



TM

INNOPRISE PLANTATIONS BERHAD

199301030333 (285072-M)



ANNUAL REPORT
2025



Innoprise
Plantations Berhad
is a Sabah based
company listed on
the Main Board
of Bursa Malaysia
Securities Berhad



32nd Annual General Meeting



Venue

Belian Room, 7th Floor,
Borneo Royale Hotel,
Eastern Plaza, Mile 1,
Jalan Kuhara, 91000 Tawau,
Sabah.



Date

Thursday, 21 May 2026



Time

11.30 am

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scanning this QR code.



<https://innoprise.com.my/investors/>





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INNOPRISE AT A GLANCE

MAP OF IPB ESTATES AND MILL

Revenue

**RM273.24
million**

FY2024: RM276.82 mil

Pre-Tax Profit

**RM96.36
million**

FY2024: RM113.55 mil

Operating Profit

**RM95.60
million**

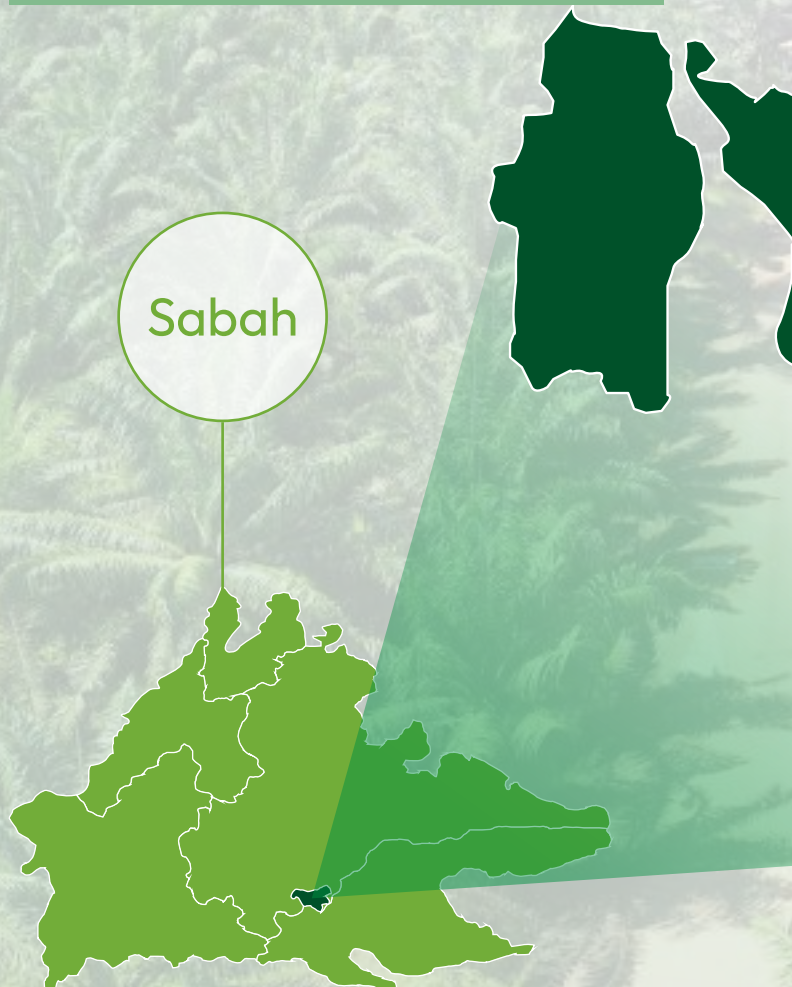
FY2024: RM113.14 mil

Total Assets

**RM414.03
million**

FY2024: RM436.81 mil

Sabah



INNOPRISE AT A GLANCE

Total Mature Area

**12,246
ha**

as at 31/12/2025

Shareholders'
Equity**RM319.00
million**

FY2024: RM336.73 mil

Lokan
EstateLuasong
EstateLabau
EstateMaliau
EstateImbak
EstateGunung Rara
Estate/Palm
Oil Mill

CORPORATE INFORMATION

Board of Directors

Datuk Jasni Bin Daya

Non-Independent Non-Executive Director, Chairman

Lim Ted Hing

Independent Non-Executive Director

Datuk Kelvin Tan Aik Pen

Managing Director

Ong Chu Yaw

Executive Director

Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.

Non-Independent Non-Executive Director

Lim Fook Hin

Alternate Director to Ong Chu Yaw

Datuk Hajah Mary @ Mariati Robert

Independent Non-Executive Director

Secretaries

Chan Ai Hoon
(SSM PC No. 202008003338)
(LS 0000393)
Dorin @ Doreen Aleen Binti Aji
(SSM PC No. 202008003270)
(LS 0009338)

Risk Management Committee

Lim Ted Hing
Datuk Hajah Mary @ Mariati Robert
Ong Chu Yaw

Registered Office

Aras 7, Wisma Innoprise,
Teluk Likas, 88400 Kota Kinabalu,
Sabah.
Tel : 088-214 568
Fax : 088-214 577
Email : admin@innoprise.com.my

Audit Committee

Lim Ted Hing
Dato' Sri Haji Gulamhaidar @ Yusof Bin
Khan Bahadar, J.P.
Datuk Hajah Mary @ Mariati Robert

Auditors

Ernst & Young PLT
L 12.01, 12th Floor, Plaza Shell,
29, Jalan Tunku Abdul Rahman,
88000 Kota Kinabalu, Sabah.
Tel : 088-532 000
Fax : 088-238 905

Registrar

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
Tel : 03-7890 4700
Fax : 03-7890 4670
Email : bsr.helpdesk@
boardroomlimited.com.

Nomination Committee

Datuk Hajah Mary @ Mariati Robert
Dato' Sri Haji Gulamhaidar @ Yusof Bin
Khan Bahadar, J.P.
Lim Ted Hing

Principal Bankers

AmBank (M) Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia)
Berhad

Remuneration Committee

Lim Ted Hing
Datuk Hajah Mary @ Mariati Robert
Ong Chu Yaw

Stock Exchange Listing

Bursa Malaysia Securities Berhad
(Main Market)

Website

www.innoprise.com.my

DIRECTORS' PROFILE



DATUK JASNIH BIN DAYA

Chairman, Non-Independent Non-Executive Director

Gender
Male

Age
51

Nationality
Malaysian

Date of Appointment
to the Board
16 June 2023

Datuk Jasnih Bin Daya was appointed as a Non-Independent Non-Executive Director on 16 June 2023 and was subsequently redesignated as Chairman of the Company on 5 February 2026. He graduated with a Bachelor of Science in Economics from Indiana State University, Terre Haute, Indiana, USA in 1999.

He has served with the Sabah State Government since 2000 and has held various positions in both the public and corporate sectors. Among the roles he held were Executive of Import & Trade covering China, Vietnam, Myanmar, India and Pakistan (2000-2002); Executive of the East Malaysia Rice Business Sector (Sabah & Sarawak) (2002-2003); Assistant Manager and Head of Shipping and Claims Unit (Import & Trading) at the Headquarters in Kuala Lumpur (2003-2004); and Procurement Officer for Myanmar Special Projects under the BERNAS Special International Project (2004-2007). He also served as Manager of the Operational Division of BERNAS Corporation Sdn Bhd, Sabah (2006-2008) and was President of the BERNAS Sabah Club (2010-2013).

He subsequently served as a Member of the Board of Directors of the Housing and Urban Development Board (2015-2017) and as Regional Head of BERNAS Corporation Sabah (2017-2020). He was appointed State Assistant Minister to the Ministry of Finance, Sabah from 2018 to 2022. He currently serves as Executive Chairman of Innoprise Corporation Sdn Bhd and has been the Sabah State Assemblyman for N.13 Pantai Dalit since 2020.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He has had no directorship in any other public listed company. Other than the deemed interest as disclosed in the Circular to Shareholders on recurrent related party transactions, he does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATUK KELVIN TAN AIK PEN

Managing Director

Gender
Male

Age
68

Nationality
Malaysian

Date of Appointment
to the Board
1 January 2026

Kelvin is the Managing Director of Innoprise Plantations Berhad, appointed to the Board on 1 January 2026. He is also the Chairman and Co-Founder of TSH Resources Berhad and serves on the boards of several private companies.

With over four decades of hands-on leadership in agribusiness, Kelvin began his entrepreneurial journey in 1977 with a cocoa trading business in Perak, later developing an integrated cocoa operation in Sabah. In the 1990s, he extended this integrated model to oil palm, establishing plantations and mills in Sabah and strengthening downstream partnerships. He led TSH's expansion into Indonesia in 2003, building a regional, integrated palm oil platform. Under his leadership, TSH was listed on Bursa Malaysia (Second Board in 1994; Main Board in 2000) and achieved a secondary listing on the Singapore Exchange in 2023.

Kelvin is deeply committed to sustainability, having led initiatives in biomass cogeneration, downstream refining partnerships, and biodiversity conservation in Sabah's Meliau Range. He has also contributed to public and educational

institutions, including Universiti Malaysia Sabah and Sabah Chinese High School.

Honours & Recognition

- Pingat Panglima Gemilang Darjah Kinabalu (PGDK), Sabah (1998)
- Honorary Doctorate in Philosophy (Agroforestry), Universiti Malaysia Sabah (2006)
- Darjah Dato' Paduka Mahkota Perak (DPMP), Perak (2009)

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

DIRECTORS' PROFILE



DATO' SRI HAJI GULAMHAIDAR @ YUSOF BIN KHAN BAHADAR, J.P.

Non-Independent Non-Executive Director

Gender	Age	Nationality	Date of Appointment to the Board
Male	71	Malaysian	13 January 2021

Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P. was appointed as a Non-Independent Non-Executive Director of the Company on 13 January 2021. He serves as a member of the Audit Committee and Nomination Committee. He graduated with a Bachelor of Human Resource Management (Honours) from the University of Florida, USA. He also holds a Master of Business Administration (Human Resource Management) from Berkeley International University of California, USA, and a Professional Master Analyst in Political Science from Open University Malaysia.

He has served with the Sabah State Government since 1995 and has held various senior positions, including Confidential Secretary to the Minister of Land and Cooperative Development Malaysia, State of Sabah (1995-1998); Chief Assistant Secretary of Public Relations to the Deputy Chief Minister of Sabah and Minister of Finance Sabah (1998-1999); and Political Secretary to the Chief Minister of Sabah (1999-2003). He also served as Chairman of Innovation Papua New Guinea Ltd, a subsidiary of Innoprise Corporation Sdn Bhd. (2004-2008). He was appointed Assistant Minister of Local Government and Housing Sabah from 2008 to 2013 and subsequently served as

Assistant Minister of Infrastructure Development Sabah from 2013 to 2018. He currently serves as a Director of Yayasan Sabah and as a member of the Board of Directors of Innoprise Corporation Sdn. Bhd. In 2026, he was appointed Chairman of Benta Wawasan Sdn Bhd. He has also been the Sabah State Assemblyman for N.28 Kawang since 2004.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

He has had no directorship in any other public listed company. Other than the deemed interest as disclosed in the Circular to Shareholders on recurrent related party transactions, he does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. He has had no conviction for offences (excluding traffic offences) within the past five years and has had no public sanction or penalty imposed by the relevant regulatory bodies during the financial year, which require disclosure pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



DATUK HAJAH MARY @ MARIATI ROBERT

Independent Non-Executive Director

Gender	Age	Nationality	Date of Appointment to the Board
Female	72	Malaysian	27 June 2023

Datuk Hajah Mary @ Mariati Robert was appointed to the Board on 27 June 2023 as an Independent Non-Executive Director. She currently serves as Chairman of the Nomination Committee and is a member of the Audit Committee, Remuneration Committee and Risk Management Committee.

She graduated with a law degree from the University of Malaya in 1977 and was attached to the Attorney General's Chambers, where she served as a Deputy Public Prosecutor and Assistant Director of the Legal Aid Bureau (Sabah Branch). She set up her own practice in 1991 and in 2013, she became the second woman after 46 years to be appointed as Sabah's Attorney General, marking a significant milestone for both herself and the State of Sabah.

Prior to serving as Sabah's Attorney General, she was an Independent Non-Executive Director of the Company from 1996 to 2014, during which she also served as a member of the Audit Committee and Nomination Committee. Datuk Hajah Mary has been actively involved in various organisations promoting women's empowerment at the state level. From 2012 to 2016, she served as Chairman of the Sabah Women's Advisory Council, which was established to encourage and enhance women's participation in the socio-economic development of the state. She has also been actively involved in community initiatives, including programmes under the Kota Kinabalu Mosque Women's Syukbah and economic

leadership programmes for rural women.

In recognition of her contributions to women's empowerment, she was awarded the State-level Maulidur Rasul Award in 2019. She previously served as an Independent Non-Executive Director of Handal Energy Berhad (formerly known as Handal Resources Berhad) from 2021 to 2023, where she was also a member of the Audit Committee and Risk Management Committee. She currently serves as a member of the Board of Directors of the Institute for Development Studies (Sabah) that promote and develop research-based decision-making processes in government regarding policy formulation and implementation.

She does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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

DIRECTORS' PROFILE



LIM TED HING

Independent Non-Executive Director

Gender
Male

Age
70

Nationality
Malaysian

Date of Appointment
to the Board
14 August 2019

Lim Ted Hing was appointed as an Independent Non-Executive Director of Innoprise Plantations Berhad on 14 August 2019. He serves as Chairman of the Audit Committee, Remuneration Committee and Risk Management Committee and serves as a member of the Nomination Committee.

He is a member of the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"). He obtained his Fundamentals of Accounting from the North East London Polytechnic in 1977. Upon completion, he joined Malvern & Co., a firm of chartered accountants based in London, as an Articled Clerk during which he completed the ICAEW professional examinations in 1983. He joined Ernst & Young in 1985 and was the Senior Manager of its office in Sandakan prior to joining Syarikat Tekala Sdn. Bhd. in 1994 as the Group Financial Controller. Later in June 1996, he was appointed as an Executive Director/Chief Operating Officer of Tekala Corporation Berhad ("Tekala"), a company listed on the Main Market of Bursa Malaysia, and its subsidiaries. In January 2013, he was

appointed as the Group Managing Director/Chief Executive Officer of Tekala. In July 2017, WMG Holdings Bhd. ("WMG") reverse took over Tekala and assumed its listing status. He was an Exco Chairman/Executive Director of WMG Group from 5 September 2017 to 2 December 2024. Other than his business interest in several other private companies, he was a Non-Independent Non-Executive Director of NPC Resources Berhad from 25 February 2002 to 31 July 2025.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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



ONG CHU YAW

Executive Director

Gender
Male

Age
55

Nationality
Malaysian

Date of Appointment
to the Board
15 August 2025

Ong Chu Yaw was appointed as an Executive Director of Innoprise Plantations Berhad on 15 August 2025. Currently, he also serves as a member of the Remuneration Committee and Risk Management Committee.

He holds a Bachelor of Technology in Environmental Engineering and is the founder of a civil construction company established in 1997. The company has been primarily engaged in infrastructure and road construction projects for key government agencies, including the Ministry of Works, Ministry of Rural Development, and the Ministry of Youth and Sports.

In 2010, his company achieved CIDB G7 status - the highest accreditation awarded by the Construction Industry Development Board of Malaysia - signifying excellence in capability, experience, and workmanship.

He was appointed as a director of several subsidiaries within the TSH Resources Berhad Group and also holds directorships in various other private limited companies.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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

DIRECTORS' PROFILE



LIM FOOK HIN

Alternate Director to Ong Chu Yaw

Gender	Age	Nationality	Date of Appointment to the Board
Male	76	Malaysian	15 August 2025

Lim Fook Hin was appointed as an Alternate Director to Ong Chu Yaw on 15 August 2025.

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

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

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

He does not have any family relationship with any Director and/or major shareholder of the Company.

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

KEY SENIOR MANAGEMENT PROFILE



JOHN BIN SINDIN

Chief Operating Officer

Gender
Male

Age
59

Nationality
Malaysian

Date of Appointment as
Chief Operating Officer
2022

Mr John Bin Sindin was appointed Chief Operating Officer of Innoprise Plantations Berhad in 2022. He is a Member of the Incorporated Society of Planters and has close to 40 years of experience in oil palm plantation management.

He began his career in 1986 with BAL Plantation Sdn Bhd as a Cadet Planter and subsequently held various managerial positions before joining Kemabong Sdn Bhd as Estate Manager in 1997. In 2002, he joined TSH Resources Berhad, where he served in progressive roles including Estate Manager, Senior Estate Manager and Assistant General Manager until 2015.

Mr John joined Innoprise Plantations Berhad in 2015 as General Manager and was promoted to Chief Operating Officer in 2022. He is responsible for overseeing the Group's plantation and milling operations, focusing on operational

efficiency, agronomic performance and sustainable productivity.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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



NG CHEE FEN

Chief Financial Officer

Gender
Male

Age
56

Nationality
Malaysian

Date of Appointment as
Chief Financial Officer
2019

Ng Chee Fen was appointed as Chief Financial Officer of Innoprise Plantations Berhad in 2019. He also served as Executive Director cum Chief Financial Officer until 15 August 2025, when he relinquished his role as Executive Director to focus on his responsibilities as Chief Financial Officer.

He is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (ACCA).

He brings with him over 30 years of working experience in audit, plantation, industrial operations, and group financial management. Prior to joining the Company, he held positions with Ernst & Young (1997-2009), Kwantas Corporation Berhad (2010-2013), RT Plantations Sdn Bhd (2013-2016),

SKT Perspektif Sdn Bhd (2016-2018) and Hoko Sdn Bhd (2018-2019).

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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

CHAIRMAN'S STATEMENT



Datuk Jasnih Bin Daya
Non-Independent
Non-Executive Chairman

“ On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Innoprise Plantations Berhad (“IPB” or “the Group”) for the financial year ended 31 December 2025 (“FY2025”). ”

CHAIRMAN'S STATEMENT

FY2025 unfolded amid climate variability, sustained cost pressures and a fluid regulatory and geopolitical landscape. Despite these external headwinds, the Group demonstrated operational resilience and financial discipline. While revenue and profitability moderated from the preceding year, the Group remained profitable, generated positive operating cash flows and maintained a strong balance sheet. The Board is satisfied that IPB's underlying fundamentals remain sound and that the Group continues to operate from a position of structural strength.

The Group's progress must be viewed in the context of its longer-term journey. When TSH Resources Berhad ("TSH") became a major shareholder in 2006, IPB was classified under PN17. A substantial portion of its landbank comprised hilly and fragmented terrain, regarded by many established plantation groups as developmentally challenging. Through sustained financial support, disciplined estate planning and the transfer of agronomic expertise, these lands were progressively developed into productive plantation assets.

Today, 12,246 hectares of oil palm have been planted out of a total land area of 22,763 hectares, supported by established infrastructure and a fully operational palm oil mill. The transformation from PN17 status to a plantation group with a market capitalisation approaching RM1 billion reflects more than capital investment — it demonstrates long-term strategic stewardship, prudent governance and consistent management execution. Over the past decade, the Group has delivered sustained profitability and cash generation, enabling cumulative dividends of 97.55 sen per ordinary share to shareholders.

The Board remains committed to disciplined capital allocation — balancing reinvestment in replanting, infrastructure and operational enhancements with sustainable shareholder returns.

Operationally, prolonged rainfall earlier in the year affected pollination cycles and extraction efficiency. In response, management intensified field supervision, strengthened harvesting discipline and implemented a revised Fresh Fruit Bunch ("FFB") harvesting system. This initiative enhanced task coverage, reinforced quality standards and strengthened performance-linked incentives. The Board has monitored its implementation closely and is encouraged by improving extraction trends observed towards the latter part of the year. With a favourable plantation age profile and continued mechanisation initiatives, the Group is positioned for progressive operational improvement in FY2026, subject to weather and market conditions.



Sustainability remains embedded within the Group's governance framework. IPB continues to maintain full compliance with Malaysian Sustainable Palm Oil ("MSPO") certification standards across its plantation and milling operations. Beyond certification, the Group remains focused on responsible land stewardship, soil health management, safe working practices and adherence to evolving regulatory requirements, ensuring that long-term productivity is aligned with environmental and social responsibility.

With respect to the Industrial Tree Planting programme, the Board continues to evaluate its development in a measured and disciplined manner. Given prevailing market dynamics, progress will be paced prudently, with careful consideration of capital deployment and long-term commercial viability.

Looking ahead, while macroeconomic and industry uncertainties persist, the Board remains confident in the Group's strategic direction. Supported by strengthening operational indicators, disciplined governance, experienced management and the continued strategic support of TSH, IPB is well positioned to navigate cyclical volatility and create sustainable long-term value for its stakeholders.

On behalf of the Board, I extend my sincere appreciation to our Managing Director, management team and employees for their dedication and professionalism, to our shareholders for their continued confidence, and to all stakeholders for their ongoing support.

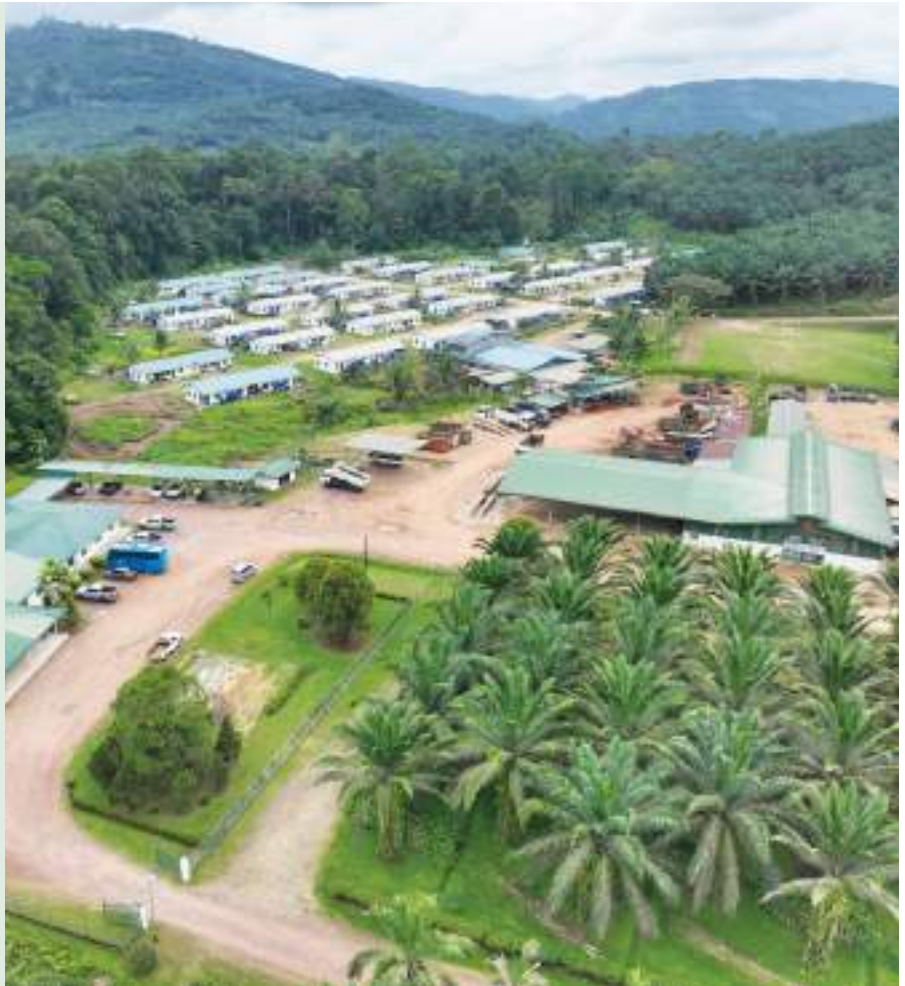
Datuk Jasni Bin Daya

Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

“

During the financial year ended 31 December 2025 (“FY2025”), Innoprise Plantations Berhad and its subsidiaries (“the Group”) operated in an environment of prolonged rainfall and rising cost pressures. Although these factors moderated production and earnings compared to the preceding year, the Group maintained solid operational performance and healthy returns on equity. Management remains focused on improving extraction efficiency, strengthening cost discipline and optimising long-term asset performance. ”



BUSINESS OVERVIEW

Innoprise Plantations Berhad (“IPB”) and its subsidiaries (“the Group”) are principally engaged in oil palm cultivation across a total land area of 22,763 hectares (“ha”), of which 12,246 ha are planted with oil palm. The Group also operates a palm oil mill located near Gunung Rara, Kalabakan, Sabah, with a processing capacity of 60/90 metric tonnes (“MT”) of Fresh Fruit Bunches (“FFB”) per hour.

The Group commenced oil palm planting in 2007. Over the past 18 years, it has developed operational capabilities in managing estates across undulating terrain and variable climatic conditions in Sabah. Its six estates — Imbak, Gunung Rara, Labau, Maliau, Lokan and Luasong — are supported by integrated milling operations that process internally produced crop.

The Group has maintained Malaysian Sustainable Palm Oil (“MSPO”) certification for all its estates and mill since 2019.

In addition to oil palm cultivation, the Group has undertaken Industrial Tree Planting (“ITP”) involving Laran species. As at 31 December 2025, 4,097 ha have been planted. In view of capital allocation priorities and market considerations, the Group will adopt a more measured approach to new tree planting in 2026 and focus on managing and preserving the value of existing plantings.

FINANCIAL PERFORMANCE REVIEW

For FY2025, the Group recorded revenue of RM273.24 million, a marginal decline of 1.3% from RM276.82 million in

FY2024. Profit before tax decreased by 15.1% to RM96.36 million.

The decline was primarily attributable to prolonged high rainfall between January and May 2025, which adversely affected pollination and fruit set, resulting in lower harvestable crop and reduced extraction efficiency during the year. This was reflected in:

- Lower CPO and PK sales volumes of 6.2% and 3.4% respectively;
- Reduced Oil Extraction Rate (“OER”) from 21.44% to 20.53% and Kernel Extraction Rate (“KER”) from 3.66% to 3.58%;
- Higher infrastructure maintenance expenditure; and
- Increased labour costs following the revised minimum wage implementation in February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Return on Average Equity (“ROAE”) moderated to 22.96% from 25.7% in FY2024. Despite lower earnings, the Group continued to generate strong returns supported by its predominantly prime-mature plantation base and disciplined cost management.

Net cash generated from operating activities amounted to RM95.40 million (FY2024: RM115.40 million), providing continued financial flexibility.

Group Financial Indicators

Revenue (RM'000)

FY2025		273,240
FY2024		276,819
FY2023		223,644

Profit Before Interest and Taxation (RM'000)

FY2025		95,596
FY2024		113,139
FY2023		68,277

Profit Before Tax (RM'000)

FY2025		96,357
FY2024		113,551
FY2023		68,498

Profit Net of Tax (RM'000)

FY2025		73,252
FY2024		86,545
FY2023		52,391

Net Cash Generated from Operating Activities (RM'000)

FY2025		95,395
FY2024		115,397
FY2023		71,915

Total Shareholder's Fund (RM'000)

FY2025		318,997
FY2024		336,728
FY2023		307,886

Return on Average Equity Ratio (%)

FY2025		22.96
FY2024		25.70
FY2023		17.02

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

As at 31 December 2025, shareholders' equity stood at RM319.00 million (FY2024: RM336.73 million). The decrease was mainly due to the payment of a single-tier dividend of 19.0 sen per share amounting to RM90.98 million.

Although the dividend exceeded FY2025 net profit, it was supported by accumulated retained earnings and operating cash flows.

In accordance with IAS 41 – Agriculture, biological assets including FFB are measured at fair value less costs to sell. The fair value of FFB stood at RM7.47 million (FY2024: RM8.87 million), reflecting lower commodity prices at year end.



ITP assets increased to RM40.40 million (FY2024: RM29.28 million).

As the Laran plantings remain within their immature growth phase, they are carried at cost. Independent benchmark assessment indicates that cumulative planting costs approximate fair value.

OPERATIONS REVIEW

> Plantation Operations

FFB production declined marginally by 1.3% to 271,647 MT in FY2025, Yield per hectare eased to 22.18 MT/ha from 22.50 MT/ha in FY2024.

The softer performance was mainly attributable to adverse weather conditions during the first half of the year, which affected pollination and fruit formation. Harvesting discipline was strengthened during the year to improve fruit quality and loose fruit recovery. However, management does not attribute the lower crop to these measures.

Production trends improved towards the latter part of the year as weather conditions stabilised.

Approximately 95% of the Group's palms are in prime maturity (10 years and above). This favourable age profile supports yield stability over the near term and reduces immediate replanting requirements.

> Infrastructure and Mechanisation

To mitigate terrain and weather-related operational risks, the Group invested in:

- Strengthening estate roads, bridges and culverts;
- Additional crushers and lorries for gravelling works;

- Robust tractors with integrated trailers; and
- Weevil hatch-and-release programmes to support pollination.

These initiatives increased operating costs but were necessary to safeguard crop evacuation efficiency and maintain fruit quality.

The Group continues to implement practical mechanisation solutions, including battery-powered wheelbarrows, tractor grabber attachments and Power Take-Off (PTO) trailers, to improve productivity and reduce physical strain on workers.

> Labour and Workforce Management

Labour availability remains a key operational consideration. The Group continues to:



Implement multi-skilling initiatives



Provide performance-based incentives



Upgrade employee housing



Conduct ongoing training and safety programmes

Occupational health and safety standards are reinforced through structured supervision, regular briefings and compliance monitoring.



MANAGEMENT DISCUSSION AND ANALYSIS

An overview of the area statement is shown below:

Tree Species	Growth Stage	2025 (Ha)	2024 (Ha)	2023 (Ha)
Oil Palm	Mature	12,246	12,246	12,190
	Immature	-	-	56
	Total	12,246	12,246	12,246
Laran Tree	Planted	4,097	3,389	2,734
	Total	4,097	3,389	2,734
Others		6,420	7,128	7,783
Total area		22,763	22,763	22,763

The oil palm maturity profile across the Group's estates is given below:

Estate	Growth Stage		
	Young Mature (Ha)	Prime Mature (Ha)	Total (Ha)
Imbak	6	1,803	1,809
Labau	35	2,276	2,311
Maliau	-	2,092	2,092
Lokan	518	1,782	2,300
Luasong	81	2,190	2,271
Gunung Rara	-	1,463	1,463
Total	640	11,606	12,246

> Milling Operations

The mill processed 270,862 MT of FFB in FY2025 (FY2024: 274,625 MT).

