

TSH Resources Berhad
Registration No: 197901005269 (49548 - D)

TSH RESOURCES BERHAD (197901005269 (49548 - D))
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2025

TSH RESOURCES BERHAD
(Incorporated in Malaysia)

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TSH RESOURCES BERHAD

(Incorporated in Malaysia)

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 2025.

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	222,932	77,137
Attributable to:		
Owners of the Company	183,369	77,137
Non-controlling interests	39,563	-
	222,932	77,137

DIVIDENDS

There were no dividends paid since the end of the previous financial year.

The Company aims to provide sustainable returns to its shareholders. The current dividend policy of distributing annual dividends ranges from 20% to 30% of the consolidated net profit attributable to owners of the Company. Following a review of the Group's robust cash reserve and projected capital requirement, the board of directors has approved a revised dividend policy to increase the dividend payout ratio to a minimum of 30% of the consolidated net profit attributable to owners of the Company subject to the Group's financial position.

On 25 February 2026, the Directors had declared a first and final single-tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2025 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn. Bhd. and The Central Depository (Pte) Limited ("CDP") at the close of business on 15 April 2026. The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

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 21 May 2025, 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 98,150,000 of its issued ordinary shares from the open market at prices between RM1.03 to RM1.39 per ordinary share. The total consideration paid and payable for the repurchase was RM115,699,000 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 2025, the Company had 112,945,000 ordinary shares held as treasury shares with a carrying amount of RM133,572,000. The details of treasury shares are disclosed in Note 34 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:

TSH Resources Berhad

Datuk Tan Aik Pen	
Dato' Jasmy bin Ismail	
Natasha binti Mohd Zulkifli	
Paul Lim Joo Heng	
Ina Hasniza binti Ibrahim	
Lim Fook Hin	
Fong Ging Pang	(Appointed on 1 January 2026)
Velayuthan A/L Tan Kim Song	(Resigned on 07 October 2025)
Tan Aik Kiong	(Resigned on 1 January 2026)

Subsidiaries of TSH Resources Berhad

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	
Datuk Jaswant Singh Kler	
Paul Lim Joo Heng	
Lim Fook Hin	
Fong Ging Pang	(Appointed on 1 January 2026)
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	
Ainahwati binti Abd Sani	
John bin Sindin	
Raden Harry Zulnardy	
Karsidi	
Michael Wong Chung Hau	
Michelle L. Brantley	
Fiona Lane	

DIRECTORS (continued)

Subsidiaries of TSH Resources Berhad (continued)

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: (continued)

Mohamed Alkaf bin Abdul Rahman	
Ong Chu Yaw	
Li Fui Yee	
Goh Kian Yin	
Roland Lajoie Hubert	
Ong Chau Jinn	
Joshua Wong Yin Kai	
Tan Sri Dato' Seri Mohd Annuar bin Zaini	(Appointed on 26 May 2025)
Syamsul Bahri Ilyas	(Appointed on 7 March 2025)
Bambang Sulistiono	(Appointed on 25 March 2025)
Chok Kon Fatt	(Appointed on 25 March 2025)
Lee Wei Ming	(Appointed on 19 May 2025)
Chung Yun Fung	(Appointed on 1 January 2026)
Loo Yen Feng	(Appointed on 1 January 2026)
Cheah Vun Jye	(Appointed on 1 January 2026)
Suhaimi bin Suwiti	(Appointed on 1 January 2026)
Johari Imran Lok	(Appointed on 13 June 2025)
R Krishna Moorthy Ramasamy	(Resigned on 15 August 2025)
Tan Aik Kiong	(Retired on 1 January 2026)
Lok Huey Ming	(Resigned on 13 June 2025)
Tan Aik Sim	(Resigned on 13 June 2025)
Velayuthan a/l Tan Kim Song	(Resigned on 7 October 2025)
Tan Aik Choon *	
Mudappathi Sugunan Nair*	
Peter Dodoo*	
Asran bin Sutasmin	(Resigned on 15 August 2025)
Wong Twee Jong	(Resigned on 25 March 2025)

* Ceased office on 2 September 2025 due to dissolution 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 2025 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 31.12.2025
	Balance as at 1.1.2025	Acquired	Disposed	
Shares in the Company				
<u>Direct interests:</u>				
Datuk Tan Aik Pen	342,708,887	14,000,000	-	356,708,887
Tan Aik Kiong	57,348,265	954,784	-	58,303,049
Lim Fook Hin	2,102,000	460,000	-	2,562,000
<u>Indirect interests:</u>				
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 41 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 2025 were as follows:

	Group RM'000	Company RM'000
Executive:		
Fees	393	-
Salaries and bonus	3,742	1,120
Other emoluments	875	554
Total Executive Directors' remuneration (excluding benefits-in-kind)	5,010	1,674
Estimated money value of benefits-in-kind	277	277
Total Executive Directors' remuneration (including benefits-in-kind)	5,287	1,951
Non-Executive:		
Fees	372	264
Other emoluments	930	930
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	1,302	1,194
Estimated money value of benefits-in-kind	123	123
Total Non-Executive Directors' remuneration (including benefits-in-kind)	1,425	1,317
Total Directors' remuneration	6,712	3,268

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 RM75,000.

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.

(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.

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 2025 were as follows:

	Group RM'000	Company RM'000
Statutory audit		
- BDO PLT	538	190
- Other auditors	320	-
Other services		
- BDO PLT	103	100
	<u>961</u>	<u>290</u>

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
9 April 2026

TSH RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 15 to 117 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 2025 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
Director

.....
Lim Fook Hin
Director

Kuala Lumpur
9 April 2026

STATUTORY DECLARATION

I, Fong Ging Pang (CA 9024), being the director primarily responsible for the financial management of TSH Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 117 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)
9 April 2026)

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 2025 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 15 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

a. Impairment of plasma receivables

As at 31 December 2025, the Group had plasma receivables amounted to RM 28,392,000, which was net of impairment losses of RM 9,474,000. 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:

Impairment assessment of plasma receivables

- (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;
- (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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

b. Impairment of amount due from a subsidiary

As at 31 December 2025, non-current non-trade amount due from a subsidiary of the Company was RM83,497,000 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.

c. Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets in respect of for loss-making companies

As at 31 December 2025, the total carrying amount of property, plant and equipment and right-of-use assets related to the Group amounted to RM1,181,512,000 and RM229,114,000 respectively as disclosed in Notes 18 and 19 to the financial statements.

The Group had recognised impairment losses on property, plant and equipment of RM4,631,000 during the financial year ended 31 December 2025.

Management used forecasted future cash flows in a value-in-use model to determine the recoverable amounts of these property, plant and equipment and right-of-use assets (hereinafter referred to as Cash-Generating Units (“CGUs”)) and assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets of certain subsidiaries.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

c. Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets in respect of for loss-making companies (continued)

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

Audit response

Our audit procedures included the following:

- (i) compared cash flow projections against recent performance and assessed and evaluated the key assumptions used in the projections by comparing to actual historical operating profit margins and growth rates;
- (ii) compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;
- (iii) assessed appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (iv) performed sensitivity analysis to stress test the key assumptions in the impairment model.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

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

As part of an audit in accordance with approved standards on auditing in Malaysia and 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.
- (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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSH RESOURCES BERHAD (continued)
(Incorporated in Malaysia)**

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

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
9 April 2026

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	6	1,060,416	1,019,807	155,140	69,647
Cost of sales	7	(599,225)	(636,922)	(4,859)	(4,005)
Gross profit		461,191	382,885	150,281	65,642
Other items of income					
Interest income	8	19,324	12,794	8,551	11,911
Dividend income	9	2,220	332	1	1
Other income	10	14,692	28,191	6,709	3,074
Net impairment write back on financial assets	11	2,748	-	-	2,336
Other items of expenses					
Marketing and distribution costs		(20,902)	(22,948)	-	-
Administrative expenses		(164,558)	(182,271)	(39,945)	(40,964)
Finance costs	12	(10,961)	(12,570)	(10,964)	(12,700)
Other expenses		(17,668)	(11,025)	(32,656)	(3,330)
Net impairment losses on financial assets	11	-	(2,857)	-	-
Share of profit of associate, net of tax		15,857	18,887	-	-
Share of profit of joint ventures, net of tax		1,252	8,452	-	-
Profit before tax	11	303,195	219,870	81,977	25,970
Taxation	15	(80,263)	(61,589)	(4,840)	(2,059)
Profit for the financial year		222,932	158,281	77,137	23,911

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Other comprehensive (loss)/income					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translations	15(d)	(194,150)	(111,066)	-	-
Net gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	15(d)	553	135	-	-
Cumulative loss/(gain) on financial assets measured at FVOCI reclassified to profit or loss upon redemption	15(d)	428	(34)	-	-
		(193,169)	(110,965)	-	-
Item that may not be reclassified subsequently to profit or loss:					
Remeasurements of net defined benefit liabilities	15(d)	(174)	1,879	-	-
Other comprehensive loss for the financial year, net of tax		(193,343)	(109,086)	-	-
Total comprehensive income for the financial year		29,589	49,195	77,137	23,911
Profit attributable to:					
Owners of the Company		183,369	135,662	77,137	23,911
Non-controlling interests		39,563	22,619	-	-
		222,932	158,281	77,137	23,911

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total comprehensive income attributable to:					
Owners of the Company		21,759	42,096	77,137	23,911
Non-controlling interests		7,830	7,099	-	-
		29,589	49,195	77,137	23,911
Earnings per share attributable to owners of the Company (sen per share):					
Basic earnings per share	16	13.98	9.83		
Diluted earnings per share	16	13.98	9.83		

The accompanying notes form an integral part of the financial statements.

