment. An analysis of the movements in the plasma receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Balance at 1 January	52,897	49,445
(Net repayments from)/Additional net investments	(3,942)	3,452
	48,955	52,897
Less: Allowance for impairment	(14,895)	(13,485)
Balance at 31 December	34,060	39,412

26. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

(iii) Non-current receivables of the Group are carried at amortised cost and the discount rates used are based on the effective interest rate of approximately 11% (2023: 11%), which are reasonable approximation of their fair values.

(c) Amounts due from subsidiaries

Non-current amounts due from subsidiaries are interest bearing, unsecured and not payable within the next twelve (12) months. The carrying amount of non-current amounts due from subsidiaries approximates its fair value as its interest rate is priced at reasonable approximation of the market interest rate as at the end of the reporting period.

Except for the current amounts due from certain subsidiaries totalling RM1,222,000 (2023: RM7,640,000) that are interest bearing, the current amounts due from other subsidiaries are non-interest bearing, unsecured and are payable within the next twelve (12) months in cash and cash equivalents.

The effective interest rate per annum of amounts due from subsidiaries as at the end of the reporting period were as follows:

	Company			
	2024 %	**2023 %**	**2024 RM'000**	**2023 RM'000**
Floating rate				
Current amounts due from subsidiaries	5.13 - 5.45	5.01 - 5.49	1,222	7,640
Non-current amount due from a subsidiary	8.15	7.90 - 8.15	92,200	94,935
Fixed rate				
Non-current amounts due from subsidiaries	-	5.50	-	108,063

At the end of reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Company's profit net of tax would have been RM178,000 (2023: RM195,000) higher/lower, arising mainly as a result of higher/lower interest income on amount due from subsidiaries. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 26(b) to the financial statements.

26. TRADE AND OTHER RECEIVABLES (continued)

(c) Amounts due from subsidiaries (continued)

Movements in the allowance for impairment accounts for amounts due from subsidiaries are as follows:

Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
2024				
At beginning of financial year	829	3,586	26	4,441
Write back of impairment losses	(813)	(1,523)	-	(2,336)
At end of financial year	16	2,063	26	2,105
2023				
At beginning of financial year	1,132	3,586	26	4,744
Write back of impairment losses	(303)	-	-	(303)
At end of financial year	829	3,586	26	4,441

(d) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of reporting period are as follows:

	Group			
	2024		2023	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Palm products	25,240	70%	18,666	67%
Others	11,532	30%	9,135	33%
	36,772	100%	27,801	100%

As at the end of the reporting period, approximately:

- 5% (2023: 20%) of the trade receivables of the Group were due from related parties.
- 50% (2023: 52%) of the trade and other receivables of the Group were due from plasma receivables.
- 97% (2023: 98%) of the trade and other receivables of the Company were due from subsidiaries.

27. INVESTMENT SECURITIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
- Equity instruments (quoted in Malaysia)	-	1	-	1
Non-current				
- Debt instruments (unquoted)	64,529	28,044	-	-
- Equity instruments (unquoted)	-	50	-	50
	64,529	28,094	-	50
	64,529	28,095	-	51

(a) The equity instruments were classified as financial assets at fair value profit or loss pursuant to MFRS 9 *Financial Instruments*.

(b) The debt instruments were classified as financial assets at fair value through other comprehensive income pursuant to MFRS 9.

(c) All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

(d) Fair value of quoted ordinary shares in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the end of the reporting period.

(e) The fair value of quoted and unquoted equity instruments of the Group and of the Company is categorised as Level 1 and Level 3 respectively in the fair value hierarchy.

(f) Unquoted debt instruments represent unquoted bonds, measured at Level 2 in the fair value hierarchy. The fair value of unquoted bonds is determined by reference to published market bid price of unquoted fixed income securities based on information provided by banks.

(g) During the financial year, the non-current unquoted equity instruments amounted to RM50,000 has been written off.

(h) During the financial year, the quoted equity instruments amounted to RM800 has been fully impaired.

(i) There is no transfer between levels in the hierarchy during the financial year.

(j) The following table shows a reconciliation of Level 3 fair values:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance at 1 January/31 December	-	50	-	50

(k) <u>Sensitivity analysis for equity price risk</u>

At the end of the reporting period, if the FTSE Bursa Malaysia KLCI had been 5% higher/lower, with all other variables held constant, the impact to the Group's and the Company's profit net of tax and equity would be minimal.

28. INVENTORIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
Raw materials	9,044	9,456	-	-
Finished goods	13,714	11,382	542	136
Nursery	6,313	3,460	433	419
Stores and supplies	39,009	36,364	592	493
	68,080	60,662	1,567	1,048
Net realisable value				
Work-in-progress	10,426	8,087	-	-
Finished goods	24,177	24,969	-	-
	34,603	33,056	-	-
	102,683	93,718	1,567	1,048

(a) Oil palm and wood products are valued on the weighted average method.

(b) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group and of the Company were RM622,215,000 (2023: RM655,509,000) and RM4,005,000 (2023: RM3,140,000) respectively.

(c) A write off of inventories amounting to RM651,000 (2023: RM6,798,000) were made by the Group during the financial year.

(d) The Group reversed RM8,299,000 (2023: RM6,375,000) in respect of inventories written down in the previous financial year that were subsequently not required due to subsequent sales of products and the increase in selling price of commodities.

29. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract assets (Note 30)	220	68	-	-
Prepayments	2,860	5,252	464	216
	3,080	5,320	464	216

30. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM'000	2023 RM'000
Contract assets (Note 29):		
Construction contracts	220	68
	220	68
Contract liabilities (Note 40):		
Construction contracts	(22)	(33)
Deferred revenue	(4,479)	(1,264)
	(4,501)	(1,297)
	(4,281)	(1,229)

(a) Construction contracts

	Group	
	2024 RM'000	2023 RM'000
Supply and installation service costs incurred to date	7,795	17,912
Attributable profits	1,339	2,886
	9,134	20,798
Less: Progress billings	(8,936)	(20,763)
Contract liabilities		
Construction contracts	198	35
Retention sums on contracts, included within trade receivables (Note 26)	547	529
Analysed as follows:		
Contract assets	220	68
Contract liabilities	(22)	(33)
	198	35

The Group provides flooring installation works on contract basis for timber flooring supplied to customers.

Construction contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

30. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Deferred revenue

A reconciliation of the deferred revenue is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	1,264	700
Additions during the financial year	17,481	18,693
Recognised as revenue during the financial year	(14,266)	(18,129)
At 31 December	4,479	1,264

Deferred revenue represents billing to the customers for the sale of wood products, which performance obligation has not been satisfied as at the end of the reporting period.

(c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group		
31 December 2024	**2025 RM'000**	**2026 RM'000**	**Total RM'000**
Contract liabilities	4,501	-	4,501
31 December 2023	**2024 RM'000**	**2025 RM'000**	**Total RM'000**
Contract liabilities	1,297	-	1,297

(d) Impairment for contract assets are recognised based on the simplified approach within MFRS 9 using lifetime expected credit losses as disclosed in Note 26(a) to the financial statements.

(e) No expected credit loss is recognised arising from contract assets as it is negligible.

(f) There were no significant changes in the contract assets and liabilities during the financial year.

31. DERIVATIVES

	2024			2023		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
Group						
Non-hedging derivatives:						
Non-current						
Forward currency contracts	-	-	-	31,212	717	-
Current						
Forward currency contracts	30,433	298	-	30,294	161	-
Commodity futures contracts	-	-	-	6,832	134	-
		298	-		295	-
Total		298	-		1,012	-
Company						
Non-hedging derivatives:						
Non-current						
Forward currency contracts	-	-	-	31,212	717	-
Current						
Forward currency contracts	30,433	298	-	30,294	161	-
Total		298	-		878	-

(a) Derivative assets are classified as financial assets measured at fair value through profit or loss whereas derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.

(b) The Group and the Company use forward currency contracts and commodity futures contract to manage some of its transactions exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's loans and borrowings denominated in USD.

(c) The commodity futures contracts were used to hedge prices fluctuation of CPO commodity.

(d) During the financial year, the Group and the Company recognised a loss of RM714,000 (2023: net gain of RM4,264,000) and net loss of RM580,000 (2023: net gain of RM4,145,000) respectively arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate and price fluctuation of CPO commodity.

31. DERIVATIVES (continued)

(e) Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value of outstanding commodity future contracts was calculated by reference to quoted market prices for contracts with similar maturity profiles.

(f) Commodity future contracts were categorised as Level 1 in the fair value hierarchy, whilst forward currency contracts are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

32. SHORT TERM FUNDS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
At fair value through profit or loss				
Investment in fixed income trust funds in Malaysia	2,961	5,349	160	155

(a) Investment in fixed income trust funds in Malaysia represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(b) Fair values of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period.

(c) Short term funds are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

33. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash at banks and on hand	194,124	239,263	36,624	25,515
Deposits with licensed banks	69,237	10,875	733	5,692
Cash and bank balances	263,361	250,138	37,357	31,207

(a) Cash and bank balances are classified as financial assets and measured at amortised cost.

(b) Deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group and the Company and earn interests at the respective short-term deposit rates.

The effective interest rate of deposits with both licensed banks of the Group and of the Company ranged from 1.05% to 6.50% (2023: 2.50% to 3.50%) and 1.05% to 3.00% (2023: 2.70% to 3.00%) per annum respectively.

33. CASH AND BANK BALANCES (continued)

(c) Deposits with licensed banks of the Group amounting to RM3,691,000 (2023: RM3,957,000) are pledged as securities for bank guarantees facilities granted.

(d) For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances and deposits	263,361	250,138	37,357	31,207
Short term funds (Note 32)	2,961	5,349	160	155
Less:				
Bank overdrafts (Note 38)	(716)	-	-	-
Deposits pledged with licensed banks	(3,691)	(3,957)	-	-
Deposits with maturity of over 3 months	-	(496)	-	-
Cash and cash equivalents	261,915	251,034	37,517	31,362

(e) Sensitivity analysis for cash and bank balances at the end of the reporting period is not presented as fixed rate instrument is not affected by changes in interest rates.

(f) No expected credit loss is recognised arising from deposits with licensed banks because the probability of default by these financial institutions is negligible.

34. ASSETS HELD FOR SALE

(a) On 4 April 2022, PT Bulungan Citra Agro Persada ("PT BCAP"), a 90% owned subsidiary of the Company entered into a conditional sale, purchase and compensation of land agreement ("CSPA") with PT Kawasan Industri Kalimantan Indonesia ("KIKI") and PT Kalimantan Industrial Park Indonesia ("KIPI") for the proposed disposal by PT BCAP of 13,214.90 hectares of certificated land together with 683.36 hectares of uncertified land adjoining thereto (collectively referred to as "the Sale Land") for a total cash consideration of IDR2,428.86 billion (or equivalent to approximately RM731,090,000).

On 8 August 2022, the disposal of 7,817.36 hectares of the Sale Land was completed.

