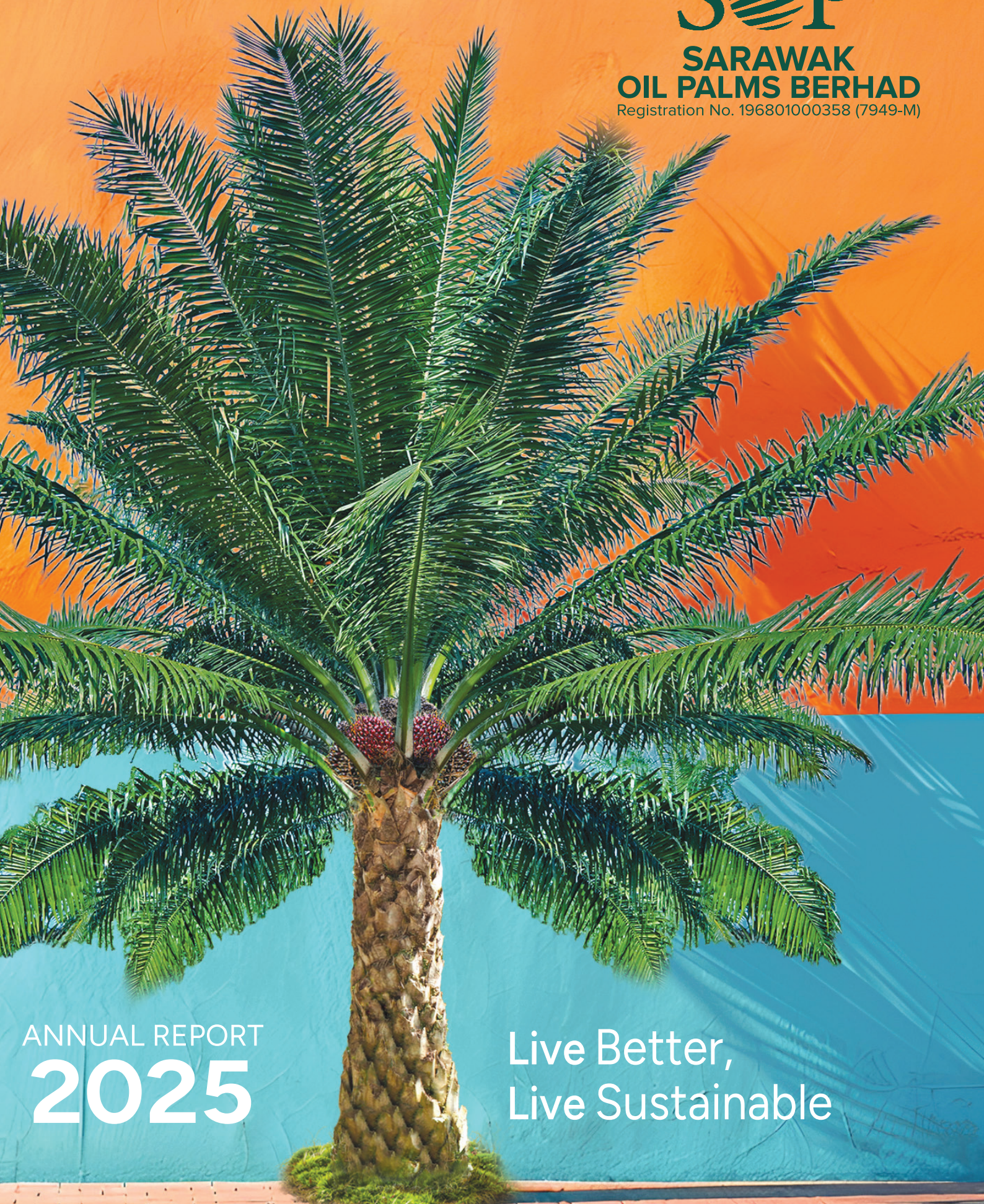




**SARAWAK
OIL PALMS BERHAD**
Registration No. 196801000358 (7949-M)



ANNUAL REPORT
2025

Live Better,
Live Sustainable



Cover Rationale

SOP Products are designed to be part of everyday living – enhancing comfort, health, safety, convenience and peace of mind while being produced, developed and managed through responsible and sustainable practices across the value chain.

Our Vision

To Become a Diversified Corporation with Global Recognition.

Our Core Values

- ▶ Insist on Quality
- ▶ Be Competitive and Have Strong Will to Succeed
- ▶ Continuous Improvement in Productivity and Performance
- ▶ Integrity and Professionalism
- ▶ Team Spirit and Unity
- ▶ Continuous Growth, Improvement and Development of Skill and Knowledge
- ▶ See Changes as Opportunities
- ▶ Environmentally and Safety Conscious



TABLE OF CONTENTS

4	At a Glance	39	Sustainability Report 2025
6	Ten Years Financial Record	120	Corporate Governance Overview Statement
8	Ten Years Crop Record	132	Statement on Risk Management and Internal Control
10	Ten Years Statistical Highlights	135	Group Audit and Risk Management Committee Report
12	Corporate Information	138	Statement on Directors' Responsibility
14	Profile of Board of Directors	139	Additional Compliances Information
25	Profile of Group Chief Executive Officer	144	Financial Statements
26	Profile of Key Senior Management	260	Properties of the Group
31	Key Management Team	264	Analysis of Shareholdings
32	Chairman's Statement	266	Thirty Largest Shareholders
34	Management Discussion and Analysis	268	Notice of Annual General Meeting
		280	Statement Accompanying Notice of the Fifty-Eighth Annual General Meeting of Sarawak Oil Palms Berhad
		•	Form of Proxy

58th Annual General Meeting

Day & Date

Thursday, 25 June 2026



Time

10.00 am



Venue

The Conference Room
of Imperial Hotel, Jalan Pos,
98000 Miri, Sarawak, Malaysia.



Download Annual Report 2025

This report is available at
www.sop.com.my/investor-relations/#annual-reports/

To access our Annual Report, please download the QR code reader to your smartphone by scanning the image on the top.

AT A GLANCE

TURNOVER

RM5,680.31
MILLION

FY2024: RM5,318.34 million



OPERATING PROFIT

RM620.42
MILLION

FY2024: RM584.48 million



PROFIT BEFORE TAXATION

RM660.08
MILLION

FY2024: RM615.94 million



TOTAL SHAREHOLDERS' FUND

RM4,126.61
MILLION

FY2024: RM3,814.65 million



NET ASSETS

RM4,329.85
MILLION

FY2024: RM3,985.95 million



Location of the SOP Operational Units

1

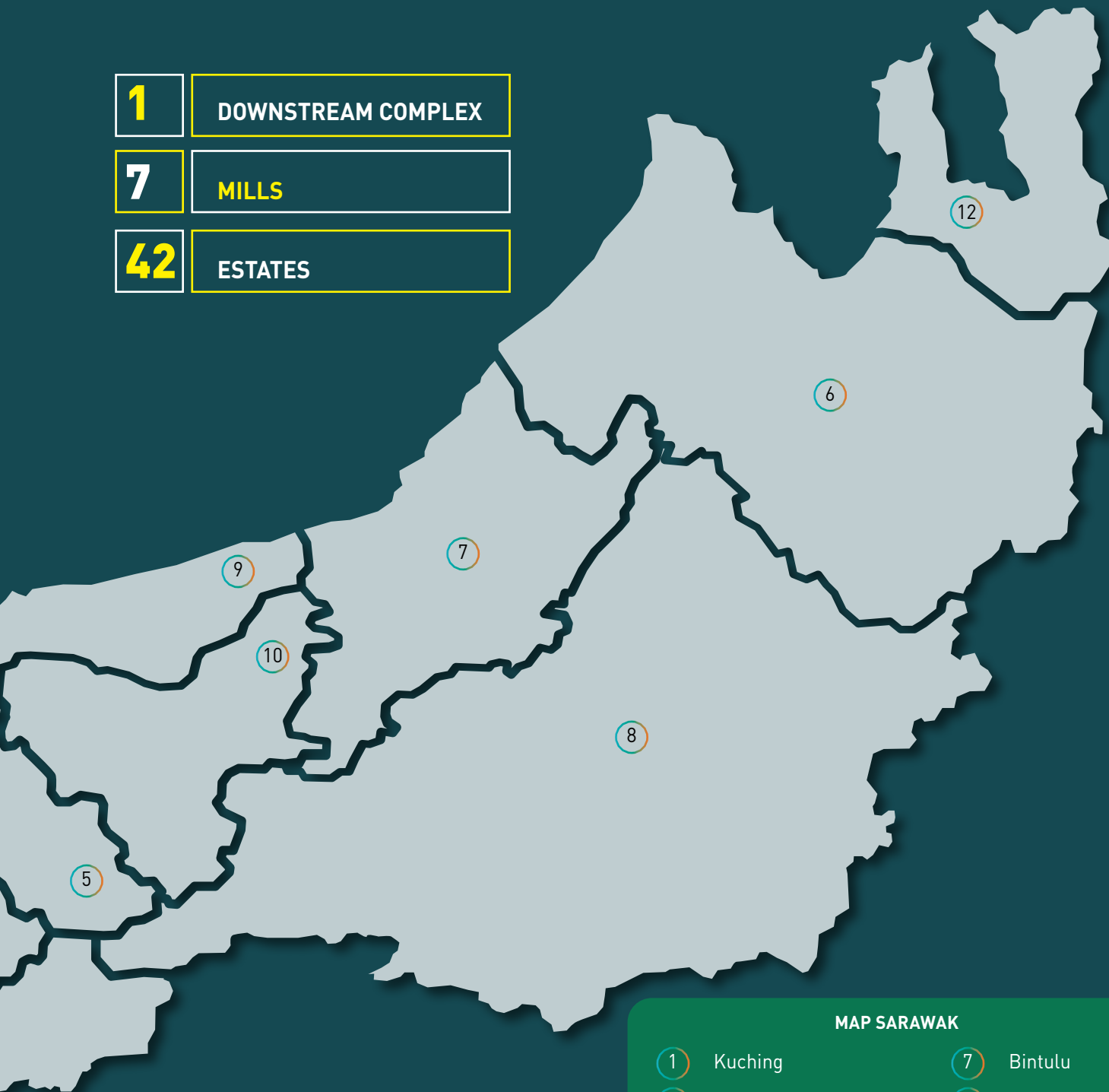
DOWNSTREAM COMPLEX

7

MILLS

42

ESTATES



MAP SARAWAK

- | | | | |
|---|----------------|---|---------|
| ① | Kuching | ⑦ | Bintulu |
| ② | Kota Samarahan | ⑧ | Kapit |
| ③ | Sri Aman | ⑨ | Mukah |
| ④ | Betong | ⑩ | Sibu |
| ⑤ | Sarikei | ⑪ | Serian |
| ⑥ | Miri | ⑫ | Limbang |

TEN YEARS FINANCIAL RECORD

Results

(RM'000)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Turnover	4,416,122	4,913,351	3,603,898	2,971,870	2,778,603	4,431,026	5,308,285	5,123,689	5,318,342	5,680,311
Profit before taxation	195,960	351,458	108,997	131,308	302,199	712,989	668,789	420,721	615,938	660,075
Profit after taxation	142,288	252,290	67,907	91,592	220,158	541,499	504,250	314,372	465,792	470,223
Total shareholders' fund	1,874,679	2,108,168	2,142,636	2,203,365	2,378,623	2,802,119	3,295,111	3,514,033	3,814,645	4,126,611
Total assets	4,332,737	4,289,652	4,126,013	4,182,321	4,258,087	4,656,852	4,893,976	5,213,241	5,211,209	5,720,201
Total borrowings	1,188,332	1,412,881	1,271,854	1,236,272	1,109,012	1,017,789	760,954	845,088	527,444	622,627
Issued & paid-up capital	570,111	819,860	820,085	820,091	820,982	823,162	914,474	914,901	925,619	940,753
Dividend (Net of tax)	22,090	28,540	34,252	28,544	28,546	57,168	71,212	89,030	151,673	143,337



TEN YEARS FINANCIAL RECORD

Financial Statistics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Profit before taxation /turnover (%)	4.4	7.2	3.0	4.4	10.9	16.1	12.6	8.2	11.6	11.6
Gross Dividend (sen/share)	5.0	5.0	6.0	5.0	5.0	10.0	10.0	10.0	17.0	16.0
Net earnings per share (sen) - Basic	18.70	27.21	7.30	10.45	23.83	59.48	54.65	33.80	50.08	50.00
Net earnings per share (sen) - Diluted	18.68	27.17	7.30	10.45	23.83	59.32	54.53	33.77	49.91	49.84
Net tangible assets per share (RM)	2.00	2.27	2.31	2.38	2.58	3.07	3.51	3.76	4.08	4.41

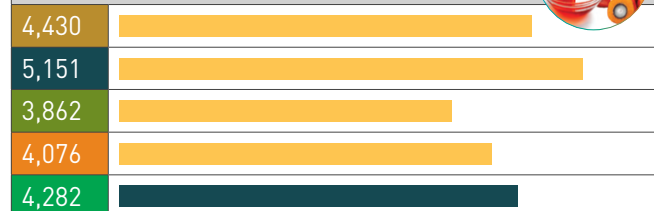
Palm Products Average Realised Prices

2021 2022 2023 2024 2025

Refined Palm Products (RM/MT)



Crude Palm Oil (RM/MT)



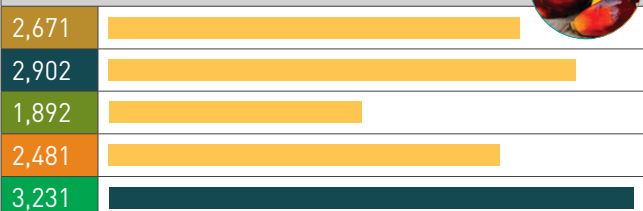
Palm Kernel Oil (RM/MT)



Palm Kernel Cake (RM/MT)



Palm Kernel (RM/MT)



TEN YEARS CROP RECORD

Planted Hectarage, Production and Produce Prices

Oil Palms (Ha)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mature	77,115	78,607	80,772	79,872	81,198	81,809	81,312	80,091	72,582	69,697
Immature	10,629	9,380	7,614	7,699	6,766	5,173	3,175	2,218	11,334	14,757
Total	87,744	87,987	88,386	87,571	87,964	86,982	84,487	82,309	83,916	84,454
Area under development, Reserves, Unplanted, Building sites, etc	32,553	32,311	33,575	34,423	34,030	35,845	38,533	40,707	39,100	38,553
Total Area Under Lease	120,297	120,298	121,961	121,994	121,994	122,827	123,020	123,016	123,016	123,007

FFB Crop (Tonnes)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Estate Crop	1,010,836	1,374,712	1,340,474	1,341,979	1,358,049	1,246,249	1,193,846	1,226,566	1,250,347	1,289,454
Outside Crop	603,405	669,525	756,692	727,410	688,210	727,658	751,750	734,330	783,105	763,026
	1,614,241	2,044,237	2,097,166	2,069,389	2,046,259	1,973,907	1,945,596	1,960,896	2,033,452	2,052,480
Crude Palm Oil (Produced)	315,221	411,930	419,356	416,682	390,481	384,253	373,998	390,543	391,733	391,424
Palm Kernels (Produced)	66,288	84,490	87,492	88,344	84,414	83,968	83,007	84,951	83,133	86,623
	381,509	496,420	506,848	505,026	474,895	468,221	457,005	475,494	474,866	478,047

Yield Per Hectare	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tonnes FFB/Mature Hectares	16.79	17.07	16.40	16.57	16.58	15.23	14.50	15.02	16.69	18.13
Crude Palm Oil/FFB	19.97%	20.65%	20.53%	20.72%	19.70%	20.10%	19.96%	20.63%	20.03%	20.30%
Palm Kernels/FFB	4.20%	4.23%	4.28%	4.39%	4.26%	4.39%	4.43%	4.49%	4.25%	4.38%

TEN YEARS CROP RECORD

Planted Area Statistics

PALM AGE (YRS)



Immature (Below 4 yrs)

As at 31/12/2025

14,757
Area (HA)

As at 31/12/2024

11,545
Area (HA)



Prime (11-20 yrs)

As at 31/12/2025

51,413
Area (HA)

As at 31/12/2024

52,394
Area (HA)



Young (4-10 yrs)

As at 31/12/2025

10,484
Area (HA)

As at 31/12/2024

11,283
Area (HA)



Old (21 yrs & above)

As at 31/12/2025

7,800
Area (HA)

As at 31/12/2024

8,694
Area (HA)

FFB PRODUCTION AND EXTRACTION RATES

Group mature area (ha)

69,697
(2024: 72,582)

Group FFB production (mt)

1,289,454
(2024: 1,250,347)

Total FFB processed (mt)

1,978,427
(2024: 1,955,357)

Group CPO Production (mt)

391,424
(2024: 391,733)

Group Palm Kernel Production (mt)

86,623
(2024: 83,133)

Group FFB average yield (mt/ha)

18.13
(2024: 16.69)

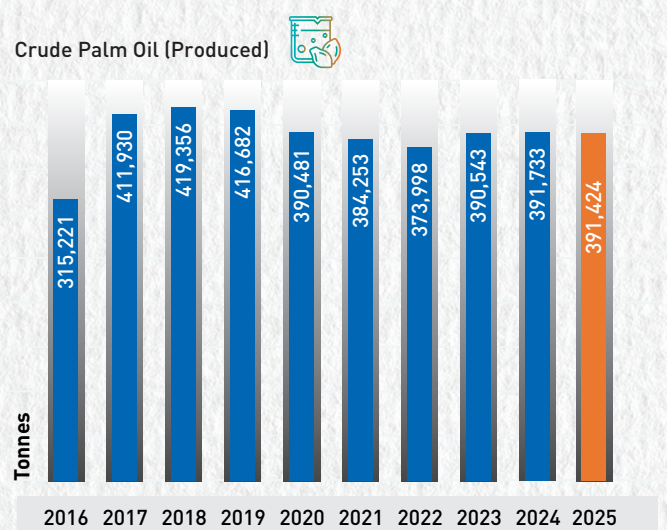
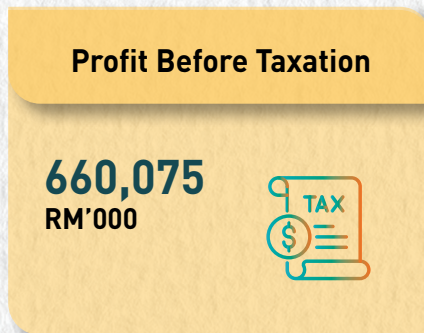
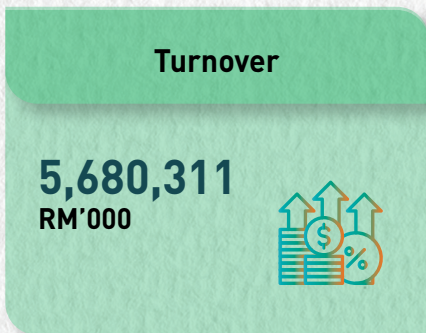
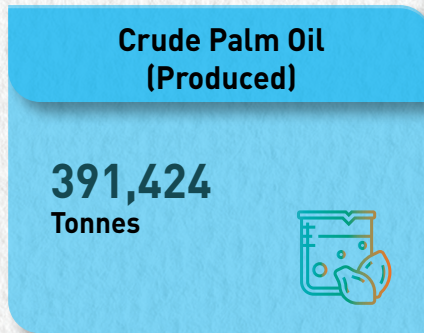
Group average oil extraction rate (OER) (%)

20.30%
(2024: 20.03%)


Group average kernel extraction rate (KER) (%)

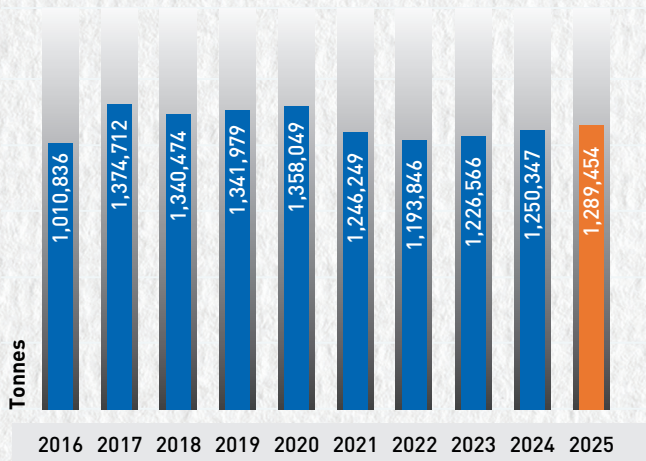
4.38%
(2024: 4.25%)


TEN YEARS STATISTICAL HIGHLIGHTS

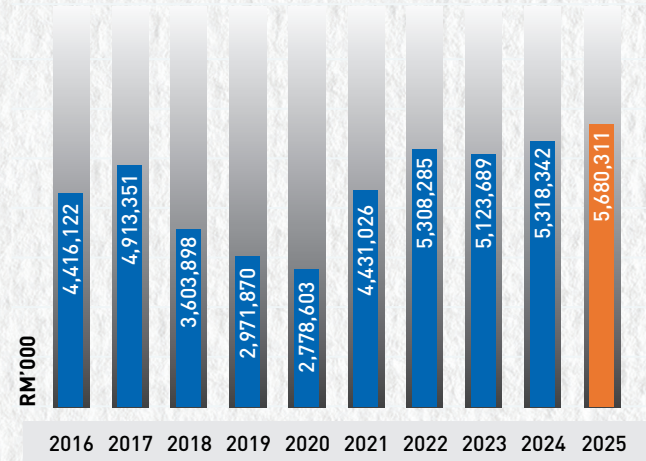





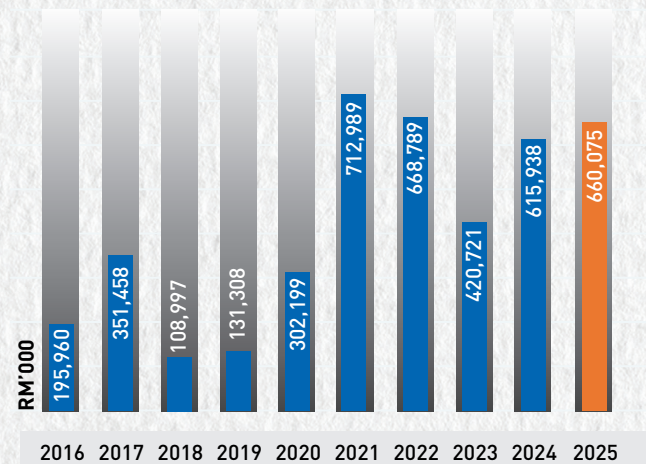
Estate Crop 




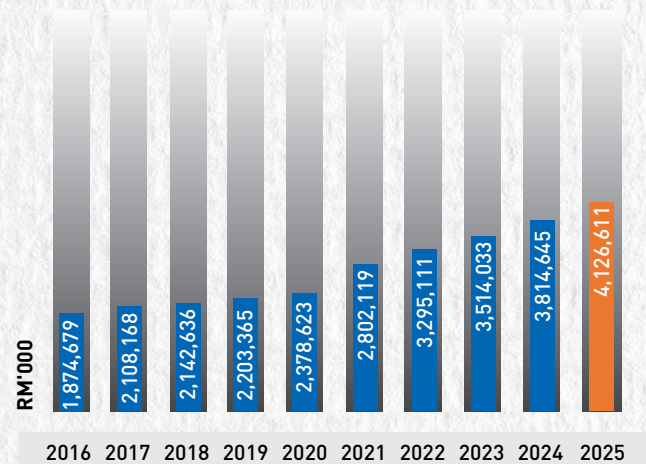
Turnover 



Profit Before Taxation 



Total Shareholders' Fund 



CORPORATE INFORMATION

BOARD OF DIRECTORS



1. **Ling Lu Kuang**
Group Executive Chairman
2. **Ling Chiong Sing**
Non-Independent Non-Executive
3. **Ling Pau Pau**
Non-Independent Non-Executive
4. **Tang Tiong Ing**
Non-Independent Non-Executive
5. **Datu Sr. Haji Zaidi Bin Haji Mahdi**
Non-Independent Non-Executive
6. **Datu Hasmawati Binti Sapawi**
Non-Independent Non-Executive
7. **Bibi Umizah Binti Osman**
Non-Independent Non-Executive
8. **Fong Yoo Kaw @ Fong Yee Kow, Victor**
Independent Non-Executive
[Retired on 25 April 2026]
9. **Chua Chen San**
Independent Non-Executive
10. **Perpetua Phang**
Independent Non-Executive
11. **Lau Phui Ching, Regina**
Independent Non-Executive
[Appointed on 25 April 2026]

GROUP AUDIT AND RISK MANAGEMENT COMMITTEE (GARC)



Fong Yoo Kaw @ Fong Yee Kow, Victor
Chairman
Independent Non-Executive
[Retired on 25 April 2026]

Tang Tiong Ing
Non-Independent Non-Executive
[Resigned on 25 April 2026]

Chua Chen San
Chairman [Appointed on 25 April 2026]
Independent Non-Executive

Ling Pau Pau
Non-Independent Non-Executive

Perpetua Phang
Independent Non-Executive



CORPORATE INFORMATION

INVESTMENT COMMITTEE



Ling Lu Kuang

Chairman
Group Executive Chairman

Fong Yoo Kaw @ Fong Yee Kow, Victor

Independent Non-Executive
[Retired on 25 April 2026]

Chua Chen San

Independent Non-Executive

Datu Sr. Haji Zaidi Bin Haji Mahdi

Non-Independent Non-Executive
[Appointed on 31 January 2025]

Wong Hee Kwong

Group Chief Executive Officer

Lau Phui Ching, Regina

Independent Non-Executive
[Appointed on 25 April 2026]

NOMINATION COMMITTEE



Fong Yoo Kaw @ Fong Yee Kow, Victor

Chairman
Independent Non-Executive
[Retired on 25 April 2026]

Chua Chen San

Independent Non-Executive

Tang Tiong Ing

Non-Independent Non-Executive

Lau Phui Ching, Regina

Chairman
Independent Non-Executive
[Appointed on 25 April 2026]

EMPLOYEES' SHARE OPTION SCHEME (ESOS) COMMITTEE



Ling Lu Kuang

Chairman
Group Executive Chairman

Chua Chen San

Independent Non-Executive

Fong Yoo Kaw @ Fong Yee Kow, Victor

Independent Non-Executive
[Retired on 25 April 2026]

Datu Sr. Haji Zaidi Bin Haji Mahdi

Non-Independent Non-Executive
[Appointed on 31 January 2025]

Wong Hee Kwong

Group Chief Executive Officer

Lau Phui Ching, Regina

Independent Non-Executive
[Appointed on 25 April 2026]

REMUNERATION COMMITTEE



Fong Yoo Kaw @ Fong Yee Kow, Victor

Chairman
Independent Non-Executive
[Retired on 25 April 2026]

Chua Chen San

Independent Non-Executive

Datu Sr. Haji Zaidi Bin Haji Mahdi

Non-Independent Non-Executive
[Appointed on 31 January 2025]

Lau Phui Ching, Regina

Chairman
Independent Non-Executive
[Appointed on 25 April 2026]

GROUP BUSINESS ADVISOR



Tan Sri Datuk Ling Chiong Ho

GROUP CHIEF EXECUTIVE OFFICER



Wong Hee Kwong

COMPANY SECRETARY



Eric Kiu Kwong Seng

REGISTERED OFFICE



No. 124-126, Jalan Bendahara,
P.O. Box 547, 98007 Miri,
Sarawak, Malaysia
Tel : (6085) 436 969
Fax : (6085) 432 929
Email: sop.cs@sopb.com.my

SHARE REGISTRARS



Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
Tel : (603) 7890 4700
Fax : (603) 7890 4670
Email: BSR.Helpdesk
@boardroomlimited.com

AUDITORS



KPMG PLT Auditors

PRINCIPAL BANKERS



AmBank Islamic Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING



Main Market of Bursa Malaysia Securities Berhad

Stock Name : SOP

Stock Code : 5126

DOMICILE



MALAYSIA

PROFILE OF BOARD OF DIRECTORS

LING LU KUANG Group Executive Chairman



Date of first appointment as Director

27 June 2008

Date of appointment as Group Executive Chairman

1 March 2022

Board Committee(s)

- Employees' Share Option Scheme (ESOS) Committee – Chairman.
- Investment Working Committee – Chairman.

Academic and Professional Qualification(s)

- Bachelor of Commerce in Management and Operation Management, University of Auckland, New Zealand.

Other Commitment(s)

- Non-Executive Director of Shin Yang Holding Group of Companies which involved in domestic and international shipping, property development, property management and hotel business.

Working and Professional Experience

- More than 15 years working experience as Executive Director actively involved in managerial role in several companies of various divisions of Shin Yang Holding Group of companies including timber manufacturing, marketing, construction, property development, infrastructure, oil palm and reforestation.

Affiliations and Potential Areas of Interest

- Eldest son of Tan Sri Datuk Ling Chiong Ho who is the Group Business Advisor of the Company.
- Deemed a connected party to Shin Yang Plantation Sdn. Bhd, a substantial shareholder of the Company.
- Deemed interested in various transactions between the SOPB Group and certain companies carried out in the ordinary course of business by virtue of his common directorships and/or shareholdings in these companies.

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

LING CHIONG SING

Non-Independent Non-Executive Director



Date of first appointment as Director

1 December 2006

Board Committee(s)

- NIL

Academic and Professional Qualification(s)

- Graduated from Taiwan in Accounting.

Other Commitment(s)

- Chief Executive Director of Shin Yang Holding Group of Companies.
- Group Managing Director of Shin Yang Group Berhad.
- Chairman of Miri Chinese Chamber of Commerce and Industry (MCCCI) for the term of 2021-2026
- Vice-Chairman of Sarawak Chinese Chamber of Commerce and Industry (SCCCI) for the term of 2021 - 2026
- Permanent council member of Sarawak Timber Association since March 2010.
- Board Member of Miri Port Authority (MPA) since 2022.

Working and Professional Experience

- More than 30 years of managerial experience and very hands on in the business of logging, plywood, shipping and shipbuilding, quarry operations, transportation, construction and project fields.

Affiliations and Potential Areas of Interest

- Brother of Tan Sri Datuk Ling Chiong Ho who is the Group Business Advisor of the Company.
- Deemed a connected party to Shin Yang Plantation Sdn. Bhd, a substantial shareholder of the Company.
- Deemed interested in various transactions between the SOPB Group and certain companies carried out in the ordinary course of business by virtue of his common directorships and/or shareholdings in these companies.

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

LING PAU PAU

Non-Independent Non-Executive Director



Date of first appointment as Director

1 March 2022

Board Committee(s)

- Group Audit and Risk Management Committee – Member.

Academic and Professional Qualification(s)

- Bachelor of Commerce in Accounting and Finance, University of Auckland, New Zealand.
- Member of Malaysian Institute of Accountants.
- Member of Certified Practising Accountants of Australia.

Other Commitment(s)

- Finance Manager of Shin Yang Holding Group of Companies.

Working and Professional Experience

- Joined Shin Yang Holding Group of Companies since year 2004.
- Audit Senior of Ernst & Young, Sarawak, prior to year 2004.
- More than 20 years working experience in financial and auditing (including accounting, tax, finance, treasury, and statutory reporting).

Affiliations and Potential Areas of Interest

- Does not hold any other directorship in public companies and listed issuers.
- Daughter of Tan Sri Datuk Ling Chiong Ho who is the Group Business Advisor of the Company.
- Sister to the Group Executive Chairman, Mr. Ling Lu Kuang.
- Deemed a connected party to Shin Yang Plantation Sdn. Bhd, a substantial shareholder of the Company.
- Deemed interested in various transactions between the SOPB Group and certain companies carried out in the ordinary course of business by virtue of her common directorships and/or shareholdings in these companies.

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

TANG TIONG ING

Non-Independent Non-Executive Director



Date of first appointment as Director

16 June 1995

Board Committee(s)

- Group Audit and Risk Management Committee – Member. [Resigned on 25 April 2026]
- Nomination Committee – Member.

Academic and Professional Qualification(s)

- Graduated from University of Malaya with Bachelor in Accounting with Honours.
- Member of Malaysian Institute of Accountants.
- Member of Chartered Tax Institute of Malaysia.
- Member of Fellow Certified Practising Accountants of Australia.
- Member of Malaysian Association of Company Secretaries.

Other Commitment(s)

- NIL

Working and Professional Experience

- Joined Lau Hoi Chew & Co., a Certified Public Accounting firm in 1984 and was promoted to head the Miri Branch in 1985 till 1990.
- Joined Shin Yang Holding Group as a Group Accountant in year 1991.
- Oversaw all the financial and accounting functions, corporate taxation, treasury, corporate planning and company secretarial function of the diversified Shin Yang Holding Group
- Re-designated as Head of Corporate Finance cum Head of Corporate Secretary of Shin Yang Holding Group of Companies effective from 1st November 2025.