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	18	1,181,512	1,337,950	50,830	51,639
Right-of-use assets	19	229,114	248,536	8,222	8,188
Biological assets	20	364,786	366,362	272,221	273,782
Intangible assets	21	38,456	42,148	-	-
Investments in subsidiaries	22	-	-	638,786	677,973
Investments in associates	23	80,769	84,873	61,259	61,259
Investments in joint ventures	24	112,794	111,542	20,750	20,750
Deferred tax assets	25	182	192	-	-
Other receivables	26	28,392	34,060	83,497	90,147
Investment securities	27	69,392	64,529	-	-
		2,105,397	2,290,192	1,135,565	1,183,738
Current assets					
Biological assets	20	16,481	20,131	-	-
Inventories	28	87,719	102,683	2,682	1,567
Trade and other receivables	26	49,586	44,130	10,885	5,153
Other current assets	29	2,873	3,080	823	464
Tax recoverable		8,440	20,979	1	1
Derivative assets	31	-	298	-	298
Short term funds	32	3,062	2,961	166	160
Cash and bank balances	33	397,339	263,361	37,368	37,357
		565,500	457,623	51,925	45,000
TOTAL ASSETS		2,670,897	2,747,815	1,187,490	1,228,738
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	34	740,512	740,512	740,512	740,512
Treasury shares	34	(133,572)	(17,873)	(133,572)	(17,873)
Other reserves	35	(425,461)	(264,017)	-	-
Retained earnings	36	1,728,234	1,545,031	271,190	194,053
		1,909,713	2,003,653	878,130	916,692
Non-controlling interests		237,000	257,380	-	-
TOTAL EQUITY		2,146,713	2,261,033	878,130	916,692

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	37	70,745	58,579	70,745	58,579
Retirement benefits	38	22,201	22,489	-	-
Lease liabilities	19	870	863	78	12
Deferred tax liabilities	25	87,600	87,619	1,655	3,003
		181,416	169,550	72,478	61,594
Current liabilities					
Loans and borrowings	37	225,547	201,108	210,500	154,433
Trade and other payables	39	102,511	108,381	26,356	95,999
Lease liabilities	19	230	351	26	20
Current tax payable		14,480	7,392	-	-
		342,768	317,232	236,882	250,452
TOTAL LIABILITIES		524,184	486,782	309,360	312,046
TOTAL EQUITY AND LIABILITIES		2,670,897	2,747,815	1,187,490	1,228,738

The accompanying notes form an integral part of the financial statements.

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

2025	Note	Attributable to owners of the Company										
		<-Non-distributable->		Distributable				<-Non-distributable->				
		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 2025		2,261,033	2,003,653	740,512	(17,873)	1,545,031	(264,017)	9,630	(273,684)	100	(63)	257,380
Profit for the financial year		222,932	183,369	-	-	183,369	-	-	-	-	-	39,563
Other comprehensive (loss)/income												
Foreign currency translations	15(d)	(194,150)	(162,425)	-	-	-	(162,425)	-	(162,425)	-	-	(31,725)
Net gain on financial assets measured at FVOCI	15(d)	553	553	-	-	-	553	-	-	-	553	-
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon redemption	15(d)	428	428	-	-	-	428	-	-	-	428	-
Remeasurements of net defined benefit liabilities	15(d)	(174)	(166)	-	-	(166)	-	-	-	-	-	(8)
Other comprehensive (loss)/income for the financial year, net of tax		(193,343)	(161,610)	-	-	(166)	(161,444)	-	(162,425)	-	981	(31,733)
Total comprehensive income/(loss) for the financial year		29,589	21,759	-	-	183,203	(161,444)	-	(162,425)	-	981	7,830

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

2025	Note	Attributable to owners of the Company										
		<-Non-distributable->		Distributable				<-Non-distributable->				
		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												
Purchase of treasury shares	34	(115,699)	(115,699)	-	(115,699)	-	-	-	-	-	-	-
Dividends paid to non-controlling interests		(28,210)	-	-	-	-	-	-	-	-	-	(28,210)
Total transactions with owners		(143,909)	(115,699)	-	(115,699)	-	-	-	-	-	-	(28,210)
Balance as at 31 December 2025		2,146,713	1,909,713	740,512	(133,572)	1,728,234	(425,461)	9,630	(436,109)	100	918	237,000

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

2024	Note	Attributable to owners of the Company										
		<-Non-distributable->		Distributable				<-Non-distributable->				
		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												
		2,305,281	2,046,973	740,512	(1,467)	1,476,805	(168,877)	9,630	(178,443)	100	(164)	258,308
		158,281	135,662	-	-	135,662	-	-	-	-	-	22,619
Other comprehensive (loss)/income												
	15(d)	(111,066)	(95,241)	-	-	-	(95,241)	-	(95,241)	-	-	(15,825)
	15(d)	135	135	-	-	-	135	-	-	-	135	-
	15(d)	(34)	(34)	-	-	-	(34)	-	-	-	(34)	-
	15(d)	1,879	1,574	-	-	1,574	-	-	-	-	-	305
		(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

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

2024	Note	Attributable to owners of the Company											Non-controlling interests
		<-Non-distributable->		Distributable				<-Non-distributable->					
		Equity, total	Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained earnings	Other reserves, total	Capital reserve	Foreign currency translation reserve	Share of associate reserve	Fair value reserve		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group													
Transactions with owners													
Purchase of treasury shares	34	(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

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)**

2025	Note	Equity, total RM'000	<----Non-distributable---->		Distributable Retained earnings RM'000
			Share capital RM'000	Treasury shares RM'000	
Company					
Balance as at 1 January 2025		916,692	740,512	(17,873)	194,053
Profit for the financial year		77,137	-	-	77,137
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive income for the financial year		77,137	-	-	77,137
Transactions with owners					
Purchase of treasury shares	34	(115,699)	-	(115,699)	-
Total transactions with owners		(115,699)	-	(115,699)	-
Balance as at 31 December 2025		878,130	740,512	(133,572)	271,190

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

2024	Note	Equity, total RM'000	<----Non-distributable----> Share capital RM'000	Treasury shares RM'000	Distributable 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					
Purchase of treasury shares	34	(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

The accompanying notes form an integral part of the financial statements.

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		303,195	219,870	81,977	25,970
Adjustments for:					
Depreciation of biological assets	20	1,181	1,181	1,181	1,181
Bad debts written off		3,681	65	-	-
Depreciation of property, plant and equipment	11	90,655	116,423	2,386	2,374
Depreciation of right-of-use assets	11	9,624	10,615	67	61
Dividend income	9	(2,220)	(332)	(1)	(1)
Fair value loss on forward currency contracts	11	298	580	298	580
Fair value loss on commodity future contracts	11	-	134	-	-
Gain on disposal of property, plant and equipment	10	(1,035)	(902)	(120)	(218)
Gain on lease reassessments	10	(3)	(43)	-	-
(Gain)/loss on remeasurement of financial guarantee contracts	39(c)	(22)	(35)	55	(108)
Loss/(Gain) from fair value adjustment of forest planting expenditure	20	1,735	(188)	1,605	754
Loss/(Gain) on redemption of financial assets	10,11	31	(6)	-	-
Impairment losses on:					
- property, plant and equipment	18	4,631	3,249	-	-
- investment in subsidiaries	22(c)	-	-	27,954	860
- investment securities	27(e)	-	1	-	1
- trade receivables	26(a)	1,274	797	-	-
- other receivables	26(b)	962	4,257	-	-
Interest expense	12	10,961	12,570	10,964	12,700
Interest income	8	(19,324)	(12,794)	(8,551)	(11,911)
Inventories written off	28(c)	1,817	651	-	-
Investment securities written off	27(d)	-	50	-	50
Loss on striking off of a subsidiary	11	-	-	-	24
Net loss/(gain) from fair value adjustment of fresh fruit bunches	20	1,367	(6,607)	-	-
Net unrealised foreign exchange loss/(gain)	10,11	2,706	(5,328)	2,547	(1,555)
Net write back of inventories written down	28(d)	(621)	(8,299)	-	-
Property, plant and equipment written off	18	497	260	1	1
Share of profit of associate		(15,857)	(18,887)	-	-
Share of profit of joint ventures		(1,252)	(8,452)	-	-
Subtotal		91,086	88,960	38,386	4,793

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subtotal (continued)		91,086	88,960	38,386	4,793
Waiver of debt on amount due from subsidiaries	11	-	-	-	229
Write back of impairment losses on:					
- trade receivables	26(a)	(105)	(468)	-	-
- other receivables	26(b)	(4,879)	(1,729)	-	-
- amounts due from subsidiaries	26(c)	-	-	-	(2,336)
Total adjustments		86,102	86,763	38,386	2,686
Operating cash flows before changes in working capital		389,297	306,633	120,363	28,656
Changes in working capital					
Decrease/(Increase) in inventories		18,260	968	(1,115)	(519)
(Increase)/Decrease in receivables		(17,500)	10,856	(4,184)	(409)
Decrease in payables		(12,879)	(22,056)	(47,341)	(3,159)
Increase in retirement benefits obligations		2,373	3,436	-	-
Total changes in working capital		(9,746)	(6,796)	(52,640)	(4,087)
Cash flows from operations		379,551	299,837	67,723	24,569
Income tax paid		(61,818)	(64,288)	(6,188)	(2,524)
Income tax refunded		3,578	5,076	1	-
Net cash flows from operating activities		321,311	240,625	61,536	22,045
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of right-of-use assets		(8,225)	(3,462)	-	-
Additional investments in subsidiaries	22(d,e)	-	-	(9,420)	(20,809)
Dividends received from:					
- associate	23(d)	19,961	12,659	-	-
- investment securities	9	2,219	331	-	-
- short term funds	9	1	1	1	1
Forest planting expenditure		(1,339)	(1,351)	(1,224)	(1,210)
Interest received		19,324	12,794	8,551	11,911
Withdrawal of deposits with maturity of over 3 months		-	496	-	-
Proceeds from disposal of property, plant and equipment		2,977	2,845	1,224	383
Purchase of investment securities		(25,484)	(42,682)	-	-
Redemption of investment securities		19,417	4,195	-	-
Subtotal		28,851	(14,174)	(868)	(9,724)

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subtotal (continued)		28,851	(14,174)	(868)	(9,724)
Purchase of property, plant and equipment		(71,176)	(52,595)	(2,682)	(1,338)
Withdrawal/(Placement) of deposits pledged with licensed banks		2,717	(19)	(17)	(19)
Redemptions of non-cumulative redeemable convertible preference shares	22(d,e)	-	-	21,054	20,346
Repayments from subsidiaries		-	-	4,683	108,152
Net cash flows (used in)/from investing activities		(39,608)	(66,788)	22,170	117,417
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	17	-	(69,010)	-	(69,010)
Dividends paid to non-controlling interests		(28,210)	(8,027)	-	-
Interest paid		(10,909)	(12,512)	(10,961)	(12,698)
Repayments to subsidiaries		-	-	(25,337)	(18,817)
Net repayments of bankers' acceptances	37(h)	(10,112)	(15,704)	-	-
Net drawdowns of revolving credits	37(h)	61,700	29,800	82,500	40,000
Net repayments of term loans	37(h)	(14,267)	(56,466)	(14,267)	(56,466)
Payments of lease interest	19(j)	(52)	(58)	(3)	(2)
Payments of lease liabilities	19(j)	(290)	(430)	(29)	(23)
Purchase of treasury shares		(115,609)	(16,310)	(115,609)	(16,310)
Net cash flows used in financing activities		(117,749)	(148,717)	(83,706)	(133,326)
Net increase in cash and cash equivalents		163,954	25,120	-	6,136
Effects of exchange rate changes		(26,159)	(14,258)	-	-
Cash and cash equivalents as at beginning of financial year		258,544	247,682	34,146	28,010
Cash and cash equivalents as at end of financial year	33(d)	396,339	258,544	34,146	34,146

The accompanying notes form an integral part of the financial statements.

TSH RESOURCES BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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 2025 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 9 April 2026.