On 18 January 2023, the disposal for 574.56 hectares of the uncertified land was completed for cash consideration amounted to RM28,717,000, which is subject to 2.5% tax on the cash consideration amounted to RM718,000 and this has been recognised in administrative expenses within Statements of Comprehensive Income during the financial year. The Group recorded a gain on disposal of RM27,604,000 in the financial statements.

KIKI, KIPI and BCAP had on 7 August 2024, mutually agreed to terminate the acquisitions of the remaining Land. The reason for the termination is due to the non-fulfilment of a condition precedent namely, the signing of the Minutes of Clean and Clear by KIKI or KIPI, as the case may be, and BCAP by the Extended Long Stop Date and the inability of the parties to mutually agree upon an alternative measure for the closing of the remaining Land within 30 days from the expiry of the Extended Long Stop Date.

34. ASSETS HELD FOR SALE (continued)

(a) (continued)

The termination has resulted in the recognition of prior periods depreciation charges of approximately RM21,974,000 in respect of property, plant and equipment and right-of-use assets which were classified as Assets Held for Sale since the previous financial years.

(b) As at the end of financial year, the assets held for sale of the Group are as follows:

Group	As at 1 January 2024 RM'000	Reclassifications RM'000	As at 31 December 2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	208,560	(208,560)	-
Right-of-use assets	12,293	(12,293)	-
Assets held for sale	220,853	(220,853)	-

35. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Share capital (Issued and fully paid with no par value) '000	Treasury shares '000	Share capital (Issued and fully paid with no par value) RM'000	Treasury shares RM'000
At 1 January 2024	1,381,803	(1,629)	740,512	(1,467)
Repurchase of treasury shares	-	(13,166)	-	(16,406)
At 31 December 2024	1,381,803	(14,795)	740,512	(17,873)
At 1 January 2023/31 December 2023	1,381,803	(1,629)	740,512	(1,467)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

Reacquired shares are classified as treasury shares, recognised based on the amount of consideration paid and presented as a deduction from total equity.

This amount relates to the acquisition cost of treasury shares. The shareholders of the Company, by an ordinary resolution passed in an annual general meeting held on 20 May 2024, renewed their approval for the Company's plan to repurchase its own ordinary shares. The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

35. SHARE CAPITAL AND TREASURY SHARES (continued)

Treasury shares (continued)

During the financial year, the Company repurchased 13,166,000 of its issued ordinary shares from the open market at prices between RM1.20 to RM1.25 per ordinary share. The total consideration paid and payable for the repurchase was RM16,406,000 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 1,381,803,000 (2023: 1,381,803,000) issued and fully paid ordinary shares as at 31 December 2024, 14,795,000 (2023: 1,629,000) are held as treasury shares by the Company. As at 31 December 2024, the number of outstanding ordinary shares in issue after set off is therefore 1,367,008,000 (2023: 1,380,174,000) ordinary shares.

36. OTHER RESERVES

Group	Capital reserve RM'000	Foreign currency translation reserve RM'000	Share of associate reserve RM'000	Fair value reserve RM'000	Total RM'000
At 1 January 2024	9,630	(178,443)	100	(164)	(168,877)
Other comprehensive income/(loss):					
Foreign currency translations	-	(95,241)	-	-	(95,241)
Net gain on financial assets measured at FVOCI	-	-	-	135	135
Cumulative gain on financial assets measured at FVOCI reclassified to profit or loss upon redemption	-	-	-	(34)	(34)
At 31 December 2024	9,630	(273,684)	100	(63)	(264,017)
At 1 January 2023	9,630	(264,636)	100	-	(254,906)
Other comprehensive (loss)/income:					
Foreign currency translations	-	86,193	-	-	86,193
Net loss on financial assets measured at FVOCI	-	-	-	(261)	(261)
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon disposal	-	-	-	97	97
At 31 December 2023	9,630	(178,443)	100	(164)	(168,877)

36. OTHER RESERVES (continued)

The nature and purpose of each category of reserve are as follows:

(a) Capital reserve

This reserve comprises all the amounts capitalised arising from the redemption of non-cumulative redeemable preference shares in the subsidiaries and cancellation of treasury shares.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items, which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Share of associate reserve

This reserve represents the Group's share of reserve of the associate arising from the share options granted by the associate to its employees.

(d) Fair value reserve

This reserve is used to record fair value changes arising from the Group's investments in financial instruments measured at FVOCI.

37. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single-tier system.

38. LOANS AND BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term borrowings				
Secured:				
Term loans	52,433	52,294	52,433	52,294
	52,433	52,294	52,433	52,294
Unsecured:				
Bank overdrafts	716	-	-	-
Bankers' acceptances	25,159	40,863	-	-
Revolving credits	122,800	93,000	102,000	62,000
Term loans	-	5,000	-	5,000
	148,675	138,863	102,000	67,000
	201,108	191,157	154,433	119,294
Long term borrowings				
Secured:				
Term loans	58,579	110,963	58,579	110,963
	58,579	110,963	58,579	110,963
Total borrowings				
Bank overdrafts	716	-	-	-
Bankers' acceptances	25,159	40,863	-	-
Revolving credits	122,800	93,000	102,000	62,000
Terms loans	111,012	168,257	111,012	168,257
	259,687	302,120	213,012	230,257

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) The effective interest rates per annum of loans and borrowings as at the end of the reporting period were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Floating rate				
Bank overdrafts	7.35	-	-	-
Bankers' acceptances	3.76 - 4.27	3.87 - 4.35	-	-
Revolving credits	4.11 - 4.90	4.19 - 4.91	4.11 - 4.25	4.19 - 4.29
Terms loans	3.00 - 6.14	3.00 - 7.12	3.00 - 6.14	3.00 - 7.12

38. LOANS AND BORROWINGS (continued)

(c) The borrowings of the Group and of the Company are secured by the following:

(i) A letter of negative pledge over the assets of the Company with certain bankers;

(ii) Certain landed properties of the Group as follows: and

	Group	
	2024 RM'000	**2023 RM'000**
Property, plant and equipment:		
- buildings	3,314	3,963
- bearer plants	87,078	88,152
Land use rights	859	1,151
	91,251	93,266

(iii) Biological assets of the Company amounted to approximately RM109,657,000 (2023: RM110,174,000).