CPO production decreased by 6% to 55,614 MT, while PK production declined by 4% to 9,701 MT.

OER moderated to 20.53% (FY2024: 21.44%), and KER declined to 3.58% (FY2024: 3.66%). The reduction was primarily due to earlier weather-related pollination challenges affecting fruit quality and oil formation.

Average selling prices improved during the year:

Crude Palm Oil (RM per MT)		Palm Kernels (RM per MT)			
FY2025		4,306	FY2025		3,402
FY2024		4,233	FY2024		2,637

Operational enhancements implemented in the fourth quarter contributed to gradual improvement in extraction performance towards year end.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's mill processing statistics are as below:

Areas	FY2025		FY2024		FY2023
		Change (%)		Change (%)	
FFB Processed (MT)	270,862	(1)	274,625	-	274,794
Mill Production (MT)					
• CPO	55,614	(6)	58,881	8	54,467
• PK	9,701	(4)	10,056	7	9,430
Extraction Rates (%)					
• CPO	20.53	(4)	21.44	8	19.82
• PK	3.58	(2)	3.66	7	3.43
Average Selling Price (RM/MT)					
• CPO	4,306	2	4,233	11	3,828
• PK	3,402	29	2,637	34	1,975
Sales Volume (MT)					
• CPO	55,634	(6)	59,277	9	54,424
• PK	9,718	(3)	10,056	6	9,509

SHAREHOLDER RETURNS

Capital expenditure requirements are expected to moderate given the favourable plantation age profile and completion of major infrastructure works.

For FY2025, the Group declared a single-tier tax-exempt dividend of 19.0 sen per ordinary share, amounting to RM90.98 million. The dividend decision was based on the Group's cash position, retained earnings and capital requirements.

OUTLOOK AND PROSPECTS

The plantation sector continues to operate amid constrained supply growth, climate variability and evolving regulatory requirements. Ageing regional plantations, limited land expansion and periodic weather disruptions are expected to lend support to medium-term price fundamentals for crude palm oil.

The global operating environment remains influenced by geopolitical developments and trade policy uncertainties. Recent tensions in the Middle East, including disruptions affecting key energy and shipping routes such as the Strait of Hormuz, together with ongoing conflicts in Eastern Europe and evolving global trade dynamics, including U.S. tariff measures, have contributed to heightened macroeconomic uncertainty. These developments may result in increased volatility in energy prices, fertiliser costs, logistics and insurance, which could impact the Group's cost structure.

Notwithstanding these uncertainties, underlying demand for palm oil continues to be supported by global food security requirements and bioenergy policies. In particular, Indonesia's continued advancement of its biodiesel mandate, including the implementation of B40, is expected to provide structural support to palm oil demand over the medium-term.

Operationally, the Group has observed improvements in extraction performance and crop quality towards the end of FY2025 following strengthened harvesting supervision and infrastructure improvements. These improvements provide a more stable operational baseline, although performance remains subject to weather conditions and external factors.

With a predominantly prime-mature plantation base, moderated capital expenditure and continued emphasis on cost discipline, the Group will focus on maintaining operational efficiency and resilience while navigating the evolving market environment.

While short-term market conditions may remain volatile, the Group will continue to monitor external developments closely and adopt prudent management measures to mitigate cost pressures and operational risks. The Group remains focused on maintaining operational resilience and financial discipline in FY2026.

SUSTAINABILITY REPORT



ABOUT THIS REPORT

OVERVIEW OF THE GROUP

Innoprise Plantations Berhad (“IPB” or “the Group”) is a Sabah-based plantation company principally engaged in upstream oil palm activities, including the cultivation and harvesting of FFB and the processing of FFB into CPO and PK. The Group manages plantation estates and operates a palm oil mill that supports its core revenue streams. In addition, IPB continues to manage its industrial tree plantation initiatives, focusing on optimising the value of existing plantings while supporting responsible land use practices. As a participant in the Malaysian agricultural sector, IPB recognises the environmental, social, and governance impacts associated with plantation operations. The Group remains committed to sustainable production, responsible resource management, and the socio-economic development of the communities surrounding its operations.

SUSTAINABILITY REPORT



SCOPE AND BASIS OF REPORTING

This Sustainability Report presents the sustainability performance, initiatives, and targets of the Group for the financial year ended 31 December 2025 ("FY2025"). The report covers all operational activities of IPB and its subsidiaries—Serijaya Industri Sdn Bhd ("SJI") and IPB Bio Energy Sdn Bhd ("IPB Bio"). References to "the Group" in this Report refer collectively to IPB and its subsidiaries, except where the context requires otherwise. The reporting scope covers plantation and mill operations under the Group's operational control and, where relevant, selected aspects of the value chain, such as suppliers, contractors, and service providers. This Report has been prepared with reference to applicable sustainability reporting frameworks and guidelines, including the Bursa Malaysia Sustainability Reporting Guide, IFRS S1 and S2, and GRI Standards.

REPORTING PERIOD AND CYCLE

This Report covers the period from 1 January 2025 to 31 December 2025. Comparative data from FY2023 and FY2024 is included, where relevant, to illustrate performance trends and support year-on-year analysis.

STATEMENT OF USE

The Board of Directors of Innoprise Plantations Berhad has reviewed and approved this Sustainability Report. The Board's approval reflects the Group's commitment to board-level oversight of sustainability matters and transparent disclosure practices. The Board affirms that this Report has been prepared based on information available as at the date of reporting and in accordance with the reporting frameworks adopted by the Group.

DATA ASSURANCE

The Group has undertaken a comprehensive internal review to ensure the reliability and credibility of the information presented in this Sustainability Report. As part of the assurance process, selected aspects of the report were subject to internal review by the Group's Internal Audit Department and subsequently approved by the Audit Committee ("AC"). Details of the scope of assurance are set out in the Group's Statement of Assurance on page 62.

The Group remains committed to continuously enhancing its disclosures, as well as its data collection and consolidation methodologies, to provide greater transparency on the sustainable management of operations across all business units. Any information corrected or updated from the previous year's disclosure (SR2024) has been clearly indicated in this report for ease of reference.

JUDGEMENT AND MEASUREMENTS

The Group applies appropriate judgement and estimation techniques in compiling sustainability data, particularly where direct measurement is not feasible. Assumptions are derived from internally available operational records, engineering estimates, and recognised industry references. Where estimation uncertainty exists, the Group adopts reasonable and supportable assumptions to ensure disclosures remain relevant, reliable and comparable over time. Any significant assumptions applied are reviewed periodically by Management.

SUSTAINABILITY REPORT

Significant Judgements

Area	Description
Materiality Assessment	Management applied judgement in identifying sustainability-related risks and opportunities and determining which matters and disclosures are material to the Group's operations and stakeholders.
Reporting Boundary	Judgement was applied in determining the organisational boundary for sustainability reporting, including operations under the Group's operational control.
GHG Calculation Methodologies	Management applied judgement in selecting appropriate emission factors, assumptions, and estimation approaches where direct measurements or complete data were not available.

Measurement Uncertainty

Area	Description
GHG and Environmental Indicators	Certain environmental metrics rely on activity data, emission factors, and estimation methods, which may be subject to inherent uncertainty.
Climate-Related Risks	Projections of extreme weather events and their potential operational impacts involve assumptions due to variability in climate conditions and limitations in long-term forecasting.

FORWARD-LOOKING STATEMENT

This Sustainability Report may contain forward-looking statements relating to sustainability targets, plans, initiatives, and future performance. Such statements are based on assumptions, expectations, and projections available at the time of reporting. Actual outcomes may differ due to changes in market conditions, regulatory developments, operational factors, or other circumstances beyond the Group's control. The Group does not undertake any obligation to update such statements, except as required by applicable laws or regulations.

REPORT AVAILABILITY AND FEEDBACK

The Sustainability Report 2025 is available on the Company's website at www.innoprise.com.my. Stakeholders are encouraged to share feedback and suggestions to enhance future reports by contacting Mr. Ong Chu Yaw, Executive Director, at stevenong@innoprise.com.my.



SUSTAINABILITY REPORT



INTRODUCTION



INNOPRISE PLANTATIONS BERHAD

Innoprise Plantations Berhad (“IPB”) is a Sabah-based upstream oil palm company engaged in the cultivation, harvesting of FFB, and processing into CPO and PK. The Group operates across approximately 22,763 hectares of plantation land located in Gunung Rara, Kalabakan, Sabah, supported by an integrated value chain that ensures quality, traceability and operational efficiency.

In FY2025, the Group undertook a strategic shift towards quality-driven production, focusing on harvesting discipline, resource efficiency and operational control to strengthen long-term value creation.

Beyond oil palm operations, IPB has expanded into Industrial Tree Plantation (“ITP”) activities, with 4,097 hectares planted as at 31 December 2025, supporting biodiversity conservation and long-term sustainability objectives.

MEMBERSHIPS AND ASSOCIATIONS

IPB is a member of relevant industry and professional associations, including the East Malaysia Planters’ Association, and the Malaysian International Chamber of Commerce and Industry (“MICCI”). Through these memberships, the Group remains engaged with industry developments, regulatory expectations and evolving sustainability practices.

VISION & MISSION

IPB’s sustainability journey is guided by a clear vision and mission that reflect the Group’s long-term aspirations and operational direction:

VISION



To be a Sabah-based plantation company committed to long-term sustainability.

MISSION



To be a progressive plantation enterprise focused on sustainable production, social accountability, and sound environmental management.

OUR SUSTAINABILITY JOURNEY

These milestones reflect IPB’s progressive efforts to embed sustainability considerations into its operations and governance. Moving forward, the Group will continue to strengthen climate resilience, enhance its understanding of carbon performance, and integrate sustainability considerations into business decision-making processes.

SUSTAINABILITY REPORT

Year	Milestone
2019	Achieved group-wide Malaysian Sustainable Palm Oil (“MSPO”) certification, establishing a baseline for responsible production.
2021	Adopted Sustainability Standard Operating Procedures (“SSOPs”) and embedded sustainability requirements across all operational SOPs. Formalised group-level sustainability vision and mission.
2022	Commissioned an additional 850 KW biogas engine system to complement the existing biomass power plant, advancing renewable-energy integration.
2023	Published the inaugural standalone Sustainability Report aligned with Bursa Malaysia, GRI, and TCFD frameworks. Conducted the first Materiality Assessment and introduced group-level ESG KPIs and targets.
2024	Completed TCFD/IFRS S2 alignment workshops to identify climate-related risks and opportunities. Conducted scenario planning exercises to assess group resilience under different climate pathways.
2025	Strengthened its sustainability approach through a deliberate shift towards quality-driven production, enhancing harvesting standards, improving resource efficiency, and reinforcing operational discipline to support long-term resilience and value creation.

SUSTAINABILITY TARGETS

In support of its sustainability commitments, IPB has revised and updated its FY2025 sustainability targets to strengthen performance monitoring across key governance, economic, environmental, and social material matters. These targets are intended to support continuous improvement, reinforce accountability, and guide the Group’s sustainability efforts in line with operational priorities and stakeholder expectations.

Material Topic	FY2025 Performance
Governance	
Anti-Bribery	ACHIEVED Maintain zero confirmed cases of bribery and corruption across all operations.
	IN PROGRESS Ensure 100% of operations are covered by anti-bribery and corruption risk assessments.
Data Privacy & Security	ACHIEVED Maintain zero substantial data privacy breaches or substantiated complaints annually.
Economic	
Product Traceability	ACHIEVED Achieve 100% FFB traceability to the plantation level.
Mechanisation & Efficiency Improvement	ACHIEVED Achieve 80% utilisation of FFB grabber equipment for farm tractors.
Environment	
Energy & Climate Change	ACHIEVED Maintain at least 90% of the Group’s energy mix from renewable sources.
Emission Management	IN PROGRESS Ensure at least 95% completeness and accuracy of GHG-related data across all reporting units.
Waste Management	ACHIEVED Achieve a waste diversion rate of more than 90% from disposal.
Water Consumption	ACHIEVED Reduce water consumption intensity per tonne of FFB processed on a year-on-year basis.
Silviculture Treatment	ACHIEVED Carry out silviculture treatment over 500 hectares annually.

SUSTAINABILITY REPORT

Material Topic	FY2025 Performance
Social	
Retention Rate	ACHIEVED Maintain an employee retention rate of 90% or higher.
Employee Training	ACHIEVED Maintain at least 5,000 employee training hours annually across the workforce.
Community Investment	ACHIEVED Maintain annual contributions towards community development and social well-being initiatives.
Local Community Recruitment	ACHIEVED Maintain local workforce composition at not less than 80% of the total workforce.
Health and Safety (LTIR)	ACHIEVED Reduce the Lost Time Injury Rate (LTIR) on a year-on-year basis.
Human Rights	ACHIEVED Maintain zero substantial human rights violation cases annually.



SUSTAINABILITY GOVERNANCE



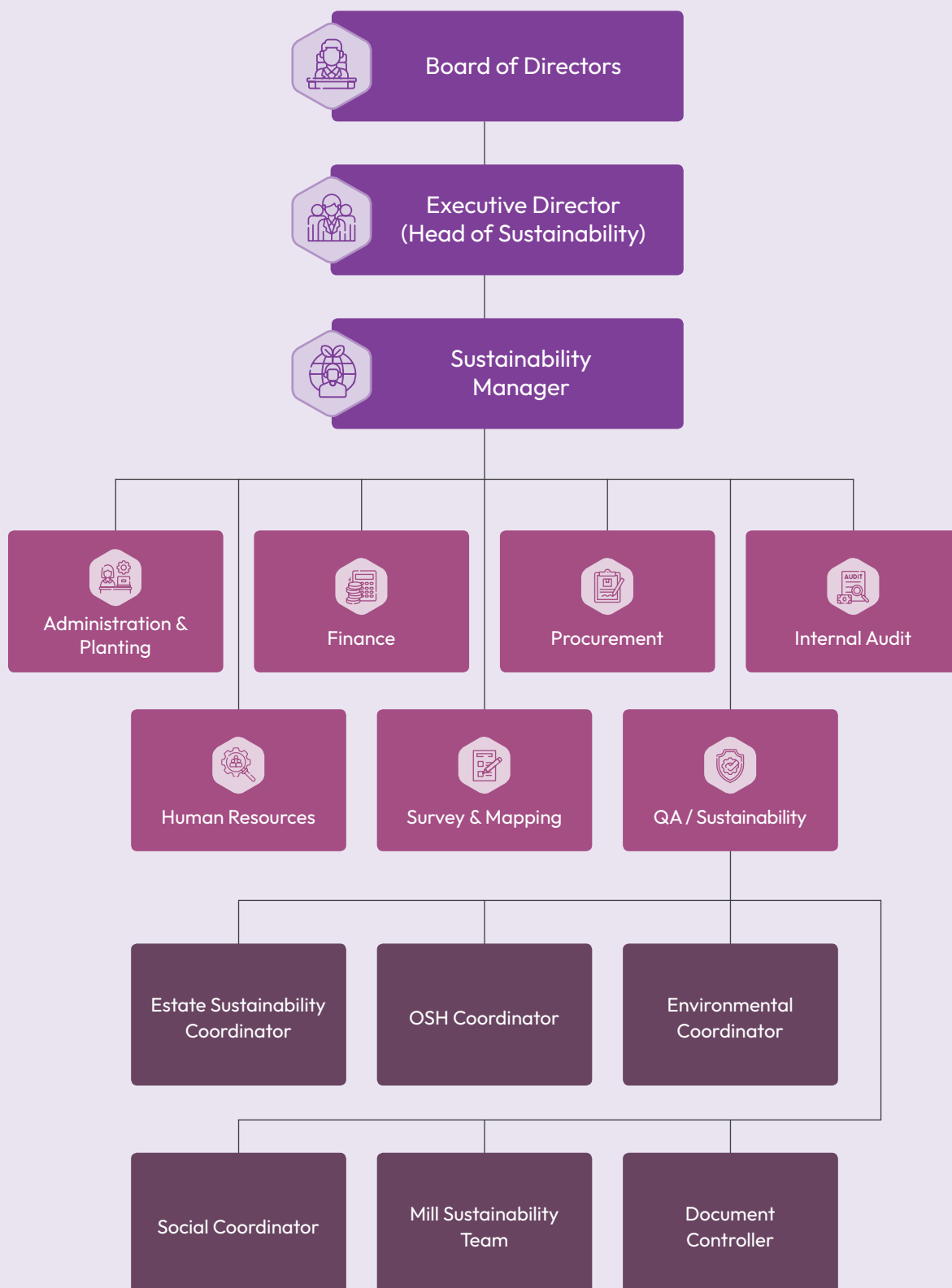
BOARD OVERSIGHT

The Board of Directors provides overall oversight of sustainability matters as part of its governance and risk management responsibilities. This includes reviewing sustainability performance, monitoring progress against targets, and overseeing material sustainability risks and opportunities.

Sustainability updates are presented by Management during scheduled Board meetings, enabling the Board to provide strategic guidance and ensure alignment with the Group's long-term objectives.

SUSTAINABILITY REPORT

REPORTING STRUCTURE



SUSTAINABILITY REPORT

The Group has established a structured sustainability governance framework to ensure effective oversight and reporting across all levels of the organisation.

The Board provides overall oversight, supported by the Executive Director (Head of Sustainability), while the Sustainability Manager coordinates implementation and consolidates data from key functions. At the operational level, estate and mill coordinators support execution, monitoring, and reporting.

This structured reporting flow ensures sustainability matters are effectively communicated from operational level to Management and ultimately to the Board.

ROLES AND RESPONSIBILITIES

The Group has established a clear governance arrangement for sustainability leadership to ensure that responsibilities are defined and coordinated across the organisation. This approach enables sustainability priorities set at the strategic level to be effectively translated into operational practices across estates, mills, and supporting functions. The following section outlines the key leadership levels, roles, and responsibilities that support the Group's sustainability commitments.

Level	Role/Function	Key Responsibilities
Board of Directors	Overall oversight	Provides strategic direction, oversees sustainability matters, reviews performance, and ensures compliance with regulatory and certification requirements.
Executive Director (Head of Sustainability)	Strategic leadership	Leads sustainability initiatives across the Group and ensures alignment of sustainability strategies with business objectives and regulatory requirements.
Sustainability Manager	Coordination and monitoring	Coordinates sustainability programmes, monitors KPIs and targets, and communicates sustainability strategies to departments and operational units.
Department Heads and Functional Managers (Administration & Planting, Finance, Procurement, Internal Audit, Human Resources, QA, Survey & Mapping)	Integration into operations	Integrate sustainability requirements into departmental processes, ensure compliance, and support monitoring and reporting.
Estate and Mill Sustainability Coordinators (Environment, OSH, Social, QA)	Implementation and reporting	Implement sustainability initiatives, monitor environmental and social performance, and report progress and issues to management.
Operational Personnel and Supporting Roles	Operational execution	Support implementation of environmental, safety, and social practices at estates and mill operations, including documentation, monitoring, and compliance activities.

SUSTAINABILITY REPORT



Anti-Bribery & Corruption Training 11 September 2025

ANTI-CORRUPTION

Our Approach

The Group maintains a zero-tolerance approach towards corruption and bribery across all operations and business relationships. This commitment is formalised through the Anti-Bribery and Corruption (“ABC”) Policy, which establishes the standards and controls to prevent, detect, and address corrupt practices. The policy is communicated through employee induction programmes and periodic compliance training to ensure employees understand their responsibilities in upholding ethical conduct. It also provides channels for reporting suspected misconduct, with individuals protected from retaliation when reporting in good faith. The ABC Policy applies to employees, suppliers, contractors, and business partners, reinforcing ethical conduct across the Group’s value chain.

Our Performance

Category	% Being Trained for ABC
Management	69.23
Executive	100.00
Non-Executive	100.00
General Workers	97.18
TOTAL	97.04

In FY2025, the Group achieved 97.04% anti-corruption training coverage, with 1,576 out of 1,628 employees having received ABC training as of December 2025. Full training coverage was achieved for both the executive and non-executive categories, while general workers recorded 97.18% coverage. Training coverage for the management category stood at 69.23%. This reflects the Group’s continued efforts to strengthen ethical awareness and embed anti-corruption practices across all levels of the workforce. The Group also

conducts periodic corruption-related risk assessments across its operations. In previous years, 60% of operations were assessed in FY2023, followed by 100% assessment coverage in FY2024, reflecting ongoing efforts to strengthen governance oversight. For FY2025, the Group is currently reviewing and enhancing its corruption risk assessment methodology to improve consistency and alignment with evolving governance practices and internal control frameworks. As this review involves refining the assessment scope and evaluation approach across operational units, the percentage of operations assessed for corruption-related risks will be disclosed in FY2026 once the updated assessment cycle is completed. This review is intended to ensure that the Group’s corruption risk assessments remain robust, comprehensive, and reflective of current operational risks.

CODE OF ETHICS

The Group has established a Code of Ethics for Company Directors (“Code”) to guide the expected standards of conduct for Directors of IPB and its subsidiaries. The Code promotes integrity, responsible leadership, and sound corporate governance while setting out the Board’s responsibilities in relation to key stakeholder groups, including employees, shareholders, customers, and business partners. It also reinforces expectations for transparency and accountability across the Group’s operations and business relationships.

WHISTLEBLOWING POLICY

The Group has implemented a Whistleblowing Policy to provide a confidential channel for reporting suspected misconduct or wrongdoing. The policy applies to both internal and external stakeholders, including employees and business partners. In line with the Whistleblower Protection Act 2010, whistleblowers are protected from retaliation, and their identities are kept strictly confidential. Reports may be submitted through line management or directly to the Chairman of the Audit Committee. All reports are subject to investigation, with findings escalated to the Audit Committee and the Board of Directors, where appropriate, for consideration and further action.

SUSTAINABILITY REPORT

ETHICAL SUPPLY CHAIN

The Group expects suppliers and contractors to uphold ethical standards in all business dealings. As part of this commitment, suppliers and contractors engaging with the Group are required to formally acknowledge and adhere to the Group's ABC Policy, demonstrating alignment with the Group's anti-corruption principles. Non-compliance may result in corrective action, termination of the business relationship, or referral to the relevant authorities, where appropriate.

DATA PRIVACY AND SECURITY

The Group maintains data privacy and cybersecurity measures to safeguard information relating to employees, operations, and customers. Data protection practices are aligned with the Personal Data Protection Act ("PDPA") 2010, to support the responsible collection, use and processing of personal data. Cybersecurity measures are managed by the Information Technology ("IT") Department, which monitors digital systems, manages access controls, and performs

routine maintenance to safeguard the Group's servers and networks against unauthorised access and cyber threats.

RISK MANAGEMENT

The Group manages risks through a structured governance approach led by the Sustainability Manager and overseen by the Executive Director, who also serves as the Head of Sustainability. Climate-related matters are reviewed at the operational level by relevant departments, with the Quality Assurance Department supporting coordination, implementation, and internal reporting.

Where a risk is identified as material, it is escalated to the Executive Director for further assessment and, where necessary, to the Board of Directors for strategic consideration. This escalation process enables risks to be addressed alongside other operational and business priorities, particularly where financial or operational implications may arise.

Once mitigation measures are established, the relevant departments are responsible for implementation and ongoing monitoring, with progress reported back to management.



STAKEHOLDER ENGAGEMENT

ENGAGEMENT APPROACH

The Group maintains continuous engagement with stakeholders to strengthen transparency and align business priorities with stakeholder expectations. Engagement is conducted through regular meetings, training programmes, operational interactions, and digital communication channels.

Key stakeholders include shareholders, employees, customers, regulators, suppliers, contractors, and local communities. Feedback gathered is reviewed by Management and incorporated into operational planning, sustainability initiatives, and risk management processes.

The Group's 31st Annual General Meeting served as an important platform for the disclosure of financial and operational performance, director re-election and governance-related matters. The proceedings were subsequently made available on the corporate website to enhance accessibility for stakeholders who were unable to attend. Stakeholder engagement activities are coordinated by the Sustainability Manager and relevant department heads, while key concerns and feedback are reported periodically to Senior Management. Matters identified through stakeholder engagement are considered as part of the Group's materiality assessment and management review processes, and are subsequently incorporated into operational planning, sustainability initiatives and risk management practices.

Stakeholder Group	Engagement Channels	Group's Approach	Relevant Material Topics
Shareholders & Investors 	- Annual General Meetings ("AGM") - Quarterly financial disclosures - Investor relations meetings & site visits - Corporate website updates & Bursa announcements	Provide timely disclosures, maintain transparent communication and ensure strong corporate governance practices	- Corporate governance & anti-corruption - Regulatory engagement & compliance - Economic performance

SUSTAINABILITY REPORT

Stakeholder Group	Engagement Channels	Group's Approach	Relevant Material Topics
Employees 	• HR briefings & toolbox meetings • Training & development programmes • Career appraisal sessions • Festive gatherings & internal events • WhatsApp/Email communication channels	Provide training, maintain safe working conditions, and support employee development and well-being	• Labour rights & availability • OSH • Diversity & equal opportunity • Human rights
Customers 	• Direct communication (calls, emails, messaging apps) • Website & social media	Maintain quality control, ensure compliance with standards, and strengthen traceability practices	• Product quality • Supply-chain governance • Data privacy & security • Regulatory engagement & compliance
Government & Regulators 	• Regulatory inspections & compliance audits • Industry associations & technical sessions • Formal correspondences & reporting submissions	Ensure compliance with laws, MSPO and other regulatory requirements, and maintain regular communication	• Governance & anti-corruption • Regulatory engagement & compliance • Human rights • Local community development
Suppliers & Contractors 	• Supplier onboarding & evaluation • Contract management meetings • Performance monitoring & audits • Training on compliance requirements	Implement supplier requirements, monitor compliance and encourage responsible practices	• Supply chain governance • Human rights • OSH • Data governance & compliance
Local Communities 	• Community outreach & CSR activities • Informal roadshows and stakeholder meetings • Employment opportunities for local residents	Conduct community engagements, respond to concerns and support local development initiatives	• Community well-being • Human rights • Environmental stewardship



MATERIALITY ASSESSMENT

ASSESSMENT APPROACH

The Group identifies and prioritises material sustainability matters through a structured materiality assessment process. This process takes into account stakeholder feedback, operational risks and opportunities, regulatory developments and industry expectations to ensure that the Group focuses on matters that are most relevant to its operations and long-term prospects. The materiality assessment is conducted periodically, with interim reviews performed where necessary to ensure the continued relevance of identified matters and alignment with evolving business and regulatory conditions.

SUSTAINABILITY REPORT

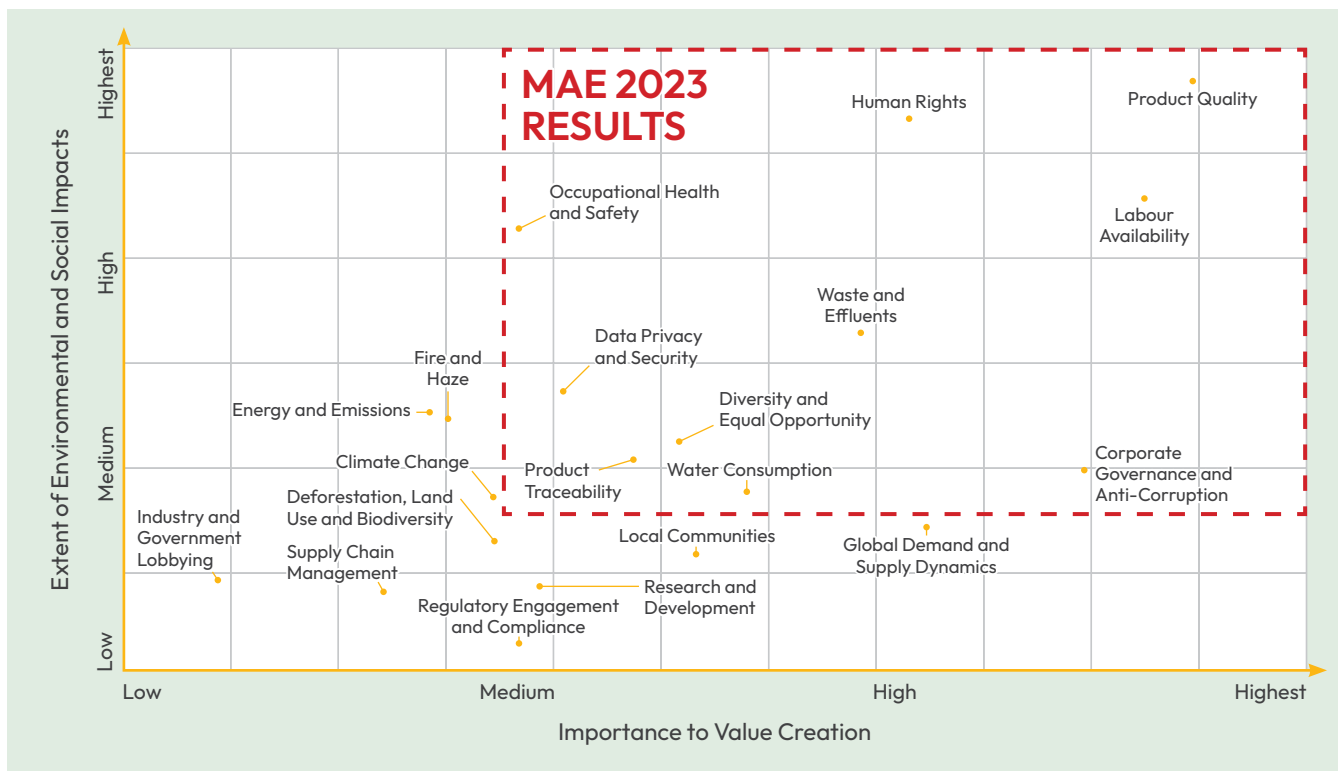
METHODOLOGY AND REVIEW

The Group's materiality assessment process involves desktop reviews of operational and regulatory requirements, stakeholder engagement, the evaluation and prioritisation of sustainability matters, and validation by Senior Management. Identified material matters are reviewed periodically to ensure alignment with the Group's strategy, risk profile, and operating environment. IPB's materiality assessment has been implemented progressively as follows:

FY2023	FY2024	FY2025
IPB conducted a comprehensive full-scale materiality assessment, engaging a wide spectrum of internal and external stakeholders, including employees, shareholders, regulators, contractors, suppliers, customers, and community representatives. This exercise established a strong foundation of material topics that reflect the sustainability landscape and operational realities of the Group's plantation and milling operations.	There were no major changes to IPB's business model, geographical footprint, or strategic direction; the Board and Senior Management undertook a review-only validation of the existing material topics. The streamlined exercise focused on reconfirming relevance, ensuring alignment with ongoing initiatives, and observing any early indicators of emerging sustainability concerns. This review supported consistency and avoided unnecessary duplication of stakeholder burden while maintaining responsiveness to shifts in governance or market expectations.	IPB completed a limited-scale materiality assessment, which allows for a more targeted approach after a comprehensive cycle has been recently performed. Engagement efforts were directed towards a smaller but representative sample of key stakeholders. The intention was to reaffirm current priority topics while proactively capturing new sustainability matters arising from changing regulatory requirements, climate-related challenges, labour expectations, and nature-related risks. The findings confirmed strong alignment between existing material topics and stakeholder priorities, while highlighting additional focus areas requiring enhanced monitoring.