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 42.1 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.

3. BASIS OF PREPARATION (continued)

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 RM184,957,000 as at 31 December 2025. 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.

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, processing 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.

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4. SEGMENT INFORMATION (continued)

	Palm products RM'000	Others RM'000	Adjustment and eliminations RM'000	Notes	Total RM'000
2025					
Revenue					
External customers	1,008,624	51,792	-		1,060,416
Inter-segment	18,323	-	(18,323)	(a)	-
Total revenue	1,026,947	51,792	(18,323)		1,060,416
Results					
Interest income	33,264	190	(14,130)		19,324
Dividend income	2,220	-	-		2,220
Depreciation	(88,101)	(13,359)	-		(101,460)
Other material non-cash items	(7,798)	(4,530)	-	(b)	(12,328)
Segment profit/(loss)	325,772	(15,781)	(6,796)	(c)	303,195
Assets:					
Additions to non-current assets	74,535	2,792	-	(d)	77,327
Segment assets	1,840,709	549,790	280,398	(e)	2,670,897
Segment liabilities	121,569	7,609	395,006	(f)	524,184

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)
Other material non-cash items	14,339	(811)	-	(b)	13,528
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

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:

	2025 RM'000	2024 RM'000
Bad debt written off	(3,681)	(65)
Fair value loss on forward currency contracts	(298)	(580)
Fair value loss on commodity future contracts	-	(134)
Gain on disposal of property, plant and equipment	1,035	902
(Loss)/Gain from fair value adjustments of forest planting expenditure	(1,735)	188
Impairment loss on property, plant and equipment	(4,631)	(3,249)
Inventories written off	(1,817)	(651)
Net (loss)/gain from fair value adjustments of fresh fruit bunches	(1,367)	6,607
Net write back/impairment (losses) on other receivables	3,917	(2,528)
Net impairment losses on trade receivables	(1,169)	(329)
Net unrealised foreign exchange (loss)/gain	(2,706)	5,328
Net write back of inventories written down	621	8,299
Property, plant and equipment written off	(497)	(260)
	(12,328)	13,528

- (c) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the statements of comprehensive income:

	2025 RM'000	2024 RM'000
Share of profit of associate	15,857	18,887
Share of profit of joint ventures	1,252	8,452
Finance costs	(10,961)	(12,570)
Unallocated corporate expenses	(12,944)	(14,965)
	(6,796)	(196)

- (d) Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment	72,064	52,880
Biological assets	1,340	1,352
Right-of-use assets - land use rights	3,923	3,432
	77,327	57,664

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:

	2025	2024
	RM'000	RM'000
Investments in associates	80,769	84,873
Investments in joint ventures	112,794	111,542
Tax recoverable	8,440	20,979
Deferred tax assets	182	192
Unallocated amounts	78,213	78,698
	280,398	296,284

- (f) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2025	2024
	RM'000	RM'000
Deferred tax liabilities	87,600	87,619
Loans and borrowings	296,292	259,687
Unallocated amounts	11,114	9,180
	395,006	356,486

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	335,249	326,785	986,055	998,467
Indonesia	700,409	668,275	1,021,376	1,192,944
United States of America	9,553	12,270	-	-
Southwest Pacific	5,976	8,112	-	-
Others	9,229	4,365	-	-
	1,060,416	1,019,807	2,007,431	2,191,411

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 2025 and 31 December 2024.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans and borrowings	296,292	259,687	281,245	213,012
Less: Cash and bank balances	(397,339)	(263,361)	(37,368)	(37,357)
Less: Short term funds	(3,062)	(2,961)	(166)	(160)
Net debt/(cash)	(104,109)	(6,635)	243,711	175,495
Total equity	2,146,713	2,261,033	878,130	916,692
Debt*/equity ratio	0.14	0.11	0.32	0.23
Net debt/equity ratio	-	-	0.28	0.19

* 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 Company has complied with this requirement for the financial year ended 31 December 2025.

(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 and foreign currency 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.

At the end of the reporting period, approximately 76% and 75% (2024: 77% and 72%) 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, 37 and 39 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, 37 and 39 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 Dollar (USD), Australian Dollar (AUD), Euro (EUR), Indonesian Rupiah (IDR), Singapore Dollar (SGD) and RM. The foreign currencies in which these transactions are denominated are mainly USD.

Approximately 98% (2024: 98%) of the Group's sales and 98% (2024: 97%) 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.

As at 31 December 2025, there were no outstanding derivative instrument, as all foreign currency denominated loans and borrowings had been fully repaid.

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
2025						
Investment securities	3,783	-	-	-	-	-
Trade and other receivables	487	1,992	198	-	-	-
Cash and bank balances	2,184	955	165	12,107	1,181	1,504
Trade and other payables	(404)	(129)	(1)	-	-	(38)
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):

Company	USD RM'000	IDR RM'000	SGD RM'000
2025			
Trade and other receivables	-	5,765	74
Cash and bank balances	252	11,459	1,181
Trade and other payables	-	(4)	(957)

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)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
USD/RM - strengthened by 5%	40	(1,196)	10	(1,141)
- weakened by 5%	(40)	1,196	(10)	1,141
USD/SGD - strengthened by 5%	190	461	-	-
- weakened by 5%	(190)	(461)	-	-
AUD/RM - strengthened by 5%	107	75	-	-
- weakened by 5%	(107)	(75)	-	-
EUR/RM - strengthened by 5%	14	(60)	-	-
- weakened by 5%	(14)	60	-	-
IDR/RM - strengthened by 5%	435	461	654	(1,242)
- weakened by 5%	(435)	(461)	(654)	1,242

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
IDR/SGD - strengthened by 5%	25	22	-	-
- weakened by 5%	(25)	(22)	-	-
SGD/RM - strengthened by 5%	45	44	11	14
- weakened by 5%	(45)	(44)	(11)	(14)
RM/SGD - strengthened by 5%	-	7	-	-
- weakened by 5%	-	(7)	-	-
RM/IDR - strengthened by 5%	56	142	-	-
- weakened by 5%	(56)	(142)	-	-

The effects of the changes in the exchange rates to the equity are not presented as they are not significant.

6. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
- Sales of oil palm products	1,008,624	966,513	-	-
- Sales of wood products	27,589	29,801	-	-
- Supply of electricity	12,582	13,537	-	-
- Sales of timber and latex	7,034	7,250	7,034	7,250
- Supply and installation services	3,303	1,815	-	-
- Sales of ramets and laran plantlet and plantable	1,284	891	-	-
	1,060,416	1,019,807	7,034	7,250

6. REVENUE (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other revenue				
- Management fees	-	-	18,323	17,548
- Dividend income from subsidiaries and associate	-	-	129,783	44,849
	1,060,416	1,019,807	155,140	69,647
Timing of revenue recognition				
- Over time	3,303	1,815	-	-
- At a point in time	1,057,113	1,017,992	7,034	7,250
	1,060,416	1,019,807	7,034	7,250

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.

(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.

6. REVENUE (continued)

(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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of inventories sold	583,886	622,215	4,859	4,005
Supply and installation service costs	3,063	1,528	-	-
Cost of production of electricity	12,276	13,179	-	-
	599,225	636,922	4,859	4,005

8. INTEREST INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income from:				
Amounts due from subsidiaries	-	-	7,140	10,858
Financial assets	1,368	1,530	-	-
Plasma receivables	1,392	2,096	-	-
Short-term deposits and cash and bank balances	16,564	9,168	1,411	1,053
	19,324	12,794	8,551	11,911

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

9. DIVIDEND INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Dividend income from:				
Short term funds	1	1	1	1
Investment securities	2,219	331	-	-
	2,220	332	1	1

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

10. OTHER INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fair value gain on short term funds	145	93	5	4
Gain from fair value adjustment of forest planting expenditure (Note 20)	-	188	-	-
Gain on disposal of property, plant and equipment	1,035	902	120	218
Gain on lease reassessments	3	43	-	-
Gain on redemption of financial assets	-	6	-	-
Gain on remeasurement of financial guarantees contracts (Note 39(c))	22	35	-	108
Insurance claims received and receivable	378	505	21	-
Management fee	3,610	3,274	-	-
Net gain from fair value adjustment of fresh fruit bunches (Note 20)	-	6,607	-	-
Net gain on foreign exchange				
- realised	5,171	-	5,340	-
- unrealised	-	5,328	-	1,555
Net write back of inventories written down (Note 28(d))	621	8,299	-	-
Rental income	1,463	1,168	985	958
Sales of scrap iron	358	303	-	-
Miscellaneous	1,886	1,440	238	231
	14,692	28,191	6,709	3,074

Rental income

Rental income is recognised on a straight line basis over the period of tenancy.

11. 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:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of biological assets	20	1,181	1,181	1,181	1,181
Auditors' remuneration:					
BDO PLT and affiliates					
- statutory audits		538	527	190	183
- non-statutory audit					
- tax compliance and advisory services		66	159	-	-
- other services		103	101	100	97

11. PROFIT BEFORE TAX (continued)

(a) Other than those disclosed elsewhere in the financial statements, the following items have been included in arriving at profit before tax: (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other auditors					
- statutory audits:					
- current year		320	353	-	-
- (over)/under provision in prior years		(8)	2	-	-
Bad debts written off		3,681	65	-	-
Depreciation of property, plant and equipment		90,655	116,423	2,386	2,374
Depreciation of right-of-use assets		9,624	10,615	67	61
Employee benefits expense	13	113,869	120,830	22,699	24,917
Fair value loss on commodity future contract		-	134	-	-
Fair value loss on forward currency contracts		298	580	298	580
Inventories written off	28(c)	1,817	651	-	-
Impairment losses on:					
- property, plant and equipment	18	4,631	3,249	-	-
- investment in subsidiaries	22(c)	-	-	27,954	860
- investment securities	27(e)	-	1	-	1
Waiver of debt on amount due from subsidiaries		-	-	-	229
Investment securities written off	27(d)	-	50	-	50
Loss from fair value adjustment of forest planting expenditure	20	1,735	-	1,605	754
Loss on striking off of a subsidiary		-	-	-	24
Loss on redemption of financial assets		31	-	-	-
Loss on remeasurement of financial guarantees contracts	39(c)	-	-	55	-
Net loss on foreign exchange:					
- realised		-	233	-	437
- unrealised		2,706	-	2,547	-
Net loss from fair value adjustment of fresh fruit brunches	20	1,367	-	-	-
Non-Executive Directors' remuneration	14	1,302	2,434	1,194	1,562
Property, plant and equipment written off		497	260	1	1
Realised loss on commodity future contracts		-	118	-	-
Rental expenses on premises		114	106	92	92

11. PROFIT BEFORE TAX (continued)

(b) Net impairment (losses)/write back on financial assets recognised in profit or loss were as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment losses on:					
- trade receivables	26(a)	(1,274)	(797)	-	-
- other receivables	26(b)	(962)	(4,257)	-	-
		(2,236)	(5,054)	-	-
Write back of impairment losses on:					
- trade receivables	26(a)	105	468	-	-
- other receivables	26(b)	4,879	1,729	-	-
- amounts due from subsidiaries	26(c)	-	-	-	2,336
		4,984	2,197	-	2,336
Net impairment write back/(losses) on financial assets		2,748	(2,857)	-	2,336

12. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on:				
Amounts due to subsidiaries	-	-	1,605	2,830
Bank overdrafts	7	22	-	-
Bankers' acceptances	779	1,272	-	-
Lease liabilities	52	58	3	2
Revolving credits	7,022	4,329	6,013	2,979
Term loans	3,343	6,889	3,343	6,889
Total finance costs	11,203	12,570	10,964	12,700
Less: Interest expense capitalised in bearer plants and forest planting expenditure	(242)	-	-	-
Net finance costs	10,961	12,570	10,964	12,700

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.