(d) Sukuk Murabahah Medium Term Notes

TSH Sukuk Murabahah Sdn. Bhd., a wholly owned subsidiary of the Company, issued the first series of Sukuk Murabahah Medium Term Notes amounted to RM90,000,000, in nominal value, for tenure of 7 years in June 2016. In the financial year 2021, the Company issued the second series of Sukuk Murabahah Medium Term Notes amounted to RM60,000,000, in nominal value for tenure of 5 years.

The Group fully redeemed the first and second series of Sukuk Murabahah Medium Term Notes during the financial year ended 2023 and 2022 respectively.

The unutilised portion of the Sukuk Murabahah Medium Term Notes as at 31 December 2024 amounted to RM150,000,000 (2023: RM150,000,000).

(e) The maturity of the term loans is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Not later than 1 year	52,433	57,294	52,433	57,294
Later than 1 year and not later than 2 years	21,000	53,212	21,000	53,212
Later than 2 years and not later than 5 years	-	21,000	-	21,000
Later 5 years or more	37,579	36,751	37,579	36,751
	111,012	168,257	111,012	168,257

(f) The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

38. LOANS AND BORROWINGS (continued)

(f) (continued)

The fair value of borrowings is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(g) The maturity profile of loans and borrowings of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2024				
Loans and borrowings	203,884	21,506	48,469	273,859
As at 31 December 2023				
Loans and borrowings	197,493	77,746	48,529	323,768
Company				
As at 31 December 2024				
Loans and borrowings	157,208	21,506	48,469	227,183
As at 31 December 2023				
Loans and borrowings	125,630	77,746	48,529	251,905

(h) At the end of the reporting period, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM493,000 (2023: RM572,000) and RM404,000 (2023: RM437,000) higher/lower respectively, arising mainly as a result of lower/higher interest expense (net of interest expense capitalised) on loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The effects of the changes in the interest rates to the equity are not presented as they are not affected by the changes in interest rates.

(i) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

38. LOANS AND BORROWINGS (continued)

(i) Reconciliation of liabilities arising from financing activities (continued)

	1.1.2024 RM'000	Cash flows RM'000	Non-cash changes* RM'000	31.12.2024 RM'000
Group				
Bankers' acceptances	40,863	(15,704)	-	25,159
Revolving credits	93,000	29,800	-	122,800
Terms loans	168,257	(56,466)	(779)	111,012
Loans and borrowings	302,120	(42,370)	(779)	258,971
Company				
Revolving credits	62,000	40,000	-	102,000
Terms loans	168,257	(56,466)	(779)	111,012
Loans and borrowings	230,257	(16,466)	(779)	213,012

	1.1.2023 RM'000	Cash flows RM'000	Non-cash changes* RM'000	31.12.2023 RM'000
Group				
Bankers' acceptances	16,046	24,817	-	40,863
Revolving credits	198,500	(105,500)	-	93,000
Terms loans	254,096	(88,519)	2,680	168,257
Sukuk Murabahah Medium Term Notes	90,000	(90,000)	-	-
Loans and borrowings	558,642	(259,202)	2,680	302,120
Company				
Revolving credits	104,500	(42,500)	-	62,000
Terms loans	254,096	(88,519)	2,680	168,257
Loans and borrowings	358,596	(131,019)	2,680	230,257

* *Represents foreign exchange differences.*

39. RETIREMENT BENEFITS

	Group	
	2024 **RM'000**	**2023** **RM'000**
At 1 January	22,982	17,324
Charge for the year recognised in profit or loss	5,248	5,346
Interest cost	1,386	1,325
Current service cost	4,967	4,770
Past service cost	(1,105)	(749)
Recognised in other comprehensive income:		
Actuarial (losses)/gains arising from changes in assumption in respect of current year	(2,347)	870
Actual benefit payment	(1,812)	(1,522)
Exchange differences	(1,582)	964
At 31 December	22,489	22,982
The amounts recognised on the statements of financial position are determined as follows:		
Present value of obligations	22,489	22,982
Net liabilities	22,489	22,982

(a) The Group provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No. 6/2023 (the "Labour Law"). The said additional provisions, which are unfunded, are estimated using actuarial calculations. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(b) The Group's obligation under the defined benefit plan is determined based on the latest actuarial valuations by an independent actuary in December 2024.

(c) Principal actuarial assumptions used at the end of the reporting period in respect of the Group's defined benefit plans are as follows:

	2024 **%**	**2023** **%**
Discount rate	7.25	6.75
Expected return of salary increase	4.00	4.00

39. RETIREMENT BENEFITS (continued)

(d) The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

		31 December 2024 Impact on defined benefits obligation Increase/(Decrease) RM'000	31 December 2023 Impact on defined benefits obligation Increase/(Decrease) RM'000
Discount rate	+ 1%	5,469	5,454
	- 1%	(4,143)	(4,046)
Future salary	+ 1%	6,008	5,938
	- 1%	(3,605)	(3,563)
Mortality	+ 10%	6,408	6,333
	- 10%	(5,340)	(5,278)
Disable or illness	+ 5%	6,141	6,069
	- 5%	(5,607)	(5,542)

40. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Trade payables				
Third parties	29,777	26,786	-	-
Other payables				
Amounts due to subsidiaries	-	-	85,891	112,919
Accruals	28,734	36,157	3,920	5,936
Contract liabilities (Note 30)	4,501	1,297	-	-
Other deposits	489	18,036	373	373
Sundry payables	44,842	41,126	5,668	6,644
Financial guarantee contracts	38	73	147	255
	78,604	96,689	95,999	126,127
	108,381	123,475	95,999	126,127

40. TRADE AND OTHER PAYABLES (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total trade and other payables	108,381	123,475	95,999	126,127
Add: Lease liabilities (Note 19)	1,214	1,375	32	55
Add: Loans and borrowings (Note 38)	259,687	302,120	213,012	230,257
Total financial liabilities carried at amortised cost	369,282	426,970	309,043	356,439

Trade and other payables are classified as financial liabilities and measured at amortised cost.

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 to 60 days (2023: 30 to 60 days).

(b) Other deposits

In the previous financial year, included in other deposits of the Group were downpayments received amounted to IDR59,209,000,000 or equivalent to RM17,644,000 for the proposed disposals as disclosed in Note 45 to the financial statements. Following the termination of the proposed disposals during the financial year, the Group has refunded the said downpayments, free of interest.

(c) Amounts due to subsidiaries

Except for the current amounts due to certain subsidiaries totalling RM38,294,000 (2023: RM61,911,000) that are interest bearing, the current amounts due to other subsidiaries are non-interest bearing, unsecured and are payable within the next twelve (12) months.

The effective interest rate per annum of amounts due to subsidiaries as at the end of the reporting period were as follows:

	Company			
	2024 %	2023 %	2024 RM'000	2023 RM'000
Floating rate				
Current amounts due to subsidiaries	5.13 - 5.45	5.01 - 5.49	38,294	61,911

At the end of reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM73,000 (2023: RM118,000) higher/lower, arising mainly as a result of lower/higher interest expense on amount due to subsidiaries. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The effects of the changes in the interest rates to the equity are not presented as they are not affected by the changes in the interest rates.

Sensitivity analysis for fixed rate interest bearing amounts due to subsidiaries as at the end of the reporting period is not presented as they are not affected by changes in interest rates.

40. TRADE AND OTHER PAYABLES (continued)

(d) Financial guarantees contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The nominal amounts of financial guarantees provided by the Group and by the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Banking facilities granted to subsidiaries	-	-	28,900	50,000
Guarantee given to a financial institution under a Plasma Scheme	11,993	24,227	2,275	10,815

The movement of the financial guarantee contracts during the financial year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	73	97	255	504
Fair value changes on financial guarantee contracts	(35)	(24)	(108)	(249)
At 31 December	38	73	147	255

40. TRADE AND OTHER PAYABLES (continued)

(e) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2024				
Trade and other payables	108,381	-	-	108,381
As at 31 December 2023				
Trade and other payables	123,475	-	-	123,475
Company				
As at 31 December 2024				
Trade and other payables	97,930	-	-	97,930
As at 31 December 2023				
Trade and other payables	129,501	-	-	129,501

41. COMMITMENTS

Capital expenditure as at the end of the reporting period is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital expenditure:				
Property, plant and equipment:				
Approved and contracted for	6,735	13,707	-	170
Approved but not contracted for	55,954	48,593	3,326	875
	62,689	62,300	3,326	1,045

42. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Group has related party relationship with its direct and indirect subsidiaries, associate, joint ventures, Directors and key management personnel.

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Note	2024 RM'000	2023 RM'000
Group			
Joint ventures:			
Sales of crude palm oil	(i)	(243,214)	(229,411)
Sales of palm kernel	(i)	(38,784)	(31,588)
Transportation fees income	(i)	(234)	(953)
Sale of laran plantlet & plantable to a subsidiary of an associate	(i)	(803)	(887)
Purchase of fresh fruit bunches from a company in which the family member of a Director of the Company has equity interests	(ii)	1,497	1,820
Purchase of fresh fruit bunches from spouse of a Director	(ii)	1,016	980
Company			
Transactions with subsidiaries:			
Interest income	(iii)	(10,858)	(16,837)
Interest expense on advances	(iii)	2,830	7,093
Management fees income		(17,548)	(22,224)
Dividend income		(32,189)	(78,252)
Rental income	(i)	(250)	(2,290)
Management fees expenses		3,341	3,300
Transactions with an associate:			
Dividends income		(12,660)	(9,981)

42. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(a) Identities of related parties (continued)

(i) The sales of products, rental and rendering of services to a subsidiary, subsidiary of an associate, and joint ventures were made according to the published prices, market value or negotiation between both parties and other conditions.

(ii) The purchase of fresh fruit bunches from a company in which the family member of a Director of the Company has equity interests and/or spouse of a Director were made according to the published prices.

(iii) The interest income and expense arose from the amounts due from/to subsidiaries. Further details are disclosed in Note 26 and Note 40 to the financial statements.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 is disclosed in Note 26 and Note 40 to the financial statements.

(b) Compensation of key management personnel

The remuneration of Directors, which also includes the members of key management during the year is disclosed in Note 14 to the financial statements.

43. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

43.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective Date**
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024

The adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

43. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

43.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries Without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

44. CONTINGENT LIABILITIES

44.1 PT Sarana Prima Multi Niaga ("PT SPMN"), a subsidiary of the Group submitted judicial reviews to the Supreme Court of Republic of Indonesia on the Notices of Tax Underpaid Assessment received for fiscal year 2011 showing underpayments on Value Added Tax and Withholding Tax Articles 4(2) and 23 amounting to equivalent RM4,016,000 (including penalty and interest). In March 2023, the Supreme Court of Republic of Indonesia ruled in favour in PT SPMN in relation to one of the Notices of Tax Underpaid on Withholding Tax Articles 23. Based on consultation with the tax consultant, the Group is of the opinion that PT SPMN has a valid defence against the said Tax Office's assessments.