Affiliations and Potential Areas of Interest

- Does not hold any other directorship in public companies and listed issuers.
- Appointed representative of Shin Yang Plantation Sdn. Bhd., a substantial shareholder of the Company.

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

DATU SR. HAJI ZAIDI BIN HAJI MAHDI

Non-Independent Non-Executive Director



Date of first appointment as Director

10 May 2024

Board Committee(s)

[Appointed on 31 January 2025]

- Investment Committee – Member.
- Employees' Share Option Scheme (ESOS) Committee – Member.
- Remuneration Committee – Member.

Academic and Professional Qualification(s)

- BSc. Hons in Property Valuation and Management – City University London 1988.
- Executive Master in Business Administration (MBA) – UITM 2003.
- Fellow of the Royal Institution of Surveyors Malaysia.

Other Commitment(s)

- General Manager, Land Custody and Development Authority (LCDA).
- Chief Executive Officer, LCDA Holdings Sdn Bhd.
- Honorary Fellow, International Institute of Utility Specialists, Hong Kong.

Working and Professional Experience

- Valuer, Property Consultants (1988 - 1989).
- Valuer, Land & Survey Department (1989 - 1999).
- Superintendent, Land & Survey Department (1999 - 2003).
- Assistant Director of Valuation, Land & Survey Department (2003 - 2012).
- Deputy Director of Operation, Land & Survey Department (2012 - 2016).
- Director, Land & Survey Department (January 2017 - 16 September 2019).
- Permanent Secretary, Ministry of Urban Development & Natural Resources (17 September 2019 - 30 April 2024).

Affiliations and Potential Areas of Interest

- Does not hold any other directorship in public companies and listed issuers.
- Appointed representative of LCDA Holdings Sdn. Bhd., a substantial shareholder of the Company.

Attendance

- Two (2) out of four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

DATU HASMAWATI BINTI SAPAWI

Non-Independent Non-Executive Director



Date of first appointment as Director

29 July 2021

Board Committee(s)

- NIL

Academic and Professional Qualification(s)

- Bachelor of Arts (Hons, Economics), Canada.
- Master of Business Administration, Australia.
- Master of Environmental Management (Development Planning), Malaysia.

Other Commitment(s)

- Appointed as Non-Independent Non-Executive Director in Sarawak Plantation Berhad on 25 November 2011.
- Appointed as Independent Non-Executive Director in Dayang Enterprise Holdings Bhd on 03 January 2020.
- Deputy State Financial Secretary since 2021.

Working and Professional Experience

- Started her career as an Economist in Investment Division at Land Custody & Development Authority (LCDA) from November 1992 to December 2005 before serving the State Financial Secretary's Office (SFSO) on a secondment basis until December 2007.
- Employed on a permanent basis with SFSO.
- Director of Corporate Services & Investment Division at SFSO since April 2008 to June 2021, handling corporate finance and investment activities.

Affiliations and Potential Areas of Interest

- Appointed representative of State Financial Secretary Sarawak, a substantial shareholder of the Company.

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

BIBI UMIZAH BINTI OSMAN

Non-Independent Non-Executive Director



Date of first appointment as Director

1 March 2023

Board Committee(s)

- NIL

Academic and Professional Qualification(s)

- Bachelor Degree in LLB (Hons), International Islamic University of Malaysia, Kuala Lumpur (IIUM).
- Master of Science (Human Resource Development), Universiti Malaysia Sarawak (UNIMAS).

Other Commitment(s)

- Chief Executive Officer for LCDA Agri Business Sdn. Bhd.

Working and Professional Experience

- Legal practitioner with Messrs. Abdul Rahim, Razak Tready Fadillah & Co. Advocates both Civil and Syariah matter from 2000 to 2003.
- Joined LCDA Holdings Sdn Bhd (LHSB) as Legal Executive from 1 April 2003 until early 2017.
- Appointed as Senior Manager, Human Resource Division of LHSB in 2017 till 2018.
- Tasked to lead Land Management Division of LHSB from September 2018 until 30 September 2022.
- Appointed as Senior Manager Legal and Secretarial Division and also covering for Senior Manager for Land Management Division on 1 October 2022.

Affiliations and Potential Areas of Interest

- Does not hold any directorship in public companies and listed issuers.
- Appointed representative of LCDA Holdings Sdn. Bhd., a substantial shareholder of the Company.

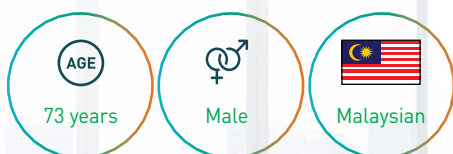
Attendance

- Two (2) out of four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

FONG YOO KAW @ FONG YEE KOW, VICTOR

Independent Non-Executive Director



Date of first appointment as Director

28 April 2014 [Retired on 25 April 2026]

Board Committee(s)

[Retired on 25 April 2026]

- Group Audit and Risk Management Committee – Chairman.
- Nomination Committee – Chairman.
- Remuneration Committee – Chairman.
- Investment Committee – Member.
- Employees' Share Option Scheme (ESOS) Committee – Member.

Academic and Professional Qualification(s)

- Bachelor in Commerce and Administration (BCA), Victoria University of Wellington, New Zealand.
- Member of the Chartered Accountants of Australia and New Zealand.
- Member of the Malaysian Institute of Accountants.
- Member of the Malaysian Institute of Chartered Secretaries and Administrator (MAICSA).

Other Commitment(s)

- Independent Non-Executive Director of DPI Holdings Berhad.
- Independent Non-Executive Director of Hartanah Kenyalang Berhad.

Working and Professional Experience

- Started his career in New Zealand upon graduation and spent 4 years working there before returning to Malaysia.
- From 1979 to 1989, he was Group Financial Controller with a Sarawak-based group of companies before joining the international professional services firm of Ernst & Young (EY) in 1989.
- Joined EY for over 20 years and retired as a Partner in 2010.

Affiliations and Potential Areas of Interest

- NIL

Attendance

- Three (3) out of four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

CHUA CHEN SAN Independent Non-Executive Director



Date of first appointment as Director

1 March 2016

Board Committee(s)

- Group Audit and Risk Management Committee – Chairman. [Appointed on 25 April 2026].
- Nomination Committee – Member.
- Remuneration Committee – Member.
- Investment Committee – Member.
- Employees' Share Option Scheme (ESOS) Committee – Member.

Academic and Professional Qualification(s)

- Bachelor of Commerce degree, University of Canterbury, New Zealand.
- Member of the Malaysian Institute of Accountants.
- Member of Chartered Tax Institute of Malaysia.
- Member of the Chartered Accountants Australia and New Zealand.

Other Commitment(s)

- Director of Audit in Andy Chia & Co, Chartered Accountants.
- Director of ACCO Tax Services Sdn Bhd.

Working and Professional Experience

- Senior Accountant in Koller & Koller Accountants, New Zealand from 1988 to 1992.
- Joined Doyon Development Sdn Bhd, Samling Group as a Financial Accountant from 1992 to 1994.
- Joined Liew & Co. as Audit Manager from 1994 to 2006.
- Joined Shin Yang Group as Internal Audit Manager from 2006 to 2009.

Affiliations and Potential Areas of Interest

- NIL

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

PERPETUA PHANG Independent Non-Executive Director



Date of first appointment as Director

31 December 2022

Board Committee(s)

- Group Audit and Risk Management Committee – Member.

Academic and Professional Qualification(s)

- Bachelor of Laws (Honours), University of Hull, England.
- Degree of Utter Barrister and admitted to the Bar of England and Wales in year 1981.
- Admitted to practise in the High Court of Borneo (now called the High Court of Sabah and Sarawak) in year 1981.
- Accredited Mediator.

Other Commitment(s)

- Independent Non-Executive Director of Pansar Berhad.
- Senior Partner of Reddi & Company.

Working and Professional Experience

- Joined Reddi & Company, Advocates in 1981 overseeing the banking, corporate and commercial division.

Affiliations and Potential Areas of Interest

- NIL

Attendance

- All four (4) Board meetings held during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

LAU PHUI CHING, REGINA Independent Non-Executive Director



Date of first appointment as Director

25 April 2026

Board Committee(s) (Appointed on 25 April 2026)

- Nomination Committee – Chairman.
- Remuneration Committee – Chairman.
- Investment Committee – Member.
- Employees' Share Option Scheme (ESOS) Committee – Member.

Academic and Professional Qualification(s)

- Member of Malaysian Institute of Accountants (MIA)
- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Member of CPA Australia
- Member of Chartered Tax Institute of Malaysia (CTIM)

Other Commitment(s)

- MIA Sarawak branch – Past Chairperson & Committee Member
- CTIM Sarawak branch – Past Chairperson & Committee Member
- MIA National Tax Practice Committee – Past Observer
- Industrial Advisory Board Member of Sunway College Kuching

Working and Professional Experience

- Started her career in the audit division of KPMG Malaysia before her transfer to KPMG Tax Services Sdn Bhd.
- Attached to the Asia Pacific Tax Centre in KPMG Melbourne in 1995-1996.
- Admitted as a Tax Partner/Executive Director of KPMG Tax Services Sdn. Bhd. in 2008 with the primary responsibility of overseeing KPMG's tax practice in Sarawak and held the position until her retirement from the Firm.
- Spoke in tax forums, seminars and events organized by KPMG, CTIM and Lembaga Hasil Dalam Negeri as panelist and speaker. Conducted and facilitated tax workshops for various corporations, institutions and MIA.

Affiliations and Potential Areas of Interest

- Does not have any other directorships in public companies and listed issuers

Attendance

- NIL

Additional Information

1. Save as disclosed in the Profile of Directors, none of the Directors has:
 - a) any conflict of interest with the Company; and,
 - b) any family relationship with any Director and/or substantial shareholder of the Company.
2. None of the Directors of the Company has been convicted of any offence within the past five (5) years and has not been subject to any public sanction or penalty imposed by any relevant regulatory bodies during the financial year
3. All Directors of the Company are Malaysian. With effect from 25 April 2026, Board of Directors comprised of five (5) female directors and (5) male directors.

PROFILE OF GROUP CHIEF EXECUTIVE OFFICER

WONG HEE KWONG Group Chief Executive Officer



Date of Joining SOPB

1 April 1996

Date of Appointment as Chief Executive Officer

1 April 1998

Date of Appointment as Group Chief Executive Officer

1 March 2010

Academic and Professional Qualification(s)

- Chartered Accountant (Malaysia).
- Member of the Malaysian Institute of Accountants.
- Fellow member of Association of Chartered Certified Accountants (FCCA), U.K.

Other Commitment(s)

- Council member of Malaysian Palm Oil Association (MPOA) since year 2008.
- EXCO Member of MPOA since year 2018.
- Chairman of Marketing and Promotion of MPOA since year 2018 until June 2025.
- Chairman of Research and Development of MPOA since June 2025.
- Board Member of Trustees of Malaysian Palm Oil Council (MPOC) since year 2016.
- Chairman of Finance & General Affairs Committee of MPOC since year 2024.
- Chairman of Methodist Pilley Institute.

Working and Professional Experience

- Worked in KPMG, EON Finance Berhad and a Government linked company.
- Professional experiences include accounting, secretarial, management consultancy, taxation and banking and finance.

Affiliations and Potential Areas of Interest

- Does not hold any directorship in any public company and listed issuer and does not have any family relationship with any director or major shareholder of the Company.
- Does not have any conflict of interest with the Company and does not have any interest in any business that competes with the business of the Company or its subsidiaries.
- Direct interest in the shares and share options under the Employee Share Option Scheme of the Company are 3,733,950 shares and 2,337,450 options respectively.
- Has not been convicted of any offence within the past five (5) years and has not been subject to any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

ERIC KIU KWONG SENG Chief Operating Officer | Company Secretary



Date of Joining SOPB

01 April 1998

Date of Appointment as Chief Operating Officer

01 August 2013

Academic and Professional Qualification(s)

- Bachelor of Engineering in Manufacturing & Management (Hons), University of Nottingham, United Kingdom.
- Master of Business Administration, University of Leeds (Leeds University Business School, United Kingdom).

Other Commitment(s)

- Board Member of Malaysian Palm Oil Board (MPOB).
- EXCO Member of Malaysian Biodiesel Association.
- Board Member of Palm Oil Research and Technical Service Institute of MPOB, Shanghai.

Working and Professional Experience

- Worked in various manufacturing companies in China, Malaysia and United Kingdom, and in Ernst & Young Malaysia as a management consultant before joining SOPB.
- Joined SOPB as the Finance Manager in April 1998.
- About 27 years' experience in corporate secretarial practices.

Affiliations and Potential Areas of Interest

- Son-in-law of Tan Sri Datuk Ling Chiong Ho, the Group Business Advisor of SOPB.

PROFILE OF KEY SENIOR MANAGEMENT

THO KHENG CHIANG Deputy Chief Executive Officer – Plantation



Date of Joining SOPB

15 April 2010

Date of Appointment as Chief Financial Officer

01 April 2019

Date of Appointment as Deputy Chief Executive Officer - Plantation

01 March 2026

Academic and Professional Qualification(s)

- Graduated from Tunku Abdul Rahman University of Management and Technology – Advanced Diploma in Financial Accounting and ACCA in year 2001.
- Fellow member of the Association of Chartered Certified Accountants (“FCCA”), U.K.
- Member of Malaysia Institute of Accountants.
- Member of Incorporated Society of Planters.
- Chartered Accountant (Malaysia)

Other Commitment(s)

- NIL

Working and Professional Experience

- Worked in KPMG and a public listed company before joining SOPB in 2010.
- Professional exposure covers audit assurance, corporate exercise, accounting and finance.

Affiliations and Potential Areas of Interest

- NIL

PROFILE OF KEY SENIOR MANAGEMENT

WONG SIEH TUNG, WILLIAM Head of Department – Milling and Trading (Malaysia)



Date of Joining SOPB

01 April 2004

Date of Appointment as Head of Trading Operations

01 April 2018

Date of Appointment as Head of Department – Milling and Trading (Malaysia)

01 January 2026

Academic and Professional Qualification(s)

- Oxford Brookes University – BA (Hons) Accounting and Finance
- Fellow member of the Association of Chartered Certified Accountants (“FCCA”), U.K.
- Member of Malaysia Institute of Accountants.
- Member of Financial Planning Association of Malaysia (“CFP”)
- Chartered Accountant (Malaysia)

Other Commitment(s)

- NIL

Working and Professional Experience

- Worked in Liew & Co, Miri and Shin Yang Plantations before joining SOPB in 2004.
- Professional exposure covers accounting, audit and assurance.

Affiliations and Potential Areas of Interest

- NIL

PROFILE OF KEY SENIOR MANAGEMENT

SIM YEN YOU Chief Financial Officer



Date of Joining SOPB

23 June 2014

Date of Appointment as Chief Financial Officer

01 March 2026

Academic and Professional Qualification(s)

- Association of Chartered Certified Accountants, U.K. (ACCA).
- Malaysian Institute of Accountants (MIA).

Other Commitment(s)

- NIL

Working and Professional Experience

- Has over 20 years of experience in finance and accounting, including commercial experience in the manufacturing sector and audit experience with KPMG.
- Experience includes financial reporting, audit, tax and treasury matters and currently serving in finance roles within the Group.

Affiliations and Potential Areas of Interest

- NIL

PROFILE OF KEY SENIOR MANAGEMENT

VIRILE TAN General Manager, Asia Oils Pte. Ltd.



Date of Joining SOP Group

02 December 2013

Date of Appointment as General Manager, Asia Oils Pte. Ltd.

01 April 2022

Academic and Professional Qualification(s)

- Bachelor of Business (from Nanyang Technological University)
- Federation of Oils, Seeds and Fats Associations (FOSFA) Middle-Manager course

Other Commitment(s)

- NIL

Working and Professional Experience

- Has over 13 years of experience in international commodities trading

Affiliations and Potential Areas of Interest

- NIL

Additional Information

1. Save as disclosed in the Profile of Key Senior Management, none of the Key Senior Management has any family relationship with any Director and/or substantial shareholder of the Company.
2. None of the Key Senior Management of the Company has:
 - a) any directorship in any public company and listed issuer;
 - b) any conflict of interest with the Company; and
 - c) been convicted of any offence within the past five (5) years and has not been subject to any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.
3. The Company's Key Senior Management comprised of one (1) female and four (4) male.
4. The Company's Key Senior Management comprised of one (1) Singaporean and four (4) Malaysian.

KEY MANAGEMENT TEAM

- 1. MR LING TIONG ING, JOSEPH**
Head of Support and Services
- 2. MR KUEH HOI CHUANG, VINCENT**
Head of Property Development
- 3. DR. SU CHONG MING**
Head of Research and Agronomy Services
- 4. MR PANG SENG NAM**
Regional Plantation Controller
- 5. MR THONG KUOK LING**
Controller – Milling
- 6. MR KIU KWONG CHIANG**
Controller – Operations
- 7. MR GALAU MELAYONG**
Head of Sustainability
- 8. PROF. YUEN KAH HAY**
Chief Scientific Officer
- 9. DR. LIM SHEAU CHIN, SHERLYN**
General Manager of Avantsar:
Research and Development; Marketing
- 10. MS AGNES KONG LOH YIEN**
Senior Manager – Legal
Company Secretary for all Subsidiaries



CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board of Directors of Sarawak Oil Palms Berhad and its subsidiaries ("the Group"), I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2025.

Despite a challenging operating environment, the Group remained resilient and continued to deliver stable operational and financial performance during the year under review.

Review of Results

For the financial year ended 31 December 2025, the Group recorded a profit before tax of RM660 million compared with RM616 million in 2024, representing an increase of 7%. The improved performance was mainly attributable to stable palm oil prices, higher fresh fruit bunches ("FFB") production and improved yield per hectare.

Profit after tax for the year was marginally higher at RM470 million compared with RM466 million in 2024. This was primarily due to derecognition of deferred tax assets amounting to RM26 million following revised estimates of future taxable profits of a subsidiary.

The Group achieved improved production performance of 1.28 million metric tonnes of FFB during the year with an average yield of 18.13 tonnes per hectare, supported by higher yields and disciplined estate management. This represents a 9% increase in yield per hectare and a 3% increase in FFB production compared with the previous year.

Operational Developments

The Group continues to prioritise long-term sustainability through its ongoing replanting programme. As at the end of the financial year, the Group's immature planted area stood at 14,757 hectares, representing 17% of the total planted area.

The Group targets to replant approximately 4,000 hectares annually to improve the average palm age, which currently stood at 13 years. This programme is a significant long-term reinvestment which are essential to sustaining the core business of the group. The Group stays committed to maintaining good agricultural practices to achieve its long goal term goal.

Operating costs increased during the year due to higher labour costs, fluctuations in material costs and additional compliance costs arising from changes in legislation. In response, the Group continued to focus on improving operational efficiency and implementing cost control measures to manage operating expenses and strengthen resilience against market volatility.

Nevertheless, the Group achieved a lower overall cost of production for the year, supported by improved yields and higher FFB production.

In 2025, the Malaysian palm oil industry recorded stronger operational performance with improved production and firmer average selling prices. In line with the trend, the Group realised an average selling price for palm products of RM4,282 per metric tonne compared with RM4,076 per metric tonne in 2024. However, export demand softened towards the end of the year, leading to higher inventory levels.



CHAIRMAN'S STATEMENT

Further details of the Group's operational and financial performance are provided in the Management Discussion and Analysis section of this Annual Report.

Dividend

The Group continues to maintain a prudent balance between dividend distribution, capital investment and reserve funds to address potential market challenges.

The Board highly appreciates the continued support and loyalty of its shareholders. For the financial year under review, the Board declared an interim single-tier dividend of 12 sen per ordinary share, comprising an interim dividend of 4 sen paid in October 2025 and a special interim dividend of 8 sen paid in December 2025.

The Board also recommends a final single-tier dividend of 6 sen per ordinary share for the financial year ended 31 December 2025, subject to shareholders' approval at the forthcoming Annual General Meeting.

With this, the total dividend for the financial year ended 31 December 2025 will amount to 18 sen per ordinary share compared with 15 sen per ordinary share in 2024.

Sustainability

Sustainability remains integral to the Group's long-term strategy and resilience. The Board recognises that sustainability-related risks and opportunities, including climate-related risks, may affect the Group's operations, financial performance and long-term prospects.

These risks may arise from changing weather patterns, regulatory developments, evolving market requirements, resource management considerations and supply chain expectations.

The Group continues to strengthen its governance, risk management and internal reporting processes to ensure that material sustainability and climate-related matters are integrated into business planning and decision-making. This enhances the Group's ability to manage climate-related risks while supporting long-term resilience.

Further details on the Group's sustainability initiatives, risks and achievements are presented in the Sustainability Report in this Annual Report.

Prospects

The Malaysian palm oil industry continues to face structural challenges, including labour constraints, rising cost pressures and evolving sustainability expectations from global markets. In addition, heightened geopolitical uncertainties may contribute to volatility in fuel prices, freight costs and fertiliser prices, which could affect the industry's cost structure moving forward.

Against this backdrop, the Group remains confident that its disciplined replanting programme, integrated operations and strong balance sheet will position it well to capture long-term opportunities in the palm oil sector.

Looking ahead to 2026, the Group will continue to closely monitor market developments and review its strategies as necessary to respond effectively to prevailing uncertainties while maintaining focus on sustainable growth.

Appreciation

On behalf of the Board, I wish to express my sincere appreciation to our shareholders, employees, customers, business partners and all stakeholders for their continued support and confidence in the Group. Their unwavering trust enables the Group to navigate challenges with resilience while pursuing sustainable growth opportunities.

LING LU KUANG
GROUP EXECUTIVE CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

This review highlights details on financial and operation information of the Group for the year 2025.

1. Overview of Group's business

The Group's core businesses are upstream operations - plantation and milling operations, and downstream operations which comprised of refining, trading and marketing of palm products.

For plantation operations, the Group's FFB production was 1,289,454 metric tons, with an average yield of 18.13 metric tonnes per hectare. This represented a 9% increase in yield per hectare and a 3% increase in FFB production compared with the previous year.

For milling operations, the Group's oil extraction rate ("OER") and kernel extraction rate ("KER") were 20.30% and 4.38% respectively, compared to 20.03% and 4.25% in the previous year. During the year, the Group processed 1,978,427 metric tonnes of FFB, representing 67% mill utilisation. The higher volume of FFB was mainly attributable to improved FFB production during the year.

With the improvement of yield and stable OER, the Group's oil production per hectare increased to 3.58 metric tonnes from 3.34 metric tonnes in the preceding year.

In 2025, the Group's average realised selling price for crude palm oil ("CPO") was RM4,282 per metric tonnes compared with RM4,076 per metric tonne in 2024. During the year, the crude palm kernel oil ("CPKO") realised price was higher while CPO and refined palm product prices remained relatively stable compared with 2024.

2. Financial Results

(i) Abridged Group Income Statement

The Group reported a revenue of RM5.6 billion in 2025 compared with RM5.3 billion in 2024. The increase in revenue was driven by higher average realised prices of palm products.

For the financial year ended 31 December 2025, the Group recorded a profit before tax of RM660 million compared with RM616 million in 2024, representing an increase of 7%. The improved performance was mainly attributable to stable palm oil prices, higher fresh fruit bunches ("FFB") production and improved yield per hectare. Profit after tax for the year was marginally higher at RM470 million compared with RM466 million in 2024. This was primarily due to derecognition of deferred tax assets amounting to RM26 million following revised estimates of future taxable profits of a subsidiary.

Abridged Group income statement:

	Year 2025 RM'million	Year 2024 RM'million
Revenue	5,680	5,318
Profit before tax	660	616
Profit after tax	470	466
Earnings before interest, tax, depreciation and amortisation	845	819
	Year 2025	Year 2024
Earnings per share		
Basic	50.00	50.08
Diluted	49.84	49.91

MANAGEMENT DISCUSSION AND ANALYSIS

Average Realised Prices for Palm Products: -

	2025 RM/mt	2024 RM/mt
Crude Palm Oil	4,282	4,076
Palm Kernel Oil	7,313	5,311

(ii) Abridged Group Cash Flow Statement

Operating activities		2025 RM'million	2024 RM'million
(i)	Cash generated before changes in working capital	828	806
(ii)	Cash outflow after changes in working capital and payment of tax and interest	(315)	(183)
Net cash flows from operating activities		513	623
Financing activities			
(i)	Net payment for trade financing, loans and borrowings	(3)	(318)
(ii)	Proceeds from trade financing	93	-
(iii)	Dividend and interest payment	(148)	(215)
(iv)	Cash (outflow)/inflow from other financing activities	(7)	6
Net cash flows used in financing activities		(65)	(527)
Investing activities			
(i)	Capital expenditure on property, plant and equipment and bearer plants	(250)	(225)
(ii)	Interest received	50	43
(iii)	Placement of deposits under other investments	(378)	(145)
(iv)	Acquisition of a subsidiary, net of cash and cash equivalents	(15)	-
(v)	Cash (outflow)/inflow from other investing activities	(1)	7
Net cash flows used in investing activities		(594)	(320)
Net decrease in cash and cash equivalents		(146)	(189)
Cash and cash equivalents at 1 January		587	779
Effect of exchange rate changes		(6)	(3)
Cash and cash equivalents at 31 December		435	587

In 2025, net cash generated from Group's operation was RM513 million, compared to RM623 million in 2024. The decrease was attributable to changes in working capital, particularly higher stock levels and increased trade receivables balance towards year end.

Under financing activities, The Group raised additional RM93 million trade financing to support an increased working capital requirements. Dividend and interest payments for the year was RM148 million. Other cash inflows include proceeds of RM10 million from issuance of shares under the Employee Share Option Scheme ("ESOS") and RM50 million interest from short-term deposits placements. Overall, net cash used in financing activities was RM65 million, reflecting lower net repayment of borrowings and lower dividend and interest payments due to timing difference.

MANAGEMENT DISCUSSION AND ANALYSIS

Net cash used in investing activities increased to RM594 million, mainly due to higher placement of deposits under other investments, capital expenditure and the acquisition of a subsidiary. The Group incurred RM250 million capital expenditure on property plant and equipment and bearer plants representing 50% of cash generated from operations. In additions, RM378 million was not held for working capital purposes was placed in short-term deposits under other investments.

During the year, the Group's cash was used to fund increased working capital requirements, capital expenditure on property plant and equipment and bearer plants, dividend and interest payments. There were no major loan repayments during the year. The redemption of the Group's existing sukuk loans is scheduled to commence in 2026.

Abridged Group Statement of Financial Position

	2025 RM'million	2024 RM'million
Assets		
Non-current assets		
Property, plant and equipment	1,214	1,146
Bearer plants	826	805
Right-of-use assets	474	484
Other non-current assets	239	237
	2,753	2,672
Current assets		
Biological assets	28	30
Other current assets	1,111	907
Other investments	1,393	1,016
Cash and bank balances	435	586
	2,967	2,539
Total assets	5,720	5,211
Equity and liabilities		
Share capital	941	926
Reserves	3,186	2,889
Non-controlling interests	203	171
Total equity	4,330	3,986

MANAGEMENT DISCUSSION AND ANALYSIS

	2025 RM'million	2024 RM'million
Non-current liabilities		
Loans and borrowings	155	220
Other non-current liabilities	431	402
	586	622
Current liabilities		
Loans and borrowings	467	308
Other current liabilities	337	295
	804	603
Total liabilities	1,390	1,225
Total equity and liabilities	5,720	5,211

As at the financial year ended 31st December 2025, the Group's total assets and liabilities was RM5,720 million and RM1,390 million respectively. Total equity stood at RM4,330 million and the gross gearing of the Group was at 0.14 times.

3. Review of Operations:

(i) Plantation Segment

(a) Plantation Areas Statistics

	As at 31.12.2025		As at 31.12.2024	
	Area (Ha)	%	Area (Ha)	%
Palm Age (years)				
Immature (below 4 years)	14,757	17%	11,545	14%
Young (4-10 years)	10,484	12%	11,283	14%
Prime (11-20 years)	51,413	62%	52,394	62%
Old (21 years & above)	7,800	9%	8,694	10%
	84,454	100%	83,916	100%

The Group's age profile reflects continued progress in its replanting programme, with immature planted area increasing to 17% of total planted area in 2025, compared with 14% in 2024, while matured area reduced to 83% from 86%. The Group's prime mature area remained the largest component of the planting profile at 51,413 hectares, representing 62% of total planted area. During the year, the Group replant 4,308 hectares, while 575 hectares were declared mature. Under the Group's ongoing replanting programme, the immature and young palms are expected to increase progressively.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) FFB Production and Extraction rates

		2025	2024
Group total mature area	Ha	69,697	72,582
Group FFB production	mt	1,289,454	1,250,347
Group FFB processed	mt	1,978,427	1,955,357
Group CPO production	mt	391,424	391,733
Group PK production	mt	86,623	83,133
Group FFB average yield	mt/ha	18.13	16.69
Group average oil extraction rate ("OER")	%	20.30%	20.03%
Group average kernel extraction rate ("KER")	%	4.38%	4.25%

(ii) Downstream Segment

The downstream segment's performance reported a lower contribution to the Group's performance in 2025. During the year, the refining margin was narrowed due to higher feedstock prices and increased competition from substitute oils. The segment's performance remains largely dependent on refining margins, which are influenced by production costs, plant efficiency, and fluctuations in global edible oil prices. To mitigate these challenges, the Group continues to diversify its market presence and broaden its range of value-added palm oil products.

(iii) Property Development Segment

The Group's property development segment remains in its growth and investment phase, with current activities centred mainly on land banking, planning, project rollout and other early-stage development works. In line with its long-term expansion plans. The Group continues to actively evaluate landbank acquisition opportunities for feasible future developments, while at the same time progressing the development of projects within its existing landbank and township masterplan. The property development segment's contribution to the Group's overall financial performance remained insignificant during the year.

4. Outlook for 2026

Looking ahead, the Group expects operating conditions in 2026 to remain challenging. The Group's performance will continue to be influenced by the cyclical pattern of FFB production, fluctuations in crude palm oil and other edible oils, and rising production costs, particularly fertilisers, chemicals and fuel. The market is expected to stay volatile due to ongoing geopolitical tensions, trade uncertainties and supply chain disruptions. Given these uncertainties, the Group remains cautious. The Group will regularly review its strategies to adapt to the evolving business environment and ensure it remains resilient.

Sustainability Report

2025



SUSTAINABILITY REPORT 2025

Table of Contents for Sustainability Report 2025

Note		Contents	
01	Basis of Preparation	About this report	43
		GCEO Statement	44
02	Overview of the Group and Value Chain	Overview of the Group	46
		The Group's Strategy	47
		Sustainable Development Goals	48
		Value Chain	52
		Traceability	54
03	Reporting Boundary	Reporting Entity and Coverage	57
		Reporting Boundary for GHG Emissions	58
04	Judgements and Measurement Uncertainties	Judgements	58
		Measurement Uncertainties	59
05	Materiality Assessment	Materiality Matrix	60
		Approach to Climate Risk Assessment	63
		Climate-Related Risks and Opportunities	65
		Climate Responses	69
		Climate Risk Management	69
		Metrics and Targets	69
06	Sustainability Governance	Sustainability Framework	70
		Sustainability Certifications	72
		Membership Of Associations	73
07	Environmental Sustainability	Carbon Footprint Initiatives	74
		Energy Management	75
		No Deforestation and No Development on Peat	76
		Soil and Nutrient Management	76
		Zero Burning Policy	77
		Biodiversity Management	77
		Water Management	82
		Effluent Management	82
Waste Management	83		

SUSTAINABILITY REPORT 2025

Table of Content for Sustainability Report 2025

Note	Contents		
08	Social Sustainability	Social Impact Assessment and Smallholder Engagement	88
		Employee's Welfare	89
		Code Of Business Conduct and Ethics	91
		Whistle-Blowing and Grievance Mechanism	92
		Complaint And Grievance Procedure	94
		Sexual Harassment Policy	94
		Free, Prior and Informed Consent Procedure	94
		Food Security	95
		Occupational Safety and Health	95
		Education and Training	99
		Our Commitment to Local Communities	100
		Fair Employment Practices	108
09	Events After the Reporting Period	Post-reporting Period Events	112
10	Additional Disclosures Based on Main Market Listing Requirements	Internal Review and Assurance	113
		Summary of Metrics and Targets	113
		GRI Content Index	114



SUSTAINABILITY REPORT 2025

Summary of climate-related risks

The table below provides an overview of the Group’s climate-related risks, together with references to where the detailed disclosures are presented in this Sustainability Report. The table also includes references to the Group’s overarching sustainability-related policies.