12. FINANCE COSTS (continued)

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.

During the financial year, interest expense capitalised under bearer plants of the Group amounted to RM242,000 at interest rate of 5.5%.

13. EMPLOYEE BENEFITS EXPENSE

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages and salaries		97,943	103,908	20,598	23,141
Contributions to defined contribution plan		3,601	3,525	2,071	1,868
Social security contributions		8,243	9,143	170	163
Increase in liability for defined benefit plan		5,286	5,248	-	-
		115,073	121,824	22,839	25,172
Less: Amount capitalised in bearer plants	18(d)	(1,067)	(557)	(18)	-
Less: Amount capitalised in forest planting expenditure	20(a)	(137)	(437)	(122)	(255)
		113,869	120,830	22,699	24,917

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM5,010,000 (2024: RM7,082,000) and RM1,674,000 (2024: RM3,749,000) respectively as further disclosed in Note 14 to the financial statements.

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14. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by Directors of the Company during the financial year are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive:					
Fees		393	-	-	-
Salaries and bonus		3,742	6,198	1,120	3,196
Other emoluments		875	884	554	553
<hr/>					
Total Executive Directors' remuneration (excluding benefits-in-kind)	13	5,010	7,082	1,674	3,749
Estimated money value of benefits-in-kind		277	313	277	305
<hr/>					
Total Executive Directors' remuneration (including benefits-in-kind)		5,287	7,395	1,951	4,054
<hr/>					
Non-Executive:					
Fees		372	819	264	312
Salaries		-	350	-	-
Other emoluments		930	1,265	930	1,250
<hr/>					
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	11	1,302	2,434	1,194	1,562
Estimated money value of benefits-in-kind		123	259	123	259
<hr/>					
Total Non-Executive Directors' remuneration (including benefits-in-kind)		1,425	2,693	1,317	1,821
<hr/>					
Total Directors' remuneration		6,712	10,088	3,268	5,875

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	
	2025	2024
Executive Directors:		
RM1,250,000 - RM1,300,000	-	1
RM1,350,000 - RM1,400,000	1	-
RM2,850,000 - RM2,900,000	-	1
RM3,200,000 - RM3,250,000	-	1
RM3,850,000 - RM3,900,000	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	
	2025	2024
Non-Executive Directors:		
Below RM50,000	-	1
RM50,000 - RM100,000	3	3
RM100,000 - RM150,000	1	1
RM400,000 - RM450,000	-	1
RM800,000 - RM850,000	-	1
RM1,050,000 - RM1,100,000	1	1

In the previous 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 2025 and 31 December 2024 are:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	4,080	4,374	-	-
- Foreign tax	61,524	46,640	-	-
- Withholding tax on foreign dividend income	11,711	6,419	6,188	2,524
	77,315	57,433	6,188	2,524
(Over)/Under provision in prior years:				
- Malaysian income tax	(29)	36	-	-
- Foreign income tax	262	2,462	-	-
	233	2,498	-	-
Deferred tax				
- Origination and reversal of temporary differences	2,276	1,289	(1,544)	(754)
- Under provision in prior years	439	369	196	289
	2,715	1,658	(1,348)	(465)
Taxation recognised in profit and loss	80,263	61,589	4,840	2,059

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 2025 and 31 December 2024 is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	303,195	219,870	81,977	25,970
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	72,767	52,769	19,674	6,233
Different tax rates in other countries	(6,080)	(4,101)	-	-
Tax effects in respect of:				
Non-deductible expenses	10,383	16,352	10,140	4,223
Income not subject to taxation	(3,883)	(2,215)	(31,358)	(11,210)
Share of profit of associate	(3,806)	(4,533)	-	-
Share of profit of joint ventures	(300)	(2,028)	-	-
Effect of utilisation of previously unrecognised tax losses, unabsorbed allowances and other deductible temporary differences	(5,391)	(7,075)	-	-
Effect of different tax rate for small and medium scale company	(13)	(10)	-	-
Deferred tax assets not recognised	4,203	3,144	-	-
Withholding tax on foreign dividend income	11,711	6,419	6,188	2,524
Under provision of current tax expense in prior years	233	2,498	-	-
Under provision of deferred tax in prior years	439	369	196	289
Taxation recognised in profit and loss	80,263	61,589	4,840	2,059

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(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.

15. TAXATION (continued)

(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 2025			
Item that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translations	(194,150)	-	(194,150)
Net gain on financial assets measured at FVOCI	553	-	553
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon redemption	428	-	428
	(193,169)	-	(193,169)
Item that may not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liabilities	(251)	77	(174)
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 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 subsequently to profit or loss:			
Remeasurement of net defined benefit liabilities	2,347	(468)	1,879

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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	
	2025	2024
Profit attributable to owners of the Company used in the computation of basic or diluted earnings per share (RM'000)	183,369	135,662
Weighted average number of ordinary shares in issue ('000)	1,311,636	1,379,606
Basic earnings per ordinary share (sen)	13.98	9.83

(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	
	2025	2024
	RM'000	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
	-	69,010

On 25 February 2026, the Directors had declared a first and final single-tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2025 to shareholders whose names appear in the Record of Depositors of Bursa Malaysia Depository Sdn. Bhd. and The Central Depository (Pte) Limited ("CDP") at the close of business on 15 April 2026. The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

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
2025								
Carrying amount								
Balance as at 1 January 2025	946,737	60,588	170,314	9,247	107,091	34,547	9,426	1,337,950
Additions	27,470	87	992	3,893	17,168	1,201	21,253	72,064
Disposals	-	-	-	(1,695)	(230)	(17)	-	(1,942)
Write-offs	(73)	(32)	(192)	-	(32)	(162)	(6)	(497)
Reclassifications	-	11,454	5,384	(1,584)	5,282	(28)	(20,508)	-
Depreciation charged for the financial year	(42,216)	(8,178)	(11,721)	(4,012)	(23,667)	(1,421)	-	(91,215)
Impairment losses	(4,631)	-	-	-	-	-	-	(4,631)
Exchange differences	(107,152)	(6,114)	(10,173)	(849)	(4,937)	(268)	(724)	(130,217)
Balance as at 31 December 2025	820,135	57,805	154,604	5,000	100,675	33,852	9,441	1,181,512

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
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	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	----- At 31.12.2025 -----			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Bearer plants	1,202,000	(360,468)	(21,397)	820,135
Plantation infrastructure	143,497	(85,692)	-	57,805
Buildings	346,873	(158,308)	(33,961)	154,604
Motor vehicles	29,528	(24,528)	-	5,000
Plant, machinery and equipment	468,475	(363,001)	(4,799)	100,675
Furniture, fittings and renovation	61,022	(26,150)	(1,020)	33,852
Assets under construction	194,305	-	(184,864)	9,441
	2,445,700	(1,018,147)	(246,041)	1,181,512

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

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
2025							
Carrying amount							
Balance as at 1 January 2025	10,481	33,929	1,196	2,266	1,825	1,942	51,639
Additions	-	116	1,780	444	341	1	2,682
Disposals	-	-	(1,103)	(1)	-	-	(1,104)
Write-offs	-	-	-	(1)	-	-	(1)
Reclassifications	-	-	(35)	35	-	-	-
Depreciation charged for the financial year	(165)	(1,024)	(299)	(518)	(380)	-	(2,386)
Balance as at 31 December 2025	10,316	33,021	1,539	2,225	1,786	1,943	50,830
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

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	----- At 31.12.2025 -----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Plantation infrastructure	13,144	(2,828)	10,316
Buildings	51,304	(18,283)	33,021
Motor vehicles	4,510	(2,971)	1,539
Plant, machinery and equipment	17,525	(15,300)	2,225
Furniture, fittings and renovation	13,122	(11,336)	1,786
Assets under construction	1,943	-	1,943
	101,548	(50,718)	50,830

Company	----- At 31.12.2024 -----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
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

- (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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Property, plant and equipment</u>				
Bearer plants (Note 18(d))	559	187	-	-
<u>Biological assets</u>				
Forest planting expenditure (Note 20(a))	1	1	1	1

- (d) Included in bearer plants during the financial year are:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment (Note 18(c))	559	187	-	-
Depreciation of right-of-use assets (Note 19(d))	329	101	-	-
Interest expense (Note 12)	242	-	-	-
Employee benefits expense (Note 13)	1,067	557	18	-

- (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/equity	
	Group	
	2025	2024
	RM'000	RM'000
Depreciation rate		
- increased by 10%	(2,367)	(2,364)
- decreased by 10%	2,367	2,364

- (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:

	2025	2024
CPO price (RM/MT)	4,000	4,000
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 RM4,631,000 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 financial year, the Company had disposed motor vehicle and plant, machinery and equipment with carrying amount of RM441,000 to its subsidiary for a total consideration of RM448,000.
- (h) In the previous 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
2025						
Carrying amount						
At 1 January 2025	81,719	165,589	779	51	398	248,536
Additions	3,949	3,923	-	101	522	8,495
Depreciation charged for the financial year	(1,572)	(7,992)	(164)	(29)	(196)	(9,953)
Reassessments	-	-	(14)	-	(77)	(91)
Exchange differences	-	(17,854)	-	-	(19)	(17,873)
At 31 December 2025	84,096	143,666	601	123	628	229,114

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Right-of-use assets (continued)

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	-	12,293	-	-	-	12,293
Reassessments	-	-	(353)	-	(15)	(368)
Exchange differences	-	(10,246)	-	-	(15)	(10,261)
At 31 December 2024	81,719	165,589	779	51	398	248,536

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Right-of-use assets (continued)

Group	At 31.12.2025		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Long term leasehold land	99,581	(15,485)	84,096
Land use rights	259,187	(115,521)	143,666
Short term leasehold land	1,144	(543)	601
Equipment	339	(216)	123
Buildings	3,238	(2,610)	628
	363,489	(134,375)	229,114