44.2 PT Teguh Swakarsa Sejahtera ("PT TSS"), a subsidiary of the Group has an outstanding appeal at the local Tax Court on the Notice of Tax Underpaid Assessment received for fiscal year 2016 showing an underpayment of Corporate Income Tax amounting to equivalent RM7,593,000 (including penalty and interest). In June 2023, PT TSS submitted a tax appeal to the Local Tax Court on Tax Loss Carry Forward amounting to approximately RM8,424,000 for fiscal year 2019. Based on consultation with the tax consultants, the Group is of the opinion that PT TSS has a valid defence against the said Tax Office's assessments.

44.3 PT Bulungan Citra Agro Persada ("PT BCAP"), a subsidiary of the Group has outstanding appeals at the local Tax Court on Notices of Tax Underpaid Assessment received for fiscal year 2019 showing underpayments on Value Added Tax and Withholding Tax Articles 4(2) and 21 amounting to equivalent RM970,000 (including penalty and interest). Based on consultation with the tax consultant, the Group is of the opinion that PT BCAP has a valid defence against the said Tax Office's assessments.

44.4 PT Farinda Bersaudara ("PT FDB"), a subsidiary of the Group has outstanding appeals at the local Tax Court on Notices of Tax Underpaid Assessment received for fiscal year 2019 showing underpayments on Value Added Tax and Withholding Tax Articles 4(2) and 21 amounting to equivalent RM7,541,000 (including penalty and interest). In February 2025, The Tax Court decision partially granted the Taxpayer appeals for Value Added Tax and Withholding Tax for fiscal year 2019 which resulted to amount payable equivalent RM2,957,000 (including penalty and interest).

44. CONTINGENT LIABILITIES (continued)

44.4 (continued)

However, based on the tax consultant's review on the Tax Court decision, there is a mistake in Value Added Tax calculation made by the Tax Court and the amount payable before submission to Judicial Review shall be equivalent RM322,000 (including penalty and interest). The tax consultant is of the opinion that PT FDB can submit to Tax Court for Hearing on Rectification of verdict. Accordingly, the Group has recognised the amount of RM322,000 in the statement of profit or loss during the current financial year. Based on consultation with tax consultant, the Group is of the opinion that PT FDB has a valid defence against the said Tax Court decision and will submit for Judicial Review.

PT FDB also has outstanding appeals at the local Tax Court on Notices of Tax Underpaid Assessment received for fiscal year 2020 showing underpayments on Corporate Income Tax, Value Added Tax and Withholding Tax Articles 4(2) amounting to equivalent RM11,038,000 (including penalty and interest). In February 2025, the Tax Court decision granted the Taxpayer appeals for Value Added Tax and Withholding Tax Articles 4(2) and partially accepted appeal for Corporate Income Tax for fiscal year 2020. Accordingly, the Group has recognised the Corporate Income Tax underpaid amount of equivalent RM3,289,000 (including penalty and interest) in accordance with the Tax Court's decision in the statement of profit or loss during the current financial year. Based on consultation with tax consultant, the Group is of the opinion that PT FDB has a valid defence against the said Tax Court decision and will submit for Judicial Review.

44.5 PT Andalas Wahana Sukses ("PT AWS"), a subsidiary of the Group has outstanding appeal at the local Tax Court on Notices of Tax Underpaid Assessment received for fiscal year 2020 showing underpayments on Corporate Income Tax and Withholding Tax Articles 23 amounting to RM4,986,000 (including penalty and interest). In February 2025, the Tax Court decision fully ruled in favour of PT AWS except for Corporate Income Tax of other income adjustment amounting to equivalent RM7,000. The Group has decided to accept the tax court decision.

In July 2024, PT AWS submitted a tax appeal to the local Tax Court on Notices of Tax Underpaid Assessment received for fiscal year 2021 showing underpayments on Corporate Income Tax, Value Added Tax, and Witholding Tax Articles 23 amounting to RM481,000 (including penalty and interest). Based on consultation with the tax consultant, the Group is of the opinion that PT AWS has a valid defence against the said Tax Office's assessments.

In accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Group discloses the contingent liabilities relating to the tax cases of the subsidiaries in Indonesia as there is a present obligation that arose from past event, although the amounts of obligation could not be measured with sufficient reliabilities at this juncture.

45. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 4 April 2022, PT Bulungan Citra Agro Persada ("PT BCAP"), a 90% owned subsidiary of the Company entered into a conditional sale, purchase and compensation of land agreement ("CSPA") with PT Kawasan Industri Kalimantan Indonesia ("KIKI") and PT Kalimantan Industrial Park Indonesia ("KIPI") for the proposed disposal by PT BCAP of 13,214.90 hectares of certificated land together with 683.36 hectares of uncertified land adjoining thereto (collectively referred to as "the Sale Land") for a total cash consideration of IDR2,428.86 billion (or equivalent to approximately RM731,090,000).

During the year 2022 and 2023, the disposal of 7,817.36 hectares of the Sale Land and 574.56 hectares of the uncertified land were completed.

KIKI, KIPI and BCAP had on 7 August 2024, mutually agreed to terminate the acquisitions of the remaining Sale Land due to the non-fulfilment of a condition precedent namely, the signing of the Minutes of Clean and Clear by KIKI or KIPI and BCAP by the Extended Long Stop Date as well as the inability of the parties to mutually agree upon an alternative measure for the closing of the remaining Sale Land within 30 days from the expiry of the Extended Long Stop Date.