The results of the materiality assessment are reviewed by Senior Management and presented to the Board of Directors for consideration as part of the Group's sustainability governance and strategic planning processes. This supports alignment between the Group's material sustainability matters, operational priorities, risk profile and long-term business objectives.

MATERIALITY MATTERS PRIORITISATION



SUSTAINABILITY REPORT

The Group's prioritised material matters form the basis of its sustainability disclosures, performance monitoring, target setting and risk management activities. These matters are prioritised using a materiality matrix that considers both their importance to stakeholders and their potential impact on the Group's operations, financial performance and long-term value creation. This approach supports the identification and management of sustainability-related risks and opportunities relevant to the Group's prospects.

The latest assessment and management review confirmed that the Group's existing material matters remain relevant. Several areas were identified for continued monitoring in response to evolving regulatory requirements, climate-related risks and labour-related considerations. The Group will continue to review its material matters periodically to ensure their ongoing relevance and alignment with stakeholder expectations, operational developments and emerging sustainability trends. Where appropriate, improvement actions and initiatives are developed in response to these material matters to support performance enhancement and risk mitigation.

Based on the assessment, the Group continues to prioritise the following material sustainability matters:

1	Product Quality	2	Labour Availability	3	Human Rights
4	Corporate Governance and Anti-Corruption	5	Occupational Health and Safety	6	Diversity and Equal Opportunity
7	Waste and Effluents	8	Water Consumption	9	Data Privacy and Security
10	Product Traceability				

RISK AND OPPORTUNITIES

The Group assessed its material sustainability matters to better understand the key risks and opportunities they may present to the business. This helps the Group identify areas that may affect operational performance, compliance, stakeholder confidence, and long-term business resilience.

The identified risks mainly relate to product quality, labour availability, workplace safety, environmental management, governance, and data reliability. At the same time, these matters also present opportunities to improve efficiency, strengthen internal controls, enhance compliance, and support more sustainable business performance.

Material Matter	Potential Risks	Potential Opportunities
Product Quality	Evolving customer requirements, product specifications, industry standards and regulatory expectations may pose a risk to the Group if it is unable to respond in a timely and effective manner. This may result in higher capital expenditure, additional compliance costs, operational adjustments, certification challenges, and restricted access to certain markets.	Improved harvesting standards, mill efficiency and quality control systems can enhance product yield, consistency and customer confidence.
Labour Availability	Shortage of field workers may affect harvesting cycles, crop evacuation and overall estate productivity.	Mechanisation, workforce planning and improved worker welfare may enhance productivity and reduce reliance on manual labour.
Human Rights	Non-compliance with labour standards or worker welfare requirements may lead to reputational risks and certification non-conformities.	Strengthened policies, monitoring and training improve compliance with MSPO and other sustainability standards.
Corporate Governance and Anti-Corruption	Weak internal controls or unethical practices may result in financial, legal or reputational risks.	Strengthening governance frameworks, internal audits and awareness programmes enhance transparency and stakeholder confidence.

SUSTAINABILITY REPORT

Material Matter	Potential Risks	Potential Opportunities
Occupational Health and Safety	Field and mill operations involve exposure to machinery, chemicals and manual handling risks that may lead to workplace injuries.	Continuous safety training, PPE usage and monitoring programmes improve workplace safety and operational reliability.
Diversity and Equal Opportunity	Limited workforce diversity or unequal access to opportunities may affect employee morale and retention.	Fair employment practices and inclusive workplace initiatives support workforce stability and engagement.
Waste and Effluents	Improper handling of POME, scheduled waste or biomass residues may result in environmental impacts or regulatory non-compliance.	Efficient utilisation of biomass, improved effluent treatment and waste reduction initiatives enhance environmental performance and operational efficiency.
Water Consumption	Inefficient water usage in mill operations may increase operating costs and environmental impact.	Improved water monitoring, recycling and process optimisation can reduce consumption and improve efficiency.
Data Privacy and Security	Inadequate protection of operational and administrative data may result in operational disruptions or compliance issues.	Strengthening IT controls and record management systems improves operational integrity and reporting reliability.
Product Traceability	Weak documentation or tracking systems may affect certification compliance and market requirements.	Strengthened traceability systems enhance compliance with MSPO and customer expectations and improve supply chain transparency.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

CLIMATE-RELATED RISK

Physical Risk

Through the Climate Risk Assessment (“CRA”) workshop conducted in FY2024, the Group identified key physical climate risks that may affect its plantation and milling operations across the short- (S), medium- (M), and long-term (L) time horizons. These risks relate mainly to extreme precipitation and flooding, rising global temperatures, and drought and water scarcity. The table below summarises the identified risks together with the corresponding mitigation measures currently adopted to manage potential impacts on operations, workforce, and assets.

Identified Risks	Likelihood of Occurrence			Mitigation Measures
	S	M	L	
Extreme Precipitation, Flooding and Water Stagnation				
Inventory damage			✓	Infrastructure: Conduct regular maintenance of drainage systems, culverts, and estate roads to improve water flow and reduce flood risk. Natural Barriers: Creating forests to slow runoff, mitigating flash flood impacts. Early Warning: Advanced weather monitoring systems to provide timely flood warnings. Financial Protection: Expand insurance to cover flood-related losses and damages. Supply Chain/Logistics Resilience: Maintain alternative evacuation routes and maintain transport arrangements to ensure continuity of operations.
Accommodation (housing) floods			✓	
Crop evacuation and logistics disruptions	✓	✓	✓	
Road blockage (supply chain and workforce)	✓		✓	
Propagation of diseases (e.g., dengue fever)	✓	✓	✓	

SUSTAINABILITY REPORT

Identified Risks	Likelihood of Occurrence			Mitigation Measures
	S	M	L	
Rising Global Temperatures				
Overheating equipment			✓	Soil Management: Mulching and efficient water use to optimise soil regulation. Worker Management: Reduced work hours during extreme heat and schedule optimisation. Fire Prevention: Improve monitoring systems and fire watch rotations to minimise fire risk.
Palm tree health deterioration	✓			
Increased occupational safety and health (“OSH”) issues	✓			
Lower productivity from heat exposure	✓	✓	✓	
Increased fire hazard	✓	✓	✓	
Drought and Water Scarcity				
Water unavailability for irrigation		✓		Water Conservation: Tracking consumption, efficient milling, and water recycling to minimise demand. Effluent Management: POME irrigation to recycle nutrients and reduce waste; maintain regulatory compliance.
Water stress on crops	✓	✓	✓	
Higher procurement costs for alternative water sourcing	✓	✓	✓	

Transition Risk

The Group have also identified key transition-related climate risks that may arise from evolving regulations, market expectations, and the shift towards lower-carbon operating practices. These risks may affect compliance requirements, operating costs, and investment needs. The table below summarises the identified transition risks together with the mitigation measures adopted by the Group to manage these potential impacts.

Identified Risks	Likelihood of Occurrence			Mitigation Measures
	S	M	L	
Evolving Climate Regulations				
Increasing requirement for green-certified suppliers	✓	✓	✓	Industrial Tree Plantations (“ITPs”): Ongoing efforts to minimise maintenance and operational costs of ITP areas, ensuring financial sustainability without further significant capital deployment. Deforestation Prevention: Protect the forest and HCV species and targeting 90% vacant land restoration goal for reforestation. Stakeholder Collaboration: Engagement with government agencies to stay updated with regulatory developments.
Carbon taxation			✓	
Higher interest rates due to climate risks			✓	
Fines for non-compliance			✓	
Delays in regulatory approvals			✓	
Rising Global Temperatures				
Higher capital expenditures for low-carbon equipment	✓	✓	✓	Renewable Energy: Continuous implementation of biofuel from palm waste and solar panels. Technology Integration: Optimise irrigation schedules with soil moisture sensors and weather stations optimise irrigation.
Increased costs and downtime for training	✓	✓	✓	

SUSTAINABILITY REPORT

Our Response

In response to identified climate-related risks, the Group has introduced several initiatives to strengthen resilience and preparedness across its operations. These include:

Aligning operational practices with MSPO certification standards and oil palm best practices

Investing in research on climate-resilient oil palm cultivars that can better withstand changing weather conditions

Developing Disaster Preparedness Plans and Emergency Response Plans to improve the Group's readiness for extreme weather events such as floods and wildfires

The Group has also considered the potential financial and operational implications of climate change using scenario references based on RCP 4.5 and the NGFS Net Zero 2050 pathway. These scenarios support the Group's understanding of how different climate futures may affect its operations and risk profile over time, and provide a basis for strengthening its climate-related planning and response measures.

RCP 4.5

A moderate emissions scenario where some mitigation measures are implemented globally, but not at a level sufficient to achieve net zero carbon emissions. Under this pathway, global temperatures are projected to increase by approximately 2°C to 3°C by 2100, resulting in moderate to high physical climate risks.

NGFS Net Zero 2050

A scenario that seeks to limit global warming to 1.5°C by achieving net-zero CO₂ emissions around 2050 through stricter climate policies and technological advancement. This pathway is associated with higher transition risks, particularly from regulatory changes, market shifts, and increased adaptation requirements.

CLIMATE RISK SCENARIO ANALYSIS

The Group conducted climate risk scenario analysis to better understand how selected climate-related events may affect its operations under varying levels of severity. This assessment considered potential impacts on yield, crop evacuation and product logistics, and worker productivity, together with the corresponding mitigation measures that may be required under each scenario.

The analysis supports the Group in evaluating the possible operational and financial implications of climate-related disruptions, while strengthening preparedness and response planning across its plantation and milling operations.

Scenario	Severity Level	Key Impacts and Mitigation
Yield Reduction (Drought/Scarcity)	5%	Negligible Impact - Revenue impact remains within the expected range of productivity decline. - Basic measures such as rainwater harvesting and water conservation pits can enhance operational resilience. - Alternate water sources can be secured if required.
	10%	Material Impact on Financial Performance - May affect the ability to meet customer demand and reduce profit margins. - Crops may experience water stress. - Additional water sources and labour support may be required.

SUSTAINABILITY REPORT

Scenario	Severity Level	Key Impacts and Mitigation
Yield Reduction (Drought/Scarcity)	15%	Significant Impact • More extensive intervention would be needed to sustain operations and reduce losses. • Additional watering equipment and alternative water sources may be required. • Lower yield productivity may affect overall output levels and mill efficiency. • Cost control measures, including optimisation of input application and redeployment of operational resources, may be required. • Reduced production may affect delivery commitments and impact revenue.
Crop Evacuation and Product Logistics Disruptions	1–5 days delay	Negligible Impact • Harvested fruit can still be processed with limited impact on oil quality. Some fruit spoilage may begin, reducing oil quality. • Financial losses remain manageable. • Preventive actions such as road maintenance and coordination with transporters remain important.
	5–10 days delay	Considerable Impact on Financial Performance • Higher FFA formation may reduce oil yield during processing. • Lower processable fruit volume may reduce revenue and affect production targets. • Disruptions in logistics may lead to delays in delivery of CPO and PK to customers.
	10+ days delay	Significant Impact • High likelihood of fruit deterioration and possible mill disruption due to storage limitations. • Plantation and milling operations may be interrupted, leading to financial losses. • Downstream logistics disruptions may affect customer confidence. • Immediate corrective actions, including restoring road access, may be required.
Worker Productivity Reduction	1–10 days/month	Negligible to minimal impact • Lost man-hours may still be absorbed by other workers. • Operations are not expected to be significantly affected. • Worker reallocation and additional rest breaks may be sufficient.
	10–15 days/month	Moderate Impact • Unprocessed crops and lower oil production may reduce revenue. • Worker fatigue may increase the risk of accidents and quality issues. • More frequent workforce rotation may reduce productivity. • Additional medical support and work adjustments may be required.
	15+ days/month	Significant Impact on Operations • FFB spoilage may increase substantially. • Mill efficiency and revenue may decline. • Heat-related safety costs may increase. • Lower worker morale may further reduce productivity. • Site disruption may affect production targets and customer demand.

SUSTAINABILITY REPORT



ECONOMIC PERFORMANCE



Relevant UNSDGs

- **SDG 8** – Decent Work and Economic Growth
- **SDG 9** – Industry, Innovation and Infrastructure
- **SDG 12** – Responsible Consumption and Production



ECONOMIC IMPACTS

Our Performance

Economic Indicator	FY2023 (RM million)	FY2024 (RM million)	FY2025 (RM million)
Revenue	223.64	276.82	273.24
Total Monetary Value/Spend on Procurement	93.85	96.12	98.54
Total Payout in Salaries and Benefits	12.69	13.99	14.47
Taxes Paid to Government	47.16	56.20	65.33
Dividend Returns to Shareholders	45.49	57.70	90.98
Economic Value Retained (Profit After Tax)	52.39	86.55	73.25

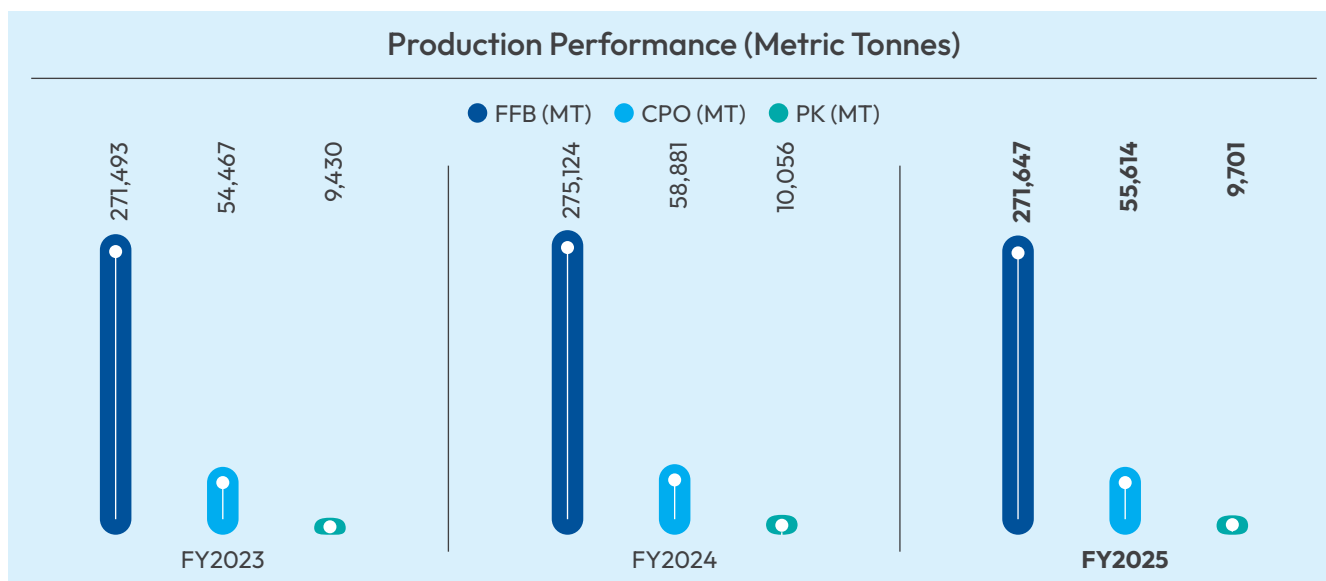
In FY2025, the Group recorded revenue of RM273.24 million, slightly lower than RM276.82 million in FY2024 but still above RM223.64 million in FY2023, indicating that revenue remained relatively stable at a higher level than the preceding two-year baseline. Economic value retained (profit after tax) stood at RM73.25 million, lower than RM86.55 million in FY2024 but higher than RM52.39 million in FY2023, reflecting moderated profitability compared with the previous year. Over the same period, procurement spend increased from RM93.85 million in FY2023 to RM96.12 million in FY2024 and further to RM98.54 million in FY2025, while salaries and benefits increased to RM14.47 million in FY2025 from RM13.99 million in FY2024. These movements may reflect changes in operational requirements, cost management measures, or timing of expenditure during the year. Despite the decline in retained profit, the Group's contribution to key stakeholders remained strong. Taxes paid to government increased steadily from RM47.16 million in FY2023 to RM56.20 million in FY2024 and RM65.33 million in FY2025, while dividend returns to shareholders rose significantly to RM90.98 million in FY2025 compared with RM57.70 million in FY2024 and RM45.49 million in FY2023. Overall, this indicates that the Group continued to generate and distribute economic value despite some moderation in year-on-year financial performance.

SUSTAINABILITY REPORT

OPERATIONAL PERFORMANCE

Our Performance

The Group's primary source of revenue continues to be derived from the production of FFB, CPO, and PK, supported by disciplined estate management and efficient mill operations. Production performance is closely influenced by biological yield cycles, plantation age profile, crop pattern, and mill extraction efficiency.



Over the three-year period, production levels have remained generally stable, reflecting operational resilience within the Group's plantation base. In FY2023, FFB production stood at 271,493 metric tonnes ("MT") from a matured planted area of 12,190 hectares. Production increased to 275,124 MT in FY2024, representing a 1.3% year-on-year increase, while the cultivated area expanded slightly to 12,246 hectares. The improvement in output was mainly driven by the maturation of oil palm trees into their prime-yielding age bracket, contributing to enhanced biological productivity. In FY2025, the matured planted area remained unchanged at 12,246 hectares, while total FFB processed amounted to 270,862 MT, reflecting a marginal moderation compared to FY2024. This variation is consistent with normal agricultural yield fluctuations influenced by crop cycles, rainfall distribution, and seasonal harvesting patterns. The relatively stable output across FY2023 to FY2025 indicates that production improvements were primarily achieved through yield optimisation within the existing land footprint rather than expansion of planted area. The movement in FFB volumes directly influenced downstream production. CPO output increased from 54,467 MT in FY2023 to 58,881 MT in FY2024, representing an 8.1% increase, supported by both higher FFB availability and improved mill extraction efficiency. In FY2025, CPO production moderated to 55,614 MT, representing a 5.6% decrease from the FY2024 peak but remaining approximately 2.1% higher than FY2023 levels, indicating continued mill performance stability. Similarly, PK production increased from 9,430 MT in FY2023 to 10,056 MT in FY2024 (6.6% increase) before moderating to 9,701

MT in FY2025. The slight moderation in FY2025 production reflects the Group's deliberate shift towards quality-driven harvesting and stricter crop control measures, particularly in the fourth quarter. While this resulted in marginally lower FFB throughput, it supported improved oil extraction efficiency and product quality.

Overall, performance demonstrates stable operational fundamentals, with improvements driven through yield optimisation rather than expansion of planted area.

SUPPLY CHAIN MANAGEMENT

The Group manages suppliers through a structured procurement process to ensure they meet operational, quality, and compliance requirements. Supplier selection prioritises local vendors where feasible, supporting local economic development while strengthening supply chain reliability. Supplier governance includes background checks, compliance reviews, and adherence to the Group's anti-corruption commitments. Regular engagement with suppliers is maintained to monitor performance and ensure compliance with the Group's operational and ethical standards. The proportion of spending on local suppliers remained at 100% in FY2023, FY2024, and FY2025, reflecting the Group's continued commitment to supporting local businesses. As part of strengthening governance practices, suppliers are required to sign an anti-corruption declaration prior to conducting business, reinforcing responsible procurement and ethical supply chain practices.

SUSTAINABILITY REPORT

PRODUCT QUALITY

The Group maintains a strong focus on product quality through structured controls across harvesting, handling, and milling processes. In FY2025, enhanced harvesting standards and stricter quality controls were implemented as part of a broader operational strategy to improve oil extraction efficiency and reduce field losses. This included tighter fruit ripeness criteria, improved loose fruit collection, and strengthened crop handling practices. While these measures contributed to a marginal moderation in production volumes, they supported improved operational efficiency and reinforced the Group's commitment to delivering consistent product quality.

The Group recorded one quality-related customer complaint during the year. Appropriate corrective actions were undertaken to address the issue, reflecting the Group's continued focus on maintaining product reliability and customer confidence.

The Group's moderated performance in FY2025 should be viewed in the context of its strategic shift towards quality-driven production. While production volumes were marginally lower, the emphasis on operational efficiency and improved extraction performance supported margin resilience and long-term value creation.



ENVIRONMENTAL DISCLOSURES



Relevant UNSDGs

- **SDG 7** - Affordable and Clean Energy
- **SDG 12** - Responsible Consumption and Production
- **SDG 13** - Climate Action
- **SDG 15** - Life on Land



ENVIRONMENTAL FOOTPRINT

Our Performance

Absolute Figures	FY2023	FY2024	FY2025
Total Electricity Generated (kWh)	9,290,620	9,244,597	9,815,355
Electricity Intensity (kWh/MT product)	33.88	33.29	36.13
Total Water Consumption (Megaliter)	2,201.21	1,997.60	2,184.21
Water Intensity (Megaliter/ha)	0.18	0.16	0.18

In FY2025, the Group recorded total energy consumption of 9,815,355.14 kWh, increasing from 9,244,597.13 kWh in FY2024 and 9,290,620.92 kWh in FY2023, reflecting an overall upward trend across the three-year period. Electricity intensity increased to 36.13 kWh/MT product in FY2025, compared with 33.29 kWh/MT product in FY2024 and 33.88 kWh/MT product in FY2023. This suggesting that electricity use per unit of product was higher during the year despite the increase in total generation. Total water consumption increased to 2,184.21 megaliters in FY2025 from 1,997.60 megaliters in FY2024, although it remained below the 2,201.21 megaliters recorded in FY2023. Similarly, water intensity rose slightly to 0.18 megaliters/ha in FY2025 from 0.16 megaliters/ha in FY2024, in line with the level recorded in FY2023. Overall, this indicates that water intensity decreased in FY2024 before increasing in FY2025 to levels comparable to FY2023. The Group's water consumption trend reflects strengthened monitoring and improved operational control.

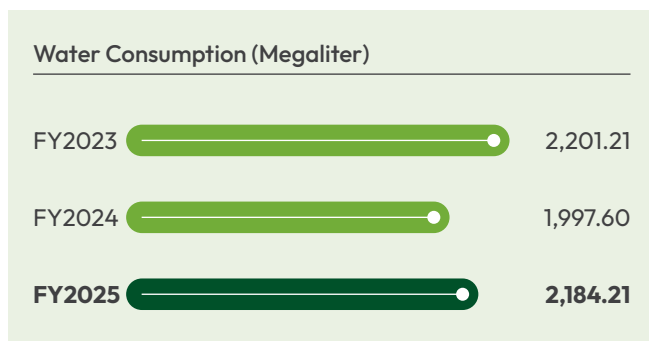
SUSTAINABILITY REPORT

WATER MANAGEMENT

Our Approach

Water management remains an important part of the Group's operational and environmental stewardship, given the role of water in supporting oil palm cultivation and mill operations. Effective water management is necessary not only to support productivity and operational continuity, but also to reduce potential impacts on surrounding ecosystems and nearby communities. Operating in remote areas, the Group relies primarily on surface water sources, including Sungai Imbok and surrounding water conservation zones, which are located in non-water-stressed areas. This reduces exposure to significant drought-related risks while supporting operational water needs across its estates and mills. To promote responsible water use, the Group conducts daily monitoring of water consumption and continues to improve efficiency through a range of operational measures. These include upgrading milling systems to reduce water use, reusing recycled water in the CPO extraction process, and harvesting rainwater for non-potable applications. At the estate level, soil moisture retention is also supported through the use of cover crops and mulching.

Our Performance



Total water consumption decreased from 2,201.21 megaliters ("ML") in FY2023 to 1,997.60 ML in FY2024, indicating improved efficiency across plantation and milling operations. The reduction was supported by enhanced monitoring practices, operational optimisation measures, and increased awareness among operational personnel regarding resource conservation. In FY2025, total water consumption recorded a moderate increase to 2,184.21 ML. Despite this increase, overall consumption remained below the FY2023 baseline, demonstrating continued effectiveness of water management practices. The variation observed in FY2025 may reasonably be associated with higher operational activity levels, seasonal conditions, and periodic operational requirements such as equipment maintenance and cleaning activities, which influence water demand in plantation

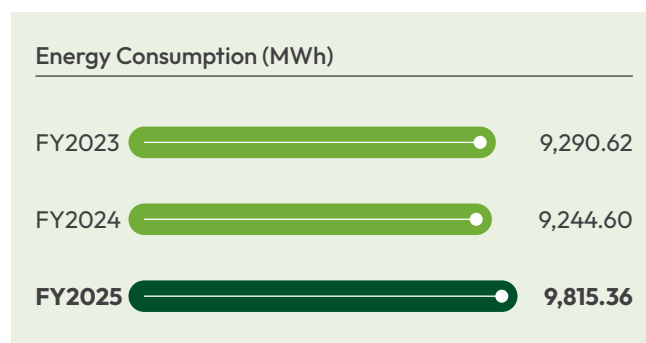
and milling environments. Overall, the three-year trend demonstrates relatively stable and controlled water usage, supported by strengthened governance, systematic monitoring, and continuous operational improvements.

ENERGY MANAGEMENT

Our Approach

The Group manages energy consumption through regular monitoring of electricity and fuel usage, supported by periodic review of operational processes to identify opportunities for efficiency improvement. Equipment optimisation, preventive maintenance, and operational controls are implemented to minimise energy losses and improve performance. Renewable energy forms a key component of the Group's energy strategy, particularly using biogas, biomass, and solar energy, which significantly reduce dependence on fossil fuels and contribute to lower emissions intensity. Energy performance indicators, including energy consumption per unit of production, are monitored to evaluate efficiency and guide improvement initiatives. Through systematic monitoring, operational optimisation, and increased utilisation of renewable energy, the Group aims to improve energy efficiency, reduce environmental impact, and strengthen long-term sustainability performance.

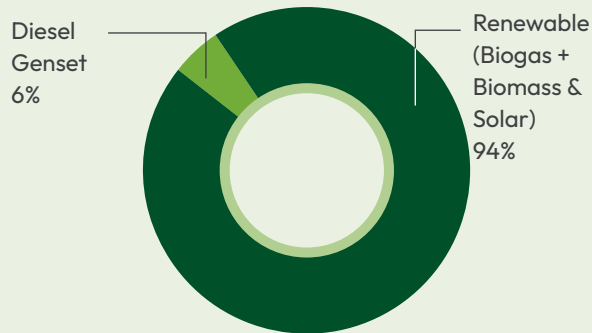
Our Performance



Total energy consumption increased from 9,290.62 MWh in FY2023 to 9,244.60 MWh in FY2024, before rising to 9,815.36 MWh in FY2025. This indicates a generally upward trend in energy use over the three-year period, with FY2025 recording an increase of approximately 6.17% compared with FY2024. The year-on-year increase in FY2025 may be associated with variations in operational activity, production throughput, and energy requirements across mill and estate operations during the year. Overall, while energy consumption increased, the trend should be interpreted in relation to production levels and operational intensity to provide a more complete view of energy performance.

SUSTAINABILITY REPORT

Energy Composition FY2025 (%)



Based on the FY2025 data, the Group recorded total energy consumption of 9,815,355.14 kWh, with a strong contribution from renewable energy sources (biogas, biomass and solar) at 9,214,540.00 kWh, representing 94% of total energy use. This demonstrates the Group's continued commitment to prioritising cleaner energy sources and reducing reliance on non-renewable energy. While the remaining 6% was contributed by the diesel genset. This indicates that the Group continues to rely predominantly on renewable energy sources in supporting its operations.

The Group's focus on operational efficiency extends beyond production into resource management, where improvements in process control and disciplined operations contribute to better utilisation of energy and natural resources.

EMISSION MANAGEMENT

Our Approach

The Group manages greenhouse gas ("GHG") emissions through structured monitoring of fuel consumption, energy use, and refrigerant handling across its operations. Emissions are calculated using the RSPO Palm GHG Calculator, supported by emission factors from the IPCC Sixth Assessment Report ("AR6") and the GHG Protocol, and are periodically reviewed to ensure accuracy and completeness. This approach aligns with Malaysia's climate commitments and the Group's broader sustainability strategy. To minimise emissions and improve operational efficiency, the Group has invested in a biogas generator system that captures methane from palm oil mill effluent ("POME") and converts it into renewable electricity. This system has eliminated reliance on the national electricity grid, resulting in zero Scope 2 emissions, while significantly reducing the use of diesel-powered generators, which are now only used during emergency situations. To manage non-carbon airborne emissions, the Group has implemented Vortex Separation ("VORSEP") technology in its boiler systems. This system captures fine particulate matter from flue gases, ensuring emissions remain below the Department of Environment ("DOE") regulatory threshold of 150 mg/m³. In addition, training and capacity-building programmes are conducted to strengthen employee awareness and support effective implementation of emissions management practices across operations.

Our Performance

Scope 1 Emission (tCO₂e/MT CPO)



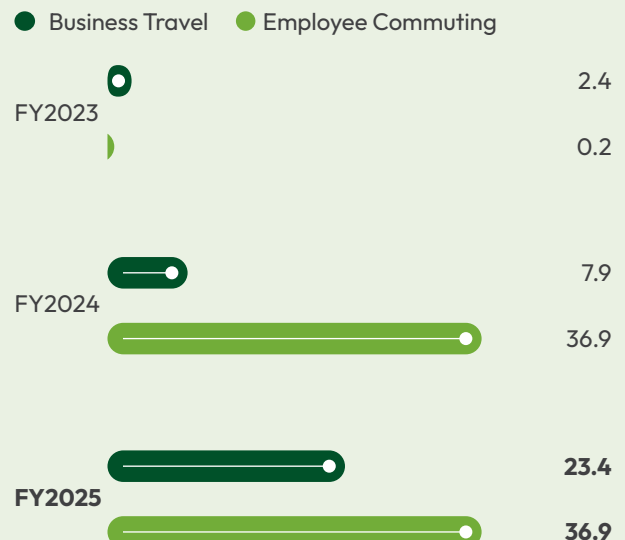
Scope 1 emissions arise from direct fuel combustion within the Group's operational control, including diesel usage for genset operations, estate vehicles, and operational machinery.