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

Company	Long term leasehold land RM'000	Equipment RM'000	Total RM'000
2025			
Carrying amount			
At 1 January 2025	8,158	30	8,188
Additions	-	101	101
Depreciation charged for the financial year	(38)	(29)	(67)
At 31 December 2025	8,120	102	8,222

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
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
----- At 31.12.2025 -----			
Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Long term leasehold land	8,872	(752)	8,120
Equipment	303	(201)	102
	9,175	(953)	8,222
----- 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

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
2025				
Carrying amount				
At 1 January 2025	1,166	32	16	1,214
Additions	-	101	169	270
Lease payments	(212)	(32)	(98)	(342)
Interest expense	45	3	4	52
Reassessments	(15)	-	(79)	(94)
At 31 December 2025	984	104	12	1,100
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
Company				Equipment RM'000
2025				
Carrying amount				
At 1 January 2025				32
Additions				101
Lease payments				(32)
Interest expense				3
At 31 December 2025				104
2024				
Carrying amount				
At 1 January 2024				55
Lease payments				(25)
Interest expense				2
At 31 December 2024				32

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

Lease liabilities (continued)

Represented by:	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities	870	863	78	12
Current liabilities	230	351	26	20
Total lease liabilities	1,100	1,214	104	32
Lease liabilities owing to non-financial institutions	1,100	1,214	104	32

- (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 31 to 905 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 RM27,858,000 (2024: RM30,579,000), 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	
	2025 RM'000	2024 RM'000
<u>Property, plant and equipment</u>		
Bearer plants (Note 18(d))	329	101

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	
	2025	2024
	RM'000	RM'000
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	9,624	10,615
Interest expense on lease liabilities (included in finance costs)	52	58
Expense relating to short-term leases (included in administration expenses)	114	106
	9,790	10,779

	Company	
	2025	2024
	RM'000	RM'000
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	67	61
Interest expense on lease liabilities (included in finance costs)	3	2
Expense relating to short-term leases (included in administration expenses)	92	92
	162	155

(f) During the financial year, the Group and the Company had total cash outflows for leases of RM456,000 (2024: RM594,000) and RM124,000 (2024: RM117,000) respectively.

(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				Total RM'000
		One year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	
31 December 2025						
Lease liabilities						
Fixed rates	3.66%-5.58%	230	242	469	159	1,100
31 December 2024						
Lease liabilities						
Fixed rates	3.66% - 5.58%	351	162	453	248	1,214

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

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 2025						
Lease liabilities						
Fixed rate	3.72% - 4.81%	26	24	54	-	104
31 December 2024						
Lease liabilities						
Fixed rate	3.72% - 4.05%	20	8	4	-	32

- (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 2025				
Lease liabilities	279	799	185	1,263
31 December 2024				
Lease liabilities	401	721	285	1,407
Company				
31 December 2025				
Lease liabilities	31	84	-	115
31 December 2024				
Lease liabilities	20	12	-	32

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	1,214	1,375	32	55
Additions	270	691	101	-
Cash flows				
- Payments of lease liabilities	(290)	(430)	(29)	(23)
- Payments of lease interest	(52)	(58)	(3)	(2)
Non-cash flows				
- Interest expense	52	58	3	2
- Reassessments	(94)	(411)	-	-
- Exchange differences	-	(11)	-	-
At 31 December	1,100	1,214	104	32

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	710	697	646	607
Later than 1 year but not later than 2 years	504	583	504	503
Later than 2 years but not later than 3 years	306	378	306	368
Later than 3 years but not later than 4 years	145	290	145	290
Later than 4 years but not later than 5 years	-	145	-	145
	1,665	2,093	1,601	1,913

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 2025	280,160	95,650	375,810
Additions during the financial year	1,340	-	1,340
Loss from fair value adjustment (Note 11)	(1,735)	-	(1,735)
At 31 December 2025	279,765	95,650	375,415
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
Accumulated depreciation			
At 1 January 2025	-	(9,448)	(9,448)
Depreciation for the year: Recognised in profit or loss (Note 11)	-	(1,181)	(1,181)
At 31 December 2025	-	(10,629)	(10,629)
At 1 January 2024	-	(8,267)	(8,267)
Depreciation for the year: Recognised in profit or loss (Note 11)	-	(1,181)	(1,181)
At 31 December 2024	-	(9,448)	(9,448)
Net carrying amount:			
At cost/valuation			
At 31 December 2025	279,765	85,021	364,786
At 31 December 2024	280,160	86,202	366,362

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 2025	187,580	95,650	283,230
Additions during the financial year	1,225	-	1,225
Loss from fair value adjustment (Note 11)	(1,605)	-	(1,605)
At 31 December 2025	187,200	95,650	282,850
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 11)	(754)	-	(754)
At 31 December 2024	187,580	95,650	283,230
Accumulated depreciation			
At 1 January 2025	-	(9,448)	(9,448)
Depreciation for the year: Recognised in profit or loss (Note 11)	-	(1,181)	(1,181)
At 31 December 2025	-	(10,629)	(10,629)
At 1 January 2024	-	(8,267)	(8,267)
Depreciation for the year: Recognised in profit or loss (Note 11)	-	(1,181)	(1,181)
At 31 December 2024	-	(9,448)	(9,448)
Net carrying amount:			
At cost/valuation			
At 31 December 2025	187,200	85,021	272,221
At 31 December 2024	187,580	86,202	273,782

20. BIOLOGICAL ASSETS (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current assets				
At fair value				
<u>Fresh fruit bunches</u>				
At beginning of financial year	20,131	14,697	-	-
Changes in fair value less costs to sell (Notes 10, 11)	(1,367)	6,607	-	-
Exchange differences	(2,283)	(1,173)	-	-
At end of financial year	16,481	20,131	-	-

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 2025.

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 72 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	2025: 10% - 15% (2024: 10% - 15%)	The higher the discount rate, the lower the fair value.
		(b) Estimated yield - rubber (kg/Ha)	2025: 675 - 1,940 (2024: 675 - 1,940)	The higher the yield rate, the higher the fair value.
		- wood/timber (M ³ /Ha)	2025: 108 - 200 (2024: 108 - 200)	
		(c) Estimated price - rubber (RM/KG)	2025: 6.50 (2024: 6.50)	The higher the price, the higher the fair value.
		- wood/timber (RM/M ³)	2025: 350 - 425 (2024: 350 - 425)	

- (iii) Included in forest planting expenditure incurred during the financial year are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment (Note 18(c))	1	1	1	1
Employee benefits expense (Note 13)	137	437	122	255

- (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 790,000 tonnes (2024: 795,000 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 RM2,364,000 (2024: RM2,956,000).

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 2024	56,799
Exchange differences	(2,171)
At 31 December 2024 and 1 January 2025	54,628
Exchange differences	(3,692)
At 31 December 2025	50,936
Accumulated impairment:	
At 1 January 2024/31 December 2024	(12,480)
At 1 January 2025/31 December 2025	(12,480)
Net carrying amount	
At 31 December 2025	38,456
At 31 December 2024	42,148

21. INTANGIBLE ASSETS

Impairment tests for goodwill

The carrying amounts of goodwill allocated to each CGU are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Segments:		
Palm products	38,456	42,148

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:

	2025	2024
CPO price (RM/MT)	4,000	4,000
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.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to each CGU.

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	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost:		
In Malaysia	237,122	236,721
Outside Malaysia	42,503	39,311
	279,625	276,032
ESOS granted to employees of subsidiaries	2,342	2,342
Non-cumulative redeemable convertible preference shares	434,030	448,856
	715,997	727,230
Less: Impairment losses	(77,211)	(49,257)
	638,786	677,973

(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 RM27,954,000 (2024: RM860,000) 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 RM115,704,000 (2024: RM8,446,000) as at 31 December 2025.

(d) During the financial year, the Company:

(i) acquired 8,750,000 existing ordinary shares from a subsidiary for a total consideration of RM401,372, which was satisfied by way of contra against amount due to a subsidiary.

(ii) subscribed for an additional 9,420,000 non-cumulative redeemable convertible preference shares in certain subsidiaries for a total subscription consideration of RM9,420,000, which was satisfied by cash.

(iii) redeemed 4,750,000 non-cumulative redeemable convertible preference shares in a subsidiary at the total redemption amount of RM21,054,000 by cash.

(iv) converted its existing 10,500,000,000 preference shares in PT Andalas Agro Industri ("PT AAI"), amounting to RM3,192,000 into ordinary shares, while TSH Sumbar Group Limited, the wholly-owned subsidiary of the Company, converted its ordinary shares in PT AAI into preference shares. Following the conversion, the Company became the direct controlling shareholder of PT AAI. The transaction is regarded as an internal reorganisation within the Group and does not result in any change in the ultimate controlling interest of the Company in PT AAI.

22. INVESTMENTS IN SUBSIDIARIES (continued)

- (e) In the previous 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.
 - (i) 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.
 - (ii) 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.
- (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		% of ownership held by non-controlling interest		
			2025 %	2024 %	2025 %	2024 %	
Held by the Company:							
TSH Plantation Sdn. Bhd. ⁱ	Malaysia	Investment holding	100	100	-	-	
CocoaHouse Industries Sdn. Bhd. ^{ii, v}	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	
TSH Plantation 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	-	-	
POME Energy Sdn. Bhd. ⁱ	Malaysia	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		% of ownership held by non-controlling interest	
			2025	2024	2025	2024
Held by the Company (continued):						
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	-	-
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. ⁱⁱ	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	-	-
TSH Agri Pte. Ltd. ⁱⁱⁱ	Singapore	Management services and trading of goods	100	100	-	-
Eko Pulp & Paper Sdn. Bhd. ⁱ	Malaysia	Dormant	100	100	-	-
PT Andalas Agro Industri ⁱⁱⁱ	Indonesia	Operation of a palm oil mill and investment holding	70	70	30	30

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	
			2025	2024	2025	2024
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 ^{iv}	Ghana	Dormant	-	100	-	-
Held through TSH Plantation Holdings Sdn. Bhd.						
TSH Palm Products Sdn. Bhd. ⁱⁱ	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		% of ownership held by non-controlling interest	
			2025 %	2024 %	2025 %	2024 %
Held through TSH Sumbar Group Limited						
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
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

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	
			2025 %	2024 %	2025 %	2024 %
Held through Bagan Agresif Sdn. Bhd.						
PT Andalas Wahana Sukses ⁱⁱⁱ	Indonesia	Oil palm plantations	90	90	10	10
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 as at the end of the financial year.

ⁱⁱⁱ Not audited by BDO PLT or member firms of BDO International.

^{iv} Struck off/ Wound up during the financial year and did not have any material effect to the financial performance.