Group structure and reporting boundaries					
	Basis of preparation	Overview of Group and value chain	Reporting boundary		
Overview of process and governance					
	Materiality Assessment		Sustainability Governance		
Climate-related risks					
Risks	Climate Transition Risk – Policy & Legal The Group may face higher energy and digitalisation costs arising from new regulatory requirements, including the National Climate Change Act, Carbon Tax, and the Sarawak Environment Ordinance 2023. Indirect impacts from rising energy and fuel prices may also increase operating expenses and place pressure on profit margins.	Climate Physical Risk – Acute & Chronic The Group’s operations and upstream supply chain, including smallholders, are exposed to physical climate risks such as floods, heatwaves, droughts, and rising sea levels. These events may disrupt plantation and mill operations, reduce productivity, damage assets and affect logistics, potentially resulting in operational inefficiencies, reduced revenues, and increased reliance on alternative FFB suppliers.	Climate Transition Risk – Technology In line with Sarawak’s net-zero aspirations, stricter greenhouse gas (GHG) regulations may require the Group to reduce emissions or incur higher compliance costs, while certain existing practices, such as methane flaring, may become less viable.	Climate Transition Risk – Reputational & Market Shifts in customer demand for low-carbon products and increasing scrutiny of sustainability practices may affect the oil palm industry. The absence of credible climate strategies and effective carbon management may harm the Group’s reputation, limit market access, reduce sales, and erode stakeholder confidence.	Judgement and Measurement uncertainties

SUSTAINABILITY REPORT 2025

BASIS OF PREPARATION



ABOUT THIS REPORT

We are pleased to present the 2025 Sustainability Report of Sarawak Oil Palms Berhad (“SOPB”) and its subsidiaries, collectively referred to as “the Group”, covering our Environmental, Social, and Governance performance from 1 January to 31 December 2025. The sustainability report has been prepared for the Group and should be read in conjunction with the Group’s consolidated financial statements which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group has applied the following standards for its annual reporting period commencing 1 January 2025:

- IFRS S1 ‘General Requirements for Disclosure of Sustainability-related Financial Information’
- IFRS S2 ‘Climate-related Disclosures’
- Global Reporting Initiative Standard 2021

It encompasses all entities under the Group’s operational control and applies defined time horizons—short term (1–5 years), medium term (6–10 years), and long term (11–25 years)—to assess sustainability-related risks and opportunities, and to inform strategic planning.

Connectivity

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises the parent company, Sarawak Oil Palms Berhad and its subsidiaries. In preparing these sustainability-related financial disclosures, the Group has assessed its operations as well as its value chain. Refer to Key Business Activity for further information on the value chain.

Sources Of Guidance

In preparing its sustainability-related financial information, the Group has referred to, and considered, the applicability of disclosure topics and metrics in the IFRS Sustainability Disclosure Standards. In some cases, the Group has also prepared disclosures using other sources of guidance, such as GRI Standards. The sources of metrics used by the Group are detailed in the policies section of this report.

Functional And Presentation Currency

The financial statements of each entity within the Group are prepared in the currency of the primary economic environment in which the entity operates, designated as the functional currency. The Group’s financial statements are presented in Ringgit Malaysia (“RM”), which serves as both the functional and presentation currency. Unless otherwise stated, all financial information is presented in RM and has been rounded to the nearest thousand.

Transition Reliefs

The Group is reporting under the IFRS Sustainability Disclosure Standards (IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*) as issued by the International Sustainability Disclosure Standards Board (ISSB) for the first time for the annual reporting period ended 31 December 2025. In preparing this report, the Group has adopted the following transition reliefs under the Main Market Listing Requirements available to first-time issuers listed on the Main Market of Bursa Malaysia:

- Disclosure limited to Climate-related Risks and Opportunities;
- No disclosure of comparative information on Climate-related Risks and Opportunities; and
- No disclosure of Scope 3 emissions.

SUSTAINABILITY
REPORT 2025GROUP CHIEF EXECUTIVE
OFFICER'S STATEMENT TO
STAKEHOLDERS**WONG HEE KWONG**
Group Chief Executive Officer

Dear Stakeholders,

As global ESG expectations continue to accelerate, the Group remains committed to enhancing the transparency, comparability, and reliability of its sustainability disclosures. In response to evolving reporting requirements, the Group has strengthened its alignment with leading international ESG frameworks, including the IFRS Sustainability Standards and the GRI Standards. These frameworks guide the Group's commitment to providing relevant and timely information to stakeholders.

During the year, the Group undertook significant initiatives to enhance the quality and depth of its reporting. Experienced sustainability consultants were engaged to bridge the gap between our current practices and high-level international standards. With their guidance, the Group has strengthened its materiality assessment process to ensure that disclosures reflect the sustainability matters most significant to both stakeholders and the business.

SUSTAINABILITY REPORT 2025

To further strengthen its foundations in environmental stewardship, social responsibility, and governance excellence, the Group has adopted an ESG roadmap. This roadmap outlines the pathway toward achieving the Group's sustainability objectives and serves as a strategic framework for the development and implementation of sustainability initiatives.

Our commitment to sustainability remains firm. All operating units of the Group continue to be certified under the Malaysian Sustainable Palm Oil (MSPO) standard MS 2530:2022 certification, including all our own-managed collection centres, complemented by International Sustainability and Carbon Certification (ISCC) as a critical secondary standard.

Following the introduction of the European Union Deforestation Regulation, the Group has made substantial progress in enhancing traceability of external suppliers across its palm supply chain. While the verification of external suppliers remains ongoing, the Group is fully committed to advancing compliance throughout its value chain in accordance with its Oil Palms Sustainability Policy. The Group continues to engage closely with suppliers and smallholders to promote awareness and implementation of No Deforestation, No Peat, and No Exploitation commitments, ensuring that growth remains aligned with global sustainability standards and stakeholder expectations.

The Group remains committed to supporting national carbon reduction targets. During the year, we established our greenhouse gas (GHG) emissions baseline for Scope 1 and 2 in accordance with the GHG Protocol, marking an important step in strengthening our climate strategy.

While national targets may still appear ambitious relative to our current progress, we remain resolute in advancing our carbon reduction initiatives and continuously improving our performance. In 2025, we successfully commissioned our fifth biogas plant at Sepakau Palm Oil Mill, reinforcing our efforts to reduce emissions and enhance renewable energy adoption.

The Group also remains steadfast in its commitment to social welfare and employee well-being. This is reflected in the ongoing upgrading of housing quarters and residential amenities to provide a safe and supportive living environment. Regular engagement between site management and employees is maintained to facilitate open communication, address concerns, identify improvement areas, and continuously enhance workplace conditions.

The Group's commitment is clear: to embed ESG considerations into strategic decision-making, to act responsibly, and to communicate progress with integrity and accountability. The journey toward enhanced sustainability performance is ongoing, and the Group will continue progressing toward a more resilient, transparent, and sustainable future.

The details of our progress and initiatives are further reported on pages 43 to 114 .

Live Better, Live Sustainable

SUSTAINABILITY REPORT 2025

OVERVIEW OF THE GROUP AND VALUE CHAIN



OVERVIEW OF THE GROUP

Key Business Activities

The Group's core activities encompass the upstream and downstream segments of the palm oil value chain, including plantation and milling operations, as well as refining, trading and marketing of palm-based products. The Group operates 42 estates with a total landbank of 122,000 hectares, 7 mills and a downstream complex producing both intermediate consumer products and final consumer products.

The Group's palm products are sold locally and internationally across various countries in Asia, Africa, Europe and Oceania.

The Group's key business activities and their geographical locations are summarized in the table below:

Business activity	Additional information	Geographical location
Upstream operations		
Oil palm estates and mills	42 estates 7 mills	Malaysia
Sale of oil palm product	CPO, PK	Malaysia
Downstream operations		
Refinery and Kernel Crushing Plant	1 Refinery 1 Kernel Crushing Plant	Malaysia
Biodiesel Plant and Phytonutrient Plant	1 Biodiesel Plant 1 Phytonutrient Plant	Malaysia
Processing of intermediate products	1 Consumer Packaging Plant	Malaysia
Sale of products	Sales & Marketing Departments in Malaysia and Singapore	Asia, Africa, Europe, Oceania
Research and Development	Nutraceutical and Cosmeceutical	Malaysia
Other Activities		
Other activities	Property development	Malaysia

SUSTAINABILITY REPORT 2025

Other Activities

The Group also develops and sells residential properties and holds investment properties. These operations are not core to the Group's business strategy.

On the other hand, several projects have been successfully completed under SOP Properties, namely Latania Palm, Palmyra Palm, Coco Palm, and Raffia Palm.

In 2025, the Group's ongoing development project is Royal Palm, comprising 40 units of single-storey semi-detached houses located in Taman Lambir Jaya. Construction commenced in August 2025 and is scheduled for completion in February 2027.

THE GROUP'S STRATEGY

By focusing on increasing operational efficiencies, the Group seeks to optimise resource use, reduce waste, and enhance productivity across its plantations and processing facilities.

Emphasising sustainable agricultural practices, the Group aims to strengthen environmental stewardship while actively engaging with local communities, including third-party suppliers and smallholders operating near its operations.

These strategic initiatives are intended to reinforce the Group's market position and support long-term growth in the palm oil sector. In line with its long-term business strategy and ambitions, the Group has established the following sustainability-related goals:

• **Certified sustainable palm oil producer:**

The Group has obtained Malaysian Sustainable Palm Oil (MSPO) certification for 100% of its upstream and downstream operational units, encompassing estates, mills, refinery, biodiesel plant and consumer packaging plant.

• **Renewable energy**

The Group will consider renewable energy projects as part of its commitment to advancing sustainability goals. This includes potential investments in solar panels within its plantations, aiming to reduce reliance on generator-based power. The Group seeks to leverage efficiencies from these projects to implement energy-saving initiatives across its operations.

• **Reduction in GHG emissions**

As part of its commitment to combating climate change, the Group is implementing strategies to reduce GHG emissions across its operations. By optimizing energy use, improving waste management practices, and exploring renewable energy options, the Group aims to reduce its carbon footprint. Its long-term target will be aligned with the state and national Net-Zero Target.

• **No Deforestation, No Peat, and No Exploitation (NDPE) Policy**



The Group is committed to its NDPE policy, which is integral to achieving net-zero GHG emissions and ensuring sustainable palm oil production throughout its operations and supply chain.

SUSTAINABILITY REPORT 2025





SUSTAINABLE DEVELOPMENT GOALS

All United Nations (“UN”) member states adopted the Sustainable Development Goals (“SDGs”) in 2015, consisting of 17 goals designed to guide the achievement of the 2030 Agenda for Sustainable Development. The SDGs serve as a collective call to action for nations and societies to collaborate towards a sustainable future, which includes the elimination of poverty, improvement in health and education, sustainable economic growth, and addressing the challenges posed by climate change.





Summary of ESG Impacts of the Group’s Operations and Mitigation Strategies on the eight Adopted SDGs :

Material Matter	Importance to the Group	Approach Taken	End Desired Outcomes
Traceability / Supply Chain Management 	<ul style="list-style-type: none"> The Group is committed to establishing a traceable, transparent and sustainable palm oil supply chain by producing high-quality products responsibly, collaborating with suppliers and customers to manage sustainability risks, supporting smallholders in adopting sustainable practices, and requiring all suppliers and contractors to comply with responsible sourcing standards. 	<ul style="list-style-type: none"> The Group has launched an online Sustainability Dashboard since 2019 as a communication channel to provide updates on our traceability status. Continuous engagement with the suppliers. 	<p>The Group aims to achieve 100% traceability for its mills and progressively enhance traceability across the supply chain, including third-party mills, with the goal of reaching full traceability.</p> <p>Refer to Page 54 for current progress.</p>
Corporate Governance and Business Ethics 	<ul style="list-style-type: none"> Sustainable business growth is essential for maintaining long-term shared values with stakeholders. Promotion of transparency and fairness in the implementation of our policy along the supply chain will allow us to build a resilient and sustainable supply chain. 	<ul style="list-style-type: none"> Incorporate and promote ESG principles across all business activities The Group has established Code of Business Conduct and Ethics Whistle-Blowing Policy & Procedure has been established since 2019 to serve as a proper channel for anyone to convey any concern or to report improper acts or practices within the Group. 	<p>Continuous improvement in sustainable business practices by incorporating ESG compliance relevant to the industry.</p> <p>Refer to Page 70 for current progress.</p>



SUSTAINABILITY REPORT 2025

Material Matter	Importance to the Group	Approach Taken	End Desired Outcomes
<p>Climate Change and GHG emissions / Deforestation and Land Use</p>   	<ul style="list-style-type: none"> It is critical to optimize our energy efficiency to manage our carbon footprint and minimize our impact on climate change. 	<ul style="list-style-type: none"> Adoption of OPSP demonstrates our commitment to No Deforestation, No Peat and No Exploitation (NDPE), applicable across our own operations and our palm products suppliers. Ensure No Open Burning as part of Good Agricultural Practice. The Group's palm oil mills and refinery utilize energy and steam primarily generated from biomass boilers, promoting both environmental sustainability and energy efficiency. 	<ul style="list-style-type: none"> Commit to reduce GHG emissions with the installation of methane capture facilities to reduce emissions at all mills. Installation of Electrostatic Precipitators ("ESP") in all mills and refineries to reduce dust emissions. Calculates Scope 1, Scope 2, and Scope 3 GHG emissions using the GHG Protocol, ensuring consistency and comparability. <p>Refer to Page 74 for current progress.</p>
<p>Biodiversity</p> 	<ul style="list-style-type: none"> Deforestation and other unsustainable practices have many negative consequences for people and the environment. The Group is therefore fully committed to protecting forests and peatlands and upholding human and community rights. Nature is critical to living creatures' survival: nature provides oxygen, regulates weather patterns, pollinates crops and produces food, but it is under increasing stress. 	<ul style="list-style-type: none"> OPSP was launched in 2019 as a declaration of our commitment to No Deforestation of HCV areas within our land bank and that of our suppliers. Collaborate with subject experts from international and local universities to conduct research on flora and fauna in our unplanted areas, including riparian reserves. The Conservation unit conducts in-house awareness briefings to ensure estate personnel are informed about the Group's commitment to biodiversity and conservation, as well as its management practices. 	<ul style="list-style-type: none"> To increase carbon stock and enhance biodiversity. Continuous engagement with relevant bodies for consultation and expertise in promoting conservation and the environmental sustainability. <p>Refer to Page 77 for current progress.</p>

SUSTAINABILITY REPORT 2025

Material Matter	Importance to the Group	Approach Taken	End Desired Outcomes
<p>Human and Labour Rights</p>  	<ul style="list-style-type: none"> The workforce is central to the Group's operations. Employees are treated fairly and with respect, reflecting the Group's core values and commitment to maintaining a positive, inclusive, and supportive work environment. 	<ul style="list-style-type: none"> The Social & Community Policy has been established since 2014 to affirm the Group's commitment to protect and respect human rights for all employees, including the local communities in our landscape. The Group is committed to upholding internationally recognised labour standards by safeguarding workers' rights, promoting fair and safe working conditions, ensuring non-discrimination, and eliminating forced and child labour throughout its operations and supply chain in alignment with ILO principles. 	<ul style="list-style-type: none"> Ensure Fair Wages and Working hours. Zero Forced and Child Labour Ensure Non-Discrimination and Equal Opportunity Promote Freedom of Association and Collective Bargaining <p>Refer to Page 88 for current progress.</p>
<p>Community Engagement and Development</p>  	<ul style="list-style-type: none"> Respecting the land rights of indigenous people and local communities avoids conflict and dispute. 	<ul style="list-style-type: none"> The Group established its Social & Community Policy in 2014 to affirm its commitment to protecting and respecting human rights for all employees, as well as for local communities within its operational landscape. In 2019, the Free, Prior and Informed Consent ("FPIC") Procedure was established. FPIC channel made publicly available online and on-site at the operational units to allow lodgment of complaints. Participate in community engagement programmes that actively foster the well-being of the local communities. 	<ul style="list-style-type: none"> Get consent as guided by FPIC process to ensure all developments are legal. Continual engagement with the local community and indigenous people in improving their sustainability practices <p>Refer to Page 94 for current progress.</p>

SUSTAINABILITY REPORT 2025

Material Matter	Importance to the Group	Approach Taken	End Desired Outcomes
Safety and Health 	<ul style="list-style-type: none"> Potential health and safety risks due to occupational hazards must be identified, minimized and prevented to safeguard workers' well-being. 	<ul style="list-style-type: none"> The Occupational Safety and Health (OSH) Policy, established in 1999 and progressively enhanced over the years, was most recently revised in May 2022. The policy affirms the Group's commitment to providing employees with a healthy, safe and conducive working environment. Regular safety inspections at all workplaces. 	<ul style="list-style-type: none"> The enhanced governance framework will be fully implemented and embedded across operations in FY2026. <p>Refer to Page 95 for current progress.</p>
Learning and Development 	<ul style="list-style-type: none"> There is a growing need to enhance and optimize the skills, knowledge, and capabilities of individuals within the workforce. The Group recognizes that people are its most valuable assets and emphasizes the importance of continuous learning, professional development, and career growth opportunities for all employees. This commitment extends to fostering skills and knowledge that benefit both the workforce and the broader society. 	<ul style="list-style-type: none"> Individual job-related training programmes are provided to employees based on their roles and operational requirements. Individual job-related training programmes for all levels of employees. Programs to support underprivileged students and promote the socio-economic development of local communities through the Excellent Education Award of the Young Achievers Awards ("YAA") and the Student Adoption Programme ("SAP"). 	<ul style="list-style-type: none"> Design appropriate job-related training for individual employees at all levels. Continuous outreach initiatives to support underprivileged students and enhance the socio-economic development of local communities through the Excellent Education Award of the YAA and the SAP. <p>Refer to Page 103 for current progress.</p>

SUSTAINABILITY REPORT 2025

VALUE CHAIN

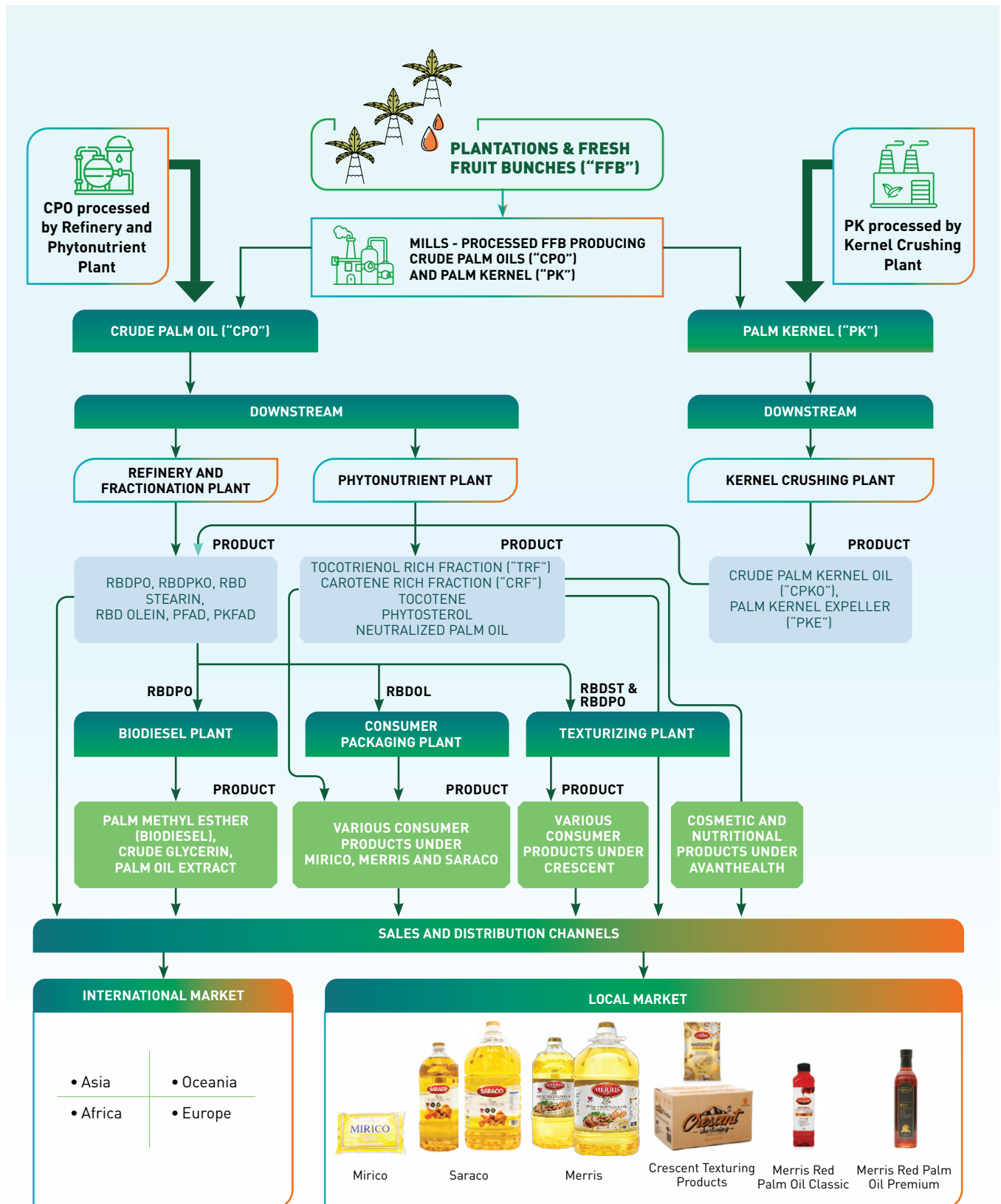
The Group is an integrated oil palm industry player with operational units spanning oil palm plantations, palm oil mills, refinery, kernel crushing plant, biodiesel plant, phytonutrient plant, and consumer packaging plant.

The Group's palm product, consumer products, and nutraceutical and cosmeceutical are sold both locally and internationally. The Group distributes its products to various countries across Asia, Africa, Europe and Oceania.

The table below summarises the Group's key upstream and downstream value chain relationship:

Description		Geological location
Upstream value chain		
Key suppliers	During the year, the Group sourced 61% of the fresh fruit bunches (FFB) used in its mills from its own estates, with the remainder purchased from smallholders located near its mills.	Sarawak
	The Group's refinery in Malaysia sourced 37% of its Crude Palm Oil (CPO) and 39% of Palm Kernel (PK) from its own mills, with the remainder purchased from within Sarawak.	Sarawak
	Agrochemicals including fertilisers and pesticides used in oil palm plantations.	Sarawak
Employees	Estate workers at the Group's suppliers are primarily employed in palm oil estates, where operations remain largely dependent on manual labour provided by migrant workers.	Sarawak
	Other employees within the Group's operations.	Sarawak
Transportation	The Group outsources the transportation and logistics of raw materials and other goods used in production. This includes both sea and road shipments, handled regionally and globally.	Malaysia
Downstream value chain		
Marketing	The Group markets and sells its products through its marketing arm, Asia Oils Pte Ltd.	Singapore
Customers	Sale of the Group's oil palm and intermediate consumer products, such as CPO, CPKO, RBD Palm Oil, RBP Palm Stearin and Olein, and PFAD. Sales of the group's end consumer products, such as cooking oil and margarine, are marketed under various brands such as MERRIS, SARACO, and CRESCENT brands.	Asia, Africa, Europe and Oceania
Storage	Crude palm oil bulking installation and dry bulk facilities.	Sarawak
Transportation	Inland transportation between the Group's operating units, as well as international shipments via vessels and tankers, to deliver products to customers' end markets.	Sarawak, Global

SUSTAINABILITY REPORT 2025



SUSTAINABILITY REPORT 2025

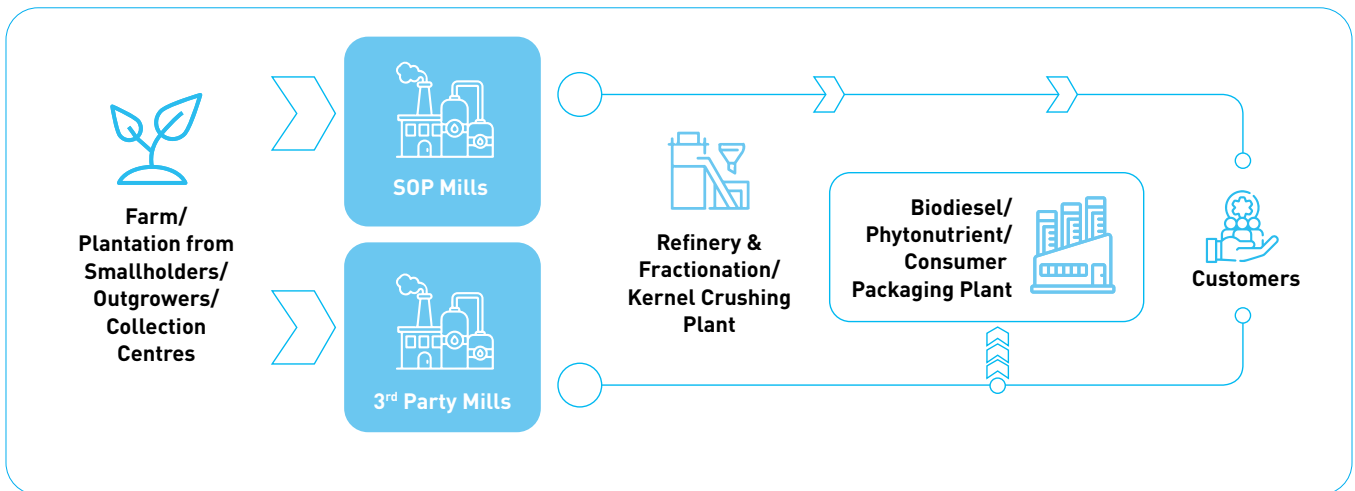
TRACEABILITY

Traceability is a cornerstone of the Group’s sustainability commitment, enabling verification of the origin of its palm oils in accordance with the Group’s policies. This ensures that all sourcing is conducted sustainably, ethically, and in compliance with environmental and social standards throughout the supply chain. Through robust traceability, the Group can identify and address potential issues related to deforestation, labour practices, and land rights, thereby strengthening the reputation and market value of its products.

The Group sources fresh fruit bunches (“FFB”) from both its own plantations and third-party suppliers, supported by MSPO certification systems such as e-MSPO, which serve as monitoring and traceability platforms for suppliers. In collaboration with its supply chain partners, the Group aims to achieve full traceability across the entire supply chain.

Traceability Status

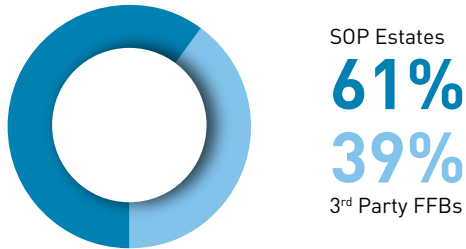
The Group’s online Sustainability Dashboard, launched in 2019, provides updates on traceability progress and ensures transparency in the sourcing of raw materials and palm products, including those from third-party suppliers, demonstrating the Group’s commitment to sustainable sourcing. Consistent with previous years, crude palm oil (“CPO”) and palm kernel (“PK”) supplied to the Group’s refineries and kernel crushing plant remain fully traceable up to the mill level.



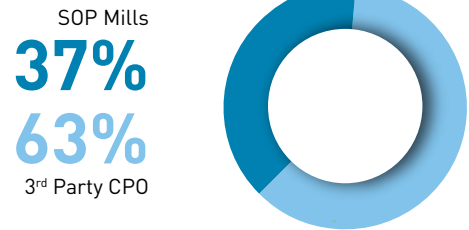
SUSTAINABILITY REPORT 2025

JANUARY – DECEMBER 2025

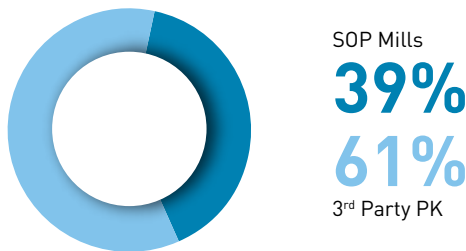
FFB Received by SOP Mills by Category



CPO Received by Category



PK Received by Category



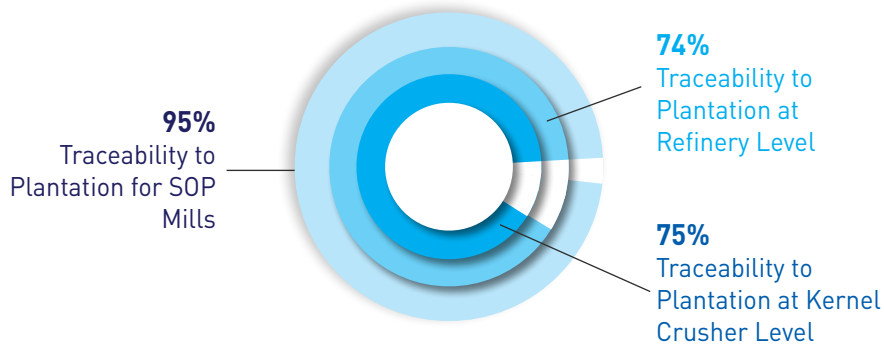
100% Traceability to Mill (TTM)

No. of SOP Mills **7**



No. of 3rd Party Mills **38**

Traceability To Plantation (TTP)



Supplier Engagement Procedure

The Group's Supplier Engagement Procedure, launched in 2019 and updated in 2021, complements the Group's Oil Palms Sustainability Policy ("OPSP") and No Deforestation, No Peat, and No Exploitation ("NDPE") commitments, ensuring that all suppliers comply with the Group's sustainability standards. The procedure was updated in August 2021 to include the Supply Chain Re-entry Procedure, which applies to suppliers that have been suspended or placed on the Group's 'No Buy' list. All third-party crude palm oil ("CPO") and palm kernel ("PK") suppliers are screened under this procedure as part of the onboarding process. More information on the Supplier Engagement Procedure is available at <https://sop.com.my/wp-content/uploads/2026/03/Supplier-Engagement-Procedure-Rev02-2026.pdf>

SUSTAINABILITY REPORT 2025

Supplier Risk Assessment

The Group conducts Supplier Risk Assessment to identify potential sustainability risks across its supply chain. This assessment evaluates suppliers' commitments and practices to no deforestation, responsible environmental and social practices, traceability, supply chain monitoring, labour standards, sustainability certifications, and regulatory compliance. All suppliers are assessed during onboarding and periodically thereafter, with higher-risk suppliers receiving enhanced monitoring, engagement, and support. This assessment informs decisions on approval, suspension, or re-entry under the Supply Chain Re-entry Procedure, ensuring that the Group's sustainability, NDPE, and ESG commitments are upheld throughout the supply chain.

Supplier Engagement Mechanism

The Group actively engages suppliers and buyers through constructive dialogues to address grievances, investigate potential breaches, and develop solutions with full transparency and accountability. Third-party supplying mills are engaged to help the Group achieve full traceability to plantations ("TTP"), with support from buyers and consultants.

Additionally, the Group's mills and plantations are registered on Global Forest Watch ("GFW") to detect potential breaches of sustainability policies. An in-house Geographic Information System ("GIS") team monitors deforestation and fire across the Group's estates and those of our suppliers, leveraging on basic geolocation data available from e-MSPO.

The Group also responds to alerts from buyers regarding potential deforestations or other sustainability concerns. When such alerts are received, the Group engages directly with the relevant suppliers to investigate allegations, address any issues, and implement corrective actions where necessary. This proactive approach reinforces transparency, accountability, and compliance across the supply chain.

In 2025, there were no incidents of fire outbreaks in the Group's supply chain.

Supplier Engagements in 2025

The Group's FFB supply base includes its own estates, outgrowers, and smallholders. The Group adopts a collaborative approach that strengthens rural economies and reflects its commitment to growing together with local communities. Beside collaboration with outgrowers, the Group also actively supported smallholders in meeting European Union Deforestation Regulation ("EUDR") compliance by assisting them in mapping land boundaries to ensure traceability and raising awareness of EUDR requirements. Although smallholders contribute much smaller volumes of fresh fruit bunches (FFB), they represent the largest number of nodes in the supply chain, making their inclusion vital for sustainable sourcing and ensuring market access.

In 2025, the Group's sustainability team visited 18 FFB smallholder farms in Balingian, 34 in Sabaju, and 41 in Tinbarap, working closely with farmers on accurate land boundary mapping. This hands-on engagement improves traceability, supports compliance efforts, and promotes sustainable farm management.



Engagement with FFB Smallholders at Balingian Region

SUSTAINABILITY REPORT 2025

REPORTING BOUNDARY



REPORTING ENTITY AND COVERAGE

Reporting Boundary (excluding GHG emissions)

1. Reporting entity

The entities, assets, and operations (collectively referred to as the “reporting entity”) included in the Group’s sustainability report are consistent with those presented in the Group’s financial statements as of 31 December 2025.

Acquisition: On 5 November 2025, the Group acquired a 51% equity interest in Tanjung Manis Bulkers Sdn. Bhd. through the subscription of shares. Where material, information about sustainability-related risks and opportunities is identified and disclosed from the acquisition date. Comparative amounts are not adjusted to include amounts relating to acquisitions in the current year. (Refer to financial statement Note 37)

The Group’s reporting entity and the extent of sustainability-related information considered and included in the Group’s consolidated sustainability report are summarized as below:

Entities and assets in the reporting entity	Additional information	Note in financial statement	For non-GHG reporting boundary
Parent and Subsidiaries	-	Note 7	100% of the sustainability information, including consolidated subsidiaries which are not fully owned.
Leased assets (The Group is lessee)	The Group leases various offices, land, and equipment. The Group has the right to control the use of the asset as well as the right to substantially all of the related economic benefits during the term of the lease.	Note 5	100% of the sustainability information related to the used of leased assets during the leased term.