ANALYSIS OF SHAREHOLDINGS

AS AT 14 MARCH 2025

Issued Share Capital : 1,381,802,509 ordinary shares (including 38,290,200 treasury shares)

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
1 - 99	359	4.26	12,860	Negligible
100 - 1,000	923	10.96	506,831	0.04
1,001 - 10,000	4,021	47.74	20,899,912	1.56
10,001 - 100,000	2,572	30.54	84,167,993	6.26
100,001 - 67,175,615 *	546	6.48	922,838,655	68.69
67,175,616 and above **	2	0.02	315,086,058	23.45
Total	8,423	100.00	1,343,512,309	100.00

* Less than 5% of issued and voting shares
** 5% and above of issued and voting shares

2. DIRECTORS' SHAREHOLDINGS

	No. of shares held			
Name	Direct	%	Indirect*	%
Datuk Kelvin Tan Aik Pen	356,708,887	26.55	-	-
Velayuthan a/l Tan Kim Song	-	-	-	-
Dato' Jasmy bin Ismail	-	-	-	-
Natasha binti Mohd Zulkifli	-	-	-	-
Paul Lim Joo Heng	-	-	-	-
Ina Hasniza binti Ibrahim	-	-	-	-
Tan Aik Kiong	57,348,265	4.27	27,125	**
Lim Fook Hin	2,102,000	0.16	500,000	0.04

* Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016
** Negligible

3. SUBSTANTIAL SHAREHOLDERS

Name	No. of shares held	%
Datuk Kelvin Tan Aik Pen	356,708,887	26.55
Tan Aik Yong	71,859,287	5.35

4. THIRTY (30) LARGEST SHAREHOLDERS

	Name	No. of shares held	%
1.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for The Central Depository (Pte.) Limited	242,804,300	18.07
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Aik Pen	72,281,758	5.38
3.	Tan Aik Yong	55,910,287	4.16
4.	Tan Aik Kiong	55,348,265	4.12
5.	Lembaga Tabung Haji	52,179,100	3.88
6.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for UBS AG Singapore	47,409,862	3.53
7.	Tan Aik Sim	42,235,918	3.14
8.	Tan Ah Seng	39,518,444	2.94
9.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd. (SFS)	38,483,958	2.86
10.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte. Ltd. (A/c Clients)	38,410,358	2.86
11.	Tan Ek Huat	37,208,639	2.77
12.	AmSec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Tan Aik Pen	30,000,000	2.23
13.	iFAST Nominees (Asing) Sdn. Bhd. Exempt AN for iFAST Financial Pte. Ltd.	28,117,500	2.09
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Aberdeen)	25,031,200	1.86
15.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte. Ltd. (RBAMVCC-Mcquire Fund)	23,720,000	1.77
16.	Tan Aik Hwa	23,441,139	1.75
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (AberIslamic)	23,422,700	1.74
18.	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	21,395,100	1.59
19.	Tan Aik Pen	14,000,000	1.04
20.	AmanahRaya Trustees Berhad Public SmallCap Fund	13,585,550	1.01

4. **THIRTY (30) LARGEST SHAREHOLDERS (continued)**

Name		No. of shares held	%
21.	Teo Han Ching @ Teo Jin Hwa	11,805,000	0.88
22.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Keng Thye	10,144,200	0.76
23.	Tan Aik Yong	9,304,000	0.69
24.	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	8,975,200	0.67
25.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (Aberdeen 2)	8,273,100	0.62
26.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for WisdomTree Emerging Markets SmallCap Dividend Fund	7,411,100	0.55
27.	Tan Aik Hwa	7,297,255	0.54
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	7,169,800	0.53
29.	Tan Aik Yong	6,250,000	0.47
30.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheng Chew Giap	6,010,800	0.45

LIST OF TOP 10 PROPERTIES HELD BY TSH GROUP

AS AT 31 DECEMBER 2024

Location	Description	Area	Existing use	Tenure	Approximate age of building (years)	Net book value as at 31.12.24 RM	Date of Acquisition/ (Date of last revaluation)
Desa Penawai, Bekokong Makmur, Kecamatan Bongan Jempang & Desa Jambuk, Muara Gusik Penawai, Tanjung Sari, Kecamatan Bongan & Desa Jambuk Makmur, Kecamatan Bongan Desa Muara Siram, Siram Jaya, Resak Kampung, Kecamatan Bongan, Desa Resak, Kecamatan Bongan, Kabupaten Kutai Barat, Provinsi Kalimantan Timur	Plantation land	12,628 ha	Oil palm plantation & mill	35-year lease expiring on 18.02.2045, 24.02.2045 & 05.04.2059	12 years (mill)	201,882,070	26.12.2008
Desa Tanah Kuning & Desa Mangkupadi Kecamatan Tanjung Palas Timur Kabupaten Bulungan Provinsi Kalimantan Utara	Plantation land	5,398 ha	Oil palm plantation	35-year lease expiring on 03.10.2046	Not applicable	183,026,886	16.08.2011
Desa Tumbang Tanjung dan Tura, Kecamatan Pulau Malan, Desa Petak Puti, Tewang Panjang dan Tumbang Lahang, Kecamatan Katingan Tengah Kabupaten Katingan, Provinsi Kalimantan Tengah	Plantation land	3,386 ha	Oil palm plantation	Pending	Not applicable	123,231,283	29.10.2009
Kabupaten Dharmasraya, Provinsi Sumatera Barat	Plantation land	3,197 ha	Oil palm plantation & mill	35-year lease expiring on 18.10.2053 & 30-year lease expiring on 22.09.2051	7 years (mill)	114,490,533	29.12.2005
Desa Muara Siram, Kecamatan Bongan Kabupaten Kutai Barat Provinsi Kalimantan Timur	Plantation land	10,282 ha	Oil palm plantation	35-year lease expiring on 13.07.2040	Not applicable	106,361,794	01.04.2006
Desa Langgam/Katiagan, Kecamatan Pasaman Kabupaten Pasaman Provinsi Sumatera Barat & Nagari Kinali, Kecamatan Kinali Kabupaten Pasaman Barat, Provinsi Sumatera Barat	Plantation land	7,309 ha	Oil palm plantation	35-year lease expiring on 31.12.2029 & 16.02.2044	Not applicable	97,611,153	01.05.2006