Between FY2023 and FY2024, Scope 1 emissions remained relatively stable at 0.22 tCO₂e/MT CPO and 0.24 tCO₂e/MT CPO, reflecting largely unchanged operational activity and fleet composition. In FY2025, reported Scope 1 emissions increased to 0.48 tCO₂e/MT CPO following the establishment of a more comprehensive emissions inventory, incorporating stationary combustion, mobile combustion, and fugitive emission sources across operational sites.

The increase primarily reflects enhanced reporting completeness and expanded coverage, rather than a material change in operational intensity.

Scope 2 emissions relate to indirect emissions from purchased electricity. As the Group generates its electricity requirements internally through renewable energy sources, no electricity is sourced from the national grid. Accordingly, no Scope 2 emissions were recorded during the reporting period.

Scope 3 Emission (tCO₂e)



SUSTAINABILITY REPORT

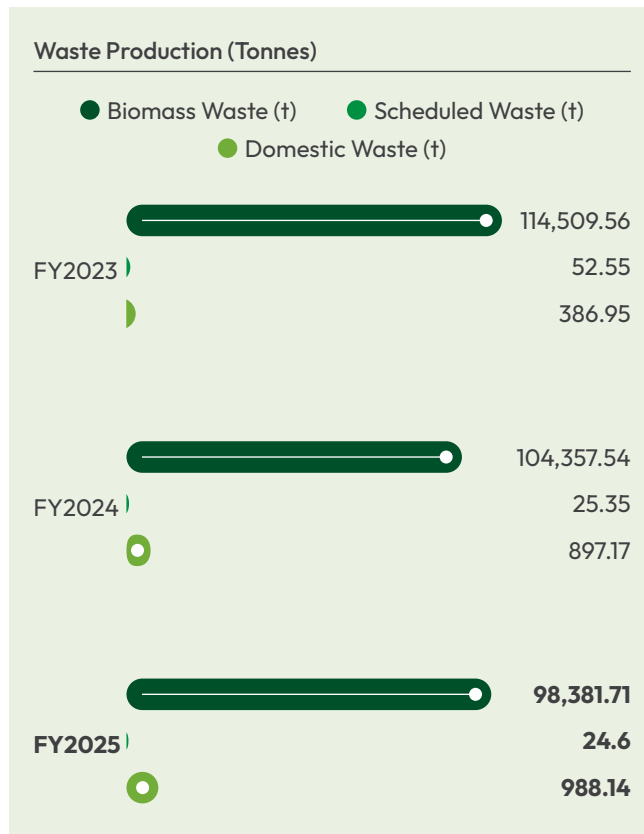
Scope 3 emissions comprise selected indirect sources, namely employee commuting and business travel. In FY2023, employee commuting and business travel emissions were recorded at 0.2 tCO₂e and 2.4 tCO₂e, respectively. In FY2024, employee commuting emissions were restated to 36.9 tCO₂e, while business travel emissions increased to 7.9 tCO₂e. In FY2025, employee commuting emissions remained at 36.9 tCO₂e, while business travel emissions rose further to 23.4 tCO₂e in line with operational requirements. The year-on-year movement primarily reflects expanded reporting boundaries, improved data capture, and refinements in emissions accounting methodology, particularly for employee travel between headquarters and estate locations, rather than a structural change in the Group's core emissions profile. Overall, the three-year trend demonstrates strengthened emissions accounting practices, improved transparency through broader reporting coverage, and continued integration of climate-related data into operational monitoring.

WASTE MANAGEMENT

Our Approach

The Group manages waste in accordance with the Reduce, Reuse, and Recycle (3R) principles, with emphasis on minimising waste generation and maximising resource recovery. Waste management practices are embedded within operational monitoring systems and aligned with Department of Environment ("DOE") regulations and MSPO standards. Established procedures guide the proper segregation, storage, handling, and disposal of waste, with regulated waste collected and treated by DOE-registered contractors. In support of circular economy practices, the Group promotes waste reduction and reuse initiatives across plantation and mill operations. Operational biomass, including Empty Fruit Bunches (EFB), shell, and fiber, is repurposed within operations as organic fertiliser and boiler feedstock, ensuring that 100% of biomass generated from fresh fruit bunch ("FFB") processing is reused, thereby reducing landfill dependency and improving resource efficiency. To strengthen monitoring, the Group maintains a waste identification system that records waste sources, classifications, and disposal methods, supported by operational checklists and periodic reviews. Attention is given to scheduled waste, such as used lubricants, used oil filter and spent solvent, which are stored in designated containment areas and disposed of through licensed contractors in accordance with regulatory requirements. Employee engagement further supports effective waste management. Through training and awareness programmes, employees are encouraged to practice waste segregation and recycling, supported by infrastructure such as recycling bins and designated collection points across operational sites.

Our Performance



The Group monitors waste generation over a three-year period to assess trends and strengthen waste management practices across its operations. Based on the latest data, domestic waste increased significantly from 386.95 tonnes in FY2023 to 897.17 tonnes in FY2024, before rising further to 988.14 tonnes in FY2025. This upward trend reflects higher general waste generation driven by operational activity, workforce-related waste, and overall site domestic waste volumes during the year. A small portion of this domestic waste was diverted to recycling centres as recycled waste, amounting to 0.36 tonnes in FY2023, 0.37 tonnes in FY2024, and 0.19 tonnes in FY2025. Scheduled Waste showed a declining trend over the reporting period. The volume decreased substantially from 52.55 tonnes in FY2023 to 25.35 tonnes in FY2024, followed by a slight further reduction to 24.60 tonnes in FY2025. This trend indicates more consistent control over scheduled waste generation and handling, supported by ongoing monitoring and disposal. In addition, biomass waste remained the most substantial waste stream in absolute volume, while demonstrating a positive year-on-year reduction, decreasing from 114,509.56 tonnes in FY2023 to 104,357.54 tonnes in FY2024 and further to 98,381.71 tonnes in FY2025. This may reflect changes in production volume, improved resource optimisation, enhanced process efficiency, and biomass management practices across operations during the reporting period.

SUSTAINABILITY REPORT

Indicator	FY2023	FY2024	FY2025
Effluent Discharge (m ³)	192,114.00	170,986.00	169,284.20
Total Fibre and Shell (tonnes)	49,462.94	49,432.52	44,209.27
Total Empty Fruit Bunch (EFB) (tonnes)	65,047.00	54,925.00	54,172.44

In addition, the Group continues to monitor key by-products and effluent indicators to strengthen environmental management across its operations. Effluent discharge showed a gradual declining trend, reducing from 192,114.00 m³ in FY2023 to 170,986.00 m³ in FY2024 and further to 169,284.20 m³ in FY2025. This may indicate improved process efficiency, better water management practices, or lower wastewater generation in line with operational conditions.

Total fibre and shell, as key biomass by-products, remained significant but declined from 49,462.94 tonnes in FY2023 to 49,432.52 tonnes in FY2024, before decreasing more noticeably to 44,209.27 tonnes in FY2025. Similarly, total Empty Fruit Bunch (EFB) decreased from 65,047.00 tonnes in FY2023 to 54,925.00 tonnes in FY2024 and slightly further to 54,172.44 tonnes in FY2025. This may reflect changes in production volume, improved resource optimisation, enhanced process efficiency, and biomass management practices across the mills.

The declining trend in effluent discharge, fibre and shell, and EFB indicates closer control over mill outputs and waste-related streams during the reporting period. This supports the Group's ongoing efforts to strengthen resource management and improve operational environmental performance.

BIODIVERSITY AND CONSERVATION

Our Approach

Biodiversity conservation remains an important part of the Group's environmental stewardship, given the nature of its plantation operations across large rural landscapes. To manage potential impacts on surrounding ecosystems, the Group implements structured measures focusing on habitat protection, ecological restoration, and the management of human-wildlife interactions within and around its operational areas.

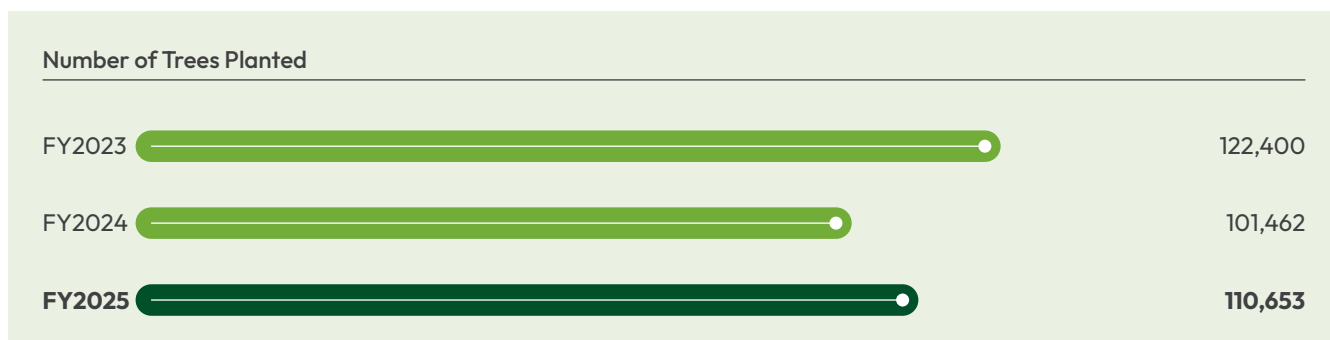
Key Biodiversity Conservation Initiatives	
Initiative	Description
Habitat identification and protection	The Group manages biodiversity matters in line with MSPO requirements, relevant regulatory expectations, and internal procedures. This includes the use of High Conservation Value ("HCV") assessments to identify and protect ecologically important habitats, as well as the establishment of buffer zones around sensitive areas and water bodies to preserve ecosystem functions and wildlife movement.
Habitat restoration and biodiversity monitoring	The Group undertakes habitat restoration initiatives in suitable vacant or steep areas designated as biodiversity buffer zones to help rehabilitate degraded areas and strengthen ecosystem resilience. Annual biodiversity audits by third-party specialists are also conducted to assess conservation value, monitor species presence, and support ongoing biodiversity management planning.
Human-wildlife conflict management and awareness	The Group implements measures to manage human-wildlife interactions, including the use of electric fencing in selected areas and participation in collaborative platforms such as the Human-Elephant Conflict programme. Workforce awareness is also strengthened through regular communication and training on wildlife protection, conflict response, buffer zone preservation, and prevention of illegal hunting.

SUSTAINABILITY REPORT

Our Performance

Restoration Progress (FY2025)		
Estate	Target (Ha)	Actual (Ha)
Imbak	100.00	100.00
Gunung Rara	100.00	91.72
Labau	75.00	75.00
Maliau	75.00	74.00
Lokan	75.00	75.00
Luasong	75.00	102.82
TOTAL	500.00	518.54

In FY2025, the Group achieved 518.54 hectares of habitat restoration against a target of 500 hectares, exceeding the target by 3.7%. This reflects continued implementation of biodiversity conservation initiatives across operational areas.



Tree planting efforts remained active, with 110,653 trees planted during the year, supporting ecosystem restoration, habitat connectivity, and carbon sequestration.

Identified RTE and Resident Species			
No.	Scientific Name	Common Name	IUCN Red List Status
1	<i>Elephas maximus borneensis</i>	Bornean Pygmy Elephant	Endangered (EN)
2	<i>Macaca fascicularis</i>	Long-tailed Macaque	Endangered (EN)
3	<i>Spilornis cheela</i>	Crested Serpent Eagle	Least Concern (LC)
4	<i>Todiramphus chloris</i>	Collared Kingfisher	Least Concern (LC)
5	<i>Aplonis panayensis</i>	Asian Glossy Starling	Least Concern (LC)
6	<i>Ardea alba</i>	Great Egret	Least Concern (LC)
7	<i>Bronchocela cristatella</i>	Green Crested Lizard	Least Concern (LC)
8	<i>Crocodylus porosus</i>	Saltwater Crocodile	Least Concern (LC)
9	<i>Hirundo tahitica</i>	Pacific Swallow	Least Concern (LC)
10	<i>Polypedates leucomystax</i>	Common Tree Frog	Least Concern (LC)

SUSTAINABILITY REPORT

In terms of biodiversity monitoring, the Group continued to identify and record wildlife species within its operational landscape and surrounding conservation areas. During FY2025, species recorded during monitoring activities included the Bornean Pygmy Elephant (*Elephas maximus borneensis*), classified as Endangered (EN), and the Long-tailed Macaque (*Macaca fascicularis*), which has been presented in the Group's data under the relevant IUCN Red List classification used for reporting purposes.



Bornean Elephant sighting leading into IPB's estates



Crested Serpent Eagle observed in Estate Biodiversity Area



Shield Bug recorded within Estate Ecosystem



*The collared kingfisher (*Todiramphus chloris*) is observed in inland plantation areas*

SUSTAINABILITY REPORT



SOCIAL DISCLOSURES



Cultural celebration in conjunction with Kaamatan Festival 2025

Relevant UNSDGs

- **SDG 1** – No Poverty
- **SDG 8** – Decent Work and Economic Growth
- **SDG 11** – Sustainable Cities and Communities



HUMAN AND LABOUR RIGHTS

The Group complies with applicable labour laws, including the Employment Act 1955 and Sabah Labour Ordinance, and upholds internationally recognised human rights principles. Forced labour, child labour, and discrimination are strictly prohibited.

Employees are free to associate and raise concerns through established grievance and whistleblowing channels.

The Group recorded zero human rights violations for three consecutive years (FY2023–FY2025), reflecting effective implementation of policies, monitoring mechanisms, and MSPO-aligned practices.

COMMUNITY INVESTMENT

Our Approach

The Group adopts a structured approach to community investment, focusing on initiatives that contribute positively to the well-being of surrounding communities and stakeholders. Corporate social responsibility (“CSR”) activities are planned through engagement with local stakeholders to identify priority needs, with implementation monitored to assess effectiveness, beneficiary reach and alignment with organisational objectives. The Group also reviews its CSR allocation and implementation approach periodically to support the effective use of resources and continuous improvement in community engagement.

Our Performance

Community Investment (RM)

FY2023		283,500
FY2024		205,000
FY2025		310,705.35

SUSTAINABILITY REPORT

In FY2025, the Group recorded total community investment of RM310,705.35, compared with RM205,000 in FY2024 and RM283,500 in FY2023. The increase in FY2025 reflects stronger financial support for community-related initiatives following the lower allocation recorded in FY2024. The number of beneficiaries also increased steadily from 15 in FY2023 to 22 in FY2024 and further to 28 in FY2025, indicating broader programme reach over the three-year period. FY2025 therefore reflected both the highest level of investment and the widest beneficiary coverage.

Category	Organisations/Recipients	Total (RM)
Social Support and Community Well-being	Franciscan Sisters of the Immaculate Conception; Tawau Old Folks Home; Persatuan Penggerak Sukarelawan Komuniti Tawau; Majlis Jaksa-Jaksa Pendamai Sabah	145,577.80
Education and Youth Development	Sabah Chinese High School; Tawau Methodist Kindergarten; PIBG SMK Umas-Umas Tawau; Universiti Malaysia Sabah ("UMS"); PIBG Sek Keb Luasong Tawau	48,140.00
Healthcare and Well-being	Rafflesia Medical Centre Sdn Bhd; Sabah Kinabalu Pink Ribbon; Hospital Tawau	43,000.00
Religious and Cultural Programmes	Persatuan Penggerak Sukarelawan Komuniti Tawau; Kelab Belia Kampung Bakut Muhibbah ("KBBM"); Persatuan Penggerak Insan Sabah ("SAMOY"); Wu Wang Temple	41,850.50
NGOs, Associations and Community Groups	The Hokkien Association Tawau; Kelab Rotary Tawau; H5 Hash House Harriers; Kumpulan Yayasan Sabah; Tawau Yacht Club	22,137.05
Disaster Relief	Sibling Home and Kitchen Sdn Bhd	10,000.00
Total		310,705.35

Based on the FY2025 contribution profile, community investment was directed across a wide range of social needs, including support for underprivileged students, schools, universities, elderly care homes, community welfare programmes, festive and cultural events, healthcare initiatives, religious institutions, volunteer organisations, and flood relief efforts. A significant portion of the contributions was channelled towards community welfare and social assistance programmes, alongside support for education-related initiatives, community and volunteer organisations, and health and humanitarian causes. The FY2025 performance reflects continued community engagement, with increased resources directed towards practical local needs and broader outreach across surrounding communities.



Strengthening community relations through Ziarah Cakna Programme at Sekolah Kebangsaan Luasong

SUSTAINABILITY REPORT

EMPLOYEE MANAGEMENT

Our Approach

Area	Practices and Initiatives
Hiring and Attrition	The Group recruits workers to support labour-intensive plantation and milling operations. New employees undergo induction covering organisational structure, policies, benefits, and workplace rules. Foreign workers receive orientation on local culture, safety practices, and labour regulations. Exit interviews conducted by the Human Resources Department provide feedback to improve employee engagement and retention.
Performance Appraisals	Annual performance evaluations assess employees against established key performance indicators ("KPIs"). These appraisals support salary adjustments, bonuses, and training allocation while encouraging communication between employees and supervisors.
Succession Planning	A succession planning process is implemented for key management roles. Potential internal candidates are identified based on competency and leadership potential and supported through targeted development programmes under the oversight of the Managing Director.
Employee Benefits and Welfare	Employees receive compensation and benefits aligned with the Employment Act 1955, including salaries, bonuses, leave entitlements, healthcare coverage, insurance, and estate housing. Estate facilities such as housing, treated water supply, schools, sports facilities, childcare centers, and places of worship support employee well-being.
Employee Engagement	The Group regularly organises estate-level engagement activities to support employee well-being, celebrate diversity, and foster a sense of community. These initiatives help strengthen morale and promote a more inclusive and supportive working environment.

Our Performance

Employee Category	FY2023	FY2024	FY2025
Management (Incl. Senior)	25	25	30
Executive	42	42	50
Non-Executive	128	137	130
General Workers	541	835	1,418
Total Employees	736	1,039	1,628

The Group's workforce expanded significantly over the three-year period in line with the increasing operational requirements of its plantation and milling activities. In FY2023, the Group employed 736 employees, comprising 8 senior management, 17 management, 42 executives, 128 non-executives, and 541 general workers. This workforce grew to 1,039 employees in FY2024, a growth primarily driven by operational roles where the number of general workers increased to 835 employees to support core plantation activities. By FY2025, this expansion accelerated further as the total headcount reached 1,628 employees by year-end, representing a substantial net growth of approximately 56.7% from the start of the year. This surge was characterised by a reinforced organisational structure consisting of 30 management personnel, 50 executives, 130 non-executives, and 1,418 general workers, reflecting the

Group's efforts to scale its manpower capacity to support operational scalability and intensified plantation activities.

Total Turnover by Employment Category			
Employment Category	FY2023	FY2024	FY2025
Management	2	1	2
Executive	7	5	-
Non-Executive	10	13	14
General Workers	135	135	109
Turnover Rate (%)	20.9	14.8	7.68
Retention Rate (%)	79.1	85.2	92.32

While employee turnover remained largely concentrated within operational roles, the Group achieved a marked improvement in workforce stability over the reporting period. In FY2023, the Group recorded 154 employee resignations, consisting of 135 general workers, 10 non-executive employees, 7 executives, and 2 management staff. Turnover maintained in FY2024 with 154 employees, which included 135 general workers, 13 non-executives, 5 executives, and 1 member of management. This downward trend continued into FY2025, where the Group recorded only 125 resignations, which included 109 general workers, 14 non-executive employees, and 2 management staff, resulting in a record-low

SUSTAINABILITY REPORT

turnover rate of 7.68% and a corresponding retention rate of 92.32%. Overall, the simultaneous trend of significant workforce expansion alongside a steady decline in resignations indicates stable employee retention and the successful implementation of strengthened workforce management practices.

Month	Social Activities	Placement	Amount (RM)
Feb 2025	Lion Dance	HQ	1,300.00
Mar 2025	Iftar Ramadan Dinner	HQ	3,000.00
Apr 2025	Hari Raya Celebration	HQ	2,000.00
May 2025	Estate Hari Raya Celebration	Estate	5,313.40
Jul 2025	Claim Foods and Drink, Souvenir & Goods for Kaamatan Celebration	Estate	5,741.65
Aug 2025	Mill Kenduri 2025	Estate - Mill	5,500.00
Sep 2025	SJI Sports and Family Day 2025	Estate	22,345.00
Dec 2025	Farewell Luncheon Catering	HQ	1,370.00
	Total		46,570.05

For employee engagement, the Group continued to promote employee engagement through activities organised across its headquarters, estates, and mill. A total of eight activities were conducted during the year, with total expenditure amounting to RM46,570.05. The activities included festive celebrations, social gatherings, and employee appreciation programmes such as Lion Dance, Iftar Ramadan Dinner, Hari Raya celebrations, Kaamatan celebration, Mill Kenduri 2025, SJI Sports and Family Day 2025, and a Farewell Luncheon. These initiatives reflect the Group's efforts to support employee well-being, strengthen workplace relationships, and foster a sense of community across its operations.



Strengthening public health through community vaccination initiative



Employee participation in sports and recreational activities



SJI Sports and Family Day 2025



Hari Raya celebration with employees



Cultural dance performance during Hari Raya celebration



Christmas celebration with employees

SUSTAINABILITY REPORT

DIVERSITY, EQUITY, AND INCLUSION

Our Approach

The Group promotes a workplace culture that values diversity, equity, and inclusion and maintains zero tolerance for discrimination based on gender, ethnicity, religion, or any other demographic characteristic. Employment-related decisions, including hiring, remuneration, promotion, compensation, and benefits, are guided by individual merit, performance, qualifications, and experience. The Group also recognises gender equality as an important aspect of responsible employment practice. This commitment is supported through measures such as the Reproductive Rights Policy Statement, which protects employees' reproductive rights and access to maternal healthcare, including safeguards for expecting mothers against occupational risks. In addition, the Group strictly prohibits all forms of sexual harassment and seeks to provide employees with a working environment and resources that support them in carrying out their responsibilities effectively.

Our Performance

Gender Diversity Dashboard				
Employment Category	Male	Female	Total	% Female
Senior Management	11	1	12	8.33
Management	15	3	18	16.67
Executive	41	9	50	18
Non-Executive	67	63	130	48.46
General Workers	943	475	1,418	33.50
Total Group Workforce	1,077	551	1,628	33.85

The Group remains deeply committed to fostering a diverse and inclusive workplace, recognising that a variety of perspectives and backgrounds is essential for driving operational excellence and long-term sustainability. As the Group underwent a significant workforce expansion to a total of 1,628 employees in FY2025, it maintained a strategic focus on balancing local talent development with the specialised labour needs of the plantation sector. The current workforce reflects a healthy gender balance for the industry, with women representing 33.85% of the total headcount. Notably, female inclusion is particularly prominent within the professional and leadership tiers, where women occupy 16.67% of management and 18.0% of executive roles, underscoring the Group's success in promoting gender equity within decision-making functions.

Workforce Age Profile					
Employment Category	Aged 30 & Below	Aged 31 - 50	Aged 51 - 60	Aged 61 & Above	Total
Senior Management	0	0	5	7	12
Management	0	7	11	0	18
Executive	13	27	9	1	50
Non-Executive	54	72	4	0	130
General Workers	504	746	167	1	1,418
Total Headcount	571	852	196	9	1,628
Percentage (%)	35.07	52.33	12.04	0.55	100.00

Beyond gender, the Group's demographic profile demonstrates a robust age distribution that ensures both the vitality of young talent and the stability of experienced leadership. Approximately 35.1% of employees are aged 30 and below, representing the next generation of the workforce, while the largest segment (52.3%) consists of professionals aged 31 to 50 who provide the core technical and operational expertise. This is complemented by senior professionals aged 51 and above, who dominate the senior management and management categories, providing essential governance and mentorship. This balanced age profile facilitates a steady transfer of knowledge and ensures the Group is well-prepared for long-term succession planning across all levels of the organisation.

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Ethnicity/Nationality	Senior Management	Management	Executive	Non-Executive	Total
Malay	5	2	20	100	127
Chinese	4	4	7	5	20
Indian	0	0	1	1	2
Bumiputera (Other)	3	12	22	101	138
Total Malaysian	12	18	50	207	287
Foreign National	0	0	0	1,341	1,341
Grand Total	12	18	50	1,548	1,628

The Group's commitment to social inclusion is further evidenced by its focus on local employment and ethnic diversity. As of FY2025, Malaysian nationals constitute 17.6% of the workforce, with the remaining 82.4% comprising foreign nationals who support field-intensive operations. Within the local workforce, the Group is a key employer for the Bumiputera community, which represents 48.1% of Malaysian employees, including significant representation from the indigenous communities of Sabah and Sarawak. By providing equal opportunities to Malay, Chinese, Indian, and Bumiputera talent, the Group not only strengthens its operational resilience but also contributes meaningfully to the socio-economic development of the local communities in which it operates.

Workforce by Nationality			
Employment Category	Malaysian	Foreign National	Total
Senior Management	12	0	12
Management	18	0	18
Executive	50	0	50
Non-Executive	130	0	130
General Workers	77	1,341	1,418
Total	287	1,341	1,628
Percentage (%)	17.6	82.4	100.0

The Group's recruitment strategy prioritises local employment, contributing to the socio-economic development of the regions where it operates. As of FY2025, the workforce is predominantly Malaysian, with 287 local employees accounting for 17.6% of the total headcount. This Malaysian workforce is widely distributed across all organisational levels, ensuring that leadership and administrative functions are locally managed. To supplement the intensive labour requirements of field operations, the Group employs 1,341 foreign nationals, representing 82.4% of the workforce. These foreign employees are exclusively situated within the non-executive and general worker categories, playing a critical role in maintaining the operational scalability of the Group's plantation activities.

Workforce by Ethnicity (Malaysian Only)					
Employment Category	Malay	Chinese	Indian	Bumiputera (Sabah, Sarawak, Orang Asli)	Total Malaysian
Senior Management	5	4	0	3	12
Management	2	4	0	12	18
Executive	20	7	1	22	50
Non-Executive	100	5	1	101	207
Total Headcount	127	20	2	138	287
Percentage (%)	44.25	6.97	0.70	48.08	100.00

SUSTAINABILITY REPORT

In terms of ethnic diversity, the Group prides itself on an inclusive environment that reflects the multicultural identity of Malaysia. Within the local workforce, the Bumiputera community represents the largest group, with 138 employees (48.08%), followed by 127 Malay employees (44.25%) and 20 Chinese employees (6.97%). The Group particularly emphasises providing opportunities for the Bumiputera community in Sabah and Sarawak, including the Orang Asli, who occupy roles ranging from senior management to operational labour. This diverse ethnic composition is a testament to the Group's commitment to equal opportunity and its role as a key employer for indigenous and local communities, fostering a workplace built on mutual respect and shared growth.

TRAINING AND DEVELOPMENT

Our Approach

Our training initiatives are categorised into specific themes to address the multi-dimensional risks and opportunities within the plantation industry. This thematic approach ensures that our workforce development aligns with our broader ESG commitments and operational excellence goals. The Group's investment in governance was particularly robust this year, with management participating in intensive workshops on IFRS S1 & S2 and the National Sustainability Reporting Framework ("NSRF"). These sessions are critical as the Group prepares for mandatory climate-related financial disclosures, ensuring our leadership can interpret and act on sustainability data. In terms of Occupational Safety and Health ("OSH"), we shifted our focus towards high-level competency certifications. This included Authorised Entrant and Standby Person ("AESP") for confined spaces and Basic Occupational First Aider ("BOFA") training. By moving beyond basic awareness to certified competency, we have strengthened our emergency response capabilities at our mills and estates, directly mitigating high-risk operational hazards. Furthermore, our environmental stewardship training focused on the practical application of sustainability.



Enhancing workers' competency through practical harvesting training

Programmes such as High Conservation Value ("HCV") Monitoring, Riparian Buffer Zone protection, and Scheduled Waste Management (e-SWIS) provided our estate teams with the technical knowledge to maintain our MSPO certifications and protect the local ecosystem from chemical and waste runoff. The Group's training data demonstrates a proactive approach to risk management. By investing heavily in leadership training (averaging 4.67 hours for senior management), we ensure that those steering the organisation are equipped to manage the transition to a low-carbon economy. Simultaneously, the high volume of hours dedicated to our non-executive staff—the largest segment of our workforce—ensures that safety and environmental compliance are maintained effectively on the ground, where the impact is most immediate.

Our Performance

Total Training Hours by Employment Category & Gender				
Employment Category	Male (Hrs)	Female (Hrs)	Total (Hrs)	% of Total
Senior Management	56	0	56	0.78
Management	300	152	452	6.33
Executive	916	181	1,097	15.37
Non-Executive	1,254	445	1,699	23.81
General Workers	2,739	1,093	3,832	53.71
Group Total	5,265	1,871	7,136	100.00

In FY2025, the Group successfully executed 184 training sessions, totalling 7,136 training hours. This represents a significant investment in our human capital, ensuring that both long-standing employees and the surge of new joiners are aligned with the Group's operational standards and ethical guidelines. A key highlight of the year was the Group-wide Anti-Bribery and Corruption ("ABC") Refresher programme. By conducting localised sessions across our estates, including Imbak, Maliau, and Luasong, we ensured that the message of integrity reached every level of the organisation, from senior management to our field-level labour force.