SUSTAINABILITY REPORT 2025

Value Chain

The Group also has entities, activities, resources, and relationships that form part of its value chain. These have been considered in assessing the sustainability-related risks and opportunities of the Group. In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

REPORTING BOUNDARY FOR GHG EMISSIONS

The Group uses the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ("GHG Protocol") to measure its GHG emissions unless otherwise stated by IFRS S2.

Entities and assets in the reporting entity	Additional information	Note in financial statement
Parent and Subsidiaries	-	Note 7
Leased assets (The Group is lessee)	The Group leases various offices, land, and equipment. The Group has the right to control the use of the asset as well as the right to substantially all of the related economic benefits during the term of the lease.	Note 5

The Group's reporting boundary for GHG emissions encompasses its organisational boundary and follows the operational control approach, as the Group has full control over all operational units and the authority to introduce and implement policies relevant to GHG reduction.

The operational control method enables consistent monitoring, management, and accountability of emissions from facilities where the Group exercises direct operational decision-making, thereby providing decision-useful and reliable information to stakeholders.

JUDGEMENT AND MEASUREMENT UNCERTAINTIES



JUDGEMENTS

The preparation and presentation of the Sustainability Report require the application of judgement to determine the information that is relevant, reliable, and useful for disclosure. This includes interpreting reporting requirements and making informed decisions in areas where the standards permit flexibility. The table below summarises the key judgements applied.

SUSTAINABILITY REPORT 2025

Topics	Description	Page reference
Materiality assessment	<p>Management applied significant judgement to identify the sustainability related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. The process undertaken by the Group to assess which information could reasonably be expected to affect its financial prospects and influence the decisions of primary users is set out in the Materiality Assessment section of this report.</p> <p>Judgement was also applied in determining which metrics within the disclosure topics of the industry-based SASB Standards are applicable to the Group.</p>	Page 60
Organisational Boundary for GHG emissions	The Group applied the operational control approach to determine its organisational boundary for reporting GHG emissions.	Page 74
Calculation methods for GHG emissions	<p>The Group exercised judgement when selecting:</p> <ul style="list-style-type: none"> - Appropriate emission factors, - Proxy activity data for Scope 3 emissions 	Page 74

MEASUREMENT UNCERTAINTY

Measurement uncertainty in the Sustainability Report arises from data gaps, reliance on proxy information, external factors, and forward-looking information. The table below summarises the principal sources of measurement uncertainty affecting the amounts disclosed in this report.

The following amounts have a high degree of measurement uncertainty:

Topics	Description	Page reference
GHG-related metrics	<p>The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2.</p> <p>The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emissions factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.</p>	Page 74
Climate physical risk – extreme weather events	<p>Significant uncertainty exists regarding how climate change, may influence the frequency and intensity of future extreme weather events in the regions where the Group operates.</p> <p>These uncertainties arise from variability in climate projections and the potential for unexpected changes in weather patterns and evolving climate conditions, as well as the corresponding impacts on the Group's operations. Consequently, the measurement of anticipated financial effects arising from extreme weather events over the short, medium, and long term is subject to significant measurement uncertainty.</p>	Page 65

SUSTAINABILITY REPORT 2025

MATERIALITY ASSESSMENT



MATERIALITY MATRIX

In 2025, the Group's Sustainability Reporting Team conducted its fourth materiality assessment with reference to the guidance under the Bursa Malaysia Sustainability Toolkit: Materiality Assessment. Accordingly, the Group undertook a comprehensive and structured assessment to identify sustainability-related risks and opportunities that could reasonably be expected to influence its future performance.

Although this is the Group's first Sustainability Report prepared in accordance with the IFRS Sustainability Disclosure Standards, sustainability-related risks and opportunities have already been integrated into the Group's existing risk management framework and are considered within the Group's regular risk management processes.

The materiality process was conducted by the Group's Sustainability Reporting Team in collaboration with a consultant, with input from other management personnel across the Group. The outcome of the process was validated and approved by the Group Management Committee.

For further information, please refer to the Corporate Governance section of this report.

A two-step materiality process was conducted:

Step 1:

Identify sustainability-related risks and opportunities that could be reasonably expected to affect the Group's prospects over the short, medium, and long term.

Step 2:

Identify material information – determination of the disclosures which are needed in relation to the sustainability-related risks and opportunities identified.

The aim of this process was to identify information about the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as influence decisions made by primary users of general-purpose financial reports.

The Group finalised its materiality assessment, which included the identification of sustainability-related risks and opportunities at the end of the 2025 reporting period. Any events or changes that occurred during the period were considered as part of the materiality determination process. The process for determining these material matters is as follows:

Identification of Material Matters

Key sustainability material matters were identified by referencing local and global standards and benchmarking against industry peers.

Selection

Identified ESG matters and the recommended material matters were reviewed by SOP's management. Material matters were selected by incorporating senior management's views. These included direct interviews, questionnaires, workshops, and meetings.

Prioritisation

The identified stakeholders to SOP shared their perspectives on each material matter. An online materiality survey was distributed to these stakeholders to rate the material matters based on their level of importance to SOP. As part of double materiality assessment, we also considered the financial impacts of these material matters to SOP's business.

Validation

The materiality assessment outcome was submitted to the Group Management Committee (GMC) and the Board for deliberation, validation, and approval.

Reporting

The top 11 material topics with ESG impacts, as well as significant financial impacts identified in the materiality matrix, are reported in adherence to the principles of comparability, accuracy, clarity, balance, transparency, and timeliness.

SUSTAINABILITY REPORT 2025

Step 1: Identification of the sustainability-related risks and opportunities

The Group followed a systematic approach and referred to several different sources to identify the relevant sustainability-related risks and opportunities. The Group considered its own activities and its upstream and downstream value chain in the assessment. The process is summarised below:

1.1 Understand the Group's operations, resources and relationships.

Understanding the context in which the Group operates was the first step of the process. The Group considered its business activities, including products and services provided as well as the geographical, legal and regulatory landscape of the operations.

- a. **Key locations:** The Group operates in Malaysia. The Group sources its raw materials, namely FFB and CPO from smallholders and mills located near its facilities. In addition, the Group sources its agrochemicals from suppliers in China and Europe.
- b. **Regulations:** Due to the nature of the industry and the high level of scrutiny from stakeholders, the Group must adhere to stringent regulatory requirements established by both local and global authorities. Furthermore, as part of its commitment to sustainable palm oil production, the Group must comply with the standards necessary to obtain palm oil certification.
- c. **Key resources:** The Group depends on several resources, which includes the following:
 - land which provides space and soil necessary for the cultivation of oil palms.
 - raw materials in the milling and refinery process, including FFB, CPO and other ingredients which can include chemical agents.
 - energy, with electricity purchased through the national grid.
 - credit facilities from its lenders.
 - key talent and employees, including estate workers that are mainly migrant workers.
- d. **Transportation and logistics:** The Group sells its intermediate and end-consumer products through its marketing arm, Asia Oils Pte Ltd. The Group engages third-party logistics providers and utilizes various transportation methods, including sea, road, and rail, for the movement of raw materials and finished products.

1.2 Identify risks and opportunities.

The primary basis for identifying the Group's risks and opportunities was an understanding of its operations and value chain. The Group assessed whether its key resource inputs, relationships, and value chain interdependencies are exposed to sustainability-related risks or present opportunities that could affect its ability to generate cash flows.

The Group also considered other internal and external sources of information to identify whether there were any additional risks or opportunities. The sources consulted included the following, but not limited to:

- Existing risk management and due diligence processes performed by the Group
- Educational materials issued by the IFRS Foundation relating to IFRS S1 and IFRS S2
- Disclosure topics in the SASB Standards for the "Agricultural Products" and "Processed Foods" industry
- Sustainability-related risks and opportunities identified by entities operating within the same industries as the Group
- Engagement with the following stakeholders: employees (including local and migrant estate workers), lenders and analysts

Where necessary, the Group also consulted an independent sustainability advisor.

SUSTAINABILITY REPORT 2025

1.3 Assess whether the risks and opportunities could reasonably be expected to affect the Group's prospects

The Group's sustainability report discloses only those sustainability-related risks and opportunities that are reasonably expected to impact the Group's cash flows, access to finance, or cost of capital—that is, those likely to affect the Group's overall prospects. In making this assessment, the Group considered a combination of:

- The likelihood of the event occurring, and
- The magnitude of the impact on the Group's financial prospects if the event did occur.

For risks and opportunities that relate to uncertain future events, the Group considered a range of possible outcomes and assigned a likelihood to that range. Where there had been past incidents of an event, a higher likelihood was assigned to a similar event occurring in the future.

The results of the assessment were plotted on a matrix to identify those risks and opportunities that could reasonably be expected to affect the Group's prospects. No definitive thresholds were applied; however, risks and opportunities with higher likelihood and/or potential impact are typically disclosed.

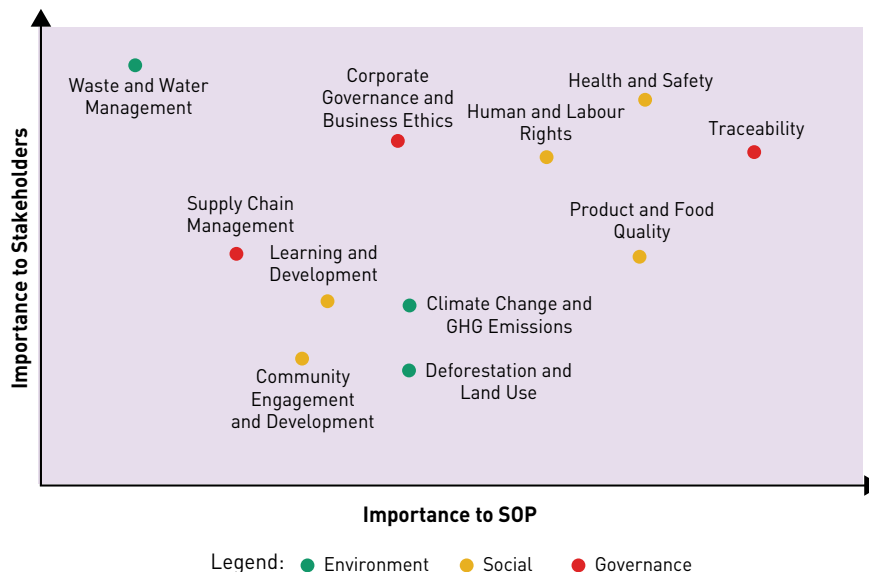
As part of this process, the Group considered the perspective of certain external stakeholders including lenders and analysts, to obtain an external perspective on whether there were any additional risks or opportunities – beyond those identified by the Group – that could reasonably be expected to affect the Group's prospects. No additional risks or opportunities were identified from the perspective of these stakeholders that have not already been included in this report.

1.4 Mitigation actions and plans to remediate

The Group has disclosed sustainability-related risks and opportunities as assessed prior to the implementation of the Group's prevention and mitigation measures.

1.5 Final consolidation and approval of risks and opportunities for the Group

The determination of sustainability-related risks and opportunities requires judgement. Those identified for the Group were presented to the Group Sustainability Committee (GSC) for approval. The risks and opportunities identified within the scope of sustainability reporting are summarised in the table under 'Step 2' below.



SUSTAINABILITY REPORT 2025

Step 2: Identification of material information

After identifying sustainability-related risks and opportunities, the next step is to determine the material information to disclose for each risk or opportunity. The Group assessed materiality in the context of its overall sustainability reporting, considering both qualitative and quantitative factors. The judgements used to identify material information for the sustainability-related risks and opportunities will be reviewed at each reporting date.

As the Group's primary business is closely linked to climate change, a climate-related risk assessment has been initiated in alignment with the IFRS S2 Climate-related Disclosures framework. This assessment aims to identify, evaluate, and prioritize potential climate-related risks and opportunities that may affect the Group's operations, financial performance, and long-term resilience.

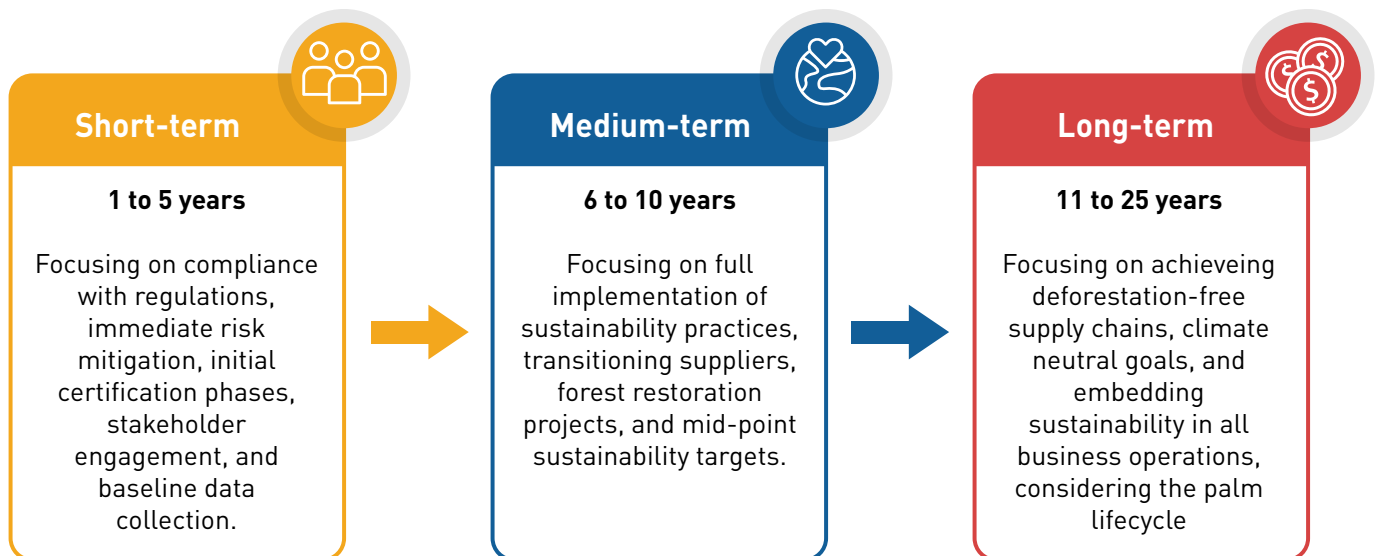
The assessment considers both physical risks, such as extreme weather events and changing climate patterns, and transition risks, including evolving regulatory requirements, market expectations and technological developments associated with the transition to a low-carbon economy.

Through this process, the Group seeks to strengthen its risk management practices, integrate climate considerations into strategic planning, and enhance transparency in climate-related disclosures. The Group's approach to assessing climate change risks is outlined below.

APPROACH TO CLIMATE CHANGE RISK ASSESSMENT

Time Horizons

The Group's scenario analysis began by defining appropriate time horizons and scenarios. These time horizons - short, medium, and long term - are aligned with the Group's strategic planning cycle.



SUSTAINABILITY REPORT 2025

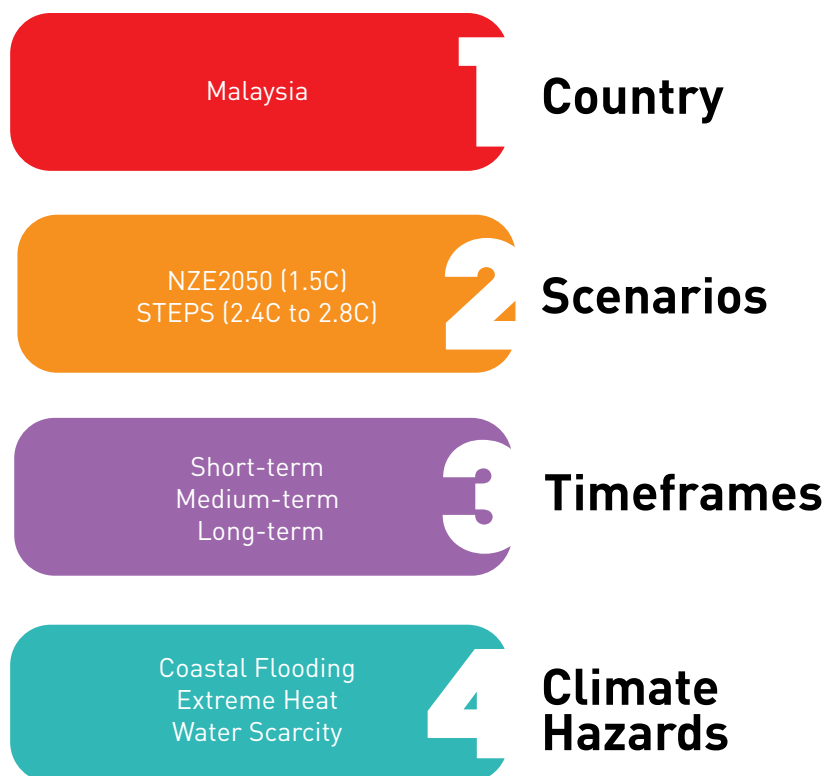
Assessment Approach

The Group's climate risk assessment is aligned with leading international frameworks. For physical risks, it utilized the International Energy Agency ("IEA") from Year 2021 NZE2050 ("Net-Zero 2050 Scenario") –aligned with net zero emissions by 2050 and 2019 STEPS ("Stated Policies Scenario"). To better understand the Group's exposure under more ambitious climate action, both assessments incorporate a Paris Agreement scenario limiting warming to below 2°C.

These assessments build on prior analyses and incorporate insights from research papers, industry publications, and climate-related disclosures from peer companies to reflect the evolving climate landscape. Scenario indicators—quantitative metrics drawn from external scenario databases—were used to assess the potential impact of various climate drivers on the Group. This analysis, combined with internal assessment of exposure to each risk and opportunity, enabled the Group to evaluate and prioritize their significance through categorical risk scores.

After identifying material climate risks and opportunities, their implications across the Group's value chain were analyzed, including potential financial impacts. For example, for flooding, financial impacts were disclosed using reasonable and supportable information, with key assumptions and materiality outlined for quantification. Existing and planned response measures were then assessed against these updated risks and opportunities to identify potential gaps and areas for improvement.

The assessment covered all the Group's operational units:





SUSTAINABILITY REPORT 2025

CLIMATE-RELATED RISKS, OPPORTUNITIES AND IMPACTS ON THE GROUP

This section summarizes the key findings from our climate change risk assessment, highlighting the associated impacts on the Group. The summary is structured into two subsections, covering physical risks and transition risks.

Physical Risks

The Group's assessment of physical risks, which evaluated both acute extreme weather events and chronic shifts in the climate systems at our 52 operating units across Malaysia and forms the basis for our current understanding. This assessment considered three natural hazards: coastal flooding, extreme heat, and water scarcity.

Climate Risks	Chronic and Acute	
Impact Descriptions	The Group's operations and upstream supply chain, including smallholders, are exposed to physical climate risks such as floods, heatwaves, droughts, and rising sea levels. These events may cause water scarcity, reduced plantation productivity, crop losses, damage to property, plant and equipment, and disruptions to mill operations and logistics. Such impacts could weaken asset integrity and agricultural output, leading to operational inefficiencies, reduced revenues, and increased reliance on alternative FFB suppliers.	
Financial Impact	Current	Anticipated
	<p>The Group recorded approximately RM1.5 million in losses due to flash floods affecting certain estates, mainly from damage to inventories and young nursery plants. The Group has identified flood-prone areas and is improving drainage systems to reduce future risks. Sea level rise is not expected to materially impact plantation assets in the short term. (Refer to Note 8 of Financial Statement)</p> 	<p>The Group expects additional capital and maintenance costs for flood mitigation measures, including upgrading drainage systems and constructing bunds in low-lying areas, which may increase estate operating costs and require further capital expenditure.</p> <p>In the longer-term, sea-level rise may affect certain low-lying plantation areas by around 2050, with an estimated foregone profit of approximately RM40 million over the leased period. However, the affected area represents less than 0.5% of the Group's total planted area and is not expected to materially impact overall operations. The Group will continue to monitor climate developments and implement mitigation measures where necessary.</p> 
Mitigation Measure	Strengthen water management through rainwater harvesting. Upgrading of drainage infrastructure and the construction of bunds in low-lying areas to reduce the impact of flash flood event.	

The Group's reviews and assessments in a low-carbon economy form the basis for understanding potential risks and opportunities across each business segment. Using IFRS terminology, the assessment identified nine key drivers, which fall into the categories of emerging policy and legal frameworks, market, technology, and reputation. The analysis evaluated climate-related transition risks and opportunities that could arise from a faster-than-anticipated transition to a low-carbon economy, using information from the IEA, internal data, and industry peers.

During the risk and opportunities assessment process, no climate-related opportunity was identified.

SUSTAINABILITY REPORT 2025

Transition Risks

Climate Transition Risk Category & Time Horizon	Risk Description	Mitigation Measures	Current	Anticipated
<p>Policy & Legal</p> <ul style="list-style-type: none"> • Medium to Long Term 	<p>The Group may face higher energy and digitalisation costs from new regulations like the National Climate Change Act, Carbon Tax, and Sarawak Environment Ordinance 2023. Indirect impacts from rising energy and fuel costs could increase operating expenses and pressure profit margins.</p>	<p>The Group has implemented various (“GHG”) emissions reduction strategies. Currently, five biogas plants capture methane and convert it into CO₂, and two additional biogas plants are under assessment. The Group also operates eight biomass plants (seven mills and one downstream). In addition, a carbon sequestration project has been initiated in unplanted areas in accordance with a recognized verification scheme to further mitigate emissions.</p>	<p>Under current policy and legal developments, the Group faces financial risks associated with evolving climate-related regulations, including potential methane emission requirements and compliance obligations. In response, the Group has invested approximately RM25 million in the installation of biogas methane capture systems at selected palm oil mills.</p>	<p>The Group continues to review and replace its existing assets to maintain operational efficiency, while progressively moving towards lower-carbon technologies where feasible. The expected financial impact arising from transition risks may involve additional capital expenditure for the adoption of greener and more energy-efficient technologies. However, this transition may also present opportunities, including access to green financing with potentially lower financing costs, as well as eligibility for government incentives and tax benefits associated with sustainable investments.</p>

SUSTAINABILITY REPORT 2025

Transition Risks (continued)

Climate Transition Risk Category & Time Horizon	Risk Description	Mitigation Measures	Current	Anticipated
Technology <ul style="list-style-type: none"> Short to Medium Term 	<p>Aligned with Sarawak's net-zero goals, stricter GHG regulations may require the Group's operations to cut emissions or incur higher costs, while practices like diesel generators and methane flaring could become less viable.</p>	<p>Opportunity to replace diesel generators with electricity from the Sarawak Energy Berhad grid. This would reduce Scope 1 emissions while slightly increasing Scope 2 emissions; however, because the Scope 2 emission factor is lower, the overall net emissions would be reduced.</p>	<p>Diesel costs account for approximately 10% of the Group's total operating expenses. To reduce reliance on diesel generators, the Group has progressively connected its plantations and mills to grid electricity, primarily sourced from renewable hydropower, with supplementary coal and gas generation. This transition lowers exposure to diesel price volatility and future carbon-related costs while increasing renewable energy usage and improving operational cost efficiency. To date, RM4.1 million has been invested in grid electricity installation across plantation estates and palm oil mills.</p>	<p>The Group anticipates incurring additional capital expenditure to install grid electricity in feasible areas across its plantation estates and palm oil mills. Over time, this transition is expected to improve cost efficiency and reduce operating costs compared with conventional diesel generator-based power generation.</p>

SUSTAINABILITY REPORT 2025

Transition Risks (continued)

Climate Transition Risk Category & Time Horizon	Risk Description	Mitigation Measures	Current	Anticipated
Reputational & Market <ul style="list-style-type: none"> Short to Long Term 	Shifts in customer demand for low-carbon products and growing scrutiny on sustainability may impact the oil palm industry. Lack of credible climate strategies and carbon management could harm reputation, limit market access, reduce sales, and erode stakeholder confidence.	<ul style="list-style-type: none"> Engage the stakeholders to meet regulatory requirements. Engage and provide assurance. 	The Group exports palm oil to Asia, Africa, and Europe. Most sales are expected to remain in Asia. Exposure to stricter markets like Europe is currently limited but may increase. The Group may incur additional costs to meet sustainability, traceability, and regulatory requirements where required. In 2025, approximately RM500,000 was incurred for sustainability compliance and certification in the palm business segment.	Over the long term, reputational risks related to climate change and sustainability performance may affect the Group's market access, particularly in regions where buyers increasingly demand sustainable and traceable palm oil supply chains. This could lead to potential loss of sales opportunities, lower price premiums for certified products, and higher costs associated with sustainability certification, climate reporting, and supply chain monitoring.

Legend:

Risk score (raw value)	≥20	≥11 – 19	≥5 – 10	≤4
Risk Category	Extreme Risk	High Risk	Moderate Risk	Low Risk

SUSTAINABILITY REPORT 2025

CLIMATE RESPONSES

The Group has identified climate-related risks and opportunities to ensure alignment with the latest climate change information, frameworks, and guidelines, and will review and update them consistently as required. Insights from these assessments continue to strengthen our understanding of climate-related risks and opportunities, guiding the development of appropriate response measures.

CLIMATE RISK MANAGEMENT

The Group adopts an integrated approach to identifying, assessing, and managing climate-related risks, ensuring alignment with the Group's strategy. Physical and transition climate-related risks are regularly evaluated through climate-related scenario analysis, as outlined below:

1. The range of climate scenarios is defined, and the climate-related risks and opportunity drivers that are relevant to the business are identified.
2. In line with SOP's Risk Management framework, an internal evaluation of the likelihood and impact from all risk and opportunity drivers is conducted on risk appetite.
3. A qualitative scenario analysis is further conducted by integrating the external scenario data from organizations such as the IPCC and IEA. These organizations have developed the most advanced and established climate and energy models that explore the plausible future of the Group's changing climate and economy.
4. Strategic response measures are identified and developed to enhance our resilience to the material risks and amplify our capabilities to seize opportunities.
5. The climate-related risk management steps described above are reviewed annually to incorporate the latest information and monitoring mechanisms.

METRICS AND TARGETS

The Group applies specific metrics to measure and monitor the impact of its sustainability and climate-related material matters. These metrics support the Group's climate mitigation and management strategies and guide decision-making processes.

The selection of these metrics aligns with IFRS S2 and the relevant GRI Topic Standards. Where specific GRI standards were not applicable, definitions from the Group's policies, internal sustainability procedures, and internationally recognized standards were used.

In this reporting period, no disclosures or analyses of milestones or progress were made. Accordingly, 2025 will serve as the baseline year for Scope 1 and Scope 2 emissions, representing the Group's first full application of the GHG Protocol. The baseline for Scope 3 emissions will be established in 2026. Establishing these baselines will enable more accurate and consistent assessment of the Group's GHG emissions over time for external stakeholders. Refer to Carbon Footprint Initiatives, page 74.

SUSTAINABILITY REPORT 2025

SUSTAINABILITY GOVERNANCE

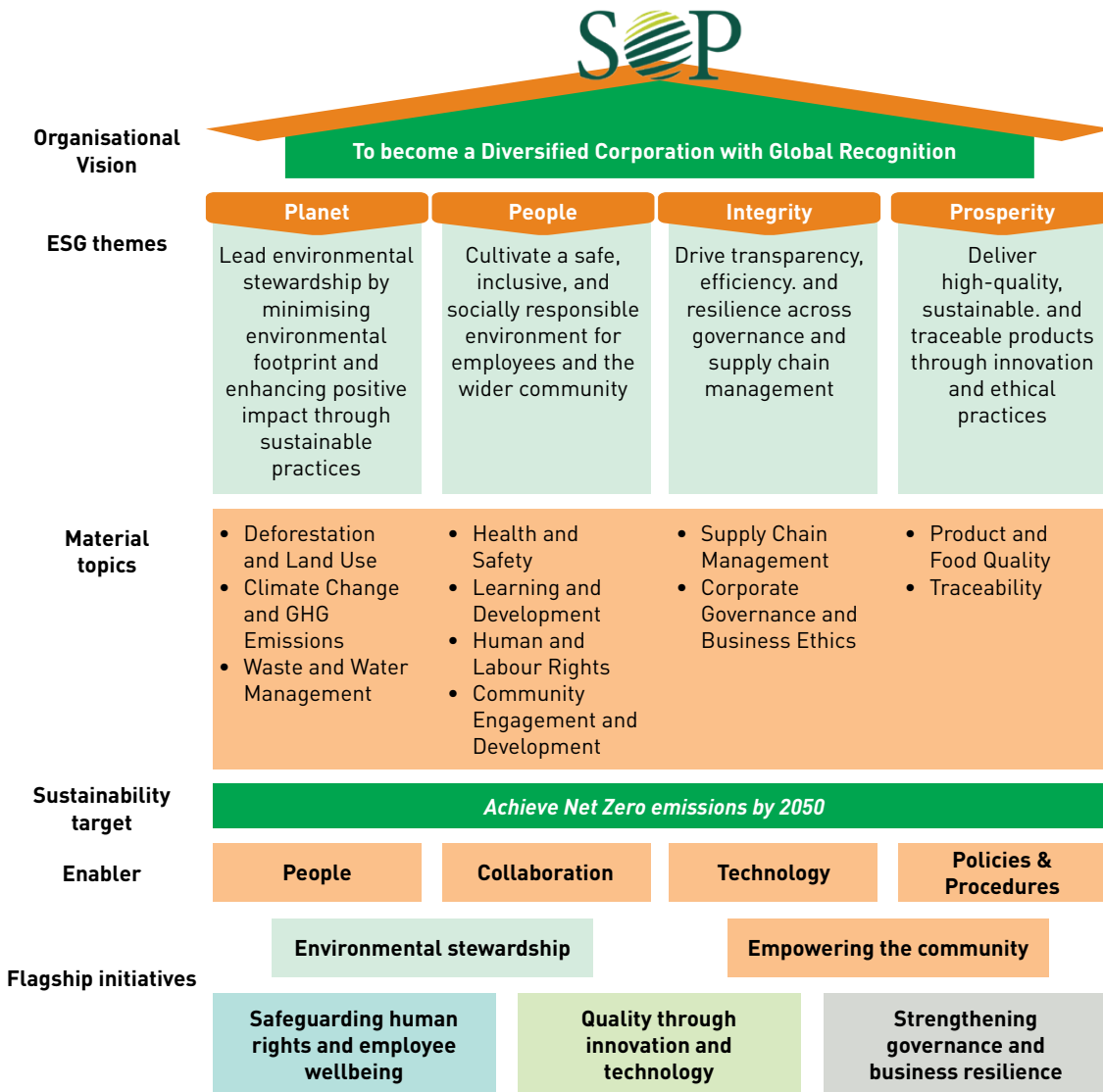


SUSTAINABILITY FRAMEWORK

The Group’s Sustainability Framework guides its commitment to growth that benefits people, the planet, and the business. It recognizes that the Group’s actions impact both society and the environment and strives to integrate sustainability into daily operations to support long-term environmental health, community well-being, and business performance.

By embedding sustainability into the Group’s strategy, stakeholder relationships are strengthened, resilience is enhanced, and competitiveness is maintained amid evolving customer and regulatory expectations. The Group focuses on creating value through ethical conduct, innovation, and operational efficiency, enabling the provision of sustainable products while safeguarding its market position.

The Group is also committed to being an employer of choice by fostering a diverse, safe, and inclusive workplace that nurtures talent and respects human rights. Through these efforts, the Group aims to protect the environment, support communities, and achieve sustainable business growth.



SUSTAINABILITY REPORT 2025

SUSTAINABILITY FRAMEWORK (continued)

The Group's Sustainability Framework guides the company's overall sustainability strategy and is built around four main pillars: Planet, People, Integrity, and Prosperity. Each pillar outlines how the Group manages key sustainability issues.

The Planet pillar focuses on environmental stewardship by minimizing the Group's environmental footprint and enhancing positive impact through sustainable practices. The People pillar cultivates a safe, inclusive, and socially responsible environment for employees and the surrounding community. The Integrity pillar emphasizes transparency, efficiency, and resilience across governance and supply chain management. The Prosperity pillar delivers high-quality, sustainable, and traceable products through innovation and ethical practices.

To support the framework, the Group relies on three enablers. "People" develops capability, accountability, and a culture that drives sustainable initiatives. "Collaboration" fosters engagement with peers to achieve broader sustainability goals. "Technology" ensures accuracy, efficiency, and transparency, enabling scalable sustainability performance. Collectively, these enablers ensure that the Group's sustainability strategy remains robust and adaptable to future challenges.

Governance

The Group's Sustainability Governance Structure follows a top-down approach, with oversight from the Board of Directors, which sets policies and strategic direction based on macroeconomic indicators and the desired sustainability outcomes, and approves sustainability policies accordingly.

The GMC, headed by the Group Executive Chairman, consists of Group Chief Executive Officer (GCEO), Chief Operating Officer, Senior Management personnel, and Heads of Department that formulate and set strategies and procedures for the implementation of sustainability policies. GMC also deliberates on the current sustainability challenges and manages the Group's sustainability performance and reporting.