^v Liquidated subsequent to the financial year 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

	PT Andalas Agro Industri and its subsidiary		Subsidiaries of TSH Sumbar Group Limited		Subsidiaries of TSH Oversea Pte. Ltd.		Subsidiary of TSH Logistics Sdn. Bhd.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets and liabilities								
Non-current assets	234,726	-*	108,415	407,347	298,061	395,900	224,741	271,710
Current assets	82,029	-*	29,648	95,312	139,502	129,435	47,330	32,720
Total assets	316,755	-*	138,063	502,659	437,563	525,335	272,071	304,430
Current liabilities	7,350	-*	20,327	18,754	19,718	124,327	3,634	5,898
Non-current liabilities	4,992	-*	3,739	7,985	95,379	8,402	4,120	3,410
Total liabilities	12,342	-*	24,066	26,739	115,097	132,729	7,754	9,308
Net assets	304,413	-*	113,997	475,920	322,466	392,606	264,317	295,122
Carrying amounts of NCI	90,931	-*	34,703	142,888	32,392	39,406	26,432	29,512

*Not applicable as PT Andalas Agro Industri and its subsidiary was under TSH Sumbar Group Limited in the prior financial year.

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries (continued)

(i) Summarised statements of financial position (continued)

	LKSK Sdn. Bhd.		Landquest Sdn. Bhd.		Subsidiary of Rinukut Sdn. Bhd.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets and liabilities						
Non-current assets	41,394	39,914	32,039	30,660	79,262	81,142
Current assets	4,100	5,263	1,829	2,829	3,695	6,142
Total assets	45,494	45,177	33,868	33,489	82,957	87,284
Current liabilities	897	903	414	838	1,415	2,255
Non-current liabilities	9,725	9,397	6,119	5,916	85,550	92,000
Total liabilities	10,622	10,300	6,533	6,754	86,965	94,255
Net assets/(liabilities)	34,872	34,877	27,335	26,735	(4,008)	(6,971)
Carrying amounts of NCI	20,948	20,951	11,320	11,054	8,168	6,983

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries (continued)

(ii) Summarised statements of comprehensive income

	PT Andalas Agro Industri and its subsidiary		Subsidiaries of TSH Sumbar Group Limited		Subsidiaries of TSH Oversea Pte. Ltd.		Subsidiary of TSH Logistics Sdn. Bhd.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Results								
Revenue	88,714	-*	104,280	145,918	245,331	241,448	44,640	56,035
Profit for the year	37,914	-*	28,628	23,064	88,454	80,506	10,424	1,486
Total comprehensive income for the year	37,691	-*	28,569	24,648	88,430	80,983	10,535	1,597
Profit allocated to NCI	11,307	-*	8,581	7,185	8,843	8,098	1,050	157
Total comprehensive income allocated to NCI	11,327	-*	8,581	7,049	8,793	8,057	1,012	81

(iii) Summarised cash flows

Net cash flows from operating activities	76,152	-*	50,146	13,061	111,591	82,921	16,293	12,538
Net cash flows from/(used in) investing activities	4,335	-*	701	6,246	43,806	(29,691)	559	(4,669)
Net cash flows used in financing activities	(51,893)	-*	(36,398)	(29,353)	(87,899)	(77,013)	-	-
Net increase/(decrease) in cash and cash equivalents	28,594	-*	14,449	(10,046)	67,498	(23,783)	16,852	7,869
Effect of exchange rate changes	(7,041)	-*	(2,025)	(4,499)	(8,299)	(4,152)	(3,574)	(928)
Cash and cash equivalents at beginning of the year	43,195	-*	9,304	67,044	33,930	61,865	20,760	13,819
Cash and cash equivalents at end of the year	64,748	-*	21,728	52,499	93,129	33,930	34,038	20,760
Dividends paid to non- controlling interests	7,674	-*	10,584	-	8,237	17,783	-	-

* Not applicable as PT Andalas Agro Industri and its subsidiary was under TSH Sumbar Group Limited in the prior financial year.

22. INVESTMENTS IN SUBSIDIARIES (continued)

(g) Material partly-owned subsidiaries (continued)

(ii) Summarised statements of comprehensive income (continued)

	LKSK Sdn. Bhd.		Landquest Sdn. Bhd.		Subsidiary of Rinukut Sdn. Bhd.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Results						
Revenue	11,243	12,904	3,724	4,330	32,783	30,569
Profit for the year	3,495	3,978	615	238	2,963	2,229
Total comprehensive income for the year	3,495	3,978	615	238	2,963	2,229
Profit allocated to NCI	1,713	1,949	266	103	1,185	892
Total comprehensive income allocated to NCI	1,713	1,949	266	103	1,185	892

(iii) Summarised cash flows

Net cash flows from operating activities	5,202	3,996	1,867	792	14,437	13,267
Net cash flows used in investing activities	(2,377)	(590)	(2,008)	(203)	(2,426)	(1,814)
Net cash flows (used in)/from financing activities	(3,500)	(2,000)	205	(515)	(13,761)	(10,448)
Net (decrease)/increase in cash and cash equivalents	(675)	1,406	64	74	(1,750)	1,005
Effect of exchange rate changes	-	-	-	-	-	-
Cash and cash equivalents at beginning of the year	2,750	1,344	361	287	1,923	918
Cash and cash equivalents at end of the year	2,075	2,750	425	361	173	1,923
Dividends paid to non- controlling interests	1,715	980	-	-	-	-

23. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Quoted equity shares in Malaysia				
At cost	61,259	61,259	61,259	61,259
Share of post-acquisition reserves	19,510	23,614	-	-
	80,769	84,873	61,259	61,259
Unquoted equity shares in Malaysia				
At cost	-*	-*	-*	-*
	80,769	84,873	61,259	61,259
Fair value of investment in an associate for which there is published price quotation	195,413	172,299	195,413	172,299

* 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	
			2025 %	2024 %
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	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

	2025 RM'000	2024 RM'000
Assets and liabilities		
Current assets	41,455	67,238
Non-current assets	373,121	369,187
Total assets	414,576	436,425
Current liabilities	28,445	30,544
Non-current liabilities	67,498	68,541
Total liabilities	95,943	99,085
Net assets	318,633	337,340

- (ii) Summarised statements of comprehensive income

	2025 RM'000	2024 RM'000
Results		
Revenue	273,240	277,782
Profit for the year	72,888	87,157
Total comprehensive income	72,888	87,157

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate.

	2025 RM'000	2024 RM'000
Net assets at 1 January	337,340	308,958
Total comprehensive income	72,888	87,157
Transaction with owners	(91,595)	(58,775)
Net assets at 31 December	318,633	337,340
Interest in associate (%)	21.94%	21.94%
	69,909	74,013
Goodwill	10,860	10,860
Carrying value of Group's interest in associate	80,769	84,873

- (iv) Dividends received from associate during the financial year amounted to RM19,962,000 (2024: RM12,660,000).
- (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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	20,750	20,750	20,750	20,750
Share of post-acquisition reserves	92,044	90,792	-	-
	112,794	111,542	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	
			2025 %	2024 %
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.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets	48,837	51,457	10,698	11,250
Cash and cash equivalents	57,313	45,115	3,546	2,882
Other current assets	352,273	334,952	35,635	25,270
Total current assets	409,586	380,067	39,181	28,152
Total assets	458,423	431,524	49,879	39,402

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.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities	3,767	4,353	1,841	1,510
Current liabilities	274,815	240,961	2,758	1,467
Total liabilities	278,582	245,314	4,599	2,977
Net assets	179,840	186,210	45,280	36,425

(ii) Summarised statements of comprehensive income

	TSH-Wilmar Sdn. Bhd.		TSH-Wilmar (BF) Sdn. Bhd.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	1,949,536	2,192,974	26,994	26,352
Depreciation	(3,370)	(3,058)	(852)	(825)
Interest income	1,569	2,110	949	723
Interest expense	(5,379)	(6,277)	-	-
(Loss)/Profit before tax	(6,926)	15,818	11,873	6,562
Taxation	557	(3,151)	(3,018)	(1,587)
(Loss)/Profit after tax, total comprehensive (loss)/income	(6,369)	12,667	8,855	4,975

(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.	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net assets at 1 January	186,210	173,543	36,425	31,450
(Loss)/Profit for the year	(6,369)	12,667	8,855	4,975
Net assets at 31 December	179,841	186,210	45,280	36,425
Interests in joint ventures	50%	50%	50%	50%
	89,921	93,105	22,640	18,213
Unrealised profit on inventories	233	224	-	-
Carrying value of Group's interests in joint ventures	90,154	93,329	22,640	18,213

25. DEFERRED TAX

(a) Deferred tax as at 31 December related to the following:

Group	At 1 January 2025 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 2025 RM'000
Deferred tax liabilities:					
Property, plant and equipment	56,521	1,335	-	(2,219)	55,637
Biological assets	73,694	(551)	-	(451)	72,692
Land use rights	5,155	(1,261)	-	(990)	2,904
Right-of-use assets	14,792	(278)	-	-	14,514
Others	106	458	-	2	566
	150,268	(297)	-	(3,658)	146,313
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(56,579)	1,247	-	137	(55,195)
Others	(6,262)	1,765	(77)	874	(3,700)
	(62,841)	3,012	(77)	1,011	(58,895)
	87,427	2,715	(77)	(2,647)	87,418

25. DEFERRED TAX (continued)

(a) Deferred tax as at 31 December related to the following (continued):

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	468	607	(6,262)
	(63,693)	(348)	468	732	(62,841)
	86,500	1,658	468	(1,199)	87,427

25. DEFERRED TAX (continued)

(a) Deferred tax as at 31 December related to the following (continued):

Company	At 1 January 2024 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 December 2024/ 1 January 2025 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 December 2025 RM'000
Deferred tax liabilities:					
Property, plant and equipment	4,978	(41)	4,937	(95)	4,842
Biological assets	46,370	(113)	46,257	(315)	45,942
	51,348	(154)	51,194	(410)	50,784
Deferred tax assets:					
Tax losses and unabsorbed capital allowances	(45,712)	(1,040)	(46,752)	(854)	(47,606)
Others	(2,168)	729	(1,439)	(84)	(1,523)
	(47,880)	(311)	(48,191)	(938)	(49,129)
	3,468	(465)	3,003	(1,348)	1,655

25. DEFERRED TAX (continued)

- (a) Deferred tax as at 31 December related to the following (continued):

Presented after appropriate offsetting:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets, net*	(182)	(192)	-	-
Deferred tax liabilities, net*	87,600	87,619	1,655	3,003
	87,418	87,427	1,655	3,003

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM58,713,000 (2024: RM62,649,000) for the Group.