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Average Training Hours per Employee	
Employment Category	Avg. Hours
Senior Management	4.67
Management	25.11
Executive	21.94
Non-Executive	13.07
General Workers	2.7
Group Average	4.4

Our strategy followed a top-down competency model to ensure that leadership can steer ESG goals while the workforce maintains high operational safety. Senior management averaged 4.67 hours per employee, reflecting intensive preparation for mandatory climate disclosures like IFRS S1 and S2. Management and executives followed with 25.11 and 21.94 hours, respectively, focusing on specialised OSH certifications and environmental monitoring to bridge the gap between strategy and field operations. While the non-executive category averaged 13.07 hours and general workers category averaged 2.7 hours, they accounted for the highest absolute volume of training at 3,832 total hours. This highlights our focus on high-frequency, practical field drills—such as chemical handling and fire safety—ensuring that the largest segment of our workforce is equipped to mitigate immediate operational risks. With a group average of 4.4 hours per employee, our training remains a strategic tool for risk management, ensuring that growth is supported by a culture of integrity and safety.



Field briefing on good harvesting practices



Occupational Safety Training on chemical handling and personal protective equipment

OCCUPATIONAL SAFETY AND HEALTH

Our Approach

The Group is committed to providing a safe and healthy working environment for employees and contractors across its operations. Its occupational safety and health approach is built on preventive measures, regulatory compliance, operational preparedness and workforce training. The Group aligns its internal occupational safety and health management practices with the Occupational Safety and Health Act 1994 and supports implementation through measures such as hazard assessments, safety audits, HIRARC processes, accident investigations, toolbox meetings and emergency drills.

This approach is intended to strengthen risk identification, improve operational readiness, reduce workplace incidents and support a proactive safety culture. The draft also highlights the importance of access to healthcare support, especially for workers in remote operational areas.

SUSTAINABILITY REPORT

Summary of OSH Strategic Initiatives, Policy, and Impact			
Strategic Pillar	Key Initiatives & Policy Components	Objective	Impact & Compliance
Policy & Management	OSHMS & OSHA 1994 Alignment: Mandatory framework for all staff.	To establish a legal foundation and target a 5% annual incident reduction .	100% regulatory compliance and improved corporate reputation.
Preventative Measures	Hazard Assessment & Safety Audits: Continuous inspection of equipment.	To protect both the physical and mental health of employees.	Reduces healthcare costs and prevents high-risk occupational diseases.
Risk Mitigation	HIRARC & Accident Investigations: Root cause analysis led by HSE managers.	To identify hazards at the source and update SOPs post-incident.	Minimises recurring risks and enforces contractor accountability.
Education & Training	Orientations & Refresher Courses: Role-specific hazard training.	To build a workforce capable of identifying and reporting risks.	Over 478 safety training hours (FY2025 baseline) for 944 staff.
Operational Readiness	Toolbox Meetings & Emergency Drills: Daily briefings and fire/medical simulations.	To maintain daily situational awareness and rapid response capabilities.	Ensures preparedness for chemical spills or medical emergencies.
Active Reporting	Near-Miss Reporting Systems: Open communication for all staff levels.	To identify potential hazards before they manifest as injuries.	Shifts the workplace from a reactive to a proactive safety culture.
Health & Well-being	Rural Healthcare & Medical Screenings: Vaccinations and exposure monitoring.	To provide medical care in remote areas (e.g., malaria/TB) and monitor chemicals.	Safeguards at-risk workers (sprayers/manurers) in isolated locations.
Oversight & Assurance	Internal & External Audits: Oversight by the Group Safety Officer.	To benchmark KPIs and validate performance through third parties.	Verified annually by DOSH, TLAS, and MSPO bodies.

Our Performance

OSH Performance	FY2023	FY2024	FY2025
Total Man-hours Worked	1,591,820	1,895,478	3,120,116
Fatalities	0	0	0
Injury Rate	7.54	11.08	3.85
Lost-Time Incident Rate ("LTIR")	5.03	28.49	10.26

The Group continued to monitor its occupational safety and health ("OSH") performance across all operations. In FY2025, the Group recorded 3,120,116 total man-hours worked, compared with 1,895,478 in FY2024 and 1,591,820 in FY2023, while maintaining zero fatalities throughout the three-year period. Both the Injury Rate and Lost-Time Incident Rate ("LTIR") improved progressively from 11.08 in FY2024 and further to 3.85 in FY2025. The continued decline in these rates indicates improved safety performance over the reporting period, supported by ongoing implementation of workplace safety controls, risk management measures, and safety awareness initiatives across the Group's operations.

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This CSI Prescribed Table is generated online from Centralised Sustainability Intelligence (CSI) Solution, and is included in this Sustainability Report as mandated by Bursa Malaysia.

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti Corruption	Bursa C1 (a) Percentage of employees who have received training on anti corruption by employee category: (i) Management	Percentage	69.23	Ensure at least 90% training coverage across all employee categories annually	Internal
Anti Corruption	Bursa C1 (a) Percentage of employees who have received training on anti corruption by employee category: (ii) Executive	Percentage	100	Ensure at least 90% training coverage across all employee categories annually	Internal
Anti Corruption	Bursa C1 (a) Percentage of employees who have received training on anti corruption by employee category: (iii) Non Executive/Technical Staff	Percentage	100	Ensure at least 90% training coverage across all employee categories annually	Internal
Anti Corruption	Bursa C1 (a) Percentage of employees who have received training on anti corruption by employee category: (iv) General Workers	Percentage	97.8	Ensure at least 90% training coverage across all employee categories annually	Internal
Anti Corruption	Bursa C1(b) – Operations assessed for corruption-related risks	Percentage	100	Ensure that 100% of operations are subject to risk assessment in accordance with the ABC framework	Internal
Anti Corruption	Bursa C1(c) – Confirmed incidents of corruption and action taken	Number	0	Maintain zero substantiated data privacy breaches and related complaints on an annual basis	Internal
Community/ Society	Bursa C2(a) – Total amount invested in the community	MYR	310,705.35	Ensure continued annual contribution towards community development and social well-being initiatives	Internal
Community/ Society	Bursa C2(b) – Total number of beneficiaries	Number	28	Ensure continued annual contribution towards community development and social well-being initiatives	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (i) Management - Male	Percentage	83.33	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (i) Management - Female	Percentage	16.67	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (ii) Executive - Male	Percentage	82	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (ii) Executive - Female	Percentage	18	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (iii) Non Executive/Technical Staff - Male	Percentage	51.54	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (iii) Non Executive/Technical Staff - Female	Percentage	48.46	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (iv) General Workers - Male	Percentage	66.50	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender for each employee category: (iv) General Workers - Female	Percentage	33.50	Maintain workforce composition across gender and age groups within each employee category	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (i) Management - Above 50	Percentage	61.11	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (i) Management - Between 30 and 50	Percentage	38.89	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (i) Management - Under 30	Percentage	0	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (ii) Executive - Above 50	Percentage	20	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (ii) Executive - Between 30 and 50	Percentage	54	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender and age group, for each employee category: (ii) Executive - Under 30	Percentage	26	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (iii) Non Executive/Technical Staff - Above 50	Percentage	3.08	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (iii) Non Executive/Technical Staff - Between 30 and 50	Percentage	55.38	Maintain workforce composition across gender and age groups within each employee category	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3 (a) – Percentage of employees by age group, for each employee category: (iii) Non Executive/Technical Staff - Under 30	Percentage	41.54	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender and age group, for each employee category: (iv) General Workers - Above 50	Percentage	11.85	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender and age group, for each employee category: (iv) General Workers - Between 30 and 50	Percentage	52.61	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (a) – Percentage of employees by gender and age group, for each employee category: (iv) General Workers - Under 30	Percentage	35.54	Maintain workforce composition across gender and age groups within each employee category	Internal
Diversity	C3 (b) – Percentage of directors by gender group: Male	Percentage	85.71	Maintain gender composition at the Board level	Internal
Diversity	C3 (b) – Percentage of directors by gender group: Female	Percentage	14.29	Maintain gender composition at the Board level	Internal
Diversity	C3 (b) – Percentage of directors by age group: Above 50	Percentage	100	Maintain age composition at the Board level	Internal
Diversity	C3 (b) – Percentage of directors by age group: Between 30 and 50	Percentage	0	Maintain age composition at the Board level	Internal
Diversity	C3 (b) – Percentage of directors by age group: Under 30	Percentage	0	Maintain age composition at the Board level	Internal
Energy Management	C4 (a) – Total energy consumption	MWh	9,815.36	Maintain at least 90 % of the total energy mix sourced from renewable energy annually	Internal
Health and Safety	C5 (a) – Number of work-related fatalities	Number	0	Maintain zero work-related fatalities across all operations annually	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	C5 (b) – Lost time incident rate	Rate	10.26	Reduce Lost Time Injury Rate (LTIR) on a year-on-year basis	Internal
Health and Safety	C5 (c) – Number of employees trained on health and safety standards	Number	944	Achieve 100% health and safety training coverage across the workforce annually	Internal
Labour Practices and Standards	C6 (a) – Total hours of training by employee category: (i) Management	Hours	452	Maintain at least 5,000 training hours across the workforce annually	Internal
Labour Practices and Standards	C6 (a) – Total hours of training by employee category: (ii) Executive	Hours	1,097	Maintain at least 5,000 training hours across the workforce annually	Internal
Labour Practices and Standards	C6 (a) – Total hours of training by employee category: (iii) Non Executive/Technical Staff	Hours	1,699	Maintain at least 5,000 training hours across the workforce annually	Internal
Labour Practices and Standards	C6 (a) – Total hours of training by employee category: (iv) General Workers	Hours	3,832	Maintain at least 5,000 training hours across the workforce annually	Internal
Labour Practices and Standards	C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	0	Maintain the proportion of contractors and temporary staff within the workforce below the defined annual threshold	Internal
Labour Practices and Standards	C6 (c) – Total number of employee turnover by employee category: (i) Management	Number	2	Maintain an employee retention rate of at least 90% annually	Internal
Labour Practices and Standards	C6 (c) – Total number of employee turnover by employee category: (ii) Executive	Number	0	Maintain an employee retention rate of at least 90% annually	Internal
Labour Practices and Standards	C6 (c) – Total number of employee turnover by employee category: (iii) Non Executive/Technical Staff	Number	14	Maintain an employee retention rate of at least 90% annually	Internal
Labour Practices and Standards	C6 (c) – Total number of employee turnover by employee category: (iv) General Workers	Number	109	Maintain an employee retention rate of at least 90% annually	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Standards	C6 (d) – Number of substantiated complaints concerning human rights violations	Number	0	Maintain zero substantiated complaints concerning human rights violations	Internal
Supply Chain Management	C7 (a) – Proportion of spending on local suppliers	Percentage	100	Maintain 100% of total supplier spending with local suppliers annually.	Internal
Data Privacy and Security	C8 (a) – Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Maintain zero substantiated data privacy breaches and related incidents of concern annually	Internal
Water	C9 (a) – Total volume of water used	Megaliters (ML)	2,184.21	Reduce water consumption intensity (m ³ per tonne of FFB processed) on an annual basis.	Internal
Waste Management	C10 (a) – Total waste generated	Metric tonnes	1,012.74	Achieve 100% awareness coverage on 3R practices across the workforce annually	Internal
Waste Management	C10 (a) – Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal	Metric tonnes	0.19	Achieve a waste diversion rate of more than 90% from disposal annually	Internal
Waste Management	C10 (a) – Total waste generated, and a breakdown of the following: (ii) total waste directed to disposal	Metric tonnes	1,012.55	Achieve a waste diversion rate of more than 90% from disposal annually	Internal
Emissions Management	C11 (a) – Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e/MT CPO	0.48	Ensure ≥95% completeness and accuracy of GHG-related data across all reporting units	Internal
Emissions Management	C11 (b) – Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	0.00	Ensure ≥95% completeness and accuracy of GHG-related data across all reporting units	Internal
Emissions Management	C11 (c) – Scope 3 emissions in tonnes of CO ₂ e: Business travel & Employee commuting	tCO ₂ e	60.30	Ensure ≥95% completeness and accuracy of GHG-related data across all reporting units	Internal

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT



GRI INDEX TABLE

STATEMENT OF USE

Innoprise Plantations Berhad has reported the information cited in this GRI content index for the period between 1st January and 31st December 2025 with reference to the GRI Standards

GRI USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION/ PAGE REFERENCE
GRI 2: General Disclosures 2021	2-1	Organisational details	18, 20
	2-2	Entities included in the organisation's sustainability reporting	18
	2-3	Reporting period, frequency and contact point	18
	2-4	Restatements of information	NA
	2-5	External assurance	NA
	2-6	Activities, value chain and other business relationships	20
	2-7	Employees	45, 47, 48
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	22-24
	2-10	Nomination and selection of the highest governance body	Please refer to the Annual Report 2025
	2-11	Chair of the highest governance body	22-24
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	Please refer to the Annual Report 2025
	2-16	Communication of critical concerns	20, 26
	2-17	Collective knowledge of the highest governance body	Please refer to the Annual Report 2025
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	NA
	2-22	Statement on sustainable development strategy	20
	2-23	Policy commitments	25-26
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	25-26
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	20
	2-29	Approach to stakeholder engagement	26-27
	2-30	Collective bargaining agreements	NA

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GRI STANDARD	DISCLOSURE		LOCATION/ PAGE REFERENCE
GRI 3: Material Topics 2021	3-1	Process to determine material topics	28
	3-2	List of material topics	29-30
	3-3	Management of material topics	
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	40-42
	101-2	Management of biodiversity impacts	
	101-3	Access and benefit-sharing	
	101-4	Identification of biodiversity impacts	
	101-5	Locations with biodiversity impacts	
	101-6	Direct drivers of biodiversity loss	
	101-7	Changes to the state of biodiversity	
	3-3	Management of material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	34
	201-2	Financial implications and other risks and opportunities due to climate change	30-31
	201-3	Defined benefit plan obligations and other retirement plans	45
	3-3	Management of material topics	34-35
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	35
	3-3	Management of material topics	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	25
	205-3	Confirmed incidents of corruption and actions taken	
	3-3	Management of material topics	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	39-40
	301-2	Recycled input materials used	
	3-3	Management of material topics	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	36-38
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	
	3-3	Management of material topics	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	37
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
	3-3	Management of material topics	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	38
	305-2	Energy indirect (Scope 2) GHG emissions	

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GRI STANDARD	DISCLOSURE		LOCATION/ PAGE REFERENCE
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	38-39
	305-5	Reduction of GHG emissions	
	3-3	Management of material topics	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	39-40
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
	3-3	Management of material topics	
GRI 401: Employment 2016	401-1	New employees hired and employee turnover	45
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45-46
	3-3	Management of material topics	45-49
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	49-51
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	
GRI 404: Training and Education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	49-50
	3-3	Management of material topics	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	47-49
	3-3	Management of material topics	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	43
	3-3	Management of material topics	
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	43
	3-3	Management of material topics	

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GRI STANDARD	DISCLOSURE		LOCATION/ PAGE REFERENCE
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	43
	3-3	Management of material topics	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	43-44
	3-3	Management of material topics	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	26
	3-3	Management of material topics	

IFRS CONTENT INDEX

DISCLOSURE	IFRS S2 & TCFD LOCATION/EXPLANATION
Governance	
a) Board Oversight	22-24
b) Management’s Role	24
Strategy	
a) Risks and Opportunities	29-33
b) Impact on Business Model and Value Chain	
c) Strategy and Decision-Making	
d) Financial Position	The Group has not integrated climate strategies into the overall financial position of IPB, nor has the resilience of strategies been evaluated in any meaningful manner for the time being. This is because the Group has conducted the climate risk assessment and identification process. The proposed strategies will be measured against IPB’s financial position to assess resilience in the near future when the Group is ready.
e) Resilience of Strategy	
Risk Management	
a) Risk Identification and Assessment Process	29-33
b) Risk Management Process	
c) Integration into Overall Risk Management	
Metrics and Targets	
a) Metrics Used	38-39
b) Performance Data	
c) Targets Set	21-22

SUSTAINABILITY REPORT

STATEMENT OF ASSURANCE

Assurance Statement

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

The sustainability matters and indicators covered by the internal review are as follows:

Material Matter	Indicator
1 Anti-Corruption	- Percentage of employees who have received training on anti-corruption by employee category - Confirmed incidents of corruption and action taken
2 Community/Society	- Total amount invested in the community where the target beneficiaries are external to the listed issuer - Total number of beneficiaries of the investment in communities
3 Diversity	- Percentage of employees by gender and age group, for each employee category - Percentage of directors by gender and age group
4 Energy Management	Total energy consumption
5 Water	Total volume of water used

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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

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

The Board is pleased to present this statement, an overview of IPB’s corporate governance practices during the financial year with reference to the following three principles of the Malaysian Code on Corporate Governance 2021 (“Code”):



Principle A

BOARD LEADERSHIP AND EFFECTIVENESS



Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT



Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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



Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

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

Clear Functions of the Board and Management

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

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

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

The Board delegates some of its function to the Board Committees, which operate within clearly defined TORs with a view to assisting the Board in the fulfillment of its

responsibilities. The respective chairmen of the Board Committees report to the Board with a recommendation on the matters considered at the meetings of the Board Committees. In addition, minutes of meetings of the Board Committees are circulated to all Board members to keep them abreast of the actions and decisions taken by the Board Committees.

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

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

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

Company Secretary

The Board is supported by two (2) qualified Company Secretaries of which are licensed by the Registrar, who both undertake the role jointly. The Company Secretaries ensure that the Directors are provided with sufficient information and time to prepare for Board meetings. They provide advice to the Board on corporate administration and governance matters including compliance with relevant laws, rules and regulations.

Access to Information and Meeting Materials

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

Access to Information and Meeting Materials (Continued)

The Board has also put into place a procedure for Directors, whether as a full Board or in their individual capacity, to take independent professional advice at the Company's expense, if necessary. Details of such procedures are disclosed in the IPB Corporate Governance Guidelines.

Management will make all information readily available to the professional advisers and make themselves available to such advisers, if requested in order to facilitate the effective solution of the Directors' concerns. The findings of the advisers will then be put before the Board for determination of any action that may be required by the Company.

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

Code of Ethics

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

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

Anti-Bribery and Corruption Policy

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

standard of integrity and compliance with applicable laws and regulations.

The Group is committed to conducting its business with integrity and in compliance with applicable laws and regulations, including the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Company has adopted an Anti-Bribery and Corruption Policy ("ABC Policy") which sets out the principles and procedures to prevent bribery and corrupt practices within the Group. The ABC Policy plays an important role in reinforcing the Group's zero tolerance approach to bribery and corruption in all forms. The policy forms part of the Group's Anti-Bribery Management System, which is designed to help prevent, detect and address bribery and corruption by establishing a culture of integrity, transparency and compliance throughout the organisation. The ABC Policy has been distributed to employees within the Group to promote awareness and compliance.

The Board reviews the ABC Policy once every three years or as and when necessary to assess its effectiveness and to ensure that it reflects relevant developments in legislation as well as evolving industry and international standards. The ABC Policy is available on the Company's website at www.innoprise.com.my for reference.

The Internal Audit Department is tasked with the responsibilities aimed at strengthening the Group's procedural framework. This includes examining staff claims for validity and compliance, reviewing donations through budgetary controls and alignment with the Limits of Authority, and assessing authorisations and approvals against prescribed limits. These measures ensure proper transaction recording and monitoring, and support the Group's commitment to maintaining high standard of corporate conduct against bribery and corruption.

During the financial year under review, the Group undertook various proactive initiatives to strengthen its internal processes and practices to ensure that adequate procedures are in place to prevent persons associated with the Group from undertaking corrupt conduct. Training and communication programmes on anti-bribery and anti-corruption were also conducted for Directors and employees of the Group.

Whistle-Blowing Policy

The Group has a Whistle-Blowing Policy in place that outlines the principles underpinning the policy and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. BOARD RESPONSIBILITIES (CONTINUED)

Whistle-Blowing Policy (Continued)

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

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

Governing Sustainability

The Board together with senior management is responsible for overseeing the governance of sustainability within the Company, including the setting of sustainability strategies, priorities and targets. The Board recognises the importance of integrating environmental, social and governance ("ESG") considerations into the Group's business strategy and operations, and ensures that sustainability risks and opportunities are appropriately considered in the decision-making process. The Group remains committed to conducting its operations responsibly and continues to enhance its sustainability practices in line with regulatory expectations and industry standards.

Details of the sustainability governance framework, the Group's strategies, priorities, targets and their performance against these targets are disclosed in the Sustainability Report of IPB Group, which is set out in this Annual Report.

II. BOARD COMPOSITION AND INDEPENDENCE

Currently, the Board comprises six members namely two Independent Non-Executive Directors of which one is female Director, two Non-Independent Non-Executive Directors, one Executive Director and one Managing Director. The Chairman is a Non-Independent Non-Executive Director.

The Board composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") that requires

a minimum of two Directors or one-third of the Board of directors, whichever is higher, to be independent directors and one director to be a woman. In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Board will fill the vacancy within three months.

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

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

Fit and Proper Policy

In line with the amendments to the Main Market Listing Requirements, the Group adopted the Fit and Proper Policy ("Policy"), setting out the criteria for new appointments and re-election of directors of the Group and its subsidiaries. This Policy serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed to the Board as well as directors who are seeking re-election.

The Policy includes assessing criteria such as probity, personal integrity, reputation, experience, and competency, as well as their commitment to fulfilling the required time and obligations to ensure that all individuals appointed as directors meet the necessary ethical and professional standards required for the position.

The Policy is available on the Company's website at www.innoprise.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION AND INDEPENDENCE (CONTINUED)

Annual Assessment of Independent Directors

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

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

During the financial year under review, the Board comprised of three Independent Non-Executive Directors, including the Independent Non-Executive Chairman. Following the resignation of the Independent Non-Executive Chairman on 5 February 2026 and the subsequent appointment of a Non-Independent Non-Executive Chairman, the Company currently has two Independent Non-Executive Directors. The two Independent Non-Executive Directors, namely Datuk Hajah Mary @ Mariati Robert and Lim Ted Hing, have provided an annual confirmation of their independence to the Board based on the criteria for assessing independence in line with the definition of “independent directors” prescribed under the Listing Requirements. The Nomination Committee and the Board have assessed the independence Datuk Hajah Mary @ Mariati Robert and Lim Ted Hing and are satisfied that they have continued to demonstrate independence and objectivity in discharging their duties. The Board is also satisfied that each Independent Director has exercised independent judgement and acted in the best interests of the Company throughout their tenure, without any circumstances that would compromise their independence.

Tenure of Independent Director

The Board believes that the interests of all stakeholders are best served if its composition includes a blend of

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

The Code stated that the tenure of an Independent Director should not exceed a cumulative term limit of nine years. Upon completion of nine years, an Independent Director may continue to serve on the Board as Non-Independent Director or to seek annual shareholders’ approval if the Board intends to retain an Independent Director beyond nine years.

Notwithstanding the above, as at the date of this Statement, none of the Independent Director has served for more than nine years on the Board.

Diversity

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION AND INDEPENDENCE (CONTINUED)

Diversity (Continued)

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

Criteria and Source for Identifying Candidates for Appointment to the Board

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

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

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

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

- (a) Directors or shareholders for executive position;
- (b) Non-Executive and/or Independent Directors or non-major controlling shareholders for non-executive position; and/or
- (c) external parties including the Company's contacts in related industries as well as independent sources such as women directors' registry.

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

On 15 August 2025, the Board approved the recommendation of the Nomination Committee that Ong Chu Yaw be appointed as Executive Director and Lim Fook Hin as Alternate Director to Ong Chu Yaw in the Company.

On 1 January 2026, the Board also approved the recommendation of the Nomination Committee that Datuk Kelvin Tan Aik Pen be appointed as Managing Director of the Company.

Subsequently on 5 February 2026, the Board approved the recommendation of the Nomination Committee that Datuk Jasni Bin Daya be re-designated as Non-Independent Non-Executive Chairman of the Company. All their profiles are set out in this Annual Report.

III. FOSTER COMMITMENT

Time Commitment

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. FOSTER COMMITMENT (CONTINUED)

Time Commitment (Continued)

During the financial year, the Board met four times, at which it deliberated on, among others, the Group's financial performance, annual assessment of the Board and Board Committees, environment, social and governance matters, annual budget, Directors' fees and benefits, changes to the Board and Board Committees. The attendance of the Board members is as follows:

Name	24/02/25	26/05/25	26/08/25	24/11/25	Total
Datuk Jasnih Bin Daya (Re-designated as Chairman on 5 February 2026)	✓	✗	✓	✗	2/4
Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.	✓	✗	✓	✗	2/4
Datuk Hajah Mary @ Mariati Robert	✓	✓	✓	✓	4/4
Lim Ted Hing	✓	✓	✓	✓	4/4
Ong Chu Yaw (Appointed on 15 August 2025)	N/A	N/A	✓	✓	2/2
Lim Fook Hin (Appointed on 15 August 2025 as Alternate Director to Ong Chu Yaw)	N/A	N/A	✗	✓	1/2
Datuk Hj. Majin Bin Hj. Ajing (Resigned on 5 February 2026)	✓	✓	✓	✓	4/4
Tan Aik Kiong (Retired on 31 December 2025)	✓	✓	✓	✓	4/4
Ng Chee Fen (Resigned on 15 August 2025)	✓	✓	N/A	N/A	2/2

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

Directors' Training

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

All Directors have attended the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II. The Board, through the Nomination Committee, evaluates the training needs of each Director and notes that the Board members collectively possess vast experience and extensive knowledge in managing the core business of the Group.

The Board recognises the importance of continuous professional development in enabling Directors to effectively discharge their duties and responsibilities. All Directors are encouraged to attend relevant training programmes, seminars and briefings to keep abreast of developments in corporate governance, sustainability, regulatory requirements and industry trends, particularly those affecting the palm oil sector. The Company Secretaries regularly circulates relevant updates, seminars and training opportunities to the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. FOSTER COMMITMENT (CONTINUED)

Directors' Training (Continued)

During the financial year under review, the Directors attended various training programmes, either collectively or individually, to further enhance their knowledge and effectiveness in fulfilling their roles on the Board and Board Committees, the details of which are set out in the CG Report.

IV BOARD COMMITTEES

Nomination Committee

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

- Datuk Hajah Mary @ Mariati Robert (Chairman)
- Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.
- Lim Ted Hing

The Nomination Committee is responsible for reviewing the Board's succession plans, training for Directors and assessing the effectiveness of the Board and Board Committees. The Board, through the Nomination Committee, places emphasis on succession planning to ensure continuity of effective leadership within the Company. The TOR of the Nomination Committee is available on the Company's website at www.innoprise.com.my.

Annual Assessment

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

The results of the annual assessment of the Board and Board Committees for the financial year 2025 revealed that no items were evaluated as weak or need improvement and there were no exceptional matters being brought up by the Directors. The Board and Board

Committees had discharged their duties effectively, and the functioning of the Board and Board Committees remain highly effective. The Board agreed that the Board as a whole, the Board Committees and all Directors had performed well for the financial year under review.

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

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

The Director who is due for retirement and re-election pursuant to Clause 100 of the Company's Constitution is Lim Ted Hing. For the purpose of determining his eligibility to stand for re-election at the forthcoming AGM of the Company, the Board had through the Nomination Committee assessed his performance and contribution. Besides, he was also assessed by the Chairman of the Nomination Committee based on the Group Directors' Fit and Proper Policy. According to the results of his performance and fit and proper evaluation conducted, the Board is satisfied with his performance and the level of his contribution to the Board through his knowledge, skills and commitment as well as his ability to act in the best interests of the Company. In addition, as Independent Director he has also provided his annual confirmation of independence. Premised on this, the Board has accepted the Nomination Committee's recommendation for his re-election at the forthcoming AGM of the Company.

With respect to the re-election of Datuk Kelvin Tan Aik Pen and Ong Chu Yaw as Directors pursuant to Clause 97 of the Company's Constitution, the Board had through the Nomination Committee assessed their performance and contribution. Besides, they were also assessed by the Chairman of the Nomination Committee based on the Group Directors' Fit and Proper Policy. Based on the results of their performance and fit and proper evaluations conducted, the Board is satisfied with their performance and the level of their contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interest of the Company. Accordingly, the Board has accepted the Nomination Committee's recommendation for their re-election at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

IV BOARD COMMITTEES (CONTINUED)

Annual Assessment (Continued)

Shareholders may refer to the profile of Datuk Kelvin Tan Aik Pen and Ong Chu Yaw disclosed in this Annual Report for the required information.

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

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

- (a) reviewed the required mix of skills and experience and core competencies of Non-Executive Directors;
- (b) reviewed the assessment results of the effectiveness of the Board and Board Committees and the performance of individual Directors;
- (c) reviewed the Board composition and tenure of each Director;
- (d) reviewed and recommended the re-election of Directors who were due for retirement at the Company's AGM in May 2026;
- (e) assessed the independence of Independent Directors and reviewed their annual confirmation on independence;
- (f) evaluated the training needs of each Director and noted the training attended by Directors;
- (g) reviewed and recommended the appointment of Ong Chu Yaw as an Executive Director and Lim Fook Hin as Alternate Director to Ong Chu Yaw;
- (h) reviewed and recommended the appointment of Datuk Kelvin Tan Aik Pen as Managing Director of the Company; and
- (i) reviewed and recommended the re-designation of Datuk Jasnih Bin Daya as Non-Independent Non-Executive Chairman of the Company.

Remuneration Policy and Procedures for Directors and Senior Management

The Board has a formal Remuneration Policy and Procedures in place for Directors and senior management

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

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

Remuneration Committee

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

- Lim Ted Hing (Chairman)
- Tan Aik Kiong (ceased on 31 December 2025)
- Datuk Hajah Mary @ Mariati Robert
- Ong Chu Yaw (appointed on 26 February 2026)

On 26 February 2026, Ong Chu Yaw was appointed as a member of the Remuneration Committee to replace Tan Aik Kiong, who had ceased to be a member of the Remuneration Committee following his retirement as Managing Director on 31 December 2025.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

IV BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

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

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

The Remuneration Committee convened one meeting for the financial year under review and all members of the Remuneration Committee attended the meeting. At the meeting, the Remuneration Committee conducted inter-alia the following businesses:

- (a) reviewed and recommended Directors' fees for financial year 2026 and Directors' benefits from the date immediately after the 2025 AGM to the date of the next AGM of the Company in 2026;
- (b) reviewed and recommended the range of bonus and increment for senior management at Group level; and
- (c) reviewed and recommended salary, bonus & other emoluments for directors of the Company.