The GMC meets quarterly to review the latest sustainability developments and challenges and informs the Board on sustainability-related risks and opportunities.



Board of Director

- Promotes sustainability with regards to environment, economic and social aspects.
- Oversees and approves sustainability policies.
- Oversees the Group's sustainability performance.



Group Management Committee

- Formulates sustainability goals, strategies, and implementation procedures and practices.
- Deliberates sustainability issues.
- Manages the Group's sustainability performance and sustainability reporting.



Group Sustainability Committee

- Ascertains sustainability performance across the Group.
- Engages stakeholders.
- Raises sustainability awareness among employees and supply chain.
- Ensures sustainability standards are consistently put into practice across the Group.

The Group Sustainability Committee (GSC), chaired by the GCEO and comprising Heads of Operational Units, ensures that approved sustainability procedures are embedded into the Group's operational activities. The GSC meets quarterly to review the progress of sustainability programs and provide updates on current issues.

Subsequent to the financial year end, the composition and roles of the GSC were revised in 2026 to enhance alignment with the Group's sustainability priorities.

Consultants are engaged, where necessary, to provide reviews and updates on contemporary sustainability issues to ensure that the latest sustainability standards are adhered to. GSC also ensures that sustainability standards are consistently applied across the Group.

For further information on the Corporate Governance Structure including board oversight, please refer to page 120.

SUSTAINABILITY REPORT 2025

Impact of Sustainability on remuneration policies

In 2025, sustainability-related targets were assigned within the Group as applicable. Responsibility for achieving these targets at has been delegated to senior management personnel. Specific targets are defined for everyone according to their role, and these individuals are accountable for progress against the targets. Performance against these targets is assessed as part of annual appraisals and influences remuneration, including salary and bonuses, as well as promotion decisions.

The Company will continue to embed sustainability strategies into its remuneration policies.

Risk Management

The processes and policies for identifying and assessing sustainability-related risks, including climate-related risks, are detailed in the Materiality Assessment section of this report. The risk assessment process incorporates both qualitative and quantitative factors and considers the nature, likelihood, and magnitude of potential risks.

Sustainability-related risks, including climate-related risks, are identified through materiality assessment alongside other risks for the Group. Once these risks and opportunities are identified, the Group follows a structured process to prioritize and monitor them. The GMC is responsible for identifying and managing the Group's overall risks, which is integrated into Group Audit and Risk Management Committee (GARC) overall risk management framework, and reports to the Board.

Prioritization of the Group's risks is performed by the GARC based on severity and likelihood, considering potential financial impacts, operational disruptions, and regulatory changes. These prioritized risks are then approved by the Board. The GMC is responsible for reporting and collaborating with the Board to ensure that sustainability-related opportunities are prioritized alongside other opportunities identified by the Group.

SUSTAINABILITY CERTIFICATIONS

The Malaysian Sustainable Palm Oil (MSPO) Certification provides a credible framework for the sustainable and responsible management of the palm oil industry, promoting positive environmental, social, and governance (ESG) impacts while minimizing adverse effects, particularly on people and the environment. By aligning palm oil production with national laws and regulations, the MSPO framework ensures that the industry maintains a balance between economic growth, social development, and environmental protection.

The MSPO certification scheme undergoes periodic reviews to ensure its criteria and thresholds not only meet but exceed stakeholder expectations, through a comprehensive and participatory process. The latest MSPO: 2530:2022 standard was introduced in 2022, further strengthening the framework.

As of 31 December 2025, all the Group's operational units and third-party supplying mills were MSPO certified, in line with national requirements.

International Sustainability & Carbon Certification (ISCC)

The Group regards the International Sustainability and Carbon Certification (ISCC) as a important secondary standard, as it provides a more rigorous ("GHG") emissions tracking mechanism required for exports to highly regulated markets, particularly for biofuels.

In 2025, all eligible operational units were certified under several integrated scopes, including First Gathering Point, Point of Origin (PoO), and Processing Units. During this period, the Group's estates were also audited under the ISCC EU Farm and Plantation scope to verify sustainable agricultural practices at the source.

SUSTAINABILITY REPORT 2025

The Group rationalised its certification strategy to focus specifically on the PoO scope for its seven palm oil mills. This scope covers the production of POME oil and EFB oil. By concentrating on the PoO scope, the Group aligns with the most rigorous industry standards for waste and residue-based feedstocks, providing customers with clear assurance of the sustainable origin of its biofuel components.

As of December 2025, Tinbarap POM was successfully certified under ISCC PoO, while Metanik POM was recertified under the same scope.

Although certain eligible operational units are no longer externally verified under the ISCC standard, the requirements introduced since 2014 continue to be implemented across the Group as part of its established sustainability practices and are subject to internal verification.

Green Gold Label (GGL) Certification

GGL is an international certification program for sustainable biomass, established in 2002, with a proven track record in the certification, tracking, and tracing of sustainable biomass. Certified by independent, accredited third-party bodies, GGL covers the entire supply chain from production, processing, and transport to final use for bioenergy and biobased applications. In 2025, the Group's refinery achieved GGL certification, ensuring that all Palm Kernel Shells supplied by its seven mills comply with GGL sustainability requirements.

Food Safety Certifications

The Group maintains a strong commitment to food safety through internationally recognized certification schemes that ensure its products meet stringent quality and safety standards. The Group's downstream operational units are certified under ISO 22000:2018, FSSC 22000, HACCP, and Good Manufacturing Practice (GMP), providing assurance that food safety hazards are effectively controlled across the supply chain.

In addition, compliance with MeSTi (Ministry of Health Malaysia) requirements, FDA registration, and religious certifications such as Halal and Kosher further reinforces the Group's dedication to producing safe, high-quality products for diverse markets. These certifications demonstrate the Group's approach to safeguarding consumer health.

MEMBERSHIP OF ASSOCIATIONS

The Group actively engages with various local and national associations to contribute positively to the industry and to promote the dissemination and integration of its sustainability agenda and goals across its operations and the wider industry. The Group's participation in these associations is outlined below:

Associations	Membership/Representatives
Malaysia Palm Oil Association (MPOA)	Member and Council Member
Sarawak Oil Palms Plantations Owners Association (SOPPOA)	Chairman and Permanent Council Member
Malaysian Sustainable Palm Oil (MSPO)	<ul style="list-style-type: none"> Board of Trustee Representative for the National Steering Committee for MSPO Certification Technical Working Group for GHG Calculator Panel member for EUDR Voluntary Compliance Module (eMSPO)
Malaysia Palm Oil Board (MPOB)	Representative for the MPOB National Committee Meeting
Palm Oil Collaboration Group (POCG)	Member

SUSTAINABILITY REPORT 2025

ENVIRONMENTAL SUSTAINABILITY



CARBON FOOTPRINT INITIATIVES

The quantification of carbon footprint, or greenhouse gas (“GHG”) emissions, has become a standard practice among responsible palm oil producers.

In previous years, the Group adopted a GHG calculation methodology with reference to ISCC 205 and achieved its interim 35% reduction target. This reduction was primarily attributable to the implementation of methane capture systems at five of the Group’s palm oil mills.

In 2025, the Group quantified and analyzed its Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy) in accordance with the Greenhouse Gas Protocol-aligned inventory. A GHG calculator was developed incorporating recognized emission factors for data integrity, including but not limited to IPCC 2019, USEPA Emission Factors for Greenhouse Gas Inventories, AMS III, and industry-adopted assumptions.

The table below summarizes, for the Group and other investees, total GHG emissions for the year:

Absolute gross GHG emissions for the year Metric tons of CO ₂ equivalent (tCO ₂ eq)		GHG Intensity/Product (tCO ₂ /MT Product)	
Scope 1	663,487	Plantation	0.21
Scope 2	12,500	Mill	0.63
Total Scope 1 and 2	675,987	Downstream	0.01
Scope 3	158,673		
Emission Reduction	-89,393		

Scope 1 emissions disclosed cover direct emissions from upstream and downstream operations. Emissions associated with peat oxidation are currently excluded and will be considered for future disclosure. This is due to the ongoing process of assessing and refining the appropriate calculation methodologies, assumptions, and boundaries, particularly in relation to peat-related emissions. Scope 2 emissions from electricity consumption were calculated using location-based emission factors specific to Sarawak, Sabah and Singapore to reflect the regional electricity generation mix.

In line with the transition relief provisions under International Sustainability Standards Board standards, the Group is taking steps to improve its Scope 3 emissions reporting.

During the year, the Group identified 11 out of the 15 Scope 3 categories as relevant to its operations and disclosed emissions for 7 categories. These disclosures incorporate estimation methodologies where necessary, reflecting the current stage of data maturity while the Group continues to enhance data quality and supplier engagement.

Scope 3 disclosed indirect emissions comprise Category 1 (~81%), Category 2 (~10%), and Category 3 (~8%), while the remaining categories (5, 6, 7, and 12) collectively account for the balance.

Emission reductions are primarily attributable to addressing both source at operational emissions through methane capture systems and the sink with carbon sequestration at existing conservation area in addition to industry’s established regenerative agriculture practices. Beyond emissions measurement, solar panels have also been installed across the plantations to reduce reliance on fossil fuels.

Due to the changes in GHG calculation methodology, the Group is recalibrating the baseline and developing the target for the emission reduction to ultimately achieve an accurate and credible Net Zero emission targets. The group remains committed to strengthening its sustainability reporting practices and will provide updates on its GHG emissions disclosures once the assessment process has been satisfactorily completed.

SUSTAINABILITY REPORT 2025

ENERGY MANAGEMENT

Total energy consumption is measured across the various stages of palm oil production, from cultivation and harvesting to the processing of FFB, oil extraction, transportation, and refining. The industry relies on both fossil fuels, such as diesel and natural gas, and renewable energy sources, including biomass derived from palm oil mill by-products.

The Group recognizes that energy consumption is a key factor in assessing the environmental impact of the oil palm industry, particularly in relation to carbon emissions and resource use. Effective energy management—through the adoption of renewable energy and energy-efficient technologies—is essential to reducing carbon footprint and enhancing overall sustainability. The integration of renewable energy systems, such as biogas plants and biomass power generation, is becoming increasingly prevalent as the industry transitions toward more sustainable practices.

Energy consumption within the Group		Consumption (GJ) in 2025			
		Plantations	Mills	Refinery & Kernel Crushing Plant	Biodiesel Plant & Phytonutrient Plant
a)	Non-renewable energy fuel consumed	131,419	70,545	5,545	386
b)	Renewable fuel consumed	-	186,773	1,211,312	230,750
c)	Electricity, heating, cooling & steam purchased for consumption	1,094	16,389	40,987	42,807
d)	Self-generated electricity, heating, cooling & steam (which are not consumed)	-	-	-	-
e)	Electricity, heating, cooling & steam sold	-	-	-	-
f)	Total energy consumption within the group = a) + b) + c) + d) – e)	132,513	273,708	1,257,844	273,943
g)	Energy Intensity (GJ/Metric Ton Product)	0.24	0.62	1.00	1.47

Source of conversion factor:

- 1,000 litre > 40.198 GJ (Diesel): <https://www.unitconverters.net/energy/fuel-oil-equivalent-kiloliter-to-gigajoule.htm>
- 1,000 kWh > 3.6 GJ: <http://convert-to.com/conversion/energy/convert-kwh-to-gj.html>
- PK: 20.09 MJ/kg; Fibre: 19.06 MJ/kg; MPOB - Slide; MDPI (Multidisciplinary Digital Publishing Institute)

Energy Intensity (GJ/MT Product)	Plantation	Mill	Refinery & Kernel Crushing Plant	Biodiesel Plant & Phytonutrient Plant
2025	0.24	0.62	1.00	1.47
2024	0.25	0.60	1.53	1.33
2023	0.19	0.57	1.60	1.39

SUSTAINABILITY REPORT 2025

NO DEFORESTATION AND NO DEVELOPMENT ON PEAT

The Group launched its integrated Oil Palms Sustainability Policy (OPSP) in 2019, and the policy has been revised in 2025 to reinforce its commitment on No Deforestation of High Conservation Value (HCV) areas within its land bank and throughout its supply chain. Any new development is required to undergo HCV and High Carbon Stock Approach (“HCSA”) assessments in accordance with National and State Agricultural Land Use Policies.

The Group works closely with suppliers, contractors, industry stakeholders and customers to implement this policy, raise awareness and deliver on its commitment to sustainable palm oil production.

The Group remains steadfast in its commitments and is fully compliant with its OPSP, recognizing that deforestation and other unsustainable practices have significant adverse consequences for both communities and the environment. The Group is therefore committed to protecting forests and peatlands, while upholding human and community rights. All operations are conducted in accordance with established internal policies and procedures aligned with industry best practices.

The Group has completed third-party HCV assessments for all post-2005 plantings to guide the management of internal environmental resources and to strengthen its understanding of the aspirations and expectations of local communities within its operating landscape.

Palm product suppliers are formally notified of the requirement to comply with the Group’s OPSP, failing which they may be excluded from the supply chain. To support compliance, the Group actively engages suppliers through tailored solutions and technical assistance aimed at strengthening capacity and improving environmental performance.

The Group also engages both suppliers and buyers through constructive dialogue to address evolving consumer expectations. These engagements focus on near- and long-term sustainability priorities, identifying gaps, and developing time-bound action plans to meet leading global market requirements.

To monitor progress in implementing the OPSP, the Group established its Sustainability Policy Implementation Plan in 2019 to communicate its strategy in achieving its No Deforestation, No Peat and No Exploitation (“NDPE”) commitments beyond 2020.

SOIL AND NUTRIENT MANAGEMENT

Approximately 55% of the Group’s estates are located on mineral soils, while 45% are on peatlands, requiring careful and well-planned soil management to ensure long-term ecological sustainability and economic productivity.

The Group conducts annual soil and leaf sampling alongside comprehensive soil surveys to classify soil series and better understand estate-specific soil profiles. By integrating analytical results with soil classification data, targeted fertilizer and soil management programmes are developed to enhance nutrient uptake, improve palm growth, reduce fertilizer wastage, and optimize operational efficiency.

Soil conservation is reinforced through nutrient recycling practices such as stacking pruned fronds, applying decanter cake and mulching empty fruit bunches, which improve soil fertility, moisture retention and organic matter content while reducing reliance on inorganic fertilizers and lowering greenhouse gas emissions.

The cultivation of leguminous cover crops, including *Mucuna bracteata* and newly trialled species such as *Pueraria javanica*, as well as mixed legume systems, further enhances soil structure, suppresses weed growth, and supports long-term soil sustainability.

Water management is equally critical to sustaining palm health across both mineral and peat estates. The Group maintains structured drainage and water level control systems to regulate optimal moisture conditions, supported by interconnected infrastructure such as check gates, tidal gates, weirs, bunds, and conservation ponds. This system enables water retention during dry periods and effective drainage during heavy rainfall, with regular maintenance ensuring continued functionality.

In peat estates, subsidence poles and piezometers are installed to monitor peat subsidence and water table levels, while peat pH is also tracked to optimize nutrient availability. Continuous monitoring and timely corrective actions help mitigate risks, minimize peat degradation, and reduce greenhouse gas emissions.

SUSTAINABILITY REPORT 2025

Integrated Pest Management

Integrated Pest Management (“IPM”) is the use of holistic and compatible methods of pest and disease control to reduce crop damage and increase productivity. The Group adopts the IPM approach in pest management, which involves biological control of pests with the introduction of beneficial nectar-producing plants, namely *Cassia cobanensis*, *Tunera subulata* and *Antigonon leptopus* to provide natural food sources and shelters for predators of insects.

At the estates, regular training courses are conducted both in the classrooms and in the fields, aiming at imparting knowledge of pests’ life cycle, their ecology, and their natural enemies. A systematic monitoring or census system is also put in place to ensure that control measures are implemented. These measures significantly reduce the total amount of insecticides required without affecting the efficacy of pest control.

In a situation where there is severe pest infestation, the use of biological insecticides is favored over the use of chemicals, depending on the severity of the outbreak. By choosing insecticides with suitable properties and using correct application techniques, the biological balance is not adversely affected.

ZERO BURNING POLICY

In all replanting activities, the Group practices a Zero Burning Policy, where all palm trunks are felled, chipped, and left on-site for decomposition as mulched. This approach promotes natural retention of nutrients, maintaining the organic balance of the soil, and preventing accidental burning.

In peat estates, maintaining water level at desired level, concurrently, plays a significant role in fire prevention over the estates. As an added precaution, the Emergency Response Team (“ERT”) has been established in all operational units since July 2016 as the first line of defense against any fire outbreak within the Group’s plantations and premises. The ERT is responsible for providing clear guidance on fire prevention by creating awareness, educating employees, and conducting fire drills.

No hotspots or incidents of fire were detected in the Group’s estates or smallholders planted areas during 2025.

BIODIVERSITY MANAGEMENT

The Group continues to collaborate with international and local universities, non-governmental organizations (NGOs), and government agencies to support ongoing efforts to preserve the unique biodiversity and ecological value of wildlife within the unplanted areas of its concessions.

Research conducted through these collaborations focuses on identifying key species, monitoring ecosystem health, and assessing the impact of human activities on biodiversity. Universities contribute academic expertise, advanced research methodologies, and data analysis to support scientific studies that guide the Group’s sustainable land management practices.

In May 2025, the Group signed a Memorandum of Understanding (MoU) with the Malaysian Palm Oil Green Conservation Foundation (MPOGCF) to undertake a joint conservation programme within the Group’s plantations.

The MoU was signed by the Group’s Chief Operating Officer, Mr Eric Kiu Kwong Seng, and MPOGCF’s General Manager. The signing ceremony was witnessed by the Group’s Chief Executive Officer, Mr Wong Hee Kwong, and the Secretary-General of the Ministry of Plantation and Commodities, who is also the Chairman of the Board of Trustees of MPOGCF, YBhg. Dato’ Yusran Shah Mohd Yusof, together with other senior management of the Group.



SUSTAINABILITY REPORT 2025

MPOGCF – SOP Murum Scientific Expedition

To kick-off the collaboration with MPOGCF, a Scientific Expedition was organized and conducted from 19 to 25 May 2025 to establish a baseline for future research and conservation effort. This Scientific Expedition was with the participation of technical partners from the Malaysian Palm Oil Board (MPOB), Universiti Malaysia Sarawak (UNIMAS), and Universiti Putra Malaysia (UPM).

The expedition documented a total of 259 species, including bats, reptiles, amphibians, birds, fish, crabs, a prawn, and numerous tree species. Of these, 52 species are classified as Rare, Threatened, or Endangered (RTE) by the IUCN, comprising 3 Critically Endangered, 9 Endangered, 14 Vulnerable, and 26 Near Threatened species.

Under the Sarawak Wildlife Protection Ordinance (1998), 2 species are Totally Protected, and 20 are Protected, including the iconic Rhinoceros Hornbill, a species of cultural and ecological significance in Sarawak.

This survey provides valuable data to support biodiversity conservation planning and reinforces the Group's commitment to protecting High Conservation Value (HCV) areas within its operations and surrounding landscapes.



Participants of the MPOGCF - SOP Murum Scientific Expedition.



Bats observed during the expedition.



Team from UNIMAS taking river water parameters.

Following the encouraging results from the May 2025 scientific expedition, a Ph.D. student from Universiti Malaysia Sarawak (UNIMAS) initiated a follow-up study focusing on the herpetofauna in the Murum Region.

In August 2025, the student conducted a four-week field campaign to collect data on skinks using radio transmitters. This methodology enables the tracking of individual skinks to better understand their home ranges and habitat utilization.

Data analysis is ongoing.

SUSTAINABILITY REPORT 2025



UNIMAS student tracking her samples using radio wave receiver.



Frog found during a night walk.

Re-census of Tree Species and Carbon Stock Estimation

This is an ongoing collaboration between the Group and the Malaysian Palm Oil Board (MPOB) at the Tinbarap Conservation Area and the Sabaju Research Site. A re-census of permanent plots established in 2015 was conducted to collect data on tree species composition and growth over the past 10 years.

This long-term monitoring initiative provides critical insights into forest dynamics, ecosystem health, and the effectiveness of conservation management practices in these areas.



Census team from SOP and MPOB.



SOP personnel taking tree measurements.



MPOB personnel taking measurements of tall trees.

SUSTAINABILITY REPORT 2025

Awareness Talk and Result Sharing by Universiti Putra Malaysia

In December 2025, Universiti Putra Malaysia (UPM), Bintulu, conducted an awareness session and result-sharing programme for the Murum Region. The session highlighted the importance of forest conservation in oil palm plantations and included practical exercises on tree identification.

During the programme, participants were presented with the findings on tree diversity from the MPOGCF-SOP Murum Scientific Expedition. The session culminated in a field walk, where participants were taught practical tree identification techniques in forested areas. A total of 27 participants attended the programme, enhancing knowledge and awareness of biodiversity conservation practices in the region.



Simple field identification exercise for SOP personnels.



A SOP representative giving his opening remarks for the event.

Biodiversity Survey on Medium and Large Mammals by Universiti Malaysia Sarawak

The Group continued its collaboration with Universiti Malaysia Sarawak (UNIMAS) on the project titled "Biodiversity Survey of Medium to Large Mammals in the Murum Region," which was initiated in 2024.

The study utilized camera trapping methodology to monitor and record the movement of medium to large mammals within plantation and adjacent forest areas. This non-invasive technique enables systematic data collection on species presence, distribution patterns and habitat utilization across the landscape.

In May 2024, camera traps were installed at designated monitoring locations. In January 2025, the UNIMAS research team retrieved the devices, yielding approximately eight months of field data for analysis. The findings from this survey will contribute to a better understanding of biodiversity within the Murum Region and support the Group's ongoing efforts to enhance conservation and landscape management practices.

SUSTAINABILITY REPORT 2025

Species name	IUCN assessment status	SWLPO protection status
Class: Mammal		
Pig-tailed macaque <i>Macaca nemestrina</i>	EN	P
Long-tailed macaque <i>Macaca fascicularis</i>	EN	P
Malayan porcupine <i>Hystrix brachyura</i>	LC	P
Thick-spined porcupine <i>Hystrix crassispinis</i>	LC	P
Long-tailed porcupine <i>Trichys fasciculata</i>	LC	P
Leopard cat <i>Prionailurus javanensis</i>	LC	P
Clouded leopard <i>Neofelis diardi</i>	EN	TP
Malay civet <i>Viverra zangalunga</i>	LC	P
Common palm civet <i>Paradoxurus philippinensis</i>	LC	P
Small-toothed palm civet <i>Arctogalidada trivirgata</i>	LC	P
Banded palm civet <i>Hemigalus derbyanus</i>	NT	P
Linsang <i>Prionodon linsang</i>	LC	P
Short-tailed mongoose <i>Urva brachyurus</i>	NT	P
Collared mongoose <i>Urva semitorquata</i>	NT	P
Sunda pangolin <i>Manis javanica</i>	CR	P
Small-clawed otter <i>Aonyx cinereus</i>	VU	P
Yellow-throated marten <i>Martes flavigula</i>	LC	-
Malay weasel <i>Mustella nudipes</i>	LC	-
Bornean yellow muntjac <i>Muntiacus atherodes</i>	NT	-
Red muntjac <i>Muntiacus muntjak</i>	LC	-
Sambar deer <i>Rusa unicolor</i>	VU	-
Sun bear <i>Helarctos malayanus</i>	VU	P

Species name	IUCN assessment status	SWLPO protection status
Class: Mammal		
Plaintain squirrel <i>Callosciurus notatus</i>	LC	-
Prevost's squirrel <i>Callosciurus prevostii</i>	LC	-
Low's squirrel <i>Sundasciurus lowii</i>	LC	-
Plain treeshrew <i>Tupaia longipes</i>	LC	P
Painted treeshrew <i>Tupaia picta</i>	LC	P
Large treeshrew <i>Tupaia tana</i>	LC	P
Lesser treeshrew <i>Tupaia minor</i>	LC	P

Species name	IUCN assessment status	SWLPO protection status
Class: Reptiles		
Asian water monitor <i>Varanus salvator</i>	LC	P
Black-banded ground skink <i>Eutropis rudis</i>	LC	-

Species name	IUCN assessment status	SWLPO protection status
Class: Aves		
White-breasted waterhen <i>Amaurornis phoenicurus</i>	LC	-
Emerald dove <i>Chalcophaps indica</i>	LC	-
Oriental-magpie robin <i>Copsychus saularis</i>	LC	-
White-rumped shama <i>Copsychus malabaricus</i>	LC	P
Crested partridge <i>Rollulus rouloul</i>	VU	P
Great argus <i>Argusianus argus</i>	VU	TP
Crested Serpent Eagle <i>Spilornis cheela</i>	LC	-
Black-capped Babbler <i>Pellorneum nigrocapitatum</i>	LC	-

SUSTAINABILITY REPORT 2025

Stakeholder Engagement with Sarawak Forestry Corporation and Local Communities

In February 2025, the engagement was organized by Lambir Hills National Park as part of their stakeholder engagement for their ASEAN Heritage Park accreditation. The engagement also provided the Group with a platform to connect with surrounding communities, hear their perspectives, and gain a deeper understanding of their views on biodiversity conservation amid ongoing development.

WATER MANAGEMENT

Water use is receiving increased attention due to the growing importance of water footprint, which measures the volume of water consumed across different stages of a product's life cycle.

The Group recognizes water as a valuable resource and is committed to reducing its water footprint through continuous improvement initiatives and responsible water management practices. Beyond using raw water, the Group recycles treated wastewater for reuse in refinery cooling tower operations and refinery hot well vacuum systems. Rainwater harvesting is applied for general cleaning activities, while steam condensate is recovered and redirected to the boiler house for reuse.

The Group places strong emphasis on monitoring water consumption and assessing water quality for both domestic and industrial applications. Across plantations and palm oil mills, safe drinking water is provided to employees and their families residing in company housing quarters. Water quality testing is conducted by both internal and external laboratories to ensure compliance with the National Standard for Drinking Water.

WATER USAGE	2025	2024	2023
Domestic Usage for Workers (Litres/Worker/Day)	178	164	246
Mill Water Usage in m ³ /MT FFB Processed	1.109	1.439	1.712
Downstream (Water Usage in m ³ /MT Refined Products Processed)	0.253	0.319	0.339

* Downstream water consumption has been reinstated for FY2023–FY2024, with the scope expanded to include SOP Foods products, enabling more comprehensive and transparent disclosures.

During the year, the enhanced water efficiency practices extended to other mills of the Group, resulting in a reduction in water usage in FFB processing. Water usage in the downstream operations decreased compared to the previous year due to improved operational efficiency and better water management at the refinery and biodiesel plant, including optimisation of steam usage, cooling systems, and equipment cleaning processes.

EFFLUENT MANAGEMENT

In 2025, the Group complied with the Department of Environment's regulations for wastewater discharge.

All POME waste was properly treated in treatment ponds to meet the Biochemical Oxygen Demand ("BOD") and Chemical Oxygen Demand ("COD") discharge limits as outlined by EQ (Prescribed Premises) (Crude Palm Oil) Regulations 1977 – EQ (Prescribed Premises) (Crude Palm Oil) Amendments Regulations 1982 before being released into the waterways. The prescribed BOD limit is 20 mg/L for mill and 50 mg/L for refinery and biodiesel plants.

SUSTAINABILITY REPORT 2025

Operating Unit	Average BOD Level (mg/L)		
	2025	2024	2023
Mill	9.9	10.8	13.3
Refinery & Kernel Crushing Plant	3.3	3.3	2.4
Biodiesel Plant & Phytonutrient Plant	16	25	2.2

BOD levels at the mill and biodiesel plant decreased due to improved wastewater treatment and optimization of bio-reactor performance at the biodiesel plant.




WASTE MANAGEMENT

The Group is committed to integrating Environmental, Social, and Governance (ESG) principles into its waste management strategy to promote long-term sustainability and corporate responsibility. The Group aims to implement a zero-waste approach across its operations, from upstream plantations to downstream processing.

The Group's objectives are to minimize waste generation, maximize opportunities for recycling and reuse, and ensure that disposal practices are responsible and environmentally sound. This approach supports the efficient use of resources, reduces environmental impact, and aligns with the Group's broader sustainability commitments.

The Group adheres to industry best practices for by-product management at its upstream palm oil facilities, striving for full recovery and repurposing of waste materials. Proactive measures are implemented to prevent waste generation across the Group's operations and value chain while managing significant environmental impacts associated with waste production.

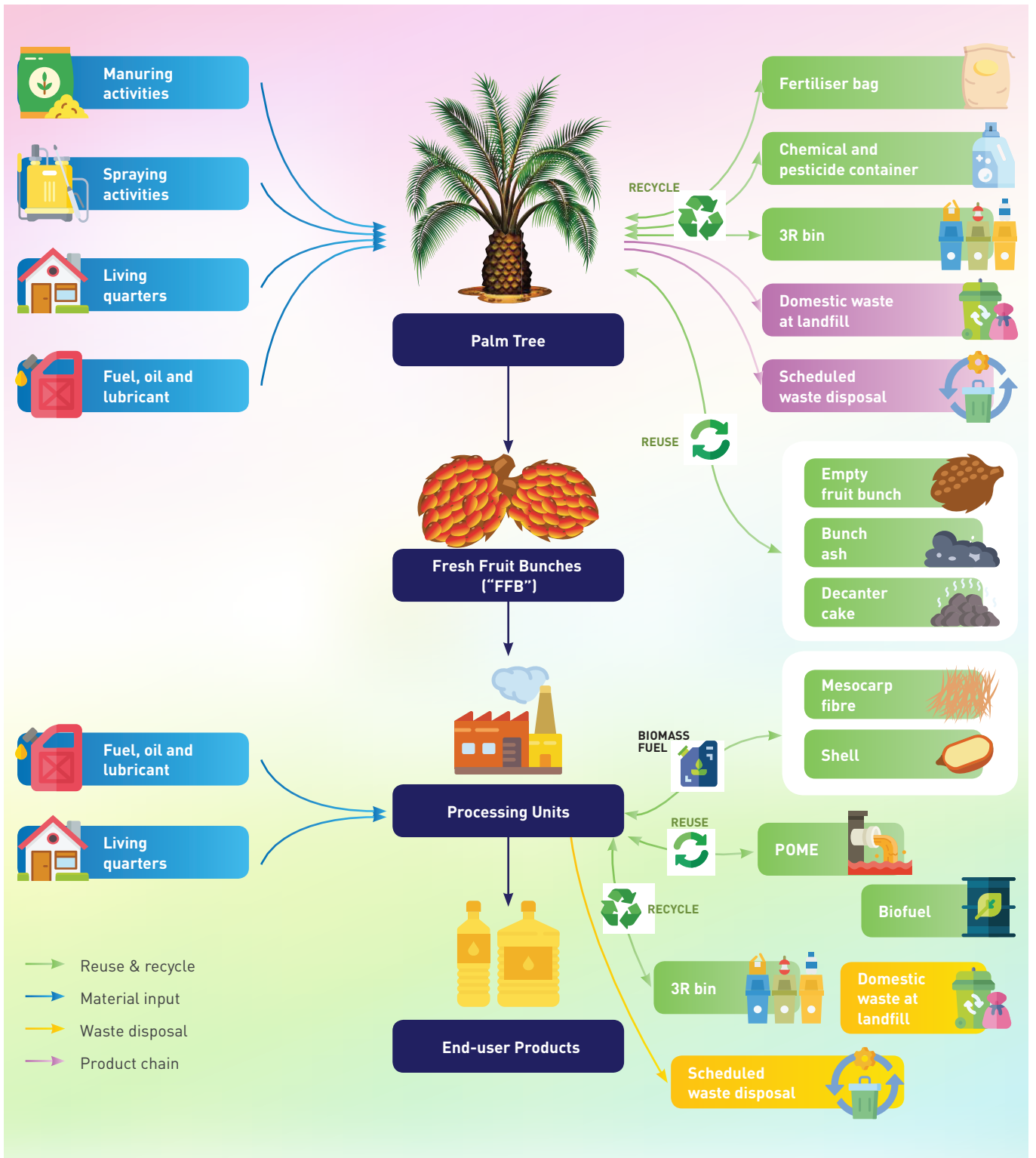
These practices align with the United Nations Sustainable Development Goals (SDGs), particularly:

 <p>SDG 12: Responsible Consumption and Production</p>	 <p>SDG 13: Climate Action</p>	 <p>SDG 15: Life on Land</p>
By optimising waste management, reducing hazardous waste, and promoting sustainable resource use.	Through carbon footprint reduction via biomass energy and sustainable agricultural practices.	By minimising land degradation and preserving soil quality through organic waste utilisation.

Waste generated from upstream operations primarily consists of solid organic biomass by-products from production processes, including oil palm fronds (OPF), empty fruit bunches (EFB), mesocarp fibre, and palm kernel shells (PKS). These by-products are repurposed internally, either as biomass fuel or as mulch to support nutrient recycling and soil health.

Hazardous waste generated from operations is collected and disposed of at licensed off-site facilities, in full compliance with regulatory requirements. Non-hazardous waste is segregated to facilitate recycling, while residual domestic waste is managed through designated on-site landfill facilities.