- (b) Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM'000	2024 RM'000
Unused tax losses		
- No expiry date	61,724	61,377
- Expires by 2027 to 2035	82,936	91,829
Unabsorbed capital allowances	11,022	11,006
Other deductible temporary differences	38,194	34,616
	193,876	198,828

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Amounts due from subsidiaries	-	-	5,807	1,588
Third parties	23,808	34,458	718	636
Joint ventures	652	1,767	-	-
Retention sums on contract (Note 30)	1,557	547	-	-
	26,017	36,772	6,525	2,224
Less: Allowance for impairment	(2,583)	(1,472)	-	-
Trade receivables, net	23,434	35,300	6,525	2,224
Other receivables				
Amounts due from related parties:				
- subsidiaries	-	-	3,330	1,785
- joint ventures	7	7	7	7
	7	7	3,337	1,792
Less: Allowance for impairment	-	-	(52)	(52)
	7	7	3,285	1,740
Other deposits	1,185	1,407	345	290
Sundry receivables	26,440	8,980	2,000	2,169
	27,632	10,394	5,630	4,199
Less: Allowance for impairment	(1,480)	(1,564)	(1,270)	(1,270)
	26,152	8,830	4,360	2,929
	49,586	44,130	10,885	5,153
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	85,550	92,200
Plasma receivables (Note 26(b)(ii))	37,866	48,955	-	-
	37,866	48,955	85,550	92,200
Less: Allowance for impairment	(9,474)	(14,895)	(2,053)	(2,053)
	28,392	34,060	83,497	90,147
Total trade and other receivables (current and non-current)	77,978	78,190	94,382	95,300
Add: Cash and bank balances and deposits (Note 33)	397,339	263,361	37,368	37,357
Total financial assets at amortised cost	475,317	341,551	131,750	132,657

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 (2024: 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:

Group	2025		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current	6,092	(88)	6,004
Past due			
- 1 to 30 days	13,246	(37)	13,209
- 31 to 60 days	1,932	(17)	1,915
- 61 to 90 days	31	(2)	29
- 91 to 120 days	268	(109)	159
- More than 121 days	2,277	(159)	2,118
	17,754	(324)	17,430
Credit impaired			
Individually impaired	2,171	(2,171)	-
	26,017	(2,583)	23,434
Group	2024		
	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

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):

Company	2025		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current	6,525	-	6,525

Company	2024		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current	2,224	-	2,224

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 2025	457	1,015	1,472
Charge for the financial year	59	1,215	1,274
Write back of impairment loss	(105)	-	(105)
Exchange differences	1	(59)	(58)
At 31 December 2025	412	2,171	2,583
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

* *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.

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.

26. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

(i) (continued)

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 2025	294	4,936	11,229	16,459
Charge for the financial year	-	962	-	962
Write back of impairment loss	(81)	(586)	(4,212)	(4,879)
Exchange differences	(2)	(1,586)	-	(1,588)
At 31 December 2025	211	3,726	7,017	10,954
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
Company	12-month ECL RM'000	Lifetime ECL - credit impaired RM'000	Total allowance RM'000	
31 December 2023/2024		-	1,270	1,270
31 December 2024/2025		-	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.

26. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables (continued)

(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	
	2025	2024
	RM’000	RM’000
Balance at 1 January	48,955	52,897
Net repayments from	(11,089)	(3,942)
	37,866	48,955
Less: Allowance for impairment	(9,474)	(14,895)
Balance at 31 December	28,392	34,060

(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% (2024: 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 RM3,190,000 (2024: RM1,222,000) 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.

26. TRADE AND OTHER RECEIVABLES (continued)

(c) Amounts due from subsidiaries (continued)

The effective interest rate per annum of amounts due from subsidiaries as at the end of the reporting period were as follows:

	Company			
	2025 %	2024 %	2025 RM'000	2024 RM'000
Floating rate				
Current amounts due from subsidiaries	4.60 - 5.11	5.13 - 5.45	3,190	1,222
Non-current amount due from a subsidiary	7.90 - 8.15	8.15	85,550	92,200

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/equity would have been RM169,000 (2024: RM178,000) 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.

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
2025				
At beginning/end of financial year	16	2,063	26	2,105
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

26. TRADE AND OTHER RECEIVABLES (continued)

(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			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Palm products	15,974	61%	25,240	70%
Others	10,043	39%	11,532	30%
	26,017	100%	36,772	100%

As at the end of the reporting period, approximately:

- 3% (2024: 5%) of the trade receivables of the Group were due from related parties.
- 41% (2024: 50%) of the trade and other receivables of the Group were due from plasma receivables.
- 97% (2024: 97%) of the trade and other receivables of the Company were due from subsidiaries.

27. INVESTMENT SECURITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
- Debt instruments (unquoted)	69,392	64,529	-	-

- (a) The debt instruments were classified as financial assets at fair value through other comprehensive income pursuant to MFRS 9 *Financial Instruments*.
- (b) 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.
- (c) 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.
- (d) In the previous financial year, the non-current unquoted equity instruments amounted to RM50,000 has been written off.
- (e) In the previous financial year, the quoted equity instruments amounted to RM1,000 has been fully impaired.
- (f) There is no transfer between levels in the hierarchy during the financial year.

28. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
Raw materials	7,522	9,044	-	-
Finished goods	10,418	13,714	543	542
Nursery	7,204	6,313	488	433
Stores and supplies	42,448	39,009	1,651	592
	67,592	68,080	2,682	1,567
Net realisable value				
Work-in-progress	5,008	10,426	-	-
Finished goods	15,119	24,177	-	-
	20,127	34,603	-	-
	87,719	102,683	2,682	1,567

- (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 RM583,886,000 (2024: RM622,215,000) and RM4,859,000 (2024: RM4,005,000) respectively.
- (c) A write off of inventories amounting to RM1,817,000 (2024: RM651,000) were made by the Group during the financial year.
- (d) The Group reversed RM621,000 (2024: RM8,299,000) in respect of inventories written down 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets (Note 30)	17	220	-	-
Prepayments	2,856	2,860	823	464
	2,873	3,080	823	464

30. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM'000	RM'000
Contract assets (Note 29):		
Construction contracts	17	220
	17	220
Contract liabilities (Note 39):		
Construction contracts	(104)	(22)
Deferred revenue	(636)	(4,479)
	(740)	(4,501)
	(723)	(4,281)

(a) Construction contracts

	Group	
	2025	2024
	RM'000	RM'000
Supply and installation service costs incurred to date	6,698	7,795
Attributable profits	1,127	1,339
	7,825	9,134
Less: Progress billings	(7,912)	(8,936)
Contract liabilities		
Construction contracts	(87)	198
Retention sums on contracts, included within trade receivables (Note 26)	1,557	547
Analysed as follows:		
Contract assets	17	220
Contract liabilities	(104)	(22)
	(87)	198

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	
	2025 RM'000	2024 RM'000
At 1 January	4,479	1,264
Additions during the financial year	9,427	17,481
Recognised as revenue during the financial year	(13,270)	(14,266)
At 31 December	636	4,479

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:

	2026 RM'000	Group 2027 RM'000	Total RM'000
31 December 2025			
Contract liabilities	740	-	740
31 December 2024			
Contract liabilities	4,501	-	4,501

(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

	2025		2024	
	Contract/ notional amount RM'000	Assets RM'000	Contract/ notional amount RM'000	Assets RM'000
Group				
Non-hedging derivatives:				
Current				
Forward currency contracts	-	-	30,433	298
Total		-		298
Company				
Non-hedging derivatives:				
Current				
Forward currency contracts	-	-	30,433	298
Total		-		298

- (a) Derivative assets are classified as financial assets measured at fair value through profit or loss.
- (b) The Group and the Company use forward currency contracts 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) During the financial year, the Group and the Company recognised a net loss of RM298,000 arising from fair value changes of derivative assets (2024: net loss of RM714,000 and RM580,000 respectively). The fair value changes in the current financial year are attributable to changes in foreign exchange spot and forward rate, while the prior year was attributable to both foreign exchange and price fluctuation of CPO commodity.
- (d) Fair value of forward currency contracts was calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
- (f) 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.
- (g) As at 31 December 2025, there was no outstanding derivative instrument, as all foreign currency loans had been fully repaid.

32. SHORT TERM FUNDS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value through profit or loss				
Investment in fixed income trust funds in Malaysia	3,062	2,961	166	160

- (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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash at banks and on hand	392,919	194,124	37,368	36,624
Deposits with licensed banks	4,420	69,237	-	733
Cash and bank balances	397,339	263,361	37,368	37,357

- (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 cash and bank balances of the Group and of the Company ranged from 0.60% to 5.75% (2024: 1.05% to 6.50%) and 0.60% to 2.75% (2024: 1.05% to 3.00%) per annum respectively.

- (c) Cash and bank balances amounting RM4,062,000 (2024: RM7,062,000) for the Group and RM3,388,000 (2024: RM3,371,000) for the Company are pledged as securities for bank facilities granted.

33. CASH AND BANK BALANCES (continued)

- (d) For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances and deposits	397,339	263,361	37,368	37,357
Short term funds (Note 32)	3,062	2,961	166	160
Less:				
Bank overdrafts (Note 37)	-	(716)	-	-
Deposits pledged with licensed banks	(4,062)	(7,062)	(3,388)	(3,371)
Cash and cash equivalents	396,339	258,544	34,146	34,146

- (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. 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 2025	1,381,803	(14,795)	740,512	(17,873)
Purchase of treasury shares	-	(98,150)	-	(115,699)
At 31 December 2025	1,381,803	(112,945)	740,512	(133,572)
At 1 January 2024	1,381,803	(1,629)	740,512	(1,467)
Purchase of treasury shares	-	(13,166)	-	(16,406)
At 31 December 2024	1,381,803	(14,795)	740,512	(17,873)

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.

34. SHARE CAPITAL AND TREASURY SHARES (continued)

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 21 May 2025, 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.

During the financial year, the Company repurchased 98,150,000 of its issued ordinary shares from the open market at prices between RM1.03 to RM1.39 per ordinary share. The total consideration paid and payable for the repurchase was RM115,699,000 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 (2024: 1,381,803,000) issued and fully paid ordinary shares as at 31 December 2025, 112,945,000 (2024: 14,795,000) are held as treasury shares by the Company. As at 31 December 2025, the number of outstanding ordinary shares in issue after set off is therefore 1,268,858,000 (2024: 1,367,008,000) ordinary shares.

35. 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 2025	9,630	(273,684)	100	(63)	(264,017)
Other comprehensive (loss)/income:					
Foreign currency translations	-	(162,425)	-	-	(162,425)
Net gain on financial assets measured at FVOCI	-	-	-	553	553
Cumulative loss on financial assets measured at FVOCI reclassified to profit or loss upon redemption	-	-	-	428	428
At 31 December 2025	9,630	(436,109)	100	918	(425,461)
At 1 January 2024	9,630	(178,443)	100	(164)	(168,877)
Other comprehensive (loss)/income:					
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)

35. 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.

36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single-tier system.