The Board has subsequently, approved the recommendation of the Remuneration Committee to seek shareholders' approval at the AGM in May 2026 for payment of Directors' Fees and Directors' Benefits of an amount up to RM600,000 and RM80,000 respectively, from 21 May 2026 until the date of the next AGM of the Company in 2027.



Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

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

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

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

The Company's financial statements for the year ended 31 December 2025 are prepared in accordance with the provisions of the Companies Act, 2016 and applicable financial reporting standards in Malaysia. The Board is responsible to ensure that the financial statements give a true and fair view and balanced and understandable assessment of the state of affairs of the Company and of the Group. The Statement on Directors' Responsibilities in respect of the preparation of the annual audited financial statements is set out in the ensuing pages of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

AUDIT COMMITTEE (CONTINUED)

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

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

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

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

ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

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

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

Overall, the Audit Committee was satisfied with the suitability of Messrs. Ernst & Young PLT as the external auditors of the Group based on the quality of audit services and sufficiency of resources provided by them.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

The Board acknowledges that effective risk management is integral to the achievement of the Group's strategic objectives and the safeguarding of shareholders' interests. The Board through the Risk Management Committee, oversees the Group's risk management framework and determines the Group's risk appetite and tolerance levels. The Group maintains a risk register which identifies the key strategic, operational, financial and compliance risks faced by the Group. The risk register is reviewed periodically and presented to the Board to ensure that appropriate mitigation measures and internal controls are in place.

The Board recognises the increasing importance of cybersecurity and information technology governance in safeguarding the Group's information systems and operational integrity. The Board through management and the relevant Board Committees, oversees the adequacy of the Group's IT governance framework and cybersecurity controls to ensure that appropriate safeguards are in place to mitigate risks relating to data protection, cyber threats and system disruptions.

The Board has established policies and processes to ensure that risks across the various risk classes are identified, assessed and managed in accordance with the risk appetite set by the Board. To ensure their continuous effectiveness, these policies and processes are reviewed periodically and whenever there are significant regulatory changes. Risk management is an ongoing process facilitated by Internal Audit Function, and the assessments together with mitigating measures are presented to the Audit Committee on quarterly basis for deliberation.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

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

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

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



Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ENGAGEMENT WITH STAKEHOLDERS

The Board recognises the importance of maintaining effective communication and engagement with the Company's stakeholders, including shareholders, employees, regulators, business partners and local communities. The Board takes into account stakeholders' interests and feedback in its decision-making process in support of the Group's long-term sustainability. In line with this commitment, the Group engages its stakeholders and shareholders in a timely, effective and transparent manner.

The Company maintains a corporate website at www.innoprise.com.my, which provides relevant information to stakeholders and supports communication with the investment community. Investors' enquiries can be directed to the Company via email at admin@innoprise.com.my. In addition, stakeholders may reach out to the Company through the contact details provided in "Contact Us" section of the Company's website. There is also a dedicated "Sustainability"

section on the Company's website where stakeholders can obtain information on the Group's sustainability initiatives. A summary of the Group's stakeholder engagement activities is disclosed in the Sustainability Report 2025.

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

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

The Company has also put in place appropriate safeguards to maintain confidentiality of sensitive information. The Board is mindful that information which is expected to be material must be announced immediately in accordance with the relevant disclosure requirements.

The Board also encourages other channel of communication with shareholders. For this purpose, shareholders and stakeholders may convey their concerns relating to the Company to the Independent Non-Executive Director, Lim Ted Hing at jthlimster@gmail.com. Shareholders may also contact the Company Secretaries at any time for information relating to the Company.

CONDUCT OF GENERAL MEETINGS

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

In line with Practice 13.1 of the Code, the Notice of the 31st AGM was issued at least 28 days before the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

CONDUCT OF GENERAL MEETINGS (CONTINUED)

At the 31st AGM, shareholders were given the opportunity to seek clarification on all the agenda items for approval at the meetings before the resolutions were put to vote. It has always been the practice of the Chairman to provide ample time for the Question & Answer session at general meetings and for suggestions and comments given by shareholders to be noted by management for consideration. Where it is not possible to provide immediate answers to shareholders' enquiries, the Board will undertake to provide the answer after the meeting via email.

An independent scrutineer was appointed to validate all the votes cast. The poll results were announced by the scrutineer before the closure of the 31st AGM. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders. The minutes of the 31st AGM was published on the Company's website within 30 business days from the meeting.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Strengthening Sustainability Governance and Performance Monitoring

Following the reassessment of the Group's material sustainability matters in 2024, the Board's focus moving forward is on strengthening the implementation of sustainability initiatives across the Group's operations. The Group will progressively translate its material sustainability priorities into measurable key performance indicators ("KPIs") and enhance internal processes to monitor and report sustainability performance in a consistent and reliable manner.

Climate Resilience and Regulatory Preparedness

The Board recognises the growing importance of climate-related risks and opportunities to the long-term sustainability of the Group's operations. The Group will continue to

strengthen its climate governance and risk management processes, including enhancing its understanding of potential climate-related impacts on its plantation operations. These efforts will support the Group's preparedness for evolving regulatory and sustainability reporting requirements.

Responsible Plantation Management and Supply Chain Transparency

The Group remains committed to responsible plantation management practices and continuous improvement in environmental stewardship across its operations. In addition, the Group will continue to strengthen transparency and traceability within its supply chain to ensure that its products are produced and delivered in a responsible and sustainable manner.

Digitalisation and Operational Transparency

The Group recognises digitalisation as an important enabler of operational efficiency and governance. Efforts are underway to progressively digitalise work processes and strengthen data accuracy, traceability and internal control through technology-enabled systems across the Group's operations.

Leadership Development and Board Diversity

The Board continues to emphasise succession planning and leadership development across the organisation to ensure continuity of capable management. Board diversity, including gender diversity, will continue to be considered in evaluating prospective candidates when Board vacancies arise.

This statement has been reviewed and approved by the Board of Directors on 17 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITIES

The Board of Directors (“Board”) of Innoprise Plantations Berhad (“IPB” or “the Group”) acknowledges its overall responsibility for establishing and maintaining a sound system of risk management and internal control as well as periodically reviewing its adequacy and integrity to safeguard shareholders’ investments, customers’ interests and the Group’s assets.

The system is designed to manage rather than eliminate the risk of failure to achieve the Group’s business objectives and can therefore provide reasonable, but not absolute, assurance against material misstatement, operational losses, fraud or non-compliance with applicable laws and regulations.

In discharging its responsibilities, the Board sets the tone from the top and establishes the Group’s risk governance framework, risk appetite and oversight mechanisms. The Board, through the Audit Committee, reviews the adequacy and effectiveness of the Group’s risk management and internal control systems on an ongoing basis.

This Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies.

RISK GOVERNANCE STRUCTURE

The Group has established a structured risk governance framework to support the identification, evaluation and management of risks across its operations.

The Board retains ultimate responsibility for risk oversight and ensures that an appropriate risk management framework and internal control system are in place. The Board reviews the Group’s principal risks and the risk register at least annually, or more frequently where required, and monitors management’s actions in addressing and mitigating these risks.

The Risk Management Committee (“RMC”), comprising members of senior management, assists the Board in overseeing the implementation of the Enterprise Risk Management (“ERM”) framework. The RMC reviews and updates the Group’s risk register, evaluates emerging risks and monitors the implementation of mitigation measures. Significant risk matters are to be reported to the Board and the Audit Committee for further deliberation.

The Audit Committee assists the Board in reviewing the adequacy and effectiveness of the Group’s internal control systems, risk management processes, financial reporting integrity and compliance matters. The Internal Audit function reports directly to the Audit Committee.

Management is responsible for identifying, evaluating and managing risks within their respective areas of responsibility and for ensuring that appropriate internal controls and mitigation measures are implemented and maintained.

RISK MANAGEMENT FRAMEWORK

The Group has implemented an ERM framework to provide a structured and systematic approach in managing risks that may affect the achievement of its strategic and operational objectives.

The framework encompasses the identification of key risks, assessment of their likelihood of occurrence and impact, implementation of appropriate mitigation measures and continuous monitoring of risk exposures. Identified risks are documented in the Group’s risk register together with the corresponding risk owners, existing controls and action plans.

The risk register is periodically reviewed by the RMC and tabled to the Board for review at least annually to ensure that the identified risks and mitigation strategies remain relevant in the context of the Group’s evolving business environment. Action plans for significant identified risks are tracked to completion.

KEY RISK AREAS AND MITIGATION MEASURES

Commodity Price Risk



The Group’s revenue and profitability are significantly influenced by movements in crude palm oil (“CPO”) and palm kernel (“PK”) prices, which are subject to global supply-demand dynamics and other external market factors beyond the Group’s control.

To mitigate this risk, the Group focuses on strengthening operational efficiency and maintaining cost competitiveness through continuous cost control and oil yield improvement. Where appropriate, the Group manages price exposure by entering into short-term forward contracts with key customers. Management closely monitors market trends and price movements and regularly reviews the Group’s financial performance against approved budgets and forecasts to ensure timely response to market developments.

The Board and Management monitor commodity price developments closely and assess their potential impact on the Group’s financial performance on an ongoing basis.

Operational and Yield Risk



The Group’s financial performance is closely linked to crop production, estate management practices and the efficiency of its milling operations. Any decline in yield, harvesting efficiency or milling performance may adversely affect the Group’s profitability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

To address these risks, the Group implements strict harvesting standards and supervision to maintain optimal harvesting intervals and improve loose fruit collection. Estate performance is monitored regularly through field inspections, agronomic assessments and operational reviews. Preventive maintenance programmes are implemented for milling operations to minimise disruptions and ensure operational reliability. Oil and kernel process losses are monitored on a regular basis and reported daily to top management for any early mitigation measure to be taken.

Key performance indicators such as yield per hectare, oil extraction rate ("OER"), kernel extraction rate ("KER") and production costs are monitored regularly by management and reported to the Board.

Labour Risk



The plantation industry remains labour-intensive and is exposed to labour shortages, regulatory compliance requirements and rising labour costs.

The Group addresses these risks through structured recruitment planning, compliance with labour laws and regulations, and the provision of fair remuneration, welfare and housing facilities for workers. Training and development programmes are implemented to enhance worker productivity and operational efficiency. The Group also continues to explore mechanisation initiatives, where feasible, to reduce dependency on manual labour and improve overall productivity.

Environmental and Sustainability Risk



The Group recognises that environmental stewardship and sustainable plantation practices are important for long-term business sustainability.

The Group complies with applicable environmental regulations and implements responsible waste management and effluent treatment practices in its operations. Environmental performance is monitored through periodic reviews to ensure compliance with regulatory standards. The Group also monitors environmental factors such as rainfall patterns and climate variability that may affect plantation productivity and operational sustainability.

Compliance and Regulatory Risk



The Group operates in a regulated environment and is required to comply with various statutory requirements, licences and regulatory obligations.

To manage compliance risks, the Group has established policies, procedures and standard operating practices across its operations. Internal reviews and audits are conducted periodically to assess compliance with applicable laws and regulations. Management also monitors regulatory developments to ensure that the Group remains compliant with evolving statutory requirements.

Fraud and Corruption Risk



The Group maintains a zero-tolerance approach towards bribery and corruption and is committed to upholding high standards of integrity and ethical conduct in all business dealings in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Group has implemented an Anti-Bribery and Anti-Corruption Policy and established internal controls over financial transactions and operational processes to reduce the risk of fraud and misconduct.

The Group has also established a Whistle-blowing Policy which provides employees and external parties with a confidential channel to report suspected misconduct, unethical behaviour or breaches of policies. The Whistle-blowing Policy is available on the Group's website at www.innoprise.com.my, and reports may be submitted directly to the Audit Committee for independent review and appropriate action.

Pests and Diseases Risk



Pests and diseases are inherent risks in oil palm plantation operations as infestations or outbreaks may adversely affect palm health, crop yield and oil extraction performance, potentially resulting in reduced Fresh Fruit Bunch ("FFB") production and increased crop protection costs.

To manage these risks, the Group implements Integrated Pest Management ("IPM") practices across its estates, emphasising continuous monitoring, early detection and timely intervention. Preventive measures such as maintaining good field hygiene and cultivating beneficial plants to attract natural predators are adopted to reduce reliance on chemical pesticides. Chemical control measures are applied only when necessary and in accordance with established standard operating procedures.

The Group also provides ongoing training to employees and engages a Visiting Advisor to periodically review pest and disease management practices. To date, the Group has not experienced any major pest or disease outbreak that has materially disrupted its operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit function to provide independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The Internal Audit function assists the Audit Committee in reviewing the effectiveness of the Group's internal control framework. The internal control environment includes internal check and balance with segregation of duties, approval limits, budgetary monitoring and documented SOPs.

The key internal audit processes established within the Group are as follows:

- The Group's Internal Audit function is established to assist in providing assurance on the effectiveness of the internal control system within the Group.
- The internal audit department reports directly to the Audit Committee to preserve its independence from management.
- The internal audit function adopts a risk-based approach in developing its annual audit plan, taking into consideration the risk profiles of the key business units of the Group as well as input from Senior Management and the Audit Committee.
- Internal auditors conduct periodic reviews and site visits to assess the adequacy and effectiveness of the internal control procedures in place and to ensure accurate and timely financial and management reporting.
- Upon completion of each review, internal audit reports highlighting findings and recommendations are prepared and presented to the Audit Committee on a quarterly basis or earlier, where appropriate.
- The internal audit department also conducts follow-up reviews to ensure that management has implemented the audit recommendations and taken appropriate corrective actions.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("AAPG 3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

REVIEW OF ADEQUACY AND EFFECTIVENESS

Based on the reviews and assurances received, the Board is satisfied that the Group's risk management and internal control systems were adequate and effective in safeguarding shareholders' interests and the Group's assets for the financial year under review and up to the date of this Statement. The Board is not aware of any material weaknesses or deficiencies in the Group's risk management and internal control systems that would result in material losses or require disclosure in the Annual Report.

The Board has also received assurance from the Executive Director and the Chief Financial Officer that the Group's risk management and internal control systems are in place and operating effectively in all material aspects.

This statement has been reviewed and approved by the Board of Directors on 17 April 2026.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the following report on the Audit Committee and its activities for the financial year ended 31 December 2025.

AUDIT COMMITTEE COMPOSITION AND MEETINGS

As at the date of this report, the Audit Committee comprises the following Non-Executive Directors, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director;

Lim Ted Hing

Chairman, Independent Non-Executive Director
(Member of the Malaysian Institute of Accountants)

Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.

Member, Non-Independent Non-Executive Director

Datuk Hajah Mary @ Mariati Robert

Member, Independent Non-Executive Director

The Audit Committee met five (5) times during the year to discharge its duties and responsibilities. Attendance of members of the Audit Committee during 2025 is shown in the table below.

Name	24/02/25	11/04/25	26/05/25	26/08/25	24/11/25	Total
Lim Ted Hing	✓	✓	✓	✓	✓	5/5
Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.	✓	✗	✗	✓	✗	2/5
Datuk Hajah Mary @ Mariati Robert	✓	✓	✓	✓	✓	5/5

During the financial year, the Audit Committee had engaged on a continuous basis with senior management, Internal Auditors and the external auditors in order to keep abreast of matters and issues affecting the Group. The Audit Committee Chairman will report to the Board, matters of significant concern as when raised by the internal and external auditors and present the Audit Committee's recommendations to the Board for approval.

The Audit Committee has full and unrestricted access to information records, properties and personnel of the Group in the performance of its duties. The Audit Committee is also authorised to obtain independent professional advice whenever necessary at the expense of the company.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of meeting are distributed electronically to all the Audit Committee members for the perusal prior to confirmation of the minutes at the following Audit Committee meeting. The Audit Committee may request for clarification or raise comments before the minutes are tabled for confirmation. The minutes are signed by the Chairman of the meeting as a correct record of the proceedings of the meeting. Minutes of the Audit Committee meeting are also circulated to the Board for notation.

TERMS OF REFERENCE

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

The Audit Committee is governed by its terms of reference which is periodically reviewed and updated. The terms of reference are made available on the Company's website at www.innoprise.com.my.

AUDIT COMMITTEE REPORT

REVIEW OF THE AUDIT COMMITTEE

An annual assessment and evaluation on the performance and effectiveness of the Audit Committee was undertaken by the Board of Directors through its Nomination Committee for the financial year ended 31 December 2025. The Audit Committee was assessed based on the following six key areas and the Board was satisfied that the Audit Committee had carried out its duties and functions in accordance with its terms of reference.

- Composition and quality
- Process and procedures
- Communications and information
- Oversight of the financial reporting process including internal controls
- Oversight audit functions
- Financial literacy

The Board is satisfied that the Audit Committee and its members discharged their duties and responsibilities in accordance with the Audit Committee's terms of reference.

TRAINING

For the year under review, all members of the Audit Committee had attended various webinars, seminars, talks, briefings and workshops either collectively or individually, details of which are set out in the CG Report.

SUMMARY OF ACTIVITIES

Summary of works undertaken by the Audit Committee during the financial year encompasses the following:

1. Financial Reporting and Compliance

During the year, the Audit Committee reviewed the unaudited quarterly financial statements and annual audited consolidated financial statements to ensure compliance with the Malaysian Financial Reporting Standards ("MFRS"), the requirements of the Companies Act, 2016 and Paragraph 9.22, including Appendix 9B of the Listing Requirements, focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events and significant adjustments resulting from the audit.

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

To safeguard the integrity of financial statements of IPB, the Executive Director had given assurance to the Audit Committee that:

- (a) adequate processes and controls were in place for an effective and efficient financial statement close process;
- (b) appropriate accounting policies had been adopted and applied consistently;
- (c) the relevant financial statements gave a true and fair view of the state of affairs of the IPB Group;
- (d) the going concern basis applied in the annual financial statements and condensed consolidated financial statements was appropriate; and
- (e) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS and Listing Requirements.

AUDIT COMMITTEE REPORT

2. External Audit

During the year under review, the Audit Committee had two (2) meetings and one (1) private session with Messrs Ernst & Young PLT. The private sessions were held without the presence of the Executive Directors, management or internal auditors. The Audit Committee reviewed with Messrs Ernst & Young PLT on matters relating to the audit of the statutory accounts, audit report and recommendations made by them in their management letter and the adequacy of management's responses thereto. The Audit Committee also reviewed the non-audit services provided by Messrs Ernst & Young PLT and the aggregate amount of fees paid to them taking into consideration the process and requirements including fee threshold established under the policy and was satisfied that they were not likely to create any conflicts of interest nor impair the independence and objectivity of the external auditors. As acknowledged by the external auditors, the Audit Committee was satisfied with the cooperation extended by management during the course of audit.

In the private sessions held with Messrs Ernst & Young PLT, the Audit Committee discussed the audit findings and other observations the external auditors may have during their audit process. There were no major concerns raised by the external auditors at the meetings.

In April 2025, the Audit Committee evaluated the performance of the external auditors based on four (4) key areas, namely quality of service, sufficiency of resources, communication with management and independence, objectivity and professionalism. The Audit Committee assessed the performance of the lead engagement partner and the engagement team based on the private sessions held between the Audit Committee and the external auditors. The Audit Committee had also invited management to join the assessment as they had substantial contact with the external audit team throughout the year. Being satisfied with the external auditors' performance, technical competency, audit independence, adequacy of experience and resources of the firm as well as active engagement during the audit process, the Audit Committee recommended to the Board for approval of the re-appointment of Messrs Ernst & Young PLT as external auditors of the Company. At the last Annual General Meeting held on 26 May 2025, the shareholders had approved the re-appointment of Messrs Ernst & Young PLT as auditors of the Company.

In November 2025, the Audit Committee reviewed the 2025 audit planning memorandum prepared by Messrs Ernst & Young PLT outlining their scope of work, approach which includes the procedures to be performed by the external auditors during their annual visits to the Group's estates and mills, deliverables and proposed fees for the statutory audit and non-statutory audit. The Audit Committee had also reviewed and discussed the key audit matters ("KAMs"), details are reflected in the financial statements of this Annual Report.

The external auditors had provided written confirmations of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Similar evaluation on the performance of Messrs Ernst & Young PLT was carried out in April 2026 and the Audit Committee recommended the re-appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2026.

The Audit Committee shall continue to review KAMs raised by the external auditors as part of its focus areas for 2026 in addition to its routine business.

3. Internal Audit

The Audit Committee reviewed and approved the annual audit plan for 2025 having regard to the adequacy of scope and coverage of the activities of the Group. The internal audit team conducted the audit activities based on the audit plan approved by the Audit Committee.

The Internal Auditor attended the Audit Committee meetings and presented on inter-alia, summaries of the audit reports issued, audit recommendations provided by the internal auditors and management's response thereto and corrective actions taken by management on audit issues raised by the internal auditors.

AUDIT COMMITTEE REPORT

The Audit Committee also reviewed the performance appraisal of the internal audit members and was generally satisfied with the performance of the internal audit function.

4. Recurrent Related Party Transactions

All recurrent related party transactions entered into by the Group were reviewed by the Audit Committee to ensure that they were conducted on arm's length terms and normal commercial rates, which are not more favorable to the related parties than those generally available to the public. Reporting system and procedures were also reviewed to ascertain that the established guidelines and procedures have been complied with.

5. Other Matters

The Audit Committee reviewed and evaluated the questionnaires completed by the Executive Director on information relating to risk and control environment of the Group. With the assistance of the internal audit department which reports directly to the Audit Committee, the Audit Committee completed its review of the adequacy and effectiveness of the Group's systems of internal control and reported its findings and recommendations to the Board. The Audit Committee was satisfied that controls in place are adequate and functioning properly to address the risks. The Audit Committee was also satisfied with the assurance provided by the Internal Auditor that no material issue or major deficiency had been noted which posed a high risk to the overall system of internal control under review.

The Audit Committee also reviewed the dividends proposed by management to ensure consistency with the Company's long term dividend payout policy, taking into account the Company's profits, cash flow and capital investment requirements. The Audit Committee also reviewed the solvency tests undertaken by the management and was satisfied with the results which showed that the Company is able to pay its debt as and when the debts become due within 12 months after distribution of said dividends, pursuant to Section 132(3) of the Companies Act 2016. Accordingly, the Audit Committee resolved to recommend the declaration of the said interim single-tier dividends for Board's approval.

The Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in this Annual Report were reviewed by the Audit Committee prior to Board's approval.

INTERNAL AUDIT FUNCTION

The Company has established an Internal Audit Department which reports functionally to the Audit Committee to ensure its independence from management. The Internal Audit Department assists the Audit Committee in the discharge of its duties and responsibilities. Its key role is to provide independent and objective assurance designed to add value and assist the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The internal audit activities, which are risk-based and developed after taking into consideration of the key operational units of the Group including estates, mills and supporting functions and input from senior management and the Audit Committee members.

Every quarter, the Internal Audit Department submits a report on their audit findings and recommendations to the Audit Committee for its review and deliberation. The Internal Auditor attends these meetings to present the internal audit findings and makes appropriate recommendations on areas of concern within the Company and the Group.

AUDIT COMMITTEE REPORT

For the year under review, the activities undertaken by internal audit are as follows:

- (a) Developed an annual audit plan using a risk-based approach, taking into consideration of the key operational units of the Group including estates, mills and supporting functions and input from senior management and the Audit Committee members.
- (b) Provided independent assessment and objective assurance over the adequacy and effectiveness of risk management and internal control processes via structured reviews of units and operations identified in the annual audit plan.
- (c) Provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate the risk exposures.
- (d) Ascertained the level of compliance with established policies and procedures of the Company.
- (e) Recommended improvements and enhancements to the existing system of internal controls and work procedures/processes.

In addition, the Internal Audit Team of the Company's holding company undertook an internal audit of the main operating subsidiary of the Company. The audit report and management's response were tabled and discussed at Audit Committee Meeting.

The total cost incurred for the internal audit function during the financial year ended 31 December 2025 was approximately RM186,558.70.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by Paragraph 15.26(a) of the Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are also required by the Companies Act, 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for that financial year.

In preparing the financial statements of the Group and the Company for the financial year ended 31 December 2025 set out on pages 99 to 149 of this Annual Report, the Directors have applied appropriate accounting policies consistently and made judgements and estimates that are reasonable and prudent. The Directors have also ensured that the financial statements comply with the Malaysian Financial Reporting Standards ("MFRS") and the provisions of the Companies Act 2016, and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors are also responsible for safeguarding the assets of the Group and the Company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board has also ensured that the quarterly and annual financial statements of the Group and of the Company are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest development.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the financial year.

2. Audit and Non-Audit Fees

The amount of fees paid or payable to the External Auditors, Messrs. Ernst & Young PLT and its affiliates, in relation to the audit and non-audit services rendered to the Company and the Group for the financial year ended 31 December 2025 are as follows:

	Group RM	Company RM
Audit fees	200,500	115,500
Non-audit fees	31,500	9,500

3. Material Contracts

During the financial year under review, save as disclosed in the next section on Recurrent Related Party Transactions, there were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests which were still subsisting, entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

At the last AGM of the Company held on 26 May 2025, the Company had obtained a mandate from its shareholders ("Shareholders' Mandate") to allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Recurrent Transactions"). In accordance with Paragraph 10.09(2)(b) of the Listing Requirements, details of the Recurrent Transactions conducted during the financial year ended 31 December 2025 pursuant to the Shareholders' Mandate are as follows:

Name of Companies	Related parties	Class of related party	Nature of Recurrent Transactions	Aggregate value of transactions made during the financial year (RM)
Serijaya Industri Sdn. Bhd. (Seller)	TSH Plantation Management Sdn. Bhd. ("TSHPM") (Buyer)	TSHPM is 24% owned by TSH Resources Berhad ("TSHR") and 76% owned by TSH Plantation Sdn. Bhd. ("TSHP") which in turn is a wholly-owned subsidiary of TSHR, a major shareholder of the Company.	Sale of oil palm fresh fruit bunches.	616,479
Serijaya Industri Sdn. Bhd. (Seller)	TSHPM (Buyer)	Same as disclosed above.	Sale of empty fruit bunches, fibre and shell.	Nil
Serijaya Industri Sdn. Bhd. (Buyer)	TSHPM (Seller)	Same as disclosed above.	Purchase of organic fertiliser.	901,929

ADDITIONAL COMPLIANCE INFORMATION

Name of Companies	Related parties	Class of related party	Nature of Recurrent Transactions	Aggregate value of transactions made during the financial year (RM)
Serijaya Industri Sdn. Bhd. (Buyer)	Benta Wawasan Sdn. Bhd. ("BWSB") (Seller)	BWSB is a wholly-owned subsidiary of Innoprise Corporation Sdn Bhd, a major shareholder of the Company.	Purchase of oil palm fresh fruit bunches.	Nil
Serijaya Industri Sdn. Bhd. (Seller)	TSH-Wilmar Sdn. Bhd. ("TSHW") (Buyer)	TSHW is 50% owned by TSHR, a major shareholder of the Company.	Sale of crude palm oil.	239,558,895
Serijaya Industri Sdn. Bhd. (Seller)	TSHW (Buyer)	Same as disclosed above.	Sale of palm kernel.	33,064,820
Serijaya Industri Sdn. Bhd. (Buyer)	TSH Biotech Sdn Bhd ("TSHB") (Seller)	TSHB is a wholly-owned subsidiary of TSHP which in turn is a wholly-owned subsidiary of TSHR, a major shareholder of the Company.	Purchase of tree seedlings.	1,190,400

5. Disclosure of Financial Data for Shariah Screening

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

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		273,240,194	276,818,894
Other income		2,675,177	8,074,876
Interest income		910,544	565,071
Dividend income		-	94,565
Total		276,825,915	285,553,406
Total Assets		414,027,581	436,812,884

ADDITIONAL COMPLIANCE INFORMATION

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		379,631	255,972
Total		379,631	255,972

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Deposits with licensed bank		-	25,000,000
Cash at bank (exclude cash in hand)		315,975	3,689,181
Total		315,975	28,689,181

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Deposits with licensed bank		626,037	609,617
Cash at bank (exclude cash in hand)		17,274,946	12,988,894
Total		17,900,983	13,598,511



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DIRECTORS' REPORT

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with 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 provision of management services to subsidiaries. The principal activities of the subsidiaries are stated in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	73,251,857	80,823,336

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

ISSUE OF SHARES AND DEBENTURES

There were no issuances of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted by the Company to any parties to take up unissued shares of the Company during the financial year.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2024 were as follows:

	RM
In respect of the financial year ended 31 December 2024 as reported in the directors' report of that year:	
Fourth interim single-tier tax-exempt dividend of RM0.065 per share on 478,857,950 ordinary shares, declared on 24 February 2025 and paid on 26 March 2025	31,125,767

DIRECTORS' REPORT

DIVIDENDS (CONTINUED)

The amounts of dividends paid by the Company since 31 December 2024 were as follows (continued):

	RM
In respect of the financial year ended 31 December 2025:	
First interim single-tier tax-exempt dividend of RM0.065 per share on 478,857,950 ordinary shares, declared on 26 May 2025 and paid on 26 June 2025	31,125,767
Second interim single-tier tax-exempt dividend of RM0.025 per share on 478,857,950 ordinary shares, declared on 26 August 2025 and paid on 26 September 2025	11,971,449
Third interim single-tier tax-exempt dividend of RM0.035 per share on 478,857,950 ordinary shares, declared on 24 November 2025 and paid on 23 December 2025	16,760,028
	90,983,011

Subsequent to the financial year end, a fourth interim single-tier tax-exempt dividend in respect of the financial year ended 31 December 2025 of RM0.025 per share on 478,857,950 ordinary shares, amounting to a dividend payable of RM11,971,449, was declared on 26 February 2026 and paid on 27 March 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.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Jasnih Bin Daya* (Redesignated as Chairman on 5 February 2026)

Datuk Kelvin Tan Aik Pen (Appointed on 1 January 2026)

Dato' Sri Haji Gulamhaidar @ Yusof Bin Khan Bahadar, J.P.*

Datuk Hajah Mary @ Mariati Robert

Lim Ted Hing

Ong Chu Yaw* (Appointed on 15 August 2025)

Lim Fook Hin (Appointed on 15 August 2025, alternate director to Ong Chu Yaw)

Datuk Hj. Majin Bin Hj. Ajing* (Resigned on 5 February 2026)

Tan Aik Kiong* (Retired on 31 December 2025)

Ng Chee Fen* (Resigned on 15 August 2025)

* These directors are/were also directors of the Company's subsidiaries.

The directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Datuk Juil Bin Nuatim (Resigned on 30 January 2026)

Datuk Saharuddin Bin Salleh

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any 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.

The directors' benefits are as follows:

	Group RM	Company RM
Fees	398,400	254,400
Salaries and/or other emoluments	1,533,669	10,500
Benefits-in-kind	6,500	-
Total (Note 10)	1,938,569	264,900

INDEMNITIES TO DIRECTORS AND OFFICERS

There were no indemnities given or insurance effected during the financial year, for any person who is or has been the director or officer of the Group or of the Company.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares			
	1.1.2025	Acquired	Sold	31.12.2025
Direct interest:				
Datuk Hj. Majin Bin Hj. Ajing	75,000	-	(75,000)	-

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

HOLDING ENTITIES

The Company is a 50.22% owned subsidiary of Innoprise Corporation Sdn. Bhd., a company incorporated and domiciled in Malaysia, which in turn is 97.63% owned by Yayasan Sabah, established under the Sabah Foundation Enactment, 1966.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances 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) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follows:

	Group RM	Company RM
Ernst & Young PLT	200,500	115,500

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2025.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 April 2026.

Kelvin Tan Aik Pen

Ong Chu Yaw

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Kelvin Tan Aik Pen and Ong Chu Yaw, being two of the directors of Innoprise Plantations Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 99 to 149 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 April 2026.

Kelvin Tan Aik Pen

Ong Chu Yaw

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Ng Chee Fen, being the officer primarily responsible for the financial management of Innoprise Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 99 to 149 are in my opinion 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 Ng Chee Fen at
Tawau in the State of Sabah
on 17 April 2026.

Ng Chee Fen
(MIA 42907)

Before me,

INDEPENDENT AUDITORS' REPORT

to the Members of Innoprise Plantations Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Innoprise Plantations Berhad**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 99 to 149.

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

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company.

The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of biological assets – plantation trees

As at 31 December 2025, the Group's plantation trees was carried at RM40.4 million. The plantation trees are measured at cost on initial recognition and at fair value less costs to sell ("FVLCTS") at the end of each reporting period.

The valuation was carried out by an independent valuer with inputs and assumptions provided by an independent forester. The fair value was estimated based on FVLCTS which involved discounting the net future cash flows expected to be generated from the plantation trees, at an appropriate discount rate. The key assumptions used to determine FVLCTS include the estimated harvestable volume of plantation trees, the selling price of the harvestable logs and the estimated cost of extraction and delivery. The harvestable volume of plantation trees was estimated by the forester during the financial year. Due to the nature of fair value being inherently judgemental and the significant estimates involved, we have identified this to be a key audit matter.

INDEPENDENT AUDITORS' REPORT

to the Members of Innoprise Plantations Berhad (Incorporated in Malaysia)

Key audit matters (continued)

Valuation of biological assets – plantation trees (continued)

As part of the audit, we performed the following procedures:

- Evaluated the appropriateness of the valuation technique applied by the Group in estimating the FVLCTS of the plantation trees.
- Assessed the key assumptions made by the Group, the valuer and the forester in determining the fair value, including comparing selling prices to available market prices and evaluating the cost of extraction and delivery against available market prices.
- Assessed the reasonableness of the discount rate used by comparing it to similar entities in the industry.
- Assessed the competency, capability and objectivity of the independent valuer and forester involved in assessing the harvestable volume of the plantation trees.

We have also considered the disclosures in Note 14 to the financial statements and other disclosures included in the material accounting policies in Note 2.6(ii) to the financial statements, as well as in the significant accounting estimates in Note 3.2 to the financial statements.

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

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.

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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability 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.

INDEPENDENT AUDITORS' REPORT

to the Members of Innoprise Plantations Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

to the Members of Innoprise Plantations Berhad (Incorporated in Malaysia)

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.

ERNST & YOUNG PLT

202006000003 (LLP0022760-LCA) & AF 0039

Chartered Accountants

AU YONG SWEE YIN

No.03101/02/2028 J

Chartered Accountant

Kota Kinabalu, Malaysia

Date: 17 April 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	273,240,194	276,818,894	81,719,000	79,019,000
Cost of sales		(171,372,897)	(163,661,299)	-	-
Gross profit		101,867,297	113,157,595	81,719,000	79,019,000
Other items of income					
Interest income	5	910,544	565,071	-	-
Other income	6	2,675,177	8,169,441	-	-
Other items of expense					
Administrative expenses		(8,946,387)	(8,188,300)	(895,664)	(866,487)
Finance costs	7	(149,536)	(152,523)	-	-
Profit before tax	8	96,357,095	113,551,284	80,823,336	78,152,513
Income tax expense	11	(23,105,238)	(27,006,339)	-	-
Profit net of tax, representing total comprehensive income for the year		73,251,857	86,544,945	80,823,336	78,152,513
Earnings per share attributable to the owners of the Company (sen):					
Basic	12	15.30	18.07		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	13	331,000,964	338,493,284	1,182	1,598
Biological assets	14	40,395,085	29,282,601	-	-
Right-of-use assets	15	1,985,574	2,027,112	-	-
Investments in subsidiaries	16	-	-	245,855,384	245,855,384
Other receivables	18	-	400,424	-	-
		373,381,623	370,203,421	245,856,566	245,856,982
Current assets					
Biological assets	14	7,467,623	8,868,631	-	-
Inventories	17	9,065,478	8,745,773	-	-
Trade and other receivables	18	5,895,899	6,707,367	24,386,901	34,481,672
Cash and bank balances	19	18,216,958	42,287,692	24,951	69,945
		40,645,958	66,609,463	24,411,852	34,551,617
Total assets		414,027,581	436,812,884	270,268,418	280,408,599
Equity and liabilities					
Current liabilities					
Lease liabilities	15	41,538	41,538	-	-
Trade and other payables	21	24,586,612	23,281,003	144,361	124,867
Income tax payable		4,597,607	9,221,453	-	-
		29,225,757	32,543,994	144,361	124,867
Net current assets		11,420,201	34,065,469	24,267,491	34,426,750
Non-current liabilities					
Deferred tax liabilities	22	63,864,338	65,558,712	-	-
Lease liabilities	15	1,940,186	1,981,724	-	-
		65,804,524	67,540,436	-	-
Total liabilities		95,030,281	100,084,430	144,361	124,867
Net assets		318,997,300	336,728,454	270,124,057	280,283,732
Equity attributable to the owners of the Company					
Share capital	23	239,675,958	239,675,958	239,675,958	239,675,958
Retained earnings		79,321,342	97,052,496	30,448,099	40,607,774
Total equity		318,997,300	336,728,454	270,124,057	280,283,732
Total equity and liabilities		414,027,581	436,812,884	270,268,418	280,408,599

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Note	Share capital (Note 23) RM	Retained earnings RM	Total equity RM
Group				
At 1 January 2025		239,675,958	97,052,496	336,728,454
Profit net of tax, representing total comprehensive income for the year		-	73,251,857	73,251,857
Transactions with owners				
Dividends on ordinary shares	31	-	(90,983,011)	(90,983,011)
At 31 December 2025		239,675,958	79,321,342	318,997,300
At 1 January 2024				
		239,675,958	68,209,934	307,885,892
Profit net of tax, representing total comprehensive income for the year		-	86,544,945	86,544,945
Transactions with owners				
Dividends on ordinary shares	31	-	(57,702,383)	(57,702,383)
At 31 December 2024		239,675,958	97,052,496	336,728,454
Company				
At 1 January 2025		239,675,958	40,607,774	280,283,732
Profit net of tax, representing total comprehensive income for the year		-	80,823,336	80,823,336
Transactions with owners				
Dividends on ordinary shares	31	-	(90,983,011)	(90,983,011)
At 31 December 2025		239,675,958	30,448,099	270,124,057
At 1 January 2024				
		239,675,958	20,157,644	259,833,602
Profit net of tax, representing total comprehensive income for the year		-	78,152,513	78,152,513
Transactions with owners				
Dividends on ordinary shares	31	-	(57,702,383)	(57,702,383)
At 31 December 2024		239,675,958	40,607,774	280,283,732

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Operating activities					
Profit before tax		96,357,095	113,551,284	80,823,336	78,152,513
<u>Adjustments for:</u>					
Depreciation of property, plant and equipment	8	24,801,794	26,962,641	416	444
Depreciation of right-of-use assets	8	41,538	41,538	-	-
Dividend income	6/4	-	(94,565)	(81,719,000)	(79,019,000)
Loss/(gain) on disposal of property, plant and equipment	8/6	2,996	(112,968)	-	-
Interest income	5	(910,544)	(565,071)	-	-
Interest expense	7	149,536	152,523	-	-
Property, plant and equipment written off	8	16,302	1,722	-	-
Fair value changes of biological assets, net	8	1,401,008	(4,694,660)	-	-
Total adjustments		25,502,630	21,691,160	(81,718,584)	(79,018,556)
Operating cash flows before changes in working capital		121,859,725	135,242,444	(895,248)	(866,043)
<u>Changes in working capital:</u>					
(Increase)/decrease in inventories		(319,705)	51,620	-	-
Decrease in receivables		1,211,892	490,846	91,813,771	58,944,402
Increase/(decrease) in payables		1,305,609	2,670,509	19,494	(384,197)
Total changes in working capital		2,197,796	3,212,975	91,833,265	58,560,205

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flow from operations		124,057,521	138,455,419	90,938,017	57,694,162
Interest received		910,544	565,071	-	-
Interest paid		(149,536)	(152,523)	-	-
Income tax paid, net of refund		(29,423,458)	(23,470,605)	-	-
Net cash flows from operating activities		95,395,071	115,397,362	90,938,017	57,694,162
Investing activities					
Additions in biological assets	14	(11,112,484)	(9,854,383)	-	-
Dividends received		-	94,565	-	-
Increase in pledged deposits		(16,420)	(15,336)	-	-
Acquisition of investment securities		-	(10,000,000)	-	-
Proceeds from redemption of investment securities		-	11,003,021	-	-
Acquisition of property, plant and equipment	13	(17,328,773)	(22,922,975)	-	-
Proceeds from disposal of property, plant and equipment	1	232,000		-	-
Net cash flows used in investing activities		(28,457,676)	(31,463,108)	-	-
Financing activities					
Dividends paid	31	(90,983,011)	(57,702,383)	(90,983,011)	(57,702,383)
Payment of principal portion of lease liabilities	15	(41,538)	(41,538)	-	-
Net cash flows used in financing activities		(91,024,549)	(57,743,921)	(90,983,011)	(57,702,383)
Net (decrease)/increase in cash and cash equivalents		(24,087,154)	26,190,333	(44,994)	(8,221)
Cash and cash equivalents at beginning of year		41,678,075	15,487,742	69,945	78,166
Cash and cash equivalents at end of year	19	17,590,921	41,678,075	24,951	69,945

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Aras 7, Wisma Innoprise, Teluk Likas, 88400 Kota Kinabalu, Sabah.

The Company is a 50.22% owned subsidiary of Innoprise Corporation Sdn. Bhd., a company incorporated and domiciled in Malaysia, which in turn is 97.63% owned by Yayasan Sabah, established under the Sabah Foundation Enactment, 1966.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are stated in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that, in the current financial year, the Group and Company adopted the following amended MFRS Accounting Standard:

Description

**Effective for
annual periods
beginning on
or after**

Amendments to MFRS 121: Lack of Exchangeability

1 January 2025

The adoption of these amendments did not have any impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Pronouncements issued but not yet effective

The standards and amended MFRS Accounting Standards (collectively referred to as “pronouncements”) that are issued but not yet effective up to the date of issuance of the Group and the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these pronouncements, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 9 and MFRS 7: Financial Instrument and MFRS 7: Financial Instruments: Disclosures: Amendments to Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact to the financial statements from the adoption of the above pronouncements in the period of initial application, except for the following:

MFRS 18 Presentation and Disclosure in Financial Statements

In June 2024, the MASB issued MFRS 18, which replaces MFRS 101 Presentation of Financial Statements. MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

Narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to other standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early adoption is permitted and must be disclosed.

The Group and the Company are currently working to identify the impact the amendments will have on the primary financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of the investment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, such parts are recognised as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Bearer plants of oil palms consist of accumulated plantation development costs incurred from land clearing to the point of maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon the point of maturity, which is approximately 3 years. When a bearer crop has reached the end of its useful life and is replanted, the carrying amount of the old bearer plants are derecognised, and the costs of the new bearer plants are treated as a replacement of the old bearer plants and capitalised.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings	10 - 50 years
- Bearer plants – oil palm	21 years
- Plantation infrastructure	50 years
- Motor vehicles	10 years
- Equipment, furniture and fittings	10 years
- Plant and machinery	10 years

Assets under construction included in property, plant and equipment as capital work-in-progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.6 Biological assets

(i) Fresh Fruit Bunches (“FFB”) prior to harvest

Biological assets classified as current assets comprised produce growing on bearer plants, i.e. oil palm FFB. FFB are measured at fair value less costs to sell. Any gains or losses arises from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Biological assets (continued)

(ii) Plantation trees

Biological assets classified as non-current assets represent standing growing trees to be harvested upon maturity. These plantation trees are measured at fair value less costs to sell. Any gains or losses arises from changes in the fair value less costs to sell are recognised in profit or loss.

2.7 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group or the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Current versus non-current classification (continued)

The terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.9 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the practical expedient has been applied, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the practical expedient has been applied are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, all financial assets are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group or the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group or the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group or the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of their continuing involvement. In that case, an associated liability is also recognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group or the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments carried at amortised cost and fair value through OCI, contract assets and lease receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to be received, discounted at the original effective interest rate (“EIR”). The expected cash flows will include cash flows from the sale of collaterals held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Impairment (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, a simplified approach is applied in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognised as a loss allowance based on lifetime ECLs at each reporting date, estimated based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and lease liabilities.

Subsequent measurement

All financial liabilities are subsequently measured at amortised costs.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently they are measured at the higher of the amount of the loss allowances; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with MFRS 15.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Palm oil products: cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.
- Consumable stores and supplies: purchase costs and expenses in bringing them into store on a weighted average cost method.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use-assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Leases (continued)

As lessee (continued)

(i) Right-of-use-assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	Remaining lease period of 52 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.7.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group or the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note 15.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Leases (continued)

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rental are recognised as revenue in the period in which they are earned.

2.16 Fair value measurement

The Group and the Company measure financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 27.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group or by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.17 Revenue

(a) Revenue from contracts with customers

Sale of plantation produce

The Group's revenue is derived mainly from agricultural produce such as crude palm oil ("CPO"), fresh fruit bunches ("FFB") and palm kernel ("PK").

Revenue from sale of agricultural produce is recognised net of discount at the point in time when control of the goods is transferred to the customer.

The transaction price is allocated to each performance obligation based on the standalone selling price of the goods.

There is no element of financing present as the Group's sale of goods are either on cash terms (immediate payments or advance payment not exceeding 30 days); or on credit terms of up to 30 days.

(b) Other sources of revenue

Revenue from other sources is recognised as follows:

- (i) dividend income is recognised when the right to receive payment is established.
- (ii) interest income is recognised on a time proportion basis that reflects the effective yield on the assets.
- (iii) rental income is accounted for on a straight-line basis over the lease terms.

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Taxes (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.20 Share capital and share issuance expenses

Ordinary shares are recorded at the proceeds received. Incremental transaction costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.21 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or of the Company; or
- (b) a present obligation that arises from past events but it is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's and the Company's accounting policies on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Biological assets

The Group carries its biological assets at fair value with changes in fair value recognised in profit or loss.

(i) Oil palm fresh fruit bunches

The determination of the fair value of oil palm FFB requires the use of estimates on the projected harvest quantities and market price of FFB as at the reporting date.

The carrying amount and key assumptions used to determine the fair value of the biological assets are further disclosed in Note 14.

(ii) Plantation trees

Plantation trees are stated at fair value less estimated cost to sell at the harvesting stage and is categorised as Level 3 measurement in terms of fair value measurement hierarchy as established by MFRS 13 *Fair Value Measurement*. The quantity of harvestable trees was assessed by an independent forester and the fair value was estimated by an independent valuer based on inputs and assumptions provided by the independent forester appointed by the Group.

In arriving at the fair value, the key assumptions used are the estimated harvestable volume of plantation trees, the selling price of the harvestable logs, the estimated cost of extraction and delivery and the discount rate. The valuation assumed that the harvested logs will be sold locally. All changes in fair value are recognised in profit or loss in the period in which they arise.

The impact of changes in significant assumptions on the fair value of plantation trees is disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
Types of goods or services				
Sale of oil palm fresh fruit bunches	616,479	375,161	-	-
Sale of crude palm oil	239,558,895	249,927,650	-	-
Sale of palm kernel	33,064,820	26,516,083	-	-
	273,240,194	276,818,894	-	-
Timing of revenue recognition				
At a point in time	273,240,194	276,818,894	-	-

Revenue from contracts with customers

Nature of goods and services

Group

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of agricultural produce	Revenue from sale of agricultural produce is recognised net of discount at the point in time when control of the goods is transferred to the customer.	Credit period of 3 days (2024: 3 days) from invoice date.	Not applicable	Not applicable	Not applicable

There are no material unsatisfied performance obligations at the end of the financial year.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from other sources				
Dividend income	-	-	81,719,000	79,019,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

5. INTEREST INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income from current accounts	894,124	548,759	-	-
Interest income from deposits	16,420	16,312	-	-
	910,544	565,071	-	-

6. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend income from investment securities	-	94,565	-	-
Fair value changes of biological assets, net	-	4,694,660	-	-
Gain on disposal of plant and equipment	-	112,968	-	-
Miscellaneous income	222,991	279,181	-	-
Rental income	1,800	1,800	-	-
Sale of fibre	166,023	187,329	-	-
Sale of sludge oil	2,284,363	2,798,938	-	-
	2,675,177	8,169,441	-	-

7. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
Lease liabilities (Note 15)	149,536	152,523	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Employee benefits expense (Note 9)	58,255,969	53,395,641	1,500	1,500
Non-executive directors' remuneration (Note 10)	395,400	407,400	263,400	263,400
Auditors' remuneration:				
- Statutory audit:				
- Current year	200,500	184,000	115,500	105,000
- (Over)/Under provision in respect of previous years	(834)	16,300	-	11,400
- Other services	6,500	6,000	6,500	6,000
Depreciation of property, plant and equipment (Note 13)	24,801,794	26,962,641	416	444
Depreciation of right-of-use assets (Note 15)	41,538	41,538	-	-
Management fees expense	-	-	105,615	105,615
Property, plant and equipment written off	16,302	1,722	-	-
Loss on disposal of property, plant and equipment	2,996	-	-	-
Rental expense relating to short-term leases (Note 15)	186,985	179,866	51,300	55,575
Fair value changes of biological assets, net	1,401,008	(4,694,660)	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and wages	60,427,237	54,274,978	1,500	1,500
Contributions to defined contribution plan	1,863,585	1,762,885	-	-
Social security contributions	550,253	362,256	-	-
Employment Insurance System contributions	17,119	15,450	-	-
	62,858,194	56,415,569	1,500	1,500
Less: Amount capitalised in property, plant and equipment (Note 13)	(480,006)	(113,911)	-	-
Amount capitalised in biological assets (Note 14)	(4,122,219)	(2,906,017)	-	-
	58,255,969	53,395,641	1,500	1,500

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM1,536,669 (2024: RM1,858,511) and RM1,500 (2024: RM1,500), respectively, as further disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

10. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors' remuneration (Note 9):				
- Fees	12,000	-	-	-
- Salaries and other emoluments	1,524,669	1,858,511	1,500	1,500
	1,536,669	1,858,511	1,500	1,500
Non-executive directors' remuneration (Note 8):				
- Fees	386,400	398,400	254,400	254,400
- Other emoluments	9,000	9,000	9,000	9,000
	395,400	407,400	263,400	263,400
Total directors' remuneration	1,932,069	2,265,911	264,900	264,900
Estimated money value of benefits-in-kind	6,500	6,500	-	-
Total directors' remuneration including benefits-in-kind (Note 26(b))	1,938,569	2,272,411	264,900	264,900

11. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statements of comprehensive income				
Current income tax:				
Current year	24,674,081	28,067,399	-	-
Under/(over) provision in respect of previous years	125,531	(59,535)	-	-
	24,799,612	28,007,864	-	-
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	(1,150,565)	(1,251,895)	-	-
Under provision in respect of previous years	(543,809)	250,370	-	-
	(1,694,374)	(1,001,525)	-	-
Income tax expense recognised in profit or loss	23,105,238	27,006,339	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

11. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate of the Group and of the Company for the years ended 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Accounting profit before tax	96,357,095	113,551,284	80,823,336	78,152,513
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	23,125,703	27,252,308	19,397,601	18,756,603
Adjustments:				
Non-deductible expenses	397,813	405,781	214,959	207,957
Income not subject to tax	-	(18,571)	(19,612,560)	(18,964,560)
Effect of tax exemption [#]	-	(824,014)	-	-
(Over)/Under provision of deferred tax in respect of previous years	(543,809)	250,370	-	-
Under/(over) provision of current income tax in respect of previous years	125,531	(59,535)	-	-
Income tax expense recognised in profit or loss	23,105,238	27,006,339	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

[#] A subsidiary, IPB Bio Energy Sdn. Bhd., was granted Pioneer Status under Section 127 of the Income Tax Act, 1967, with 100% tax exemption on the subsidiary's statutory income from the operation of a biomass plant for a period of 10 years effective 31 December 2014 to 30 December 2024.

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflects the profit and share data used in the computation of basic earnings per share calculations:

	Group	
	2025 RM	2024 RM
Profit net of tax attributable to the owners of the Company used in the computation of basic earnings per share (RM)	73,251,857	86,544,945
Weighted average number of ordinary shares in issue	478,857,950	478,857,950
Basic earnings per share (sen)	15.30	18.07

There is no dilution in earnings per share for the current and previous financial year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Buildings RM	Bearer plants RM	Plantation infrastructure RM	Motor vehicles RM	Equipment, furniture and fittings RM	Plant and machinery RM	Capital work-in- progress RM	Total RM
At 31 December 2025								
Cost								
At 1 January 2025	117,289,882	260,106,227	56,477,356	48,414,467	4,677,233	79,006,793	4,933,638	570,905,596
Additions	559,504	101,460	163,591	6,691,813	474,061	2,608,923	6,729,421	17,328,773
Reclassifications	6,563,024	-	(540,000)	-	-	1,828,809	(7,851,833)	-
Disposals	-	-	-	-	(4,849)	-	-	(4,849)
Write off	(13,751)	-	-	(846,548)	(38,041)	(142,330)	-	(1,040,670)
At 31 December 2025	124,398,659	260,207,687	56,100,947	54,259,732	5,108,404	83,302,195	3,811,226	587,188,850
Accumulated depreciation								
At 1 January 2025	20,698,989	119,240,880	10,895,561	24,621,045	2,737,524	54,218,313	-	232,412,312
Depreciation charge for the year (Note 8)	2,451,563	12,329,824	1,090,144	4,394,283	308,594	4,227,386	-	24,801,794
Disposals	-	-	-	-	(1,852)	-	-	(1,852)
Write off	(2,879)	-	-	(846,537)	(32,651)	(142,301)	-	(1,024,368)
At 31 December 2025	23,147,673	131,570,704	11,985,705	28,168,791	3,011,615	58,303,398	-	256,187,886
Net carrying amount								
At 31 December 2025	101,250,986	128,636,983	44,115,242	26,090,941	2,096,789	24,998,797	3,811,226	331,000,964

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP

	Buildings RM	Bearer plants RM	Plantation infrastructure RM	Motor vehicles RM	Equipment, furniture and fittings RM	Plant and machinery RM	Capital work-in- progress RM	Total RM
At 31 December 2024								
Cost								
At 1 January 2024	105,440,781	259,982,143	55,669,219	43,731,590	4,504,169	74,748,987	6,111,700	550,188,589
Additions	126,988	124,084	808,137	6,686,815	220,094	3,062,888	11,893,969	22,922,975
Reclassifications	11,722,113	-	-	-	-	1,349,918	(13,072,031)	-
Disposals	-	-	-	(1,879,638)	-	(90,000)	-	(1,969,638)
Write off	-	-	-	(124,300)	(47,030)	(65,000)	-	(236,330)
At 31 December 2024	117,289,882	260,106,227	56,477,356	48,414,467	4,677,233	79,006,793	4,933,638	570,905,596
Accumulated depreciation								
At 1 January 2024	18,576,439	106,911,056	9,814,446	22,692,817	2,486,640	47,053,487	-	207,534,885
Depreciation charge for the year (Note 8)	2,122,550	12,329,824	1,081,115	3,855,883	296,198	7,277,071	-	26,962,641
Disposals	-	-	-	(1,803,359)	-	(47,247)	-	(1,850,606)
Write off	-	-	-	(124,296)	(45,314)	(64,998)	-	(234,608)
At 31 December 2024	20,698,989	119,240,880	10,895,561	24,621,045	2,737,524	54,218,313	-	232,412,312
Net carrying amount								
At 31 December 2024	96,590,893	140,865,347	45,581,795	23,793,422	1,939,709	24,788,480	4,933,638	338,493,284

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Equipment, furniture and fittings RM
Company	
At 31 December 2025	
Cost	
At 1 January 2025 and 31 December 2025	132,019
Accumulated depreciation	
At 1 January 2025	130,421
Depreciation charge for the year (Note 8)	416
At 31 December 2025	130,837
Net carrying amount	
At 31 December 2025	1,182
At 31 December 2024	
Cost	
At 1 January 2024 and 31 December 2024	132,019
Accumulated depreciation	
At 1 January 2024	129,977
Depreciation charge for the year (Note 8)	444
At 31 December 2024	130,421
Net carrying amount	
At 31 December 2024	1,598

Bearer plants

Included in costs of bearer plants incurred during the financial year are:

	Group	
	2025 RM	2024 RM
Employee benefits expense (Note 9)	480,006	113,911

The oil palm plantation, palm oil mill and related infrastructure of the Group are sited on a parcel of land leased from Benta Wawasan Sdn. Bhd. (Note 15 and Note 26).

Rights, titles and interests of the Group on the oil palm plantation land are pledged to a bank for loans and borrowings granted to a subsidiary as stated in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. BIOLOGICAL ASSETS

	Group	
	2025 RM	2024 RM
Current		
Oil palm Fresh Fruit Bunches ("FFB")		
At 1 January	8,868,631	4,173,971
Transfer to produce stocks	(8,868,631)	(4,173,971)
Changes in fair value	7,467,623	8,868,631
At 31 December	7,467,623	8,868,631
Non-current		
Plantation trees		
At 1 January	29,282,601	19,428,218
Additions	11,112,484	9,854,383
At 31 December	40,395,085	29,282,601
Biological assets of the Group comprise:		
Oil palm fresh fruit bunches	7,467,623	8,868,631
Plantation trees	40,395,085	29,282,601
	47,862,708	38,151,232

Biological assets of the Group comprise oil palm FFB prior to harvest and plantation trees.

Oil palm FFB

The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB more than 4 weeks prior to harvest to be negligible. Therefore, the quantity of unripe FFB on bearer plants of up to 4 weeks prior to harvest was used for valuation purposes. The net present value of cash flows is then determined with reference to the average selling price of FFB determined at the reporting date. Costs to sell, which include harvesting and transportation cost, are deducted in arriving at the net cash flow to be generated.

The changes in fair value of the biological assets in each accounting period are recognised in profit or loss.

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. BIOLOGICAL ASSETS (CONTINUED)

Oil palm FFB (continued)

The key assumptions used to determine the fair value are as follows:

	Group	
	2025 RM	2024 RM
Oil palm FFB:		
FFB production (MT)	24,050	22,690
Average FFB selling price (RM/MT)	756	912

Sensitivity analysis – Oil palm FFB

A 10% increase/decrease in the average oil palm FFB selling price (RM/MT) would result in the following changes to the fair value of the biological assets:

	Group	
	2025 RM	2024 RM
10% increase	946,690	1,077,777
10% decrease	(946,690)	(1,077,777)

Plantation trees

Included in additions to plantation trees during the financial year are:

	Group	
	2025 RM	2024 RM
Employee benefits expense (Note 9)	4,122,219	2,906,017

Plantation trees represent standing growing Laran (*Neolamarckia cadamba*) trees planted as inter-cropping with oil palm at Kalabakan, Sabah.

As at the reporting date, the Group has 4,098 hectares (2024: 3,389 hectares) of leased land planted with plantation trees which are immature given that they have not yet reached the desired stage of growth that are harvestable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. BIOLOGICAL ASSETS (CONTINUED)

Fair value of plantation trees

The Group engaged an independent valuer to estimate the fair value of the plantation trees as at 31 December 2025 based on information and assumptions issued by an independent forester. The valuation was based on the highest and best use of the biological assets which is the harvesting of timber at their maturity.

The following table shows the valuation techniques used and the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
The valuation model is based on the discounted cash flows of the projections, projected for a future period ranging from five years to 10 years. The expected net cash flows are discounted using a post-tax risk adjusted discount rate.	- Estimated log selling price of RM400 per m³ (2024: RM400 per m³) - Estimated harvestable volume (yield per hectare) of 241m³/ha (2024: 241m³/ha) - Estimated extraction and delivery costs RM230 per m³ (2024: RM230 per m³) - Post-tax risk adjusted discount rate of 14% (2024: 14.5%)	- The higher the estimated log price, the higher the fair value; - The higher the estimated yield per hectare, the higher the fair value; - The higher the estimated cost of extraction and delivery, the lower the fair value; and - The higher the post-tax risk adjusted discount rate, the lower the fair value.

The fair value measurements for the plantation trees have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the valuations by the amounts shown below.

		Group	
		2025 RM	2024 RM
Harvestable volume	- Increase by 5%	2,560,000	1,958,000
	- Decrease by 5%	(2,560,000)	(1,958,000)
Selling price	- Increase by 5%	7,730,000	5,889,000
	- Decrease by 5%	(7,730,000)	(5,889,000)
Cost to sell	- Increase by 5%	(3,865,000)	(2,945,000)
	- Decrease by 5%	3,865,000	2,945,000
Discount rate	- Increase by 1%	(2,515,000)	(1,993,000)
	- Decrease by 1%	2,702,000	2,148,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

15. LEASES

Group as a lessee

The Group has lease contracts for land used in its operations.