SUSTAINABILITY REPORT 2025



SUSTAINABILITY REPORT 2025

Table below shows the information on the waste disposed by category:

HAZARDOUS WASTE (METRIC TONNES)			
Categories of Waste	Waste Directed to Disposal (Offsite) MT		
	2025	2024	2023
SW 102 – Waste of Lead Acid Batteries in whole or crushed form	13.06	10.30	17.10
SW109 – Waste containing mercury or its compound	0.11	0.2	0.4
SW305 & SW306 – Spent lubricating and hydraulic oil	88.41	127.40	94.30
SW321 – Rubber or latex wastes or sludges containing organic solvents or heavy metals	9123.58	10250.00	9263.00
SW409 – Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	31.90	1.30	70.20
SW410 – Rags, plastics, papers or filters contaminated with scheduled wastes	15.47	17.50	2.30
SW422 – A mixture of scheduled and non-scheduled wastes	0.82	0.40	1.10
SW429 – Chemicals that are discarded or off-specification	1.45	0.04	0.50

NON-HAZARDOUS WASTE (METRIC TONNES)			
Categories of Waste	Waste Directed to Disposal (Offsite) MT		
	2025	2024	2023
Domestic Waste	3374.76	1485.20	3105.40
Recycling	1072.06	1225.30	545.70

The increase in total waste generated in 2025 is primarily attributed to improved data recording and reporting across operational units, resulting in more comprehensive waste tracking.



SUSTAINABILITY REPORT 2025

SOCIAL SUSTAINABILITY



The Group is committed to upholding human rights for all its employees and the communities in which it operates. The Group respects and supports the principles set out in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. It recognizes and respects the rights of all workers, including contract, temporary, and migrant workers, as well as their freedom of association and right to collective bargaining.


The Group established its Social and Community Policy in 2014. The policy was revised in December 2025 to align with evolving industry requirements and to strengthen the Group's commitments in this area.

Refer to SOP Social and Community Policy at this link: (<https://sop.com.my/wp-content/uploads/2026/01/SOP-Social-Community-Ver-02-25.pdf>)






STAKEHOLDER ENGAGEMENT

Multi-stakeholder collaboration is essential to achieving sustainability objectives. The Group has designated personnel to engage with key stakeholders, including local and indigenous communities, customers, and NGOs. Meaningful and balanced progress is fostered through constructive dialogues and transparent time-bound commitments. These engagements also serve as a platform to disseminate the Group's sustainability policies across the supply chain and encourage collaboration.




All stakeholder inquiries are recorded and closely monitored. The Group's engagement efforts include both virtual and in-person meetings.

Stakeholders	Engagement Modes	Areas of Concern	Frequency	Anticipated Outcomes
Employees 	<ul style="list-style-type: none"> Management meetings Events and functions Staff meetings and internal trainings Internal communication via newsletters and intranet Recreational activities 	<ul style="list-style-type: none"> Human & worker's rights Social welfare Sustainability updates Safety & health SOPB's sustainability performance updates Training and development opportunities Internal career advancement opportunities 	Annually / As needed	<ul style="list-style-type: none"> To understand, assimilate and uphold the commitments and targets laid out in SOPB's OPSP

SUSTAINABILITY REPORT 2025

Stakeholders	Engagement Modes	Areas of Concern	Frequency	Anticipated Outcomes
Customers 	<ul style="list-style-type: none"> Meetings, briefing sessions and seminars Engagement surveys Site visits to operational units 	<ul style="list-style-type: none"> Product quality and food safety Price competitiveness NDPE policy implementation High conservation value areas protection Sustainability practices for all operational units Traceability 	As needed	<ul style="list-style-type: none"> Acceptance of the Group's commitments and practices in line with sustainability policies Recognition of the Group as a sustainable supplier
Government & Regulators 	<ul style="list-style-type: none"> Field visits and dialogue sessions Events and seminars Publications via newsletters and website 	<ul style="list-style-type: none"> Compliance status to regulatory requirements Human & worker's rights Shortage 	As needed	<ul style="list-style-type: none"> Recognition of the Group's commitments, policies and procedures
Smallholders, Outgrowers & Local Communities 	<ul style="list-style-type: none"> CSR activities Dialogues and workshops Seminars 	<ul style="list-style-type: none"> Certification requirements Sustainability commitments Market expectations and requirements 	Annually/ As needed	<ul style="list-style-type: none"> Stronger rapport and support for the Group's policies by smallholders, outgrowers and local communities
Non-governmental Organizations (NGOs) 	<ul style="list-style-type: none"> Teleconference Email One-to-one meetings Field visits Documentation reviews 	<ul style="list-style-type: none"> Sustainability policies and practices Human & worker's rights Supply chain traceability 	As needed	<ul style="list-style-type: none"> Acknowledgement and acceptance of the Group's policies, procedures and progress on sustainability Recognition of the Group as a sustainable supplier
Schools & Universities 	<ul style="list-style-type: none"> Career fairs Site visits Internships Awards Seminars & workshops 	<ul style="list-style-type: none"> Career opportunities and scholarships Development of oil palms industry Sustainability commitments Research collaboration and deliverables 	Annually/ As needed	<ul style="list-style-type: none"> Better understanding of the oil palms sector Participation in the development of oil palms sector Render financial assistance to those in need

SUSTAINABILITY REPORT 2025

Stakeholders	Engagement Modes	Areas of Concern	Frequency	Anticipated Outcomes
Certification Bodies 	<ul style="list-style-type: none"> Sustainability Certifications 	<ul style="list-style-type: none"> Certification requirements Compliance to related acts and laws Sustainability commitments 	Annually	<ul style="list-style-type: none"> Compliance to certification requirements Assurance to stakeholders on supply chain monitoring and compliance to the Group's policies
Shareholders, Investors, Banks 	<ul style="list-style-type: none"> Site visits Quarterly updates Briefing sessions 	<ul style="list-style-type: none"> Sustainability certifications Implementation and progress of commitments 	Quarterly/ As needed	<ul style="list-style-type: none"> Assurance of the Group's sustainability commitments and progress
Suppliers 	<ul style="list-style-type: none"> Surveys / Questionnaires One-to-one meetings/ webinars Contract bidding and tendering 	<ul style="list-style-type: none"> Business ethics Compliance to relevant laws Market requirements on sustainability 	Annually/ As needed	<ul style="list-style-type: none"> Full compliance to the Group's OPSP Stronger rapport with the suppliers to address concerns raised by buyers and NGOs

SOCIAL IMPACT ASSESSMENT AND SMALLHOLDER ENGAGEMENT

The Social Impact Assessment (SIA) is conducted in line with the Group's human rights commitment which identifies and manages social risks related to employee welfare, community well-being, non-discrimination, and protection of vulnerable groups, in accordance with MSPO SIA Guideline.

In addition, the smallholder engagement programme is conducted to ensure independent and organized smallholders are consulted and involved in decision-making, supporting local sustainable development and contributing to the UN Sustainable Development Goals "SDG", particularly for small-scale farmers in surrounding communities. As part of social initiatives, the Group actively engages smallholders to promote sustainable palm oil production and responsible supply chain practices, including the provision of training programmes to enhance farm management and operational capacity.



SIA engagement session at Sri Aman Region



Field demonstration session during Smallholder Engagement at Sabaju Region

SUSTAINABILITY REPORT 2025

Stakeholder participation is a key component of the SIA, ensuring that the views of employees, local communities, authorities, external partners, and smallholders both independent and organized are incorporated in line with the Group's commitment to responsible and sustainable development. Their engagement provides valuable insights into social conditions, potential risks, and community priorities, enabling the identification of gaps, impacts, and areas for improvement.

The findings are integrated into the Group's Management and Mitigation Plans with clear actions and responsibilities, strengthening social performance, enhancing stakeholder well-being, supporting local sustainable development, and contributing to the UN SDGs.

The SIA was completed for all the Group's estates, mills, collection centres, and downstream operations units in 2025.

Smallholders' Engagement Programme (SEP)

The Group's Company smallholder engagement initiative bridges the gap between industrial standards and small-scale oil palms cultivation. By sharing Good Agricultural Practices (GAP) with the Group's NDPE commitments, it empowers oil palms smallholders' farmers to improve their livelihoods while safeguarding the environment. Through dedicated technical support and transparent communication, the Group ensures continue that smallholders are not just suppliers, but vital partners in a responsible, deforestation-free supply chain.

In 2025, the Group continued SEP with a more structured approach where it identified 2,626 oil palms smallholders who delivered more than 100,000 metric tons of FFB to the six (6) out of the seven (7) SOP palm oil mills, from a planted hectarages of around 11,000 hectares, giving an average yield of 10.0 metric tonnes of FFB per hectares.

The SEP was conducted by regions with respect to SOP POMs location and supply chain. The participation levels of smallholders are summarized in Table below:

Region / POMs	No. of Smallholders			Participation (%)
	Total	Attended	Not Attended	
Balingian	59	28	31	47.5
Tinbarap	265	5	260	1.9
Sepakau	1237	33	1204	2.7
Sabaju	137	26	111	18.9
Galasah	680	15	665	2.2
Lambir	248	24	224	9.7
TOTAL	2,626	131	2495	5.0

The Group acknowledges that the overall participation rate of 5% is low; however, it has provided valuable insights to guide the next steps in improving engagements. The 47.5% turnout in Balingian is attributed to smallholders being direct and regular suppliers to Balingian POM. In contrast, at the remaining six POMs, smallholders have the option of delivering their crops to nearby collection centres, and those who participated are predominantly regular suppliers.



Smallholder Engagement with local community located in Lambir Region

EMPLOYEE'S WELFARE

The Group provides comprehensive medical benefits, including insurance coverage, medical checkups, and hospitalization allowances for all employees, including plantation workers. On-site clinics have been established in many of the Group's estates to offer medical consultations and on-site treatment for emergencies. In locations without such facilities, the Group provides free transportation for employees requiring medical treatment at the nearest clinic or government hospital.

SUSTAINABILITY REPORT 2025

Enhancing Employee Housing for a Diverse and Inclusive Workforce

The Group continuously upgrades and constructs housing quarters by improving existing buildings, amenities, and facilities while developing new accommodations to enhance employees' living conditions and overall quality of life.

As of December 2025, 77% of the planned labour quarters had been completed, demonstrating strong progress against the Group's development targets. Remaining construction is on schedule and will continue in 2026. These projects support the Group's commitment towards providing equal access to quality housing for all employees, regardless of background. This supports a more diverse and inclusive workforce by reducing disparities in living conditions, enhancing talent attraction, and mitigating risks of discrimination based on housing status.



Commitment to Employee Engagement and Workers' Rights

Management at each site actively engages with employees through regular forums, such as the 'Mesyuarat Kebajikan dan Alam Sekitar,' to understand their social needs and take prompt action to address them.

In 2025, the Workers' Committee made significant progress in upholding workers' rights. The Group's initiatives are aligned with the Global Reporting Initiative (GRI) standards, emphasizing equality and non-discrimination and remains fully committed to the principles of GRI 405 and GRI 406, ensuring a fair and inclusive workplace for all employees.

Commitment to Non-Discrimination, Diversity, Inclusion, and Equal Opportunity

The Group is committed to non-discrimination and ensuring equal opportunities for all employees. It does not engage in or support discrimination in hiring, compensation, training access, promotion, termination, or retirement based on ethnicity, national origin, caste, religion, sex, age, sexual orientation, union membership, or political affiliation.

To reinforce this commitment, minority groups and women's committees have been established across all operational units to facilitate incident reporting.

Management at each site actively engages with employees through regular forums specifically for women, creating safe spaces such as "Gender and Children Meetings." These serve as channels to ensure workers are provided with a platform to voice their concerns.

The Group also promotes diversity and equal opportunity through policies and practices designed to prevent discrimination based on gender, age, ethnicity, disability, and other factors. By fostering an inclusive workforce, the Group ensures all employees can thrive and advance in their careers.

No discrimination incidents were reported in 2025.

Commitment to Human Rights and Fair Employment Practices

The Group is committed to upholding the human rights of all its members and communities under its Social and Community Policy. As part of this commitment, the Group strictly prohibits the employment of individuals under the age of 18 and takes a firm stance against child labour.

To prevent child labour, the Group has implemented strict policies and continuously monitors its operations and supply chains to identify and mitigate any related risks. These efforts ensure that the Group's practices align with international standards for the protection of children's rights.

SUSTAINABILITY REPORT 2025

Commitment to GRI's Ethical Labor Practices and Workers' Rights

The Group is committed to upholding and supporting the Global Reporting Initiative (GRI) standards, which focus on critical labour issues. The Group ensures that all employees have the right to form and join trade unions and to bargain collectively. It actively monitors and addresses any risks that may infringe upon these rights, fostering a fair and inclusive working environment.

The Group is also dedicated to combating forced or compulsory labour within its operations and supply chains. Strict monitoring and proactive measures are in place to prevent any form of coerced labour, ensuring that all workers are treated with dignity and respect. By adhering to GRI standards, the Group reinforces its commitment to ethical labour practices and promotes a safe, fair, and inclusive workplace for all employees.

CODE OF BUSINESS CONDUCT AND ETHICS

The Group's Code of Business Conduct and Ethics was revised in 2020 to promote good business conduct and maintain a healthy corporate culture that upholds integrity, honesty, transparency, and fairness in the Group. The Code covers compliance with applicable law, conflict of interest, anti-bribery and corruption, fair dealing and protection of assets and properties. The Group is committed to comply with all the provisions set out in the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and take adequate measures to prevent corrupt practices.

CODE OF AREAS OF CONDUCT

Compliance with Applicable law
Conflict of Interest
Anti-Bribery and Corruption
Fair Dealing
Protection of Assets and Funds
Confidential Information
Insider Information and Securities Trading
Business Records and Control
Health and Safety
Sexual Harassment
Fair and Courteous Behavior
Misconduct
Whistle-Blowing

More details on the revised Code of Business Conduct and Ethics are available at this link: <https://sop.com.my/wp-content/uploads/2024/04/COBCE.pdf>

Anti-Bribery Corruption Trainings

In 2025, the Group organized formal Anti-Bribery and Corruption (ABC) training sessions for employees across all levels of the organization. These briefings reinforced the Group's zero-tolerance stance against bribery and corrupt practices, while enhancing awareness of ethical conduct and regulatory compliance requirements.

SUSTAINABILITY REPORT 2025

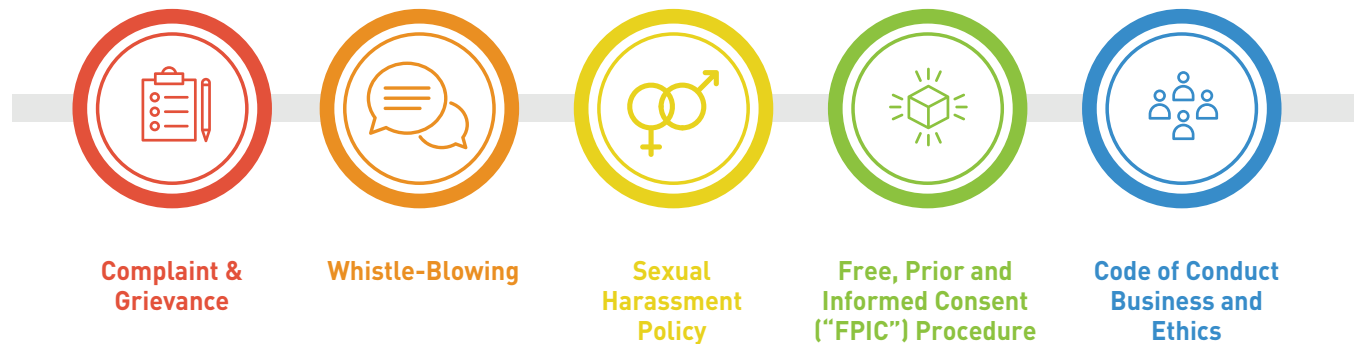
WHISTLE-BLOWING AND GRIEVANCE MECHANISM

The Group is committed to achieving and maintaining the highest standards of integrity, accountability, and ethical conduct in all aspects of its business operations.

To reinforce this commitment, the Group has established a Whistle-Blowing Policy that provides employees with a secure and confidential channel to report any suspected misconduct or improper practices. The policy includes appropriate safeguards to protect whistle-blowers from reprisals, discrimination, or victimization, thereby encouraging transparency and responsible reporting within the organization.

For further details on Whistle-Blowing Policy & Procedure, please refer to: <http://sop.com.my/wp-content/uploads/2024/04/WBPP.pdf>

The Group recognizes that feedback from stakeholders and third-parties serves as an important “check and balance” mechanism to strengthen transparency and enhance the effective implementation of its Oil Palm Sustainability Policy. Constructive engagement supports continuous improvement, reinforces accountability, and ensures that the Group’s sustainability commitments remain aligned with evolving stakeholder expectations.



The Whistle-Blowing Policy also provides a secure channel for employees, stakeholders, or any third-parties to raise complaints or grievances related to the Group’s operations, including sustainability concerns involving the Group’s palm product suppliers. This mechanism ensures that all issues are addressed appropriately, reinforcing accountability, transparency, and responsible business practices across the value chain.

SUSTAINABILITY REPORT 2025

Whistle-Blowing Policy

- The Whistle-Blowing Policy, established in January 2019 and revised in November 2021, provides employees and stakeholders with a secure channel to report any improper acts, misconduct, or concerns within the Group without fear of retaliation. This policy ensures an open and safe avenue for raising complaints or grievances related to the Group's operations, supporting transparency, accountability, and responsible business conduct.
- The Whistle-Blowing Policy includes the contact details of authorised personnel and instructions for making anonymous disclosures. This ensures that employees and stakeholders can report concerns confidentially and securely. For more information, please refer to the policy via the link below: <https://hq.sop.com.my/MvcWBIS/WhistleBlower/WhistleBlowerForm>

Grievance Procedure (External Procedure)

- Any potential or confirmed breaches of the Group's OPSP or palm product sourcing issues can be brought to the attention of Head of Sustainability. Grievances will be handled and investigated with the utmost care, and its findings will be brought up to the Group Sustainability Committee' attention and communicated to the stakeholders for resolution.

HEAD OF SUSTAINABILITY (HOS)

- Contact Number : 085-617996 [EXT: 3201]
- Email: galau.melayong@sopb.com.my (Mark Strictly Confidential)
- Address: Sarawak Oil Palms Berhad (SOPB) No. 124-126, Jalan Bendahara P.O. BOX 547, 98007 Miri, Sarawak.

Note: All disclosures will be handled in a strictly confidential manner.

Issue/ Grievances Raise

Assessment & Investigation

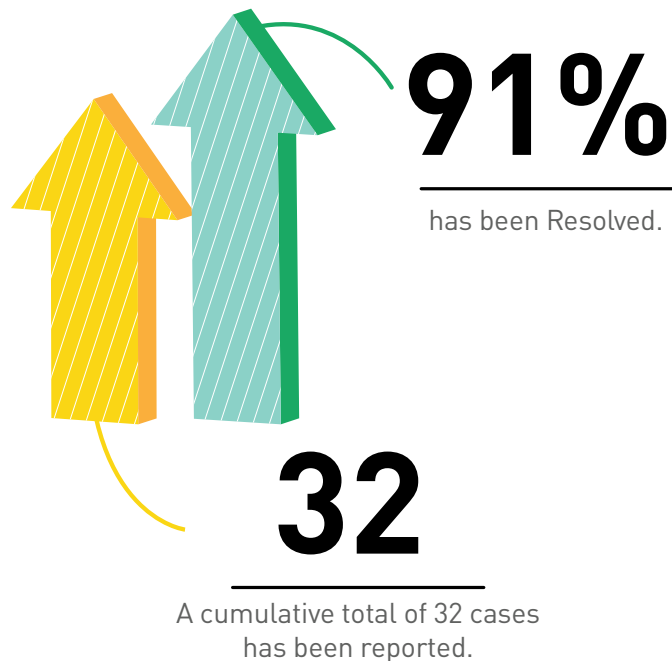
Engagement with Grievances Initiator & Relevant Parties

Report to Sustainability Committee

Discuss Action Plan with Stakeholders

Implementation & Decision

Verification



More information on the grievances cases is available at this link: <https://sop.com.my/grievance-handling/grievance-list/>

SUSTAINABILITY REPORT 2025

COMPLAINT AND GRIEVANCE PROCEDURE

The Group has established a system that enables employees to express their concerns and have them addressed by local operational management. Issues are investigated and resolved through mediation or conflict resolution, with the option for employees to escalate concerns to higher management levels if necessary.

To facilitate feedback, 'Suggestion/Complaint Forms' and physical 'Suggestion Boxes' are made available at every operational unit. Employees are informed of these channels during annual refresher briefings and job orientation sessions. By promoting open communication and fostering healthy working relationships between employees and management, the Group supports higher employee morale and improved work performance.

FREE, PRIOR AND INFORMED CONSENT PROCEDURE

In 2019, the Group adopted its Free, Prior and Informed Consent (FPIC) Procedure alongside the launch of its Oil Palm Sustainability Policy (OPSP). The FPIC Procedure reinforces the Group's commitment to respecting the rights of indigenous peoples and local communities by ensuring that development activities are conducted transparently, with meaningful consultation and consent obtained prior to implementation.

More details on the FPIC Procedure are available at the following link: <https://sop.com.my/grievance-handling/>

The Free, Prior and Informed Consent (FPIC) Procedure complements the Group's existing reporting mechanisms by providing a structured approach to address any issues related to exploitation that may be directly or indirectly linked to the Group's activities.

The Group applies the FPIC approach prior to any land development to ensure that legal, communal and customary rights are fully respected. This process recognizes the rights of indigenous peoples and local communities through transparent consultation and meaningful engagement. The FPIC framework is further supported by the Group's publicly available Grievance Mechanism, which provides accessible channels for raising concerns and seeking resolution.

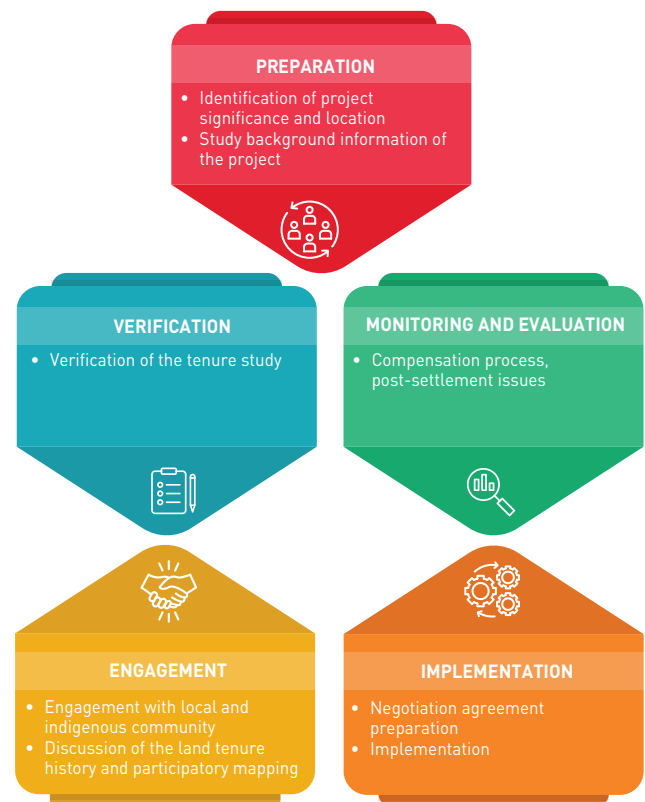
SEXUAL HARASSMENT POLICY

The Group is committed to fostering a harmonious and safe work environment, free from any form of sexual harassment. Since the inception of the policy, several reports of alleged sexual harassment had been received.

Upon receiving a report, the Group's Human Resource Department conducts a thorough investigation to determine whether further action, including disciplinary measures or involvement of law enforcement authorities, is necessary. The Group maintains a zero-tolerance stance toward sexual harassment and seeks to prevent, correct, and discipline any behaviour that violates this policy.

At the same time, the Group does not tolerate false or frivolous allegations and ensures that investigations are conducted fairly and objectively.

FPIC Procedure



The details of this procedure can be assessed at this link: <https://sop.com.my/doc/SOPB-FPIC-Procedure.pdf>

SUSTAINABILITY REPORT 2025

FOOD SECURITY

The Group places high emphasis on the security and availability of food for residential employees through its open canteen tendering processes and in-house mini-market outlets. Various checks and comparisons on prices, quality of food, satisfaction surveys and timely follow-ups on issues found are performed to ensure strict compliance with internal standards.

OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health (OSH) is recognized as a material sustainability matter for the Group due to the nature of its operations, which span geographically dispersed plantations, mills, and downstream facilities and involve exposure to high-risk activities. The Group remains steadfast in providing a safe and healthy working environment for all employees, contractors, and visitors, recognizing that effective OSH management is fundamental to business continuity, operational resilience, and long-term value creation.

In 2025, the Safety and Health Department continued to reinforce OSH governance, enhance system standardization, and improve field-level implementation in alignment with the Occupational Safety and Health Act 1994 (Amendment 2022) and internal corporate requirements. These initiatives reflect the Group's commitment to preventing occupational injuries and illnesses while fostering a proactive and accountable safety culture across all operating units.

Occupational Safety and Health Management System

The Group's OSH Management System adopts a structured and systematic approach encompassing policy implementation, Safe Operating Procedures (SOPs), hazard identification, risk assessment, and continuous risk control. The Group's OSH Policy remains valid under its five-year review cycle.

In 2025, the operational strengthening focused on improving the clarity, practicality, and consistency of SOPs to ensure effective execution at the field level. Several SOPs were reviewed and refined, and new SOPs were introduced to address emerging and evolving work activities.

- Number of SOPs updated: 47
- Number of new SOPs introduced: 3

These improvements had strengthened control measures for high-risk activities and reinforced the consistent implementation of OSH standards across plantations, mills, and downstream operations.

Occupational Safety and Health Governance

In 2025, the Group undertook preparatory initiatives to strengthen OSH oversight, enhance accountability, and improve operational consistency across its operations. These efforts reinforced management supervision and aligned OSH governance with the Group's broader risk management and sustainability framework, supporting a proactive and structured approach to workplace safety.

Cluster-Based OSH Coverage Model

A cluster-based OSH coverage model was developed to ensure balanced workload distribution and standardized OSH implementation across all operating units. This model enhances efficiency, visibility, and consistency in OSH monitoring.

Task-Based Governance Structure

A task-based governance structure was established, clearly defining Lead, Support, and Reviewing roles for key OSH activities, including inspections, documentation audits, incident investigations, risk assessments, and training programmes. This structure improved accountability, reduced duplication of efforts, and enhanced reporting quality.

Standardization Initiatives

Standardization initiatives implemented during the year included the enhancement of procedures, logbook requirements, standard forms, and reporting workflows. These initiatives strengthened regulatory compliance, improved audit readiness, and supported more reliable OSH data management.

The enhanced governance framework will be fully implemented and embedded across operations in 2026.

SUSTAINABILITY REPORT 2025

Risk Assessment and Hazard Management

Risk assessments for high-risk activities were reviewed and strengthened during the year, with particular focus on activities that pose potential risks of serious injury or fatality. Key activities reviewed included:

- Maintenance activities in mill operations
- Operations on steep slopes in plantations

Mitigation measures were enhanced through strengthened engineering controls, improved supervision, and clearer administrative requirements. Preventive communication and engagement with field teams were intensified to reinforce hazard awareness and compliance with control measures.

- Number of risk assessments reviewed: 12

Safety Culture and Behavioural Reinforcement

The Group continued to reinforce safety awareness and promote positive safety behaviours through regular engagement initiatives, including morning muster briefings, on-site coaching sessions, OSH Committee meetings, and ongoing safety communication campaigns. These initiatives strengthened hazard identification capabilities and reinforced compliance with established safe work practices across plantations, mills, and downstream operations, contributing to a proactive and safety-conscious work culture

- Total safety briefings conducted: 320
- Total OSH Committee meetings attended: 85

Emergency Preparedness

Emergency preparedness was strengthened through refresher training for first aiders conducted by competent training providers, as well as Internal Emergency Response Team (ERT) drills conducted in collaboration with the Fire and Rescue Department of Malaysia (BOMBA). These activities enhanced emergency response readiness and inter-agency coordination.



Emergency Preparedness and Response – Fire Drill at Plantation



Basic Firefighting Training at Bintulu Downstream

SUSTAINABILITY REPORT 2025

Personal Protective Equipment (PPE) Compliance Campaign

A Personal Protective Equipment (PPE) Compliance Campaign was implemented throughout the year across plantation estates and relevant operational units. The campaign reinforced the importance of proper PPE usage and demonstrated the Group's ongoing commitment to strengthening its safety culture and ensuring compliance with OSH requirements.



Internal Training on Specific Work Related Hazard - Chemical Handling (Mixing) for Spraying Gang



OSH Training Awareness Program for Plantations Workers

Worker Health and Well-Being

The Group expanded its worker well-being initiatives through collaborative programmes with the Security Department and Public Relations Department, including Anti-Drug and Anti-Gambling awareness campaigns conducted under the SOP Kasi Jadi Integrity Drive.

These initiatives addressed psychosocial well-being, reinforced ethical values, and promoted responsible behaviour among employees, contributing to a safer and more supportive workplace environment. The programmes were conducted at three locations—Miri, Bintulu, and Sri Aman—with a total of 236 participants.

Industrial Hygiene

Industrial Hygiene (IH) programmes focused on chemical safety and noise exposure control, in compliance with the Use and Standards of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000. Regular chemical monitoring and audiometric testing were conducted, and all operational units successfully complied with applicable regulatory requirements.



Personal Chemical Exposure Monitoring for Laboratory Staff

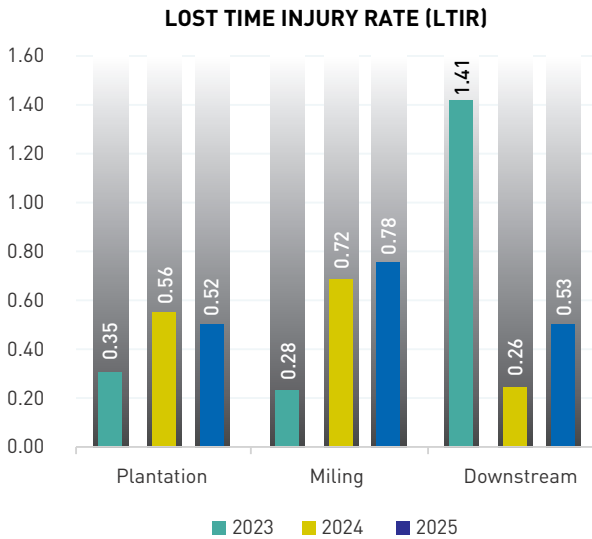


Audiometric Test for Plantation Workers

SUSTAINABILITY REPORT 2025

Safety Performance

The Group monitors both leading and lagging indicators to assess OSH performance. The Lost Time Injury Rate (LTIR) remains a key metric for evaluating workplace safety outcomes and measuring the effectiveness of safety initiatives across all operations.



In 2025, the plantation units recorded a 7.14% reduction in the Lost Time Injury Rate (LTIR), decreasing from 0.56 in 2024 to 0.52. This improvement reflects the positive impact of enhanced PPE compliance initiatives and targeted training for OSH Coordinators, which strengthened hazard recognition at the field level.

Training and Competency Development

The Group conducted OSH-related training throughout the year to enhance employee competency in safe work practices, industrial hygiene, chemical handling, and emergency response.

No	Category	No. of Employees Attended Training	No. of Female Employees	Training Hours
1	Occupational Safety	8285	2335	291.0
2	Industrial Hygiene	24	0	3.2
3	Other topics	177	55	34.5
Total		8486	2390	328.7

External chemical handling training was conducted by approved suppliers for the plantation units. A total of 253 employees, including 115 female employees, attended chemical handling training across 29 locations during the year.

The Group will continue to enhance training coverage and monitor training effectiveness to support continuous improvement in OSH performance.

The milling segment recorded an LTIR of 0.78, while the downstream segment recorded an LTIR of 0.53. In response to these outcomes, the Group strengthened supervision and increased the deployment of Safety and Health Officers to enhance daily safety oversight and ensure timely interventions.

Fatality

It is with deep regret that the Group reports a work-related fatality in 2025, which occurred due to a fall into a condensate pit during maintenance at one of the mills. The Group treats this incident with the utmost seriousness and has promptly implemented corrective and preventive actions in accordance with the hierarchy of controls, including:

- Engineering Controls: Installation of physical barriers and enclosure of condensate pits.
- Administrative Controls: Revision of risk assessments and development of enhanced procedures related to high-risk maintenance activities.
- Training and Awareness: Group-wide safety briefings and targeted training programmes across all milling sites to reinforce safe practices in hazardous areas.