37. LOANS AND BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short term borrowings				
Secured:				
Term loans	21,000	52,433	21,000	52,433
	21,000	52,433	21,000	52,433
Unsecured:				
Bank overdrafts	-	716	-	-
Bankers' acceptances	15,047	25,159	-	-
Revolving credits	184,500	122,800	184,500	102,000
Term loans	5,000	-	5,000	-
	204,547	148,675	189,500	102,000
	225,547	201,108	210,500	154,433

37. LOANS AND BORROWINGS (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Long term borrowings				
Secured:				
Term loans	38,245	58,579	38,245	58,579
	38,245	58,579	38,245	58,579
Unsecured:				
Term loans	32,500	-	32,500	-
	70,745	58,579	70,745	58,579
Total borrowings				
Bank overdrafts	-	716	-	-
Bankers' acceptances	15,047	25,159	-	-
Revolving credits	184,500	122,800	184,500	102,000
Terms loans	96,745	111,012	96,745	111,012
	296,292	259,687	281,245	213,012

- (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	
	2025 %	2024 %	2025 %	2024 %
Floating rate				
Bank overdrafts	-	7.35	-	-
Bankers' acceptances	3.42 - 4.08	3.76 - 4.27	-	-
Revolving credits	3.68 - 4.00	4.11 - 4.90	3.68 - 4.00	4.11 - 4.25
Terms loans	3.00 - 4.87	3.00 - 6.14	3.00 - 4.87	3.00 - 6.14

- (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) Biological assets of the Company amounted to approximately RM108,186,000 (2024: RM109,657,000).
- (iii) Maintained a local currency Debt Service Reserve Account with the Bank, to be operated solely by the Bank, with a minimum balance equivalent to the next scheduled principal and interest payments due under the agreement.

37. LOANS AND BORROWINGS (continued)

(d) The maturity of the term loans is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Not later than 1 year	26,000	52,433	26,000	52,433
Later than 1 year and not later than 2 years	7,500	21,000	7,500	21,000
Later than 2 years and not later than 5 years	25,000	-	25,000	-
Later 5 years or more	38,245	37,579	38,245	37,579
	96,745	111,012	96,745	111,012

(e) 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.

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.

(f) 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 2025				
Loans and borrowings	227,583	35,450	49,210	312,243
As at 31 December 2024				
Loans and borrowings	203,884	21,506	48,469	273,859
Company				
As at 31 December 2025				
Loans and borrowings	212,536	35,450	49,210	297,196
As at 31 December 2024				
Loans and borrowings	157,208	21,506	48,469	227,183

37. LOANS AND BORROWINGS (continued)

- (g) 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 RM563,000 (2024: RM493,000) and RM534,000 (2024: RM404,000) 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.

- (h) 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.

	1.1.2025 RM'000	Cash flows RM'000	Non-cash changes* RM'000	31.12.2025 RM'000
Group				
Bankers' acceptances	25,159	(10,112)	-	15,047
Revolving credits	122,800	61,700	-	184,500
Terms loans	111,012	(14,267)	-	96,745
Loans and borrowings	258,971	37,321	-	296,292
Company				
Revolving credits	102,000	82,500	-	184,500
Terms loans	111,012	(14,267)	-	96,745
Loans and borrowings	213,012	68,233	-	281,245
	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

* Represents foreign exchange differences.

38. RETIREMENT BENEFITS

	Group	
	2025 RM'000	2024 RM'000
At 1 January	22,489	22,982
Charge for the year recognised in profit or loss	5,318	5,248
Interest cost	1,360	1,386
Current service cost	3,857	4,967
Past service cost	101	(1,105)
Recognised in other comprehensive income:		
Actuarial losses/(gains) arising from changes in assumption in respect of current year	251	(2,347)
Actual benefit payment	(2,945)	(1,812)
Exchange differences	(2,912)	(1,582)
At 31 December	22,201	22,489
The amounts recognised on the statements of financial position are determined as follows:		
Present value of obligations	22,201	22,489
Net liabilities	22,201	22,489

- (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 2025.
- (c) Principal actuarial assumptions used at the end of the reporting period in respect of the Group's defined benefit plans are as follows:

	2025 %	2024 %
Discount rate	6.75	7.25
Expected return of salary increase	4.00	4.00

38. 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 2025	31 December 2024
		Impact on defined	Impact on defined
		benefits obligation	benefits obligation
		Increase/(Decrease)	Increase/(Decrease)
		RM'000	RM'000
Discount rate	+ 1%	4,298	5,469
	- 1%	(3,189)	(4,143)
Future salary	+ 1%	4,679	6,008
	- 1%	(2,807)	(3,605)
Mortality	+ 10%	4,991	6,408
	- 10%	(4,159)	(5,340)
Disable or illness	+ 5%	4,783	6,141
	- 5%	(4,367)	(5,607)

39. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	15,626	29,777	-	-
Other payables				
Amounts due to subsidiaries	-	-	14,507	85,891
Accruals	32,509	28,734	5,133	4,673
Contract liabilities (Note 30)	740	4,501	-	-
Other deposits	488	489	388	373
Sundry payables	53,132	44,842	6,126	4,915
Financial guarantee contracts	16	38	202	147
	86,885	78,604	26,356	95,999
	102,511	108,381	26,356	95,999

39. TRADE AND OTHER PAYABLES (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total trade and other payables	102,511	108,381	26,356	95,999
Add: Lease liabilities (Note 19)	1,100	1,214	104	32
Add: Loans and borrowings (Note 37)	296,292	259,687	281,245	213,012
Total financial liabilities carried at amortised cost	399,903	369,282	307,705	309,043

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 (2024: 30 to 60 days).

(b) Amounts due to subsidiaries

Except for the current amounts due to certain subsidiaries totalling RM13,359,000 (2024: RM38,294,000) 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			
	2025 %	2024 %	2025 RM'000	2024 RM'000
Floating rate				
Current amounts due to subsidiaries	4.60 - 5.11	5.13 - 5.45	13,359	38,294

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 RM25,000 (2024: RM73,000) 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.

(c) 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.

39. TRADE AND OTHER PAYABLES (continued)

(c) Financial guarantees contracts (continued)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Banking facilities granted to subsidiaries	-	-	40,400	28,900
Guarantee given to a financial institution under a Plasma Scheme	4,783	11,993	937	2,275

The movement of the financial guarantee contracts during the financial year is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	38	73	147	255
Fair value changes on financial guarantee contracts (Note 10,11)	(22)	(35)	55	(108)
At 31 December	16	38	202	147

(d) 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 2025				
Trade and other payables	102,511	-	-	102,511
As at 31 December 2024				
Trade and other payables	108,381	-	-	108,381

39. TRADE AND OTHER PAYABLES (continued)

- (d) 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: (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Company				
As at 31 December 2025				
Trade and other payables	26,971	-	-	26,971
As at 31 December 2024				
Trade and other payables	97,955	-	-	97,955

40. COMMITMENTS

Capital expenditure as at the end of the reporting period is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Property, plant and equipment:				
Approved and contracted for	19,297	6,735	-	-
Approved but not contracted for	187,351	55,954	10,556	3,326
	206,648	62,689	10,556	3,326

41. 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.

41. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(a) Identities of related parties (continued)

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	2025 RM'000	2024 RM'000
Group			
Joint ventures:			
Sales of crude palm oil	(i)	(242,798)	(243,214)
Sales of palm kernel	(i)	(50,693)	(38,784)
Sale of laran plantlet & plantable to a subsidiary of an associate	(i)	(1,233)	(803)
Sale of organic fertiliser to a subsidiary of an associate	(i)	(919)	(79)
Sale of HDPE pipe to a subsidiary of an associate	(i)	(960)	-
Purchase of fresh fruit bunches from a company in which the family member of a Director of the Company has equity interests	(ii)	1,340	1,497
Purchase of fresh fruit bunches from spouse of a Director of subsidiaries	(ii)	1,197	1,016
Company			
Transactions with subsidiaries:			
Interest income	(iii)	(7,140)	(10,858)
Interest expense on advances	(iii)	1,605	2,830
Management fees income		(18,323)	(17,548)
Dividend income		(109,822)	(32,189)
Management fees expenses		2,743	3,341
Transactions with an associate:			
Dividends income		(19,962)	(12,660)

- (i) The sales of products 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 39 to the financial statements.

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 is disclosed in Note 26 and Note 39 to the financial statements.

41. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(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.

42. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

42.1 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 121 <i>Lack of Exchangeability</i>	1 January 2025

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.

42.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

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 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards – Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries Without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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.

43. CONTINGENT LIABILITIES

- 43.1** 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 (“VAT”) and Withholding Tax (“WHT”) Articles 4(2) and 23 amounting to IDR 14,446,077,000 or equivalent RM3,525,000 (including penalty and interest). In March 2023, the Supreme Court of Republic of Indonesia ruled in favour of PT SPMN in relation to Underpaid Assessment concerning WHT 23 and VAT (except for June 2011 VAT period) amounting IDR 6,752,983,000 equivalent to RM 1,648,000. The remaining assessments (Withholding Tax Article 4(2) and June 2011 VAT) are still under dispute. 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.
- 43.2** 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 VAT and WHT Articles 4(2) and 21 amounting to IDR27,124,431,000 or equivalent RM6,618,000 (including penalty and interest). In February 2025, The Tax Court’s decision partially granted the Taxpayer appeals for VAT and WHT for fiscal year 2019 which resulted to amount payable IDR10,252,430,000 or equivalent RM2,502,000 (including penalty and interest).

However, based on the tax consultant’s review on the Tax Court’s decision, there is a mistake in VAT calculation made by the Tax Court and the amount payable before submission to Judicial Review shall be IDR1,117,074,000 or equivalent RM322,000 (including penalty and interest). Accordingly, the Group has recognised the amount of RM322,000 in the statement of profit or loss in the previous financial year.

PT FDB has filed the Rectification of Verdict request to Tax Court to correct the VAT computation from IDR10,252,430,000 or equivalent RM 2,502,000 to IDR1,117,074,000 or equivalent RM322,000, and has also submitted a Judicial Review request in 2025.

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 CIT, VAT and WHT Articles 4(2) amounting to IDR39,704,407,000 or equivalent RM9,688,000 (including penalty and interest). In February 2025, the Tax Court’s decision granted the Taxpayer appeals for VAT and WHT Articles 4(2) and partially accepted appeal for CIT for fiscal year 2020. Accordingly, the Group has recognised the CIT underpaid amount of IDR11,402,540,000 or equivalent RM3,289,000 (including penalty and interest) in accordance with the Tax Court’s decision in the statement of profit or loss in the previous financial year.

In May 2025, PT FDB has submitted for Judicial Review for the CIT underpaid amount of IDR11,402,540,000 or equivalent RM3,289,000. No Judicial Review decision is issued as at the date of this audit report.

Based on consultation with tax consultant, the Group is of the opinion that PT FDB has a valid defence against the Tax Court’s decision.

Other than the above, there is also ongoing objection with the local tax authority on certain disputed tax assessments, which the Group is of the view that it has valid explanations to justify.

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.