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of office space. Lease payments for short-term leases are recognised as expense on a straight-line basis over the lease term.

Serijaya Industri Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into the Agreement for Oil Palm Plantation dated 18 November 2005 with Benta Wawasan Sdn. Bhd. (the licensee of the land) to develop a parcel of land measuring approximately 22,763 hectares situated in the locality of Gunung Rara/Kalabakan, Sabah. Pursuant to the agreement, Serijaya Industri Sdn. Bhd. is granted the permission to develop the said land into an oil palm plantation for a period of 30 years. On 29 August 2013, the tenure for the permission to develop the said land into oil palm plantation was extended to 60 years.

On 9 July 2018, both parties entered into a Third Supplemental Agreement of the Agreement for Oil Palm Plantation, whereby the subsidiary should pay rental of RM2,201,502 covering the period from year 2018 to year 2070, at an equal annual rent of RM41,538 and interest on the total outstanding rental sum at the rate of 8% per annum on a reducing balance basis.

Set out below are the carrying amounts of right-of-use assets of the Group recognised and the movements during the period:

	Leasehold land RM
Cost	
As at 1 January 2024, 31 December 2024 and 31 December 2025	2,288,720
Accumulated depreciation	
As at 1 January 2024	220,070
Depreciation charge for the year (Note 8)	41,538
As at 31 December 2024	261,608
Depreciation charge for the year (Note 8)	41,538
As at 31 December 2025	303,146
Net carrying amount	
As at 31 December 2024	2,027,112
As at 31 December 2025	1,985,574

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

15. LEASES (CONTINUED)

Group as a lessee (continued)

Set out below are the carrying amounts of lease liabilities of the Group and the movements during the period:

	Leasehold land RM
As at 1 January 2024	2,064,800
Accretion of interest (Note 7)	152,523
Payments	(194,061)
As at 31 December 2024	2,023,262
Accretion of interest (Note 7)	149,536
Payments	(191,074)
As at 31 December 2025	1,981,724

	Interest rate %	Maturity	RM
2025			
Current	8%	2026	41,538
Non-current	8%	2026 - 2070	1,940,186
			1,981,724

2024			
Current	8%	2025	41,538
Non-current	8%	2025 - 2070	1,981,724
			2,023,262

The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Depreciation expense of right-of-use assets (Note 8)	41,538	41,538	-	-
Interest expense on lease liabilities (Note 7)	149,536	152,523	-	-
Rental expense relating to short-term leases (Note 8)	186,985	179,866	51,300	55,575
Total amount recognised in profit or loss	378,059	373,927	51,300	55,575

The Group and the Company had total cash outflows for leases of RM378,059 (2024: RM373,927) and RM51,300 (2024: RM55,575) respectively. As at the reporting date, the Group and the Company have committed to short-term leases and the total commitment at the date was RM413,084 (2024: RM36,008) and RM128,250 (2024: RM25,650).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
- Ordinary shares	21,050,000	21,050,000
- Redeemable convertible non-cumulative preference shares	223,650,000	223,650,000
	244,700,000	244,700,000
ESOS granted to employees of subsidiaries	1,155,384	1,155,384
	245,855,384	245,855,384

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/principal place of business	Principal activities	Proportion of ownership interest held by the Group*	
			2025 %	2024 %
Serijaya Industri Sdn. Bhd.	Malaysia	Operation of oil palm plantations and palm oil mill	100	100
IPB Bio Energy Sdn. Bhd.	Malaysia	Producer and supplier of renewable energy	100	100

* Equals to the proportion of voting rights held.

All the subsidiaries are audited by Ernst & Young PLT, Malaysia.

17. INVENTORIES

	Group	
	2025 RM	2024 RM
Cost		
Fresh fruit bunches	109,640	101,457
Stores and supplies	5,876,451	4,606,848
Crude palm oil	2,714,374	3,510,141
Palm kernel	365,013	527,327
	9,065,478	8,745,773

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM32,796,781 (2024: RM31,184,452).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade receivables				
Company related to a corporate shareholder of the Company	3,646,549	4,847,096	-	-
Other receivables				
Amounts due from related parties:				
- subsidiaries	-	-	7,579,827	6,474,598
- companies related to a corporate shareholder of the Company	98,597	98,962	-	-
Deposits	164,942	161,336	7,074	7,074
Dividends receivable	-	-	16,800,000	28,000,000
Prepayments	523,305	739,713	-	-
Sundry receivables	1,545,050	872,844	-	-
	2,331,894	1,872,855	24,386,901	34,481,672
Less: Allowance for expected credit losses - sundry receivables	(82,544)	(12,584)	-	-
	2,249,350	1,860,271	24,386,901	34,481,672
	5,895,899	6,707,367	24,386,901	34,481,672
Non-current				
Other receivables				
Sundry receivables	-	470,384	-	-
Less: Allowance for expected credit losses	-	(69,960)	-	-
	-	400,424	-	-
Total trade and other receivables	5,895,899	7,107,791	24,386,901	34,481,672
Add: Cash and bank balances (Note 19)	18,216,958	42,287,692	24,951	69,945
Less: Prepayments	(523,305)	(739,713)	-	-
Total financial assets carried at amortised cost	23,589,552	48,655,770	24,411,852	34,551,617

(a) Trade receivables

Trade receivables are non-interest bearing and generally on 3 days (2024: 3 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Amounts due from companies related to a corporate shareholder of the Company

These amounts are unsecured, non-interest bearing and are repayable upon demand.

(d) Sundry receivables

Expected credit losses

The movement in allowance for expected credit losses of sundry receivables computed based on lifetime ECL are as follows:

	Group	
	2025 RM	2024 RM
At 1 January/31 December	82,544	82,544

19. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash on hand and at banks	17,590,921	16,678,075	24,951	69,945
Deposits with licensed bank	626,037	25,609,617	-	-
Total cash and bank balances	18,216,958	42,287,692	24,951	69,945
Less: Deposits with maturity more than 3 months	(626,037)	(609,617)	-	-
Cash and cash equivalents	17,590,921	41,678,075	24,951	69,945

Deposits with licensed bank of the Group amounting to RM626,037 (2024: RM609,617) are pledged as security for banking facilities granted to the Group.

Deposits are placed for a period of 12 months (2024: 12 months). The weighted average effective interest rate of deposits with a licensed bank of the Group as at the reporting date was 2.58% (2024: 3.28%).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

20. LOANS AND BORROWINGS

The Group has secured banking facilities totalling RM37 million for purpose of working capital requirements of the Group. The banking facilities were not utilised as at the reporting date. These banking facilities of the Group are secured by the following:

- (i) Corporate guarantees granted by the Company.
- (ii) Assignment of rights, title and interest including but not limited to the right to occupy and develop a parcel of land (Note 13).
- (iii) Pledge of deposits with licensed bank (Note 19).

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes	
	01.01.2025 RM	Cash flows RM	Others RM	31.12.2025 RM
Lease liabilities				
- current	41,538	(41,538)	41,538	41,538
- non-current	1,981,724	-	(41,538)	1,940,186
Total	2,023,262	(41,538)	-	1,981,724

			Non-cash changes	
	01.01.2024 RM	Cash flows RM	Others RM	31.12.2024 RM
Lease liabilities				
- current	44,765	(41,538)	38,311	41,538
- non-current	2,020,035	-	(38,311)	1,981,724
Total	2,064,800	(41,538)	-	2,023,262

The 'others' column is related to reclassification of non-current portion of loans and borrowings due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	1,365,080	1,876,870	-	-
Other payables				
Amounts due to related parties:				
- subsidiary	-	-	9,879	-
- corporate shareholder of the company	142,446	141,566	-	-
- companies related to a corporate shareholder of the company	326,883	70,800	-	-
- a subsidiary of holding company	455,400	455,400	-	-
Accruals	4,682,758	11,041,729	132,600	109,275
Retention sum for contract work	500,623	819,323	-	-
Sundry payables	17,113,422	8,875,315	1,882	15,592
	23,221,532	21,404,133	144,361	124,867
Total trade and other payables	24,586,612	23,281,003	144,361	124,867
Add: Lease liabilities (Note 15)	1,981,724	2,023,262	-	-
Total financial liabilities carried at amortised cost	26,568,336	25,304,265	144,361	124,867

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from one month to three months (2024: one month to three months).

(b) Sundry payables

Sundry payables are non-interest bearing and have an average term of 30 to 60 days (2024: 30 to 60 days).

(c) Amounts due to related parties

These amounts are unsecured, non-interest bearing and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

22. DEFERRED TAX

	As at 1 January 2024 RM	Recognised in profit or loss (Note 11) RM	As at 31 December 2024 RM	Recognised in profit or loss (Note 11) RM	As at 31 December 2025 RM
Group					
Deferred tax liabilities:					
Property, plant and equipment	66,827,989	(2,128,243)	64,699,746	(834,684)	63,865,062
Right-of-use assets	496,476	(9,969)	486,507	(9,969)	476,538
Biological assets	4,780,324	3,193,446	7,973,770	2,179,782	10,153,552
	72,104,789	1,055,234	73,160,023	1,335,129	74,495,152
Deferred tax assets:					
Accrual of land lease rental	(1,269,230)	-	(1,269,230)	-	(1,269,230)
Lease liabilities	(495,552)	9,969	(485,583)	9,969	(475,614)
Other deductible temporary differences	-	-	-	(524,648)	(524,648)
	(5,544,552)	(2,056,759)	(7,601,311)	(3,029,503)	(10,630,814)
	66,560,237	(1,001,525)	65,558,712	(1,694,374)	63,864,338

Deferred tax assets have not been recognised in respect of the following item:

	Group and Company	
	2025 RM	2024 RM
Unutilised business losses	2,093,350	2,093,350
At statutory tax rate	24%	24%
	502,404	502,404

Unutilised business losses

At the reporting date, the Company has business losses that is available for offset against future taxable profits of the Company, for which no deferred tax assets are recognised because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation. Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised business losses can only be carried forward until the following year of assessment:

	Group and Company	
	2025 RM	2024 RM
Year of assessment 2028	2,093,350	2,093,350

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid up, at no par value				
At 1 January/31 December	478,857,950	478,857,950	239,675,958	239,675,958

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

24. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Property, plant and equipment:		
Approved and contracted for	2,655,081	3,211,240

25. CONTINGENT LIABILITY

Claim made by Benta Wawasan Sdn. Bhd.

Based on the Agreement for Oil Palm Plantation entered between Benta Wawasan Sdn. Bhd. ("Benta") and a subsidiary, Serijaya Industri Sdn. Bhd. ("SJI") dated 18 November 2005 together with the 1st and 2nd Supplemental Agreements (the "AOPP Agreements"), SJI would need to pay a variable lease payment based on FFB production starting in 2017. On 9 July 2018, SJI and Benta entered into a Third Supplemental Agreement (the "3rd Supplemental Agreement"), whereby both parties mutually agreed that SJI should pay rental on the land for oil palm plantation of RM2,201,502 covering the period from year 2018 to year 2070 in an equal annual payment of RM41,538 and interest on the total outstanding rental sum at the rate of 8% per annum on a reducing balance basis. A right-of-use asset and corresponding lease liability have been accounted for and disclosed in Note 15.

Via a letter dated 10 January 2019, Benta informed SJI that the 3rd Supplemental Agreement was not approved by the board of directors of Benta. Subsequently, Benta issued a letter dated 6 March 2019 and an invoice dated 8 March 2019, claiming for the variable lease payments for year 2017 and year 2018 amounting to RM5,288,459 and RM4,261,721 respectively, based on the terms of the AOPP Agreements. The rental for year 2017 of RM5,288,459 has been recognised by the Group.

For the financial year ended 31 December 2018, other than the fixed rental amount of RM41,538, no variable lease payment was recognised. The variable lease payments for the financial years ended 31 December 2019, 2020, 2021, 2022, 2023 and 2024, should the terms in the AOPP Agreements be applied, amounted to approximately RM3,210,593, RM6,322,110, RM14,706,925, RM19,519,265, RM15,480,031 and RM20,592,480 respectively. These amounts were also not recognised in these financial statements as the Group believes that the 3rd Supplemental Agreement is a valid and binding agreement mutually agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

25. CONTINGENT LIABILITY (CONTINUED)

Claim made by Benta Wawasan Sdn. Bhd. (continued)

SJI had been advised by its legal counsel that SJI had a strong case to continue and to maintain that the 3rd Supplemental Agreement is valid and binding. Further, Benta would be time-barred from commencing an arbitration or court action or application to set aside the 3rd Supplemental Agreement on 10 January 2025, which is six years from the date on which Benta discovered that the 3rd Supplemental Agreement was not approved by its Board of Directors and the date on which Benta wrote to SJI to dispute the same.

During the financial year, Benta did not commence any arbitration nor court action nor application (“legal proceedings”) to set aside the 3rd Supplemental Agreement. Consequently, the Directors are of the view that Benta is time-barred by limitation to commence legal proceedings to set aside the 3rd Supplemental Agreement. Therefore, the directors are of the view that no contingent liability resulting from this claim exists after 10 January 2025.

26. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2025 RM	2024 RM
Income		
Companies related to a corporate shareholder of the Company:		
Sale of oil palm fresh fruit bunches	616,479	375,161
Sale of crude palm oil	239,558,895	249,927,650
Sale of palm kernel	33,064,820	26,516,083
Sale of shell and fibre	166,023	187,329
Expenditures		
Companies related to holding company:		
Lease of land	191,074	194,061
Rental of office	51,300	55,575
Corporate shareholder of the Company - TSH Resources Berhad:		
Rental of office	135,685	124,291
Mill management fee	139,941	128,128
Companies related to a corporate shareholder of the Company:		
Purchase of tree seedlings	1,190,400	848,580
Purchase of organic fertilisers	901,929	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

26. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year: (continued)

	Company	
	2025 RM	2024 RM
Expenditures (continued)		
Subsidiaries:		
Management fees	105,615	105,615
Companies related to holding company:		
Rental of office	51,300	55,575

Information regarding outstanding balances arising from related party transactions as at reporting date are disclosed in Note 18 and Note 21.

(b) Compensation of key management personnel, who are also directors of the Company and the Group, are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' remuneration (Note 10)	1,938,569	2,272,411	264,900	264,900

27. FAIR VALUE OF ASSETS AND LIABILITIES

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The followings are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Trade and other payables	21
Lease liabilities	15

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the short-term maturities of these instruments or evaluated by the Group based on estimation by discounting expected future cash flows at market incremental lending rate for similar types of lending arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Determination of fair value (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

The carrying amounts of the current portion of lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of lease liabilities are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market price risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group 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.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM37,000,000 (2024: RM37,000,000) relating to corporate guarantee provided by the Company to bankers on credit facilities granted to a subsidiary.

Credit risk concentration profile

At the reporting date, 100% (2024: 100%) of the Group's trade receivable was due from one major related party.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18. The Group does not hold collateral as security.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Trade receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivable:

	Gross carrying amount RM	Loss allowance provision RM
As at 31 December 2025		
Current	3,646,549	-
1 to 30 days past due	-	-
31 to 60 days past due	-	-
61 to 90 days past due	-	-
More than 91 days past due	-	-
	3,646,549	-
As at 31 December 2024		
Current	4,847,096	-
1 to 30 days past due	-	-
31 to 60 days past due	-	-
61 to 90 days past due	-	-
More than 91 days past due	-	-
	4,847,096	-

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2025				
Financial assets				
Trade and other receivables	5,372,594	-	-	5,372,594
Cash and bank balances	18,216,958	-	-	18,216,958
Total undiscounted financial assets	23,589,552	-	-	23,589,552
Financial liabilities				
Trade and other payables	24,586,612	-	-	24,586,612
Lease liabilities	187,751	717,773	4,253,442	5,158,966
Total undiscounted financial liabilities	24,774,363	717,773	4,253,442	29,745,578
Total net undiscounted financial liabilities	(1,184,811)	(717,773)	(4,253,442)	(6,156,026)
2024				
Financial assets				
Trade and other receivables	5,980,238	470,384	-	6,450,622
Cash and bank balances	42,287,692	-	-	42,287,692
Total undiscounted financial assets	48,267,930	470,384	-	48,738,314
Financial liabilities				
Trade and other payables	23,281,003	-	-	23,281,003
Lease liabilities	191,074	731,065	4,427,900	5,350,039
Total undiscounted financial liabilities	23,472,077	731,065	4,427,900	28,631,042
Total net undiscounted financial assets/ (liabilities)	24,795,853	(260,681)	(4,427,900)	20,107,272

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	On demand or within one year	
	2025 RM	2024 RM
Company		
Financial assets:		
Trade and other receivables	24,386,901	34,481,672
Cash and bank balances	24,951	69,945
Total undiscounted financial assets	24,411,852	34,551,617
Financial liabilities:		
Trade and other payables	144,361	124,867
Total undiscounted financial liabilities	144,361	124,867
Total net undiscounted financial assets	24,267,491	34,426,750
Financial guarantee contracts*	37,000,000	37,000,000

* Based on the maximum that can be called under financial guarantee contacts.

(c) Market price risk

The Group is exposed to market price risk from its operations. The market price of fresh fruit bunches, crude palm oil and palm kernel is determined by the supply, pricing and demand. These factors can result in fluctuations in the market price.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 40%. The Group includes within net debts, loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

29. CAPITAL MANAGEMENT (CONTINUED)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities	15	1,981,724	2,023,262	-	-
Trade and other payables	21	24,586,612	23,281,003	144,361	124,867
Less: Cash and cash equivalents	19	(17,590,921)	(41,678,075)	(24,951)	(69,945)
Net debt/(cash)		8,977,415	(16,373,810)	119,410	54,922
Capital:					
Equity attributable to owners of the Company		318,997,300	336,728,454	270,124,057	280,283,732
Capital and net debt		327,974,715	N/A*	270,243,467	280,338,654
Gearing ratio		3%	N/A*	-	-

* N/A as the Group is in a net cash position.

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their product and services, and has two reportable operating segments as follows:

- (i) Palm and bio-integration - Cultivation of oil palm and plantation trees, manufacture and sale of crude palm oil and palm kernel, and generation and supply of electricity from a biomass plant; and
- (ii) Corporate - Group level corporate services and treasury functions.

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 which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) is managed on a group basis and is not allocated to operating segments.

Segment analysis by geographical locations has not been presented as the Group's operations are predominantly conducted in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

30. SEGMENT INFORMATION (CONTINUED)

	Palm and bio-integration		Corporate		Adjustment and elimination		Note	Per consolidated financial statements	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM		2025 RM	2024 RM
Revenue:									
External customers	273,240,194	276,818,894	-	-	-	-		273,240,194	276,818,894
Inter segment	-	-	81,719,000	79,019,000	(81,719,000)	(79,019,000)		-	-
	273,240,194	276,818,894	81,719,000	79,019,000	(81,719,000)	(79,019,000)		273,240,194	276,818,894
Results:									
Depreciation	24,842,916	27,003,735	416	444	-	-		24,843,332	27,004,179
Dividend income	-	-	81,719,000	79,019,000	(81,719,000)	(79,019,000)		-	-
Interest income	910,544	565,071	-	-	-	-		910,544	565,071
Fair value loss/(gain) on biological assets	(1,401,008)	4,694,660	-	-	-	-		(1,401,008)	4,694,660
Other non-cash expenses	16,302	1,722	-	-	-	-	A	16,302	1,722
Segment profit	97,147,144	114,312,156	80,928,951	78,258,128	(81,719,000)	(79,019,000)	B	96,357,095	113,551,284
Assets:									
Additions to non-current assets	28,441,257	32,777,358	-	-	-	-	C	28,441,257	32,777,358
Segment assets	413,994,374	436,734,267	33,207	78,617	-	-		414,027,581	436,812,884
Segment liabilities	94,895,799	99,959,563	134,482	124,867	-	-		95,030,281	100,084,430

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

30. SEGMENT INFORMATION (CONTINUED)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2025 RM	2024 RM
Property, plant and equipment written off	16,302	1,722

B The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated statement of comprehensive income:

	2025 RM	2024 RM
Dividend income from subsidiaries	(81,719,000)	(79,019,000)

C Additions to non-current assets consist of:

	2025 RM	2024 RM
Property, plant and equipment	17,328,773	22,922,975
Biological assets - plantation trees	11,112,484	9,854,383
	28,441,257	32,777,358

31. DIVIDENDS

	2025 RM	2024 RM
Recognised during the financial year		
Dividends on ordinary shares:		
First interim single-tier tax-exempt dividend of RM0.065 per share in respect of 2025	31,125,767	-
Second interim single-tier tax-exempt dividend of RM0.025 per share in respect of 2025	11,971,449	-
Third interim single-tier tax-exempt dividend of RM0.035 per share in respect of 2025	16,760,028	-
Fourth interim single-tier tax-exempt dividend of RM0.065 per share in respect of 2024	31,125,767	-
First interim single-tier tax-exempt dividend of RM0.0225 per share in respect of 2024	-	10,774,305
Second interim single-tier tax-exempt dividend of RM0.03 per share in respect of 2024	-	14,365,738
Third interim single-tier tax-exempt dividend of RM0.038 per share in respect of 2024	-	18,196,602
Fourth interim single-tier tax-exempt dividend of RM0.03 per share in respect of 2023	-	14,365,738
	90,983,011	57,702,383

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

31. DIVIDENDS (CONTINUED)

Subsequent to the financial year end, a fourth interim single-tier tax-exempt dividend in respect of the financial year ended 31 December 2025 of RM0.025 per share on 478,857,950 ordinary shares, amounting to a dividend payable of RM11,971,449, was declared on 26 February 2026 and paid on 27 March 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 2025.

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2025 were authorised for issue by the Board in accordance with a resolution of the directors on 17 April 2026.

SHAREHOLDINGS STRUCTURE

As at 31 March 2026

Issued & Paid-up Capital : RM239,675,958
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings			No. of holders	%	No. of shares	%
1	-	99	32	0.43	785	0.00
100	-	1,000	2,220	29.78	1,783,076	0.37
1,001	-	10,000	3,764	50.49	16,926,456	3.54
10,001	-	100,000	1,288	17.28	39,705,937	8.29
100,001	-	23,942,897 (*)	148	1.99	74,911,697	15.64
23,942,898	-	and above (**)	2	0.03	345,529,999	72.16
TOTAL			7,454	100.00	478,857,950	100.00

* - Less than 5% of issued holdings

** - 5% and above of issued holdings

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of shares held	%
1.	Innoprise Corporation Sdn. Bhd.	240,469,407	50.22
2.	TSH Resources Berhad	105,060,592	21.94
3.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	21,454,717	4.48
4.	Fong Siling	5,000,000	1.04
5.	Alliance Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mutual Corridor Sdn. Bhd. (7005036)	4,920,000	1.03
6.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Salbiah Binti Shuib (CEB)	3,975,000	0.83
7.	Hildegard Maria Scheel	1,636,000	0.34
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Chee Peng (Connaught-CL)	1,200,000	0.25
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for See Seang Huat & Company Sdn Berhad (PB)	1,000,000	0.21
10.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Salbiah Binti Shuib	921,000	0.19
11.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank Of New York Mellon For Acadian Emerging Markets Micro-Cap Equity Master Fund	826,401	0.17
12.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yap Qwee Beng	800,000	0.17

SHAREHOLDINGS STRUCTURE

As at 31 March 2026

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS (CONTINUED)

No.	Name	No. of shares held	%
13.	Ooi Boon Hoi	800,000	0.17
14.	HSBC Nominees (Asing) Sdn. Bhd J.P. Morgan Securities Plc	768,400	0.16
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt AN For Astute Fund Management Berhad (EPF Sha Enh Inc)	748,600	0.16
16.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. SSBT Fund Omua for Teachers' Retirement System Of The State Of Illinois	748,500	0.16
17.	Ding Siew Choo	738,000	0.15
18.	Suresh A/L Thirugnanam	640,050	0.13
19.	Foo See Yih	600,000	0.12
20.	Nee Kock @ Loo Sek Choy	600,000	0.12
21.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Fong Thau (KKinabalu-CL)	568,600	0.12
22.	Hong Weng Hwa	560,450	0.12
23.	Lee Chee Keong	550,000	0.11
24.	Liu & Chia Holdings Sdn. Bhd.	542,200	0.11
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Chin Vong	500,000	0.10
26.	Teen Inn Hoon	490,000	0.10
27.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt AN For Phillip Securities Pte Ltd (Client Account)	464,900	0.10
28.	Ronie Tan Choo Seng	460,000	0.10
29.	Siow Kim Chen	450,000	0.10
30.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Othman Bin Walat (PB)	434,750	0.10
TOTAL		397,927,567	83.10

Substantial Shareholdings

According to the register to be kept under Section 144 of the Companies Act 2016, the following is the substantial shareholder of the Company having an interest of five percent (5%) or more of the aggregate of the amounts of all the voting shares of the Company:

No.	Name	No. of shares held	%
1.	Innoprise Corporation Sdn. Bhd.	240,479,407	50.22
2.	TSH Resources Berhad	105,060,592	21.94

Directors' Shareholdings

None of the directors of the Company has any interest, direct or indirect, in the shares of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 32nd Annual General Meeting of the Company will be held at Belian Room, 7th Floor, Borneo Royale Hotel, Eastern Plaza, Mile 1, Jalan Kuhara, 91000 Tawau, Sabah on Thursday, 21 May 2026 at 11:30 am to transact the following business:

AGENDA

ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Notes (a)</i> |
| 2. | To approve the payment of Directors' fees for the Group of an amount up to but not exceeding RM600,000 from 22 May 2026 until the next Annual General Meeting of the Company. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors' allowances and benefits for the Group of an amount up to but not exceeding RM80,000 from 22 May 2026 until the next Annual General Meeting of the Company. | <i>Resolution 2</i> |
| 4. | To re-elect the following directors retiring pursuant to Clause 97 of the Company's Constitution: | |
| | (a) Datuk Kelvin Tan Aik Pen | <i>Resolution 3</i> |
| | (b) Encik Ong Chu Yaw | <i>Resolution 4</i> |
| 5. | To re-elect Encik Lim Ted Hing as director retiring pursuant to Clause 100 of the Company's Constitution. | <i>Resolution 5</i> |
| 6. | To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Resolution 6</i> |

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution:

ORDINARY RESOLUTION

Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 7

"THAT, approval be and is hereby given, for the Renewal of the Existing Shareholders' Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2(a) of the Circular to Shareholders dated 23 April 2026 with the related parties described therein provided such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT a New Shareholders' Mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.2(b) of the Circular to Shareholders dated 23 April 2026 with the related parties described therein provided such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

AND THAT, such approval shall continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors be and are hereby authorised to complete and do such acts and things as may be required by the relevant authorities (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

- 8. To transact any other business of the Company of which due notice shall have been given to the Company in accordance with the Company's Constitution and the Act.

By Order of the Board

Chan Ai Hoon (SSM PC No. 202008003338) (LS 0000393)
 Dorin @ Doreen Aleen Binti Aji (SSM PC No. 202008003270) (LS 0009338)
 Company Secretaries

Kota Kinabalu, Sabah
 Dated: 23 April 2026

NOTES

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
- (b) For the purpose of determining member's eligibility to attend this meeting, only member whose name appears in the Record of Depositors as at 13 May 2026 shall be entitled to attend this meeting or appoint proxy to attend and/or vote on his behalf.
- (c) A member of the Company entitled to attend and vote at a meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

NOTICE OF ANNUAL GENERAL MEETING

- (d) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at any meeting at which the appointor is entitled to vote.
- (f) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Aras 7, Wisma Innoprise, Teluk Likas, 88400 Kota Kinabalu, Sabah, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- (g) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote on a poll.

EXPLANATORY NOTES

(a) Audited Financial Statements for Financial Year Ended 31 December 2025

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

(b) Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties provided that such transactions are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders. Shareholders are directed to refer to the Circular to Shareholders dated 23 April 2026 for more information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

No individual is seeking election as a Director at the 32nd Annual General Meeting of the Company.

INNOPRISE PLANTATIONS BERHAD
Registration No. 199301030333 (285072-M)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
------------------------	--

I/We, _____ NRIC No./Passport No./Company No. _____

of _____

being a *member/members of INNOPRISE PLANTATIONS BERHAD hereby appoint _____

NRIC No./Passport No. _____ of _____

or failing him/her _____ NRIC No./Passport No. _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company, to be held at Belian Room, 7th Floor, Borneo Royale Hotel, Eastern Plaza, Mile 1, Jalan Kuhara, 91000 Tawau, Sabah, on Thursday, 21 May 2026 at 11:30 am and any adjournment thereof.

I/We direct my/our proxy to vote for or against the Resolutions to be proposed at the Meeting as hereinunder indicated.

No.	Resolutions	FOR	AGAINST
1.	To approve the payment of Directors' fees for the Group from 22 May 2026 until the next Annual General Meeting.		
2.	To approve the payment of Directors' allowances and benefits for the Group from 22 May 2026 until the next Annual General Meeting.		
3.	To re-elect Datuk Kelvin Tan Aik Pen as Director.		
4.	To re-elect Encik Ong Chu Yaw as Director.		
5.	To re-elect Encik Lim Ted Hing as Director.		
6.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the Meeting will act as proxy).

No. of Shares held	
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Dated this _____ day of _____ 2026

Signature/Common Seal of Member(s)

Percentage of shareholdings to be represented by proxies:

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

NOTES

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
- (b) For the purpose of determining member's eligibility to attend this meeting, only member whose name appears in the Record of Depositors as at 13 May 2026 shall be entitled to attend this meeting or appoint proxy to attend and/or vote on his behalf.
- (c) A member of the Company entitled to attend and vote at a meeting of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- (d) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at any meeting at which the appointor is entitled to vote.
- (f) The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Aras 7, Wisma Innoprise, Teluk Likas, 88400 Kota Kinabalu, Sabah, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- (g) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote on a poll.

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Affix
Stamp

The Company Secretary
INNOPRISE PLANTATIONS BERHAD
Registration No. 199301030333 (285072-M)
Aras 7, Wisma Innoprise,
Teluk Likas, 88400 Kota Kinabalu,
Sabah.
Tel : 088-214 568
Fax : 088-214 577

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www.innoprise.com.my

Innoprise Plantations Berhad

Registration No.: 199301030333 (285072-M)

Aras 7, Wisma Innoprise,
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