SUSTAINABILITY REPORT 2025

EDUCATION AND TRAINING

No	Items	Figure (Hours per employee)		
		2025	2024	2023
1	Average training hours per employee	20.22	20.67	9.58
i.	Total number of training hours provided to employees	15612	14,736	13,563
ii.	Total number of employees who attended training	772	713	1,416
2	Average training hours per female	16.02	16.83	3.86
i.	Total number of training hours provided to female employees	3,125	2,827	2,718
ii.	Total number of female employees	195	168	396
3	Average training hours per male	21.64	21.85	10.63
i.	Total number of training hours provided to male employees	12487	11,909	10,846
ii.	Total number of male employees	577	545	1,020
4	Average training hours per employee category (Management)	31.62	21.89	24.45
i.	Total number of training hours provided to each category of employees (Management)	3605	2,036	3,154
ii.	Total number of employees in category (Management)	114	93	129
5	Average training hours per employee category (Executive)	20.22	19.16	17.24
i.	Total number of training hours provided to each category of employees (Executive)	5,501	4,407	6,325
ii.	Total number of employees in category (Executive)	272	230	367
6	Average training hours per employee category (Staff)	16.85	21.27	4.42
i.	Total number of training hours provided to each category of employees (Staff)	6,505	8,294	4,084
ii.	Total number of employees in category (Staff)	386	390	923

SUSTAINABILITY REPORT 2025

OUR COMMITMENT TO LOCAL COMMUNITIES

Through the SOP Foundation, the Group continues to strengthen the well-being of local communities by supporting vital initiatives in healthcare, education, disaster relief, and other areas that enhance everyday quality of life. These efforts reflect the Group's core values and its belief in the power of collective progress to build resilient communities—where essential services are accessible and where care, support, and empowerment guide its actions and long-term aspirations.

Community healthy & well-being programs

I. Vision Care Project

As part of the Group's annual Vision Care initiative, the programme aims to enhance the well-being of communities in villages and longhouses located near its operations. In 2025, four sessions were carried

out across different locations to extend its reach and benefit more rural communities. Implemented in collaboration with Klinik Kesihatan and supported by local optician volunteers, the initiative prioritises the early detection of eye conditions—an area often underserved in remote areas.

Across the various locations, residents underwent eye screenings and on-site consultations, with eligible participants identified to receive prescription spectacles. In October, 56 residents from Rh Edwin, Sungai Sujan Mapo, Sebauh were identified as successful recipients. This was followed by 168 recipients from Rh Buli, Sungai Semanok, Tatau in November, and 70 recipients from the Penan community in Miri in December. An additional 52 residents from Rh Untol and Rh Chrmu were also identified to receive prescription spectacles. All spectacles were fully sponsored by the Group, reflecting the Group's ongoing commitment to improving community health and access to essential eye care services.



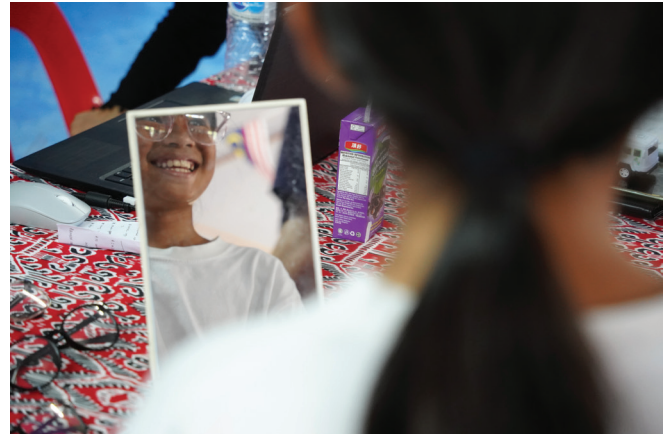
Resident of Rh. Edwin having his eyes tested with a manual phoropter.



Rh Edwin residents, Klinik Kesihatan Sebauh staff.



Residents of Rh. Buli, both young and elderly, having their eyesight tested and trying on new frames.



SUSTAINABILITY REPORT 2025



Residents of the Penan community having their eyesight assessed using a manual phoropter.



Residents of Rh. Untol & Rh. Chrmi getting their eyes tested using the manual phoropter.



Rh. Untol & Rh. Chrmi together with the staff of SOP.

II. Blood Donation Drive

The Group's Blood Donation Drive continues to serve as an important effort in supporting the critical blood supply needs of Miri and Bintulu General Hospital. By encouraging voluntary participation among employees and the public, the initiative helps maintain a stable and safe blood reserve for patients in need.

In 2025, three successful rounds were carried out, culminating in a total collection of 255 pints, surpassing the previous year's achievement. The final round gathered 84 pints, with strong turnout from both returning and first-time donors. As SOP remains committed to giving back to the community, the Blood Donation Drive stands as a meaningful reminder of how a simple act of generosity can save lives.

SUSTAINABILITY REPORT 2025



SOP Foundation Blood Donation Drive continues to receive overwhelming support from both the public and SOP employees.



III. Healthy Strides Malaysia

Healthy Strides Malaysia marked a meaningful milestone in 2025 with the Healthy Strides Run held at Marina Park City, Miri, bringing together 278 participants in a strong show of unity and inclusion. The event featured an energetic warm-up session followed by a "Special Run," where clients of Healthy Strides Malaysia joined the flag-off, symbolising the organisation's commitment to creating inclusive spaces for individuals with disabilities.

Under the theme "Stride for Inclusion, Stride for All," the run successfully strengthened public awareness and support for disability-related causes. The initiative also strengthened community engagement while promoting greater awareness and understanding of the challenges faced by individuals with neuro-disabilities. The event's success further reinforced Healthy Strides Malaysia's ongoing mission to promote inclusion and improve quality of life through sustained advocacy and support programmes.



Participants taking part in the pre-run warm-up session prior to the official flag-off.



Participants of the "Special Run" after completing the programme.

SUSTAINABILITY REPORT 2025

Educational programs

The Educational Programmes demonstrate the Group's commitment to CSR by investing in the future of young learners. The initiatives recognise academic achievement and provide financial and material support to students from primary and secondary schools near the Group's operations. By equipping students with the knowledge, skills, and resources to succeed, the programmes foster a supportive learning environment and empower young individuals to achieve academic and professional growth.

I. Excellent Education Award Program: Young Achievers Awards (YAA)

The Young Achievers Awards (YAA) continues to acknowledge secondary school students in Sarawak who excel in key public examinations such as Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Persekolahan Malaysia (STPM). 189 students from various districts including Marudi, Lambir, Bakong, Niah, Sebauh, Tatau and Sg. Asap received cash awards and certificates as recognition for their academic achievements. The programme remains committed to encouraging and motivating local youth to pursue academic success and to support the educational aspirations of students from diverse and often underserved communities.



YAA's recipients of Marudi Region held at SMK Marudi.

II. Student Adoption Programme (SAP)

Continuing its dedication to educational support, the Group extended assistance to 95 students from 48 schools across Sarawak through the Student Adoption Programme (SAP). As a key pillar of the Group's CSR efforts, SAP focuses on providing financial aid to underprivileged primary and secondary school students residing within the vicinity of the Group's operations. The programme aims to ease the financial burden faced by low-income families by offering one-off financial assistance along with essential school supplies. Through this initiative, SOP remains dedicated to creating equal learning opportunities and helping students begin their academic year with confidence and adequate support.



Cash incentives and stationery packs given to deserving students of Tatau and Balingian Region.

SUSTAINABILITY REPORT 2025

III. Miri Division Choral Speaking

The Group remains committed to nurturing young artistic talent through its support of Miri's choral speaking competitions. Under the supervision of the Pejabat Pendidikan Daerah (PPD) Miri, the competitions were hosted by selected schools, with the Group providing sponsorship and logistical support.

- The Inter Miri Division Secondary Schools Choral Speaking Competition took place on 24 June 2025 at Mega Hotel, Miri, featuring 240 students from 12 secondary schools across the division.
- The Inter Miri Division Primary Schools Choral Speaking Competition was held on 28 June 2025 at Meritz Hotel, Miri, with 308 students from 16 primary schools participating.

These events offered students opportunities to develop vocal skills, stage presence, teamwork, and creative expression. By sponsoring these competitions, the Group reinforces its commitment to cultivating confidence, communication skills, and artistic excellence among young learners.



Inter Miri Primary Schools Choral Speaking Competition held at Meritz Hotel, Miri.



Group photo of participants of Inter Miri Division Secondary Schools Choral Speaking competition.

Disaster Relief Aid and Social Contribution

As part of its corporate social responsibility efforts, the Group maintains a Disaster Relief Fund to support local communities impacted by natural disasters such as floods and fires. Through these initiatives, the Group aims to alleviate immediate hardships, support recovery efforts, and demonstrate solidarity with communities in times of need.

I. Miri and Bintulu

In early 2025, the Group, through SOP Foundation, provided flood-relief assistance to affected communities in Miri and Bintulu, distributing essential items such as food and clean drinking water. Relief packages were delivered to evacuation centres and directly to displaced families, ensuring immediate support. Through these efforts, SOP Foundation reaffirmed its commitment to assisting communities in times of crisis and alleviating the impact of natural disasters.



Flood relief recipients receiving their essential items in Miri and Bintulu.

SUSTAINABILITY REPORT 2025

Workplace

I. Crisis Communication Policy Refresher Briefing

The Group continued strengthening internal communication standards through a new round of Crisis Communication Policy Refresher Briefings for all employees. These sessions reinforced the principles that guide consistent, timely, and appropriate communication across the organisation, ensuring that information is delivered accurately and effectively to diverse stakeholder groups. The initiative remains central to safeguarding the Company's reputation and ensuring that key messages reach the right audience in the right manner.

II. Equality, Diversity and Inclusion Policy Briefing

As part of the Group's ongoing commitment to inclusion, briefing sessions were conducted in both English and Bahasa Malaysia to deepen employees' understanding of the Equality, Diversity, and Inclusion (EDI) Policy.

These mandatory sessions ensured alignment across the Group with the policy's objectives and reinforced efforts to foster a respectful, equitable, and inclusive workplace culture.

III. Open-Door Policy Briefing

The Group reinforced its commitment to transparency by continuing the rollout of Open-Door Policy briefings across all operating units. Delivered in languages namely, English and Bahasa, the sessions familiarised employees with the policy's intent and application, promoting a work environment grounded in open communication, approachability, and mutual trust.

Employee Team Building Activities

In 2025, the Group continued to strengthen employee cohesion through a range of team-building programmes, festive gatherings, and recreational activities designed to enhance collaboration, morale, and a unified sense of purpose across the organisation.

I. HUTRI-80 Celebrations

The Group commemorated the 80th anniversary of Indonesia's independence (HUTRI-80) with estate-wide celebrations that brought Indonesian employees together in a spirit of pride and camaraderie. The occasion featured a range of cultural and recreational activities that encouraged participation and strengthened workplace connections. By supporting these meaningful festivities, the Group underscored its recognition of the dedication and vital contributions of its Indonesian workforce.



Celebrating Indonesia's 80th Independence Day with enthusiastic participation across the Group.

SUSTAINABILITY REPORT 2025

II. Annual Dinner

The Group hosted its 57th Annual Dinner, bringing together employees from across the Group for an evening of celebration and camaraderie. Held at the Imperial Hotel, Miri, the event embraced the vibrant theme of Hawaiian Paradise, featuring colourful decorations, employee performances, and engaging activities that enhanced the festive atmosphere.

With over 1,200 employees participating, the programme highlighted the presentation of awards recognising outstanding teams across various categories and marked the official reveal of the new SOP logo. The event strengthened employee engagement, fostered a sense of belonging, and celebrated collective achievements across the Group.



III. Chinese New Year & Hari Raya Celebration

The Group celebrated Chinese New Year and Hari Raya Aidilfitri at the same time. The event's participation received an overwhelming attendance of 300 staff together with their families, reflecting the Group's commitment to unity and cultural appreciation.

The event featured festive activities and warm interactions that strengthened camaraderie across the workforce, reinforcing a harmonious and inclusive workplace culture.



SUSTAINABILITY REPORT 2025

IV. Gawai-Raya Celebration

The Group celebrated Gawai with over 200 staff and their families at Gua Longhouse Chalet, fostering a warm atmosphere of cultural appreciation and community spirit. The gathering featured traditional performances, games, lucky draws, and inclusive activities for all generations. Through this celebration, the Group reaffirmed its commitment to honouring cultural heritage and strengthening unity across its diverse workforce.



These sessions equipped employees with essential knowledge on the risks and consequences of drug abuse and gambling addiction, reinforcing the importance of prevention and early awareness. The initiative demonstrates the Group's ongoing dedication to safeguarding employee well-being and maintaining a supportive, safe, and healthy work environment, free from drug misuse and gambling-related harm.



Smallholder & State Agency Engagement

The Group welcomed over 70 smallholder farmers and officers from Jabatan Pertanian Sarawak to its estate in Miri for an informative industrial visit. Participants observed key operations, including nursery management, palm-oil processing, sustainable agronomy, and modern plantation practices. The visit strengthened collaboration with smallholders and reinforced the Group's commitment to promoting sustainable and efficient practices across the regional palm-oil supply chain.



V. SOP Wellness Program

Anti-Drug and Anti-Gambling Campaign

The Group has strengthened its commitment to fostering a safe and healthy workplace by continuing its collaboration with the Agensi Anti Dadah Kebangsaan (AADK) and Polis Diraja Malaysia (PDRM) to deliver anti-drug and anti-gambling awareness programmes across its operations in Sarawak, including Miri, Bintulu, Murum, and Batu Lintang.

SUSTAINABILITY REPORT 2025

FAIR EMPLOYMENT PRACTICES

Information on employees and other workers

I. Gender

Category	2025				2024				2023			
	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%
Management	190	76	61	34	174	74	61	26	166	77	49	23
Executive	179	62	111	38	204	66	104	34	189	65	102	35
Non-Executive	1209	79	321	21	1189	79	312	21	1153	79	302	21
General Worker	5088	64	2909	36	4502	64	2566	36	3587	62	2186	38
Overall	6666	66	3402	34	6069	67	3043	33	5095	66	2639	34

II. Age Group

Year 2025

Category	Age Group					
	Below 30	%	30 - 50	%	Above 50	%
Management	2	1	191	76	58	23
Executive	113	39	161	56	16	5
Non-Executive	551	36	870	57	109	7
General Worker	2545	32	5248	65	204	3
Overall	3211	32	6470	64	387	4

Year 2024

Category	Age Group					
	Below 30	%	30 - 50	%	Above 50	%
Management	4	2	175	74	56	24
Executive	126	41	165	54	17	5
Non-Executive	573	38	833	56	95	6
General Worker	2835	40	4032	57	201	3
Overall	3538	39	5205	57	369	4

Year 2023

Category	Age Group					
	Below 30	%	30 - 50	%	Above 50	%
Management	5	2	161	75	49	23
Executive	110	38	163	56	18	6
Non-Executive	572	39	797	55	86	6
General Worker	2041	42	3546	55	186	3
Overall	2728	41	4667	55	339	4

SUSTAINABILITY REPORT 2025

New employee hired and employee turnover

I. Total number and ratio of new employees hired during the reporting period, by gender and age group

Year	Gender				Total
	Male	%	Female	%	
2025	1363	59	941	41	2304
2024	1321	70	562	30	1883
2023	1313	67	646	33	1959

Year	Age Group						Total
	Below 30	%	30 - 50	%	Above 50	%	
2025	1007	50	1006	49	21	1	2034
2024	1131	60	735	39	17	1	1883
2023	1117	68	834	31	8	1	1959

II. Total number and ratio of employee turnover during the reporting period, by gender and age group

Year	Gender				Total
	Male	%	Female	%	
2025	1286	66	660	34	1946
2024	978	65	537	35	1515
2023	1016	67	501	33	1517

Year	Age Group						Total
	Below 30	%	30 - 50	%	Above 50	%	
2025	755	39	1112	57	79	4	1946
2024	664	44	795	52	56	4	1515
2023	561	37	853	56	103	7	1517

Minimum notice period regarding operational changes

The Group is committed to upholding the human rights of all its members and communities, which respect and support the Universal Declaration of Human Rights and treat all employees fairly. It respect and recognizes the rights of all workers including contract, temporary and migrant workers, the freedom of association and the right to bargain collectively.

The management provides ample notice to employees prior to the implementation of any significant operational changes.

Total number of turnovers by function for year 2025

Categories	2025 (%)	2024 (%)	2023 (%)
Auxiliary Police and Security Guard	7	6	10
Support & Services	10	12	11
Operation	11	8	16

SUSTAINABILITY REPORT 2025

Parental Leave

Parental leave is one of the employee benefits provided by the Company. The term “parental leave” is defined as Paternity Leave (married male employees) & Maternity Leave (married female employees). Based on the statistics, over the two (2) years, the Company has managed to retain over 90% of employees who remain employed 12 months after they have returned from their parental leave.

- a) Total number of employees that were entitled to parental leave, by gender.

Year	Gender		Total
	Male	Female	
2025	935	273	1208
2024	920	262	1182
2023	884	258	1142

- b) Total number of employees that took parental leave, by gender.

Year	Gender		Total
	Male	Female	
2025	54	19	73
2024	49	25	74
2023	54	28	82

- c) Total number of employees that returned to work in the reporting period after parental leave ended, by gender.

Year	Gender		Total
	Male	Female	
2025	54	19	73
2024	49	25	74
2023	54	28	82

- d) Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.

Year	Gender		Total
	Male	Female	
2025	53	18	71
2024	46	25	71
2023	54	28	82

SUSTAINABILITY REPORT 2025

e) Return to work and retention rates of employees that took parental leave, by gender.

Return to work rate (%)		
Year	Gender	
	Male	Female
2025	100	100
2024	100	100
2023	100	100

Retention rate (%)		
Year	Gender	
	Male	Female
2025	98	95
2024	94	100
2023	100	100

Ratio of basic salary and remuneration of women to men

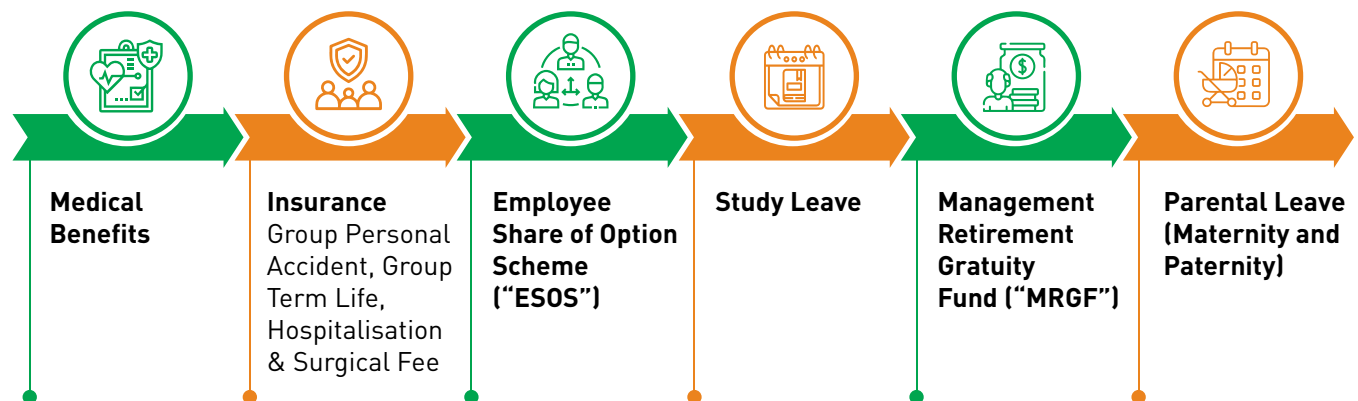
All employees of the Group were remunerated in compliance with, and not less than the minimum wage stipulated under the Malaysian Government's Minimum Wages Order 2024. The Group upholds the principle of gender equality in wage payments and remuneration practices across all categories of employees. Ratio of basic salary and remuneration of women to men for each category, by significant locations of operations:

Category	2025	2024	2023
Management	1:1.19	1:1.18	1:1.25
Staff	1:1.2	1:1.13	1:1.13
General Worker	1:1.14	1:1.11	1:1.16

Percentage of employees that are contractors or temporary staff

Year	2025	2024	2023
Total contractors or temporary staff	60	50	46
Percentage of contractual or temporary staff (%)	2.90	2.45	2.00

Benefits offered to full-time employees but not to temporary or part-time employees



SUSTAINABILITY REPORT 2025

Approach to Tax/Payment to Government

The Group is fully committed to adhering to all applicable tax laws and regulations in the countries in which it operates and making disclosure obligations in accordance with relevant tax laws and regulations.

The Group has in place an in-house Accounting & Financial Technical Committee (“AFTC”) headed by its Chief Financial Officer, and with committee members consisting of senior members of the accounts & finance team. AFTC is responsible for assessing and monitoring tax risks and other tax-related matters of the Group to ensure its continual compliance with applicable tax laws and regulations. Tax-related briefings by AFTC is presented to the Group Management Committee on a quarterly basis. Besides these, the Board is also briefed should there be any foreseeable significant impacts to the Group arising from changes in tax laws or regulations.

The Group also has in place an established enterprise resource planning (“ERP”) system that embeds strong internal controls, reliable accounting systems and business application software to facilitate the compilation and generation of reports to ensure timely disclosure and accurate payment of taxes.

The Group adopts arm’s length principles on intragroup transactions, and transfer pricing documentation are prepared in line with Organization for Economic Cooperation and Development (“OECD”) guidelines and Transfer Pricing guidelines issued by the countries in which it operates. In addition, Country-by-Country Reporting is submitted in a timely manner to relevant authorities.

Accounting & Finance personnel of the Group are required to pursue continued professional education/ training every year. Both in-house training and external training conducted by accredited trainers are available. The areas of training include, amongst others, updates of tax laws or regulations and contemporary tax issues to ensure a competent level of tax-related knowledge and understanding is maintained within the Group. External tax advisors or consultants are engaged, where necessary, to provide specific tax advisory services and opinions.

The Group maintains a transparent and collaborative relationship with the relevant tax authorities. Timely and complete information or responses are provided to the relevant authorities whenever it is required.

EVENTS AFTER THE REPORTING PERIOD



No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorization of issue of this report have taken place that need to be disclosed in this sustainability report.

SUSTAINABILITY REPORT 2025

INTERNAL REVIEW AND ASSURANCE

Statement of Assurance

The Sustainability Statement has been subjected to an internal review performed by the Internal Audit function to assess the processes and internal controls governing the collation, compilation and reporting of selected sustainability indicators. The scope of the internal review covered selected environmental, social and governance indicators across the Group's operations. The review included assessment of data sources, methodologies used in data compilation and calculation, and the completeness of underlying information.

The results of the internal review were reported to and reviewed by the Group Audit and Risk Management Committee. The Group has not undertaken an independent external assurance engagement on the Sustainability Statement for the reporting period. External assurance may be considered in future reporting periods as the Group continues to enhance its sustainability reporting processes.

SUMMARY OF METRICS AND TARGETS

IFRS S2 Climate-related Disclosure									
No.	Sustainability Matter	Metric	Measurement Unit	Values			Targets		
				2023	2024	2025	Short	Medium	Long
1	GHG Emissions	Measures the Absolute GHG emissions as per GHG Protocol	tCO ₂ eq	N/A	N/A	Scope 1: 663,487 Scope 2: 12,500 Scope 3: 158,673	In the process of developing targets		
2	Energy Intensity	Plantation	GJ/MT Product	0.19	0.25	0.24	No target set.		
		Mill	GJ/MT Product	0.57	0.60	0.62			
		Refinery & Kernel Crushing Plant	GJ/MT Product	1.60	1.53	1.00			
		Biodiesel Plant & Phytonutrient Plant	GJ/MT Product	1.39	1.33	1.47			

Legend:

No Assurance	Internal Assurance	External Assurance (Limited)	External Assurance (Reasonable)
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SUSTAINABILITY REPORT 2025

GRI COMMON SUSTAINABILITY MATTERS



GLOBAL REPORTING INITIATIVES (GRI) CONTENT

GRI STANDARD / DISCLOSURE		Reference Section	Page
GRI 2: General Disclosures 2021			
2-1	Organizational details	Cover Page Sustainability Report - Overview of SOP Supply Chain	Cover Page 52
2-2	Entities included in the organization's sustainability reporting	About This Report	43
2-3	Reporting period, frequency and contact point	About This Report	43
2-4	Restatements of information	Information Not Available	NA
2-5	External assurance	Information Not Available	NA
2-6	Activities, value chain and other business relationships	Sustainability Report - Overview of SOP Supply Chain	46
2-7	Employees	Sustainability Report - Fair Employment Practices	108
2-8	Workers who are not employees	Information Not Available	NA
2-9	Governance structure and composition	Sustainability Report - Sustainability Framework Corporate Governance Overview Statement	70 120
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement	120
2-11	Chair of the highest governance body	Corporate Governance Overview Statement	120
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report - Sustainability Framework Corporate Governance Overview Statement	70 120
2-13	Delegation of responsibility for managing impacts	Sustainability Report - Sustainability Framework Corporate Governance Overview Statement	70 120
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report - Sustainability Framework	70
2-15	Conflicts of interest	Corporate Governance Overview Statement	120
2-16	Communication of critical concerns	Sustainability Report - Complaint And Grievance Procedure	94
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement	120
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement	120
2-19	Remuneration policies	Corporate Governance Overview Statement	120
2-20	Process to determine remuneration	Corporate Governance Overview Statement	120
2-21	Annual total compensation ratio	P&C	
2-22	Statement on sustainable development strategy	Sustainability Report - Sustainable Development Goals	48
2-23	Policy commitments	Sustainability Report - Sustainable Development Goals	48

SUSTAINABILITY REPORT 2025

GRI STANDARD / DISCLOSURE		Reference Section	Page
2-24	Embedding policy commitments	Sustainability Report - Sustainable Development Goals	48
2-25	Processes to remediate negative impacts	Sustainability Report - Complaint and Grievance Procedure	94
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report - Complaint and Grievance Procedure	94
2-27	Compliance with laws and regulations	Corporate Governance Overview Statement	120
2-28	Membership associations	Membership of Association	73
2-29	Approach to stakeholder engagement	Stakeholder Engagement	86
2-30	Collective bargaining agreements	Our Employment	86
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Sustainability Report - Materiality Matrix	60
3-2	List of material topics	Sustainability Report - Materiality Matrix	60
3-3	Management of material topics	Sustainability Report - Materiality Matrix	60
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Annual Report – Financial Statement	144
201-2	Financial implications and other risks and opportunities due to climate change	Annual Report – Notes to the Financial Statement	144
201-3	Defined benefit plan obligations and other retirement plans	Annual Report – Notes to the Financial Statement	144
201-4	Financial assistance received from government	Information Not Available	NA
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability Report - Fair Employment Practices	108
202-2	Proportion of senior management hired from the local community	Sustainability Report - Fair Employment Practices	108
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Sustainability Report - Employees' Welfare	89
		Sustainability Report – Our Commitment to Local Communities	100
203-2	Significant indirect economic impacts	Corporate Governance Overview Statement Sustainability Report - Sustainable Development Goals	120 48
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Sustainability Report - Traceability	54
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	70% of our operations have been assessed for corruption-related risks in 2025	127
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report - Complaint and Grievance Procedure	94
205-3	Confirmed incidents of corruption and actions taken	No cases to report	127

SUSTAINABILITY REPORT 2025

GRI STANDARD / DISCLOSURE		Reference Section	Page
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		127
GRI 207: Tax 2019			
207-1	Approach to tax	Sustainability Report – Approach to Tax/ Tax Governance	112
207-2	Tax governance, control, and risk management	Sustainability Report – Approach to Tax/ Tax Governance	112
207-3	Stakeholder engagement and management of concerns related to tax	Corporate Governance Overview Statement	120
207-4	Country-by-country reporting	Corporate Governance Overview Statement	120
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Sustainability Report – Energy Management	75
301-2	Recycled input materials used	Sustainability Report - Waste Management	83
301-3	Reclaimed products and their packaging materials	Information Not Available	NA
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Sustainability Report – Energy Management	75
302-2	Energy consumption outside of the organization	Information Not Available	NA
302-3	Energy intensity	Sustainability Report – Energy Management	75
302-4	Reduction of energy consumption	Sustainability Report – Energy Management	75
302-5	Reductions in energy requirements of products and services	Sustainability Report – Energy Management	75
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Sustainability Report – Water & Effluent Management	82
303-2	Management of water discharge-related impacts	Sustainability Report – Water & Effluent Management	82
303-3	Water withdrawal	Sustainability Report – Water & Effluent Management	82
303-4	Water discharge	Sustainability Report – Water & Effluent Management	82
303-5	Water consumption	Sustainability Report – Water & Effluent Management	82
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability Report – Environment Sustainability Report – Biodiversity and Conservation	77
304-2	Significant impacts of activities, products and services on biodiversity	Sustainability Report – Environment Sustainability Report – Biodiversity and Conservation	77
304-3	Habitats protected or restored	Sustainability Report – Biodiversity and Conservation	77
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Report – Biodiversity and Conservation	77
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report – Carbon Footprint Initiative	74

SUSTAINABILITY REPORT 2025

GRI STANDARD / DISCLOSURE		Reference Section	Page
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report – Carbon Footprint Initiative	74
305-3	Other indirect (Scope 3) GHG emissions	N/A	74
305-4	GHG emissions intensity	Sustainability Report – Carbon Footprint Initiative	74
305-5	Reduction of GHG emissions	Sustainability Report – Carbon Footprint Initiative	74
305-6	Emissions of ozone-depleting substances (ODS)	Information Not Available	NA
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information Not Available	NA
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Sustainability Report – Waste Management	83
306-2	Management of significant waste-related impacts	Sustainability Report – Waste Management	83
306-3	Waste generated	Sustainability Report – Waste Management	83
306-4	Waste diverted from disposal	Sustainability Report – Waste Management	83
306-5	Waste directed to disposal	Sustainability Report – Waste Management	83
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Sustainability Report - Traceability	54
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report - Traceability	54
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Sustainability Report – Fair Employment Practices	108
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report – Fair Employment Practices	108
401-3	Parental leave	Sustainability Report – Fair Employment Practices	108
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Sustainability Report – Fair Employment Practices	108
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Sustainability Report – Occupational Safety and Health	95
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report – Occupational Safety and Health	95
403-3	Occupational health services	Sustainability Report – Occupational Safety and Health	95
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report – Occupational Safety and Health	95
403-5	Worker training on occupational health and safety	Sustainability Report – Occupational Safety and Health	95
403-6	Promotion of worker health	Sustainability Report – Occupational Safety and Health	95

SUSTAINABILITY REPORT 2025

GRI STANDARD / DISCLOSURE	Reference Section	Page
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report – Occupational Safety and Health	95
403-8 Workers covered by an occupational health and safety management system	Sustainability Report – Occupational Safety and Health	95
403-9 Work-related injuries	Sustainability Report – Occupational Safety and Health	95
403-10 Work-related ill health	Sustainability Report – Occupational Safety and Health	95
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	Sustainability Report - Training	99
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report - Education	103
404-3 Percentage of employees receiving regular performance and career development reviews	Information Not Available	NA
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Sustainability Report – Fair Employment Practices	108
405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report – Fair Employment Practices	108
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	Sustainability Report – Social Sustainability	86
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	Sustainability Report – Social Sustainability	86
GRI 408: Child Labor 2016		
408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability Report – Social Sustainability	86
GRI 409: Forced or Compulsory Labor 2016		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Report – Social Sustainability Sustainability Report – Fair Employment Practices	86 108
GRI 410: Security Practices 2016		
410-1 Security personnel trained in human rights policies or procedures	Sustainability Report - Training	99
GRI 411: Rights of Indigenous Peoples 2016		
411-1 Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples occurred.	86
GRI 413: Local Communities 2016		
413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report – Our Commitment to Local Communities Sustainability Report – Stakeholder Engagement	100 86

SUSTAINABILITY REPORT 2025

GRI STANDARD / DISCLOSURE		Reference Section	Page
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report – Our Commitment to Local Communities Sustainability Report – Stakeholder Engagement	100 86
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Sustainability Report - Traceability	54
414-2	Negative social impacts in the supply chain and actions taken	Complaint and Grievances Procedure	94
GRI 415: Public Policy 2016			
415-1	Political contributions	Corporate Governance Overview Statement	120
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Customer Satisfaction Survey 2025: 4.06 (The score based on a scale of 1 - 5)	NA
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Satisfaction Survey 2025: 4.06 (The score based on a scale of 1 - 5)	NA
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Sustainability Report – Sustainability Certification	72
417-2	Incidents of non-compliance concerning product and service information and labeling	Information Not Available	NA
417-3	Incidents of non-compliance concerning marketing communications	Information Not Available	NA
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction Survey 2025: 4.06 (The score based on a scale of 1 - 5)	NA

CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Board of Directors recognizes the importance of good corporate governance and continues to be committed to ensure high standards of corporate governance are continually practiced throughout the Group to promote business prosperity, corporate responsibility and sustainable growth for the interests of all its stakeholders.

The Board of Directors is pleased to present an overview of its corporate governance which takes its guidance from principles stated in the Malaysian Code on Corporate Governance (“MCCG”) published by Bursa Malaysia in April 2017 and updated in April 2021.