LIST OF TOP 10 PROPERTIES HELD BY TSH GROUP

AS AT 31 DECEMBER 2024

Location	Description	Area	Existing use	Tenure	Approximate age of building (years)	Net book value as at 31.12.24 RM	Date of Acquisition/ (Date of last revaluation)
Desa Tepian Makmur, Menunggal Jaya, Tanjung Labu Kecamatan Rantau Pulung Kabupaten Kutai Timur Kalimantan Timur	Plantation land	4,211 ha	Oil palm plantation	Pending	Not applicable	90,651,856	22.02.2013
Desa Pelantaran, Pundu & Bajarau Kecamatan Cempaga Hulu & Parenggean Kabupaten Kotawaringin Timur Provinsi Kalimantan Tengah	Plantation land	7,114 ha	Oil palm plantation & mill	35-year lease expiring on 15.05.2041	14 years (mill)	88,601,769	12.04.2007
Desa Muara Ponak, Kenyanyan, Rikong, Kiyaq Kecamatan Siluq Ngurai Kabupaten Kutai Barat, Provinsi Kalimantan Timur	Plantation land	8,016 ha	Oil palm plantation	35-year lease expiring on 23.10.2048 & 04.11.2051	Not applicable	78,641,269	18.10.2011
Title No. CL105365955 Kalumpang, Tawau, Sabah	Plantation land	2,387 acres	Oil palm plantation	Leasehold land from 01.01.1977 to 31.12.2075	Not applicable	42,513,107	(11.12.2015)

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TSH RESOURCES BERHAD
Registration No. 197901005269 (49548-D)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.		
Contact No.	Shareholder:	
	Proxy Holder 1:	Proxy Holder 2:

I/We ______________________________ ^NRIC/Company No.: ______________________
(FULL NAME IN CAPITAL LETTERS)

of ____
(FULL ADDRESS)

being *a member/members of TSH RESOURCES BERHAD hereby appoint ______________________________
(FULL NAME IN CAPITAL LETTERS)

______________________________ ^NRIC/Company No.: ______________________

Email Address : ____________________ of ______________________________
(FULL ADDRESS)

and/or failing ^him/her ______________________________ ^NRIC/Passport No.: ______________________
(FULL NAME IN CAPITAL LETTERS)

Email Address : ____________________ of ______________________________
(FULL ADDRESS)

or failing ^him/her, THE CHAIRMAN OF THE MEETING as ^my/our proxy to attend, speak and vote for ^me/us on ^my/our behalf at the 45th Annual General Meeting ("45th AGM") of the Company to be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 21 May 2025 at 10.00 a.m. and any adjournment thereof and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	*FOR	*AGAINST
1	To approve the payment of Directors' fees of RM312,000 for the financial year ended 31 December 2024		
2	To approve the payment of Directors' fees of RM374,000 from 1 January 2025 to the date of the next annual general meeting of the Company in 2026		
3	To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM1,500,000 from the date immediately after the 45th AGM of the Company to the date of the next annual general meeting of the Company in 2026		
4	To re-elect the following Directors who are retiring by rotation in accordance with Clause 100 of the Company's Constitution: (a) Datuk Kelvin Tan Aik Pen		
5	(b) Natasha binti Mohd Zulkifli		
6	To re-elect Ina Hasniza binti Ibrahim who is retiring in accordance with Clause 97 of the Company's Constitution		
7	To reappoint BDO PLT as the Company's auditors and to authorise Directors to fix their remuneration		
8	To approve the proposed authority to issue shares and waiver of pre-emptive rights		
9	To approve the proposed renewal of the authority for share buy-back		
10	To retain Dato' Jasmy bin Ismail as an Independent Non-Executive Director		

* Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

^ Strike out whichever is inapplicable.

Signed this __________ day of ________________ 2025

No. of shares held

% of shareholdings to be represented by the proxies:		
	No. of shares	**%**
Proxy 1		
Proxy 2		
Total		

____
Signature/Common Seal of Appointor

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 13 May 2025 will be regarded as members and be entitled to attend, speak and vote at the meeting.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

3. If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit, and if no names are inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

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AFFIX STAMP

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor

Fold here

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal. If you wish to appoint a proxy to attend and vote on your behalf at this meeting, you may deposit the duly completed and signed Proxy Form at the office of the Company's share registrar and poll administrator, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Alternatively, you may lodge your Proxy Form electronically through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Please refer to the Administrative Guide for the procedures relating to lodgement of Proxy Form and revocation of proxy.

6. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of 45th AGM will be put to vote by poll.

www.tsh.com.my

TSH RESOURCES BERHAD
197901005269 (49548-D)

Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights,
50490 Kuala Lumpur, Malaysia

T : +(6) 03 2084 0888 | **F :** +(6) 03 2084 0828 | **E :** tsh@tsh.com.my