The three (3) principles of corporate governance as set out in the MCCG are:-



PRINCIPLE A

Board Leadership and Effectiveness



PRINCIPLE B

Effective Audit and Risk Management



PRINCIPLE C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Detailed explanation on the application of the practices of corporate governance as set out in the MCCG are reported under Corporate Governance Report (CG Report) as published on the Company’s website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Governance framework

The diagram below portrays the governance framework of SOP Group.



Board of Directors

The Group is led by an effective Board of Directors, comprising ten (10) members and headed by the Group Executive Chairman. Collectively, the Group Executive Chairman and all the Directors bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, law, business acumen, management and operations to set the Group's goals, direction and strategies, and also ensure that good corporate governance practices, good systems and all necessary resources are in place for the Group to achieve its goals and objectives.

The ten (10) members of the Board comprise of (i) one (1) Executive Director (the Group Executive Chairman), (ii) six (6) Non-Independent Non-Executive Directors, and (iii) three (3) Independent Non-Executive Directors. The number of Independent Directors meets Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") which requires at least two (2) Directors or one-third (1/3) of the Board whichever is higher, to be Independent Directors.

The profile of each Director is presented on pages 14 to 24 of the Annual Report.

The Board is aware of the gender diversity agenda promulgated in the MCCG and complies with the MMLR, which mandate the appointment of at least one (1) female Director. As at the date of this report's issuance, there were five (5) females who served as Board members. The Board acknowledges the value of individual Director appointed, regardless of gender difference, who will bring diverse opinions, perspectives, professionalism and integrity, expertise and experiences, and competency and wealth of knowledge to the Board.

None of the Board members holds more than five (5) directorships in public listed companies to ensure they devote sufficient time to carry out their responsibilities.

Following the financial year ended 31 December 2025, Lau Phui Ching, Regina was appointed to the Board of Directors on 25 April 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Roles and Responsibilities of the Board

(i) Board Charter

The Board takes full responsibility for the overall performance of the Company and of the Group.

The duties and responsibilities of the Board of Directors are spelt out in the Board Charter, which is available on the Company's website.

(ii) Summary of the principal duties and responsibilities of the Board includes the followings:

- a Set overall business strategies, plans and direction of the Group in promoting sustainability with balanced approach to economic, environmental and social aspects, including oversight on sustainability-/ climate-related risks and opportunities
- b Oversee the conduct of Group's business to evaluate whether the business is properly managed.
- c Identify principal risks and ensure the implementation of appropriate risk management systems to mitigate the risks.
- d Review the adequacy and integrity of the management information and internal control systems.
- e Ensure full compliance with Listing Requirements of Bursa Securities and all other applicable laws, regulations and statutory requirements.

Board Committees

The Board establishes Committees to assist in carrying out its duties and responsibilities. The Board delegates functions to the following Committees which had been established to assist it in the execution of its responsibilities.

(i) Nomination Committee ("NC")

The NC has been established since 2001. The Committee, among others, is responsible for recommending the right candidate with the necessary skills, knowledge, expertise and experience including his/her professionalism and integrity to fill in the Board. Provide transparency on board members' competencies to oversee sustainability strategy.

The Committee assesses the effectiveness of the Board, its Committees and the performance of each individual Director annually.

The Group has established a Directors' Fit and Proper Policy, which details the authority, duties and evaluation process for director appointments and re-appointments. This policy is publicly available on the Company's website, reinforcing transparency, good corporate governance practices, and compliance with the disclosure requirements under the MMLR.

The Committee meets when necessary. For the financial year ended 31 December 2025, the Nomination Committee held three (3) meetings, and the attendance of the members was as follows:

Nomination Committee Members' Information	Number of Meeting(s)	
	Held	Attended
Fong Yoo Kaw @ Fong Yee Kow, Victor (Chairman, Independent Non-Executive Director) <i>(Retired on 25 April 2026)</i>	3	3
Tang Tiong Ing (Non-Independent Non-Executive Director)	3	3
Chua Chen San (Independent Non-Executive Director)	3	3

Following the financial year ended 31 December 2025, Lau Phui Ching, Regina was appointed Chairman of the Committee on 25 April 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Appointment and Re-election of Directors

The Company Constitution provides that at least one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. These provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately.

The appointment of new Director by the Board is dependent upon recommendation from the Nomination Committee. In making recommendations, the Nomination Committee has assessed the suitability of candidates by taking into account the required knowledge, professionalism, expertise and experience, integrity, competency and other qualities, which the candidates would bring to the Board. Directors are required to notify the Nomination Committee before accepting any new Directorship and to indicate the time expected to be spent on the new appointment.

Tenure of an Independent director would not exceed a cumulative term of nine (9) years. However, if an independent director whose service is required beyond nine (9) years but less than twelve (12) years, shareholders' approval through a two-tier voting process would be sought in the Annual General Meeting.

The main activities undertaken by the Nomination Committee for the financial year ended 31 December 2025 are outlined below:

- (1) The Committee reviewed the re-election of three directors, specifically Mr Ling Lu Kuang, Datu Hasmawati Binti Sapawai, Mdm Ling Pau Pau and Datu Sr. Zaidi Bin Haji Mahdi, who are pursuant to Article 93, 96 and 100 of the Company's Constitution. The directors' performance, commitment, and contributions were assessed, and it was concluded that they met the requirements for re-election. The Board endorsed the Committee's recommendation for their re-election at the last Annual General Meeting (AGM).
- (2) The Committee reviewed the tenure of Mr. Fong Yoo Kaw Fong Yee Kow, Victor and Mr Chua Chen San, who have completed nine years as an Independent Non-Executive Director. In line with the Malaysian Code on Corporate Governance (MCCG) 2021, the Committee recommended their continuation as an Independent Director and the Board supported this recommendation, citing his valuable contributions and independence. Shareholders' approval was sought and obtained for Mr. Fong Yoo Kaw Fong Yee Kow, Victor and Mr Chua Chen San to be retained as independent director at the last Annual General Meeting (AGM).



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(ii) Group Audit and Risk Management Committee (“GARC”)

The GARC has been established since 1992. The composition and terms of reference of this Committee together with its report are presented on page 135 to 137 of the Annual Report.

(iii) Remuneration Committee (“RC”)

The RC has been established since 1994. The Committee is responsible for recommending the remuneration framework for Directors, as well as the remuneration package of Executive Director to the Board for approval.

The RC responsible for recommending the remuneration framework and consider embedding ESG and climate-related KPIs into senior management compensation.

Remuneration Committee Members' Information	Number of Meeting(s)	
	Held	Attended
Fong Yoo Kaw Fong Yee Kow, Victor (Chairman, Independent Non-Executive Director) <i>(Retired on 25 April 2026)</i>	1	1
Datu Sr. Haji Zaidi Bin Haji Mahdi (Non-Independent Non-Executive Director) <i>(Appointed on 31 January 2025)</i>	1	0
Chua Chen San (Independent Non-Executive Director)	1	1

Following the financial year ended 31 December 2025, Lau Phui Ching, Regina was appointed Chairman of the Committee on 25 April 2026.

(iv) ESOS Committee (“EC”)

On the 9th August 2017, the shareholders have approved a new Employees' Share Option Scheme (“ESOS”) and its related ESOS By-Laws. The new ESOS is valid for a duration of 10 years and will expire in year 2027.

The ESOS Committee was established on 9th August 2017 to oversee the allocation of ESOS Options and its administration to ensure full compliance at all times with the By-Laws.

The members of the ESOS Committee are as follows:-

ESOS Committee Members' Information	Number of Meeting(s)	
	Held	Attended
Ling Lu Kuang (Chairman, Group Executive Chairman)	3	3
Fong Yoo Kaw Fong Yee Kow, Victor (Independent Non-Executive Director) <i>(Retired on 25 April 2026)</i>	3	3
Chua Chen San (Independent Non-Executive Director)	3	3
Datu Sr. Haji Zaidi Bin Haji Mahdi (Non-Independent Non-Executive Director) <i>(Appointed on 31 January 2025)</i>	3	1
Wong Hee Kwong (Group Chief Executive Officer)	3	3

The Committee meets as and when necessary. During the financial year ended 31 December 2025, three (3) meetings were held. Following the financial year, Lau Phui Ching, Regina was appointed as a member of the Committee on 25 April 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(v) Investment Committee (“IC”)

The IC was established on 29th August 2018. The Committee is responsible for evaluating, assessing, reviewing and recommending to the Board any proposed corporate exercise. Besides that, the IC appoints professional advisors, consultants, valuers, negotiators or undertakes any other necessary duties for the proposed corporate exercise.

The members of the Investment Committee are as follows:-

Investment Committee Members' Information	Number of Meeting(s)	
	Held	Attended
Ling Lu Kuang (Chairman, Group Executive Chairman)	7	7
Fong Yoo Kaw Fong Yee Kow, Victor (Independent Non-Executive Director) <i>(Retired on 25 April 2026)</i>	7	7
Chua Chen San (Independent Non-Executive Director)	7	7
Datu Sr. Haji Zaidi Bin Haji Mahdi (Non-Independent Non-Executive Director) <i>(Appointed on 31 January 2025)</i>	6	3
Wong Hee Kwong (Group Chief Executive Officer)	7	7

The Committee meets as and when necessary. During the financial year ended 31 December 2025, Seven (7) meetings were held. Following the financial year, Lau Phui Ching, Regina was appointed as a member of the Committee on 25 April 2026.

Sustainability and Social Corporate Responsibility

The Board is committed to adopt the Malaysian Sustainable Palm Oil (MSPO) as the primary sustainability standard of the group. The Group will work and engage with our partners and all relevant stakeholders to meet the objectives of building a sustainable palm oil supply chain based on MSPO.

The Group's activities to promote sustainability during the financial year under review are disclosed in Sustainability Report set out on page 39 to 119 of the Annual Report.

Supply of Information to Board Members

Board Meetings are structured with a pre-set agenda. Board papers for the Agenda are circulated to Directors at least five (5) working days before the meeting date to give Directors time to deliberate on the issues to be raised at the meeting. Quarterly reports on the financial performance of the Group are also circulated to the Directors for their views and comments. All proceedings of Board Meetings are minuted and signed by the Chairman of the Meeting.

At other times, Directors have direct access to the Senior Management and the service of the Company Secretary. Directors especially newly appointed ones are encouraged to visit the Group's operating centres to familiarise themselves with the various operations of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meetings

For the financial year ended 31 December 2025, the Board held four (4) meetings. Directors' profiles and attendance to these meetings could be found in the profiles of Board of Directors on page 14 to 24 and page 280 of Statement Accompanying Notice.

At Board Meetings, strategies and performance of the Group are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political. Although all the Directors have an equal responsibility for the Group operations, the role played by the independent Non-Executive Directors are vital to ensure that strategies formulated or transactions proposed by management are amply discussed in unbiased and independent manner, taking into account the interests not only of the Group but also the shareholders, employees, customers, suppliers, environment and community at large.

The attendance record of each Director is as follows:

Directors	No. of Meeting during 2025 FYE
Ling Lu Kuang	4/4
Fong Yoo Kaw Fong Yee Kow, Victor <i>(Retired on 25 April 2026)</i>	3/4
Chua Chen San	4/4
Datu Hasmawati Binti Sapawi	4/4
Ling Chiong Sing	4/4
Tang Tiong Ing	4/4
Ling Pau Pau	4/4
Perpetua Phang	4/4
Bibi Umizah Binti Osman	2/4
Datu Sr. Haji Zaidi Bin Haji Mahdi <i>(Appointed on 31 January 2025)</i>	2/4

Company Secretary

The Company Secretary, Mr. Eric Kiu Kwong Seng (LS No. 0007062) assumed his role in 1998 and thus has about 27 years' experience in corporate secretarial services.

The Board has direct access to the advice and services of Company Secretary, who supports the Board in the discharge of its functions. He plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with relevant regulatory requirements, codes of guidance and legislations. He supports the Board in managing the Group Governance Model, ensuring that it is effective and relevant. He attends all Board Meetings and ensures that the meetings are properly convened and that proceedings and deliberations at the Board and Board Committee are accurately recorded. He also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management and to update the Board on the follow-up or implementation of its decisions / recommendations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Good Business Conduct and Healthy Corporate Culture

The Board is committed to promoting good business conduct and maintaining healthy corporate culture. Towards this, the Group has promulgated the followings:

(i) Code of Business Conduct and Ethics

The Group's Code of Business Conduct and Ethics for Directors and employees governs the standards of ethics and good conduct expected of Directors and employees. The details of the Code of Business Conduct and Ethics are available on the Company's website.

(ii) Whistleblowing policy

The Group is committed to achieve and maintain high standard of integrity, transparency and fairness in the conduct of its business and operations. The Group takes a serious view of any improper conduct on the part of any of its employees, management, directors and vendors in particular with respect to their obligations to the Group's interests. The policy is established to help the employees and stakeholders to raise concerns without fear of reprisal on any improper conduct that may be observed within the Group.

All reporting or disclosure by a whistleblower who has knowledge or is aware of any improper conduct within the Group is to be directed to any one of the designated persons as follows in accordance with the set procedures:

- Group Executive Chairman
- Group Chief Executive Officer
- Chairman of Group Audit and Risk Management Committee

Whistleblowers may use the in-house Whistleblowing Disclosure System, located in the Company's staff Portal, which will enable whistleblowers to make disclosures while maintaining their anonymity.

(iii) Anti-Bribery and Corruption

The Group has a zero-tolerance approach to any act of bribery or corruption and will take disciplinary action up to and including dismissal, in the event of a breach. The Group is committed to comply with all the applicable provisions set out in Malaysian Anti-Corruption Commission (MACC) Act 2009 and take preventative measures to prevent and detect corrupt practices.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Training and Development

All the Directors have attended and completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Training Sdn Bhd. The Board has undertaken an assessment of the training needs of each director and they were nominated to attend Continuing Education Programme organised by accredited organisations as and when necessary to keep abreast with the latest development that are relevant to the Group. During the financial year, the Directors have attended various training programmes, forums, conferences and seminars as follows:-

Title of Training Programmes	Duration of training per programme, day(s)
MIA Webinar Series: Completion and Review of Audit Evidence	2
MIA Webinar Series: Investigation & Prosecution of Money Laundering (AMLA) case in Malaysia	1
MIA Webinar Series: Preparing for the Transition from MPERS (2014) to the Revised MPERS (2025) - Incorporating the Proposals in Exposure Draft 80, Based on the Third Edition of the IFRS for SMEs	1
Anti-Bribery and Anti-Corruption	1
Post Budget 2026	1
Seminar on " Directors Conflict of Interests: How Company Secretary Is to Advise"	1
SSM National Conference 2025 on Leading Governance for Sustainable Growth	2
MIA - Companies (Amendment) Act 2024 New and Amended Sections of the Act	1
MIA - Companies Act 2016: Share of Capital Maintenance	1
CPA - Corporate Tax Strategies	1
CPA - SST Expansion: Practical Implications for Key Sectors	1
MIA- Introduction to Environmental, Social & Governance (ESG) & Sustainable Finance	1
MIA - The Tax Appeal Process	1
Sarawak International Conference on Ageing (SICA)	2
2026 Budget and Tax Conference	1
Malaysia Plantations Insights Bursa Malaysia	1
Corporate Restructuring and Compulsory Liquidation	1
Strengthening Tax Governance for Compliance and Risk Management (MIA)	1
IPO Dialogue with Securities Commission	1
Sales and Services Tax (SST) Expansion 2025-What's new and how it will affect your business	1
E-Invoicing by LHDNM Zoom	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Remuneration

The Group pays its Non-Executive Directors annual fees, which are approved annually by the shareholders. In addition, its Directors and members to the Board Committee are paid a meeting allowance for each meeting they attended. The Directors are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Group.

The policy practised by the Group is to provide remuneration package necessary to attract, retain and motivate Directors. The structure of remuneration package of Executive Director is also linked to corporate and individual performance. Where applicable, the Board also takes into consideration information provided by independent consultants or survey data on comparable companies in determining the remuneration package. The Directors are entitled to take independent professional advice with the expense borne by the Company.

The aggregate and range of the Directors' remuneration for the Company for the financial year ended 31 December 2025 are as follows: -

	COMPANY					SUBSIDIARIES			GROUP
	Fees	Salaries and bonus	Benefits in kind	Others	Total	Fees	Salaries and bonus	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EXECUTIVE									
Ling Lu Kuang	70	1,964	-	259	2,293	173	1,673	57	4,196
NON-EXECUTIVE									
Tang Tiong Ing	80	-	-	5	85	4	-	-	89
Chua Chen San	80	-	-	6	86	-	-	-	86
Fong Yoo Kaw @ Fong Yee Kow, Victor <i>(Retired on 25 April 2026)</i>	95	-	-	5	100	-	-	-	100
Ling Chiong Sing	70	-	-	3	73	126	-	-	199
Datu Hasmawati Binti Sapawi	70	-	-	2	72	24	-	-	96
Ling Pau Pau	80	-	-	5	85	24	-	-	109
Perpetua Phang	80	-	-	4	84	-	-	-	84
Bibi Umizah Binti Osman	70	-	-	2	72	-	-	-	72
Datu Sr. Haji Zaidi Bin Haji Mahdi <i>(Appointed on 31 January 2025)</i>	70	-	-	2	72	139			211
TOTAL	765	1,964	-	293	3,022	490	1,673	57	5,242

There are no contracts of service between any Directors and the Company other than the Group Executive Chairman, Ling Lu Kuang, whose term is concurrent with the tenure of his directorship.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Appendix 9C of the Main Market Listing Requirements requires that the remuneration of the Chief Executive be disclosed on a named basis. The details of the Group Chief Executive Officer's remuneration for the financial year ended 31 December 2025 are as follows: -

GROUP CHIEF EXECUTIVE OFFICER	COMPANY					SUBSIDIARIES			GROUP
	Fees	Salaries and bonus	Benefits in kind	Others	Total	Fees	Salaries and bonus	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Wong Hee Kwong	-	2,400 - 2,450	0 - 50	-	2,100 - 2,150	150 - 200	750 - 800	-	3,350 - 3,500

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Group Audit and Risk Management Committee ("GARC")

The GARC was established to assist the Board in overseeing the Group's financial reporting process, internal controls, risk management and governance.

The Group Audit and Risk Management Committee Report is set out on page 135 to 137 of the Annual Report.

Risk Management and Internal Controls

The Statement on Risk Management and Internal Control is set out on page 132 to 134 of the Annual Report.

Relationship with the Auditors

Key features underlying the relationship of the Group Audit and Risk Management Committee with the external auditors are included in the Group Audit and Risk Management Committee's terms of reference as detailed on page 135 to 137 of the Annual Report.

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

Integrity in Corporate Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and half yearly announcement of results to shareholders as well as the Chairman's statement, and Management Discussion and Analysis in the annual report. The Board is assisted by the Group Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting. The Company announces its quarterly and full year results within the mandatory period.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Communication with Shareholders and Investors

The Group recognises the importance of communicating with its shareholders and does this through the Annual Report, Annual General Meeting (AGM) and analyst meetings. The policy of the Group is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete picture of the Group's performance and position as possible. The primary contact with shareholders / stakeholders is through the Investor Relations Team, Company Secretary and Group Chief Executive Officer who attend dialogue sessions with institutional investors and deliver presentations to analysts periodically.

The key elements of the Group's dialogue with its shareholders / stakeholders is the opportunity to gather view and answer questions from both private and institutional shareholders on all issues relevant to the Group.

At AGM, the Group Executive Chairman, Group Chief Executive Officer and members of the Board are present to address queries during the meeting. It has also been the Group's practice to send the Notice of the Annual General Meeting and related papers to shareholders at least twenty-eight (28) working days before the meeting. The shareholders are encouraged to ask questions about both the resolutions being proposed and the Group's operations in general. Where it is not possible to provide immediate answers, the Board will undertake to furnish the shareholders with a written answer after the AGM. The Group Executive Chairman and Group Chief Executive Officer also address to the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for subsequent financial year.

All resolutions put forth for shareholders' approval at AGM are voted by poll. Polling agent and scrutineer are engaged to facilitate counting and independent verification of votes.

The Group's website, www.sop.com.my is also used as a forum to communicate with the shareholders and investors and to provide information on the Group's business activities.

The Group has appointed Mr. Fong Yoo Kaw Fong Yee Kow, Victor as the Independent Non-Executive Director to whom investors and shareholders may refer to express their concerns.

At all times, investors and shareholders may contact the Company Secretary for information on the Group.

Corporate Governance Report

Pursuant to Listing Requirements paragraph 15.25(2), the Corporate Governance Report which discloses the application of each Practice of the MCCG by the Group in the format prescribed by Bursa Malaysia is available at the Group's website, www.sop.com.my

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 24 April 2026.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



The Board is pleased to provide Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements on the Group’s compliance with the Principles, Intended Outcomes and Practices relating to risk management and internal controls as stipulated in the MCCG and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies.

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in 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: 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.

The Board is satisfied with adequacy and effectiveness of the Group’s risk management and internal control system. The board has received assurance from Group Chief Executive Officer (GCEO) and Chief Financial Officer (CFO) that the Group’s risk management and internal control system operate adequately and effectively, in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board affirms its responsibility for the Group's system of risk management and internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness. The system of risk management and internal control consists of financial controls, operational and compliance controls, cyber security controls and risk management to safeguard shareholders' investments and the Group's assets.

In view of the limitations that are inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system could provide only reasonable but not absolute assurance against material misstatement, operational failure, fraud and loss.

KEY COMPONENTS OF INTERNAL CONTROL ENVIRONMENT

Risk Management Framework

The risk management procedure has been established based on the ISO 31000:2009 Risk management – Principles and Guidelines and will be used for guidance by everyone involved in the application of risk management.

A formal and on-going process of identifying, evaluating, managing and monitoring principal risks that affect the achievement of the Group's business objectives in a structured manner has been in place since 2002. The Group has established procedures for reporting and monitoring of risks and controls. Regular reviews are conducted on quarterly basis with additional reviews to be carried out as and when required.

The Group Audit and Risk Management Committee has been entrusted to oversee the risk management activities and approve appropriate risk management procedures and measurement methodologies across the Group.

The on-going process is monitored by the Group Risk Management Committee Team, which consists of GCEO and Heads of Department within the Group. The Group Risk Management Team reports to the Group Audit and Risk Management Committee on a quarterly basis.

The Group's risk management framework is set out in the diagram below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER KEY COMPONENTS OF INTERNAL CONTROL SYSTEM

The other key components of the Group's internal control system are described below:

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Group Executive Chairman together with GCEO lead the presentation of board papers and provide comprehensive explanation of pertinent issues. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Group's activities and operations on a regular basis.

Organisational Structure with Formally Defined Responsibility Lines and Delegation of Authority

There is in place an organisational structure with formally defined responsibility lines and authorities to facilitate quick response to changes in the dynamic business environment and accountability for operation performance. Capital and non-capital expenditures, acquisition and divestment are subject to appropriate approval processes.

Performance Management Framework

Comprehensive management reports are generated on a regular and consistent basis and presented to the Board for its review of the Group's financial and operating performance. The review encompasses areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

The Group has in place a detailed and well-controlled budgeting process that provides a responsibility accounting framework.

Operational Policies and Procedures

The documented policies and procedures form an integral control system to safeguard the Group assets against material losses and ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are continuously being revised and updated to meet operational needs and regulatory requirements.

Group Internal Control

The Internal Audit reports regularly on the internal control system and the effectiveness of risk management system of the Group in its quarterly reports to Group Audit and Risk Management Committee Report.

Continuous management efforts are in place to improve the internal control system. The Board is not aware of any material losses were incurred during the year due to the weaknesses in the internal control system.

This statement is made in accordance with a resolution of the Board dated 24 April 2026.

GROUP AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

TERMS OF REFERENCE

The Committee was established in 1992 and with effect from 2013, it was renamed as the Group Audit and Risk Management Committee, to serve as a Committee of the Board of Directors, with the terms of reference as set out below:

COMPOSITION OF THE COMMITTEE

- The Committee shall comprise not less than three (3) members. The details of the members are as follows:

Committee Members	Committee Position
Fong Yoo Kaw @ Fong Yee Kow, Victor (Chairman) <i>(Retired on 25 April 2026)</i>	Independent Non-Executive Director
Chua Chen San <i>(Appointed Chairman on 25 April 2026)</i>	Independent Non-Executive Director
Perpetua Phang	Independent Non-Executive Director
Ling Pau Pau	Non-Independent Non-Executive Director
Tang Tiong Ing <i>(Resigned on 25 April 2026)</i>	Non-Independent Non-Executive Director

- All members of the Committee must be Non-Executive Directors, with a majority of them being Independent Non-Executive Directors;
- All members of the Committee should be financially literate and at least one member of the Committee must be a member of Malaysian Institute of Accountants ("MIA") or shall fulfill such other requirements as prescribed in the listing requirement;
- No alternate Director shall be appointed as a member of the Committee;
- The Chairman who shall be elected by the members of the Committee must be an Independent Non-Executive Director.
- Any vacancy in the Committee resulting in non-compliance of the said requirements must be filled within three (3) months.
- The terms of office and performance of the Committee and each of its members must be reviewed by the Board annually.

DUTIES AND RESPONSIBILITIES

The Committee shall:

- Provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities relating to the management of financial risk processes, corporate accounting and reporting practices for the Company and Group.
- Maintain a direct line of communication between the Board and the external and internal auditors.
- Act upon the Board's request to direct and where appropriate supervise any special projects or investigation considered necessary and review investigation reports on any major issues or concerns with regard to the management of the Group.
- Review and monitor to ensure that an adequate system of risk management for the management to safeguard the Group's assets and operations.
- Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.
- Any other activities, as authorised by the Board.
- Report promptly to Bursa Malaysia on any matter reported to the Board which has not been satisfactorily resolved resulting in a breach of Bursa Malaysia Main Market Listing Requirement.
- Provide independent oversight on SOP's sustainability reporting process, internal control and management of sustainability-/ climate-related risks and opportunities.

GROUP AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUTHORITY

- The Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by Committee.
- The Committee shall have full and unlimited access to any information pertaining to the Group as well as direct communication to the internal and external auditors and with senior management of the Group.
- The committee shall have the resources that are required to perform its duties. The committee can obtain at the expense of the Group, outside legal or other independent professional advice it considers necessary.

COMMITTEE MEETINGS

During the financial year ended 31 December 2025, four (4) Committee meetings were held. A record of attendance to these meetings is as follows:

Directors		No. of Meetings Attended
Fong Yoo Kaw @ Fong Yee Kow, Victor <i>(Retired on 25 April 2026)</i>	CA(M)	4/4
Chua Chen San	CA(M)	4/4
Perpetua Phang		4/4
Tang Tiong Ing <i>(Resigned on 25 April 2026)</i>	CA(M)	4/4
Ling Pau Pau	CA(M)	4/4

The Committee met four (4) times in the financial year. The quorum for a meeting of at least two (2) members with the majority of members present being independent Directors was adhered to. The Committee also met with the external auditors two (2) times in the financial year without the presence of the Management. Other Directors and employees were invited to attend Committee meeting on need basis at the Committee's invitation and specific to the relevant meeting. The Company Secretary is the Secretary of the Committee. Minutes of each meeting are distributed to each Board member and the Chairman of the Committee reports on key issues discussed at each meeting to the Board.

Financial Procedures and Financial Reporting

Review the quarterly results and the year-end financial statements, prior to the approval by the Board, ensure compliance with appropriate accounting policies, accounting standards and disclosure requirements.

Related Party Transaction ("RPT") and Conflict of Interest ("COI")

Monitor any related party transaction and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises questions on management integrity.

Allocation of Share Options

Verification on the allocation of any Employee Share Options Scheme (ESOS) to ensure compliance with the provisions in the ESOS By-Laws and Listing Requirements.

GROUP AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

External Audit

- Review with the external auditors, the audit scope and plan.
- Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.
- Review the external audit reports and to evaluate their findings and recommendations for actions to be taken.
- Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendation to the Board.

Internal Audit

- Review and approve the yearly internal audit plan, internal audit charter and audit programmes.
- Review the adequacy of the internal audit scope, functions and resources of the internal audit and that it has the necessary authority to carry out its work.
- Review the results of the internal audit and ensure that appropriate action is taken by the management on the recommendations of the internal audits.
- Review the performance of the internal audit to ensure that they are able to exercise independence in discharging their duties.
- Approve any appointment or termination of the senior staff members of the internal audit function.
- Review movement of the internal audit staff members and provide opportunity for resigning staff member to submit reasons for resigning.

Risk Management

- Review the adequacy and effectiveness of risk management, internal control and governance systems in identify risks and risk mitigation.
- Ensure that the Group has a widespread understanding of risk management principles.

SUMMARY ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group has an Internal Audit ("IA") function to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. During the year the IA function is led by an Internal Audit Manager who has over eight (8) years' experience in finance, accounting and auditing across multiple industries, and with a team of 15 members, majority of whom are Bachelor Degree holders.

The IA reports directly to the Committee with independent and objective reports on the state of internal control of the various operating units within the Group. In addition, the IA also conducts investigations and special reviews at the request of management. Follow-up audits are then carried out to determine whether corrective actions have been taken by the management.

The IA attends the Committee meeting quarterly to present the internal audit findings and makes appropriate recommendations on areas of concern for the Committee's deliberation.

During the year, the IA team conducted audits and reviews on a quarterly basis, covering the Group's operations in the area of plantation, mill, downstream operation, trading, finance and administration. The costs incurred by the IA for the financial year were RM944,161 (2024: RM839,656).

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining their responsibility for preparing the financial statements.

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

In preparing the financial statements for the year ended 31 December 2025 set out in pages 145 to 259, the Directors have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, followed the applicable approved accounting standards in Malaysia, the provision of the Companies Act, 2016 and the Listing Requirements of the Bursa Malaysia Securities Berhad. The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy financial information for preparation of the financial statements. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2026.

ADDITIONAL COMPLIANCES INFORMATION

1. NON-AUDIT FEES

The non-audit fees paid and payable to the Group's external auditors, KPMG PLT and its affiliates for the financial year ended 31 December 2025 were amounting to RM227,510.00 which mainly for the tax advisory and professional development services.

2. NO MATERIAL CONTRACTS

There were no material contracts involving the interest of Directors and major shareholders pursuant to paragraph 21, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia entered into by the Group since the end of the previous financial year up to 31 December 2025 except as disclosed in the following recurrent related party transactions.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

Name of Transacting Party		Nature of Transaction	Related Party #	Year 2025 Actual (RM'000)
1	The Group	Purchase of lubricant, spare parts, tyres and mild steel plate for the tractors and machinery from Shin Yang Trading Sdn. Bhd. ("SY Trading")	(a) SYHSB has more than 20% direct interest in SY Trading. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	455
2	The Group	Purchase of gravel from Hollystone Quarry Sdn. Bhd. ("HQ")	(a) SYHSB has more than 20% indirect interest in HQ. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	3,469
3	The Group	Provision of maintenance services and supply of lubricants, spare parts and tyres for the tractors and machinery by Dai Lieng Trading Sdn. Bhd. ("DLT")	(a) SYHSB has more than 20% indirect interest in DLT. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	5,420
4	The Group	Provision of heavy equipment, machinery and related spare parts by Dai Lieng Machinery Sdn. Bhd. ("DLM")	(a) SYHSB has more than 20% indirect interest in DLM. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	4,687

ADDITIONAL COMPLIANCES INFORMATION

Name of Transacting Party		Nature of Transaction	Related Party #	Year 2025 Actual (RM'000)
5	The Group	Purchase of fresh fruit bunches from Linau Mewah Sdn. Bhd. ("LMSB")	(a) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (b) Ling Chiong Sing ⁽³⁾ (c) Ling Lu Kuang ⁽⁴⁾ (d) Ling Pau Pau ⁽⁵⁾ (e) Tang Tiong Ing ⁽⁶⁾	19,101
6	The Group	Purchase of fresh fruit bunches from Shin Yang Forestry Sdn. Bhd. ("SYFSB")	(a) SYHSB has more than 20% indirect interest in SYFSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	4,752
7	The Group	Land transport services from Melinau Transport Sdn. Bhd. ("MTSB")	(a) SYHSB has more than 20% indirect interest in MTSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	6,868
8	The Group	Purchase of motor vehicles and rental of premises from Boulevard Jaya Sdn. Bhd. ("BJSB")	(a) SYHSB has more than 20% indirect interest in BJSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	1,866
9	The Group	Purchase of fresh fruit bunches, crude palm oil and/or palm kernel and/or palm kernel shell from Primaluck (M) Sdn. Bhd. ("PSB")	(a) SYHSB has more than 20% indirect interest in PSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	136,009
10	The Group	Shipping services from Shin Yang Shipping Sdn. Bhd. ("SYShipping")	(a) SYHSB has more than 20% indirect interest in SYShipping. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	6

ADDITIONAL COMPLIANCES INFORMATION

Name of Transacting Party		Nature of Transaction	Related Party #	Year 2025 Actual (RM'000)
11	The Group	Purchase of chemicals from Shin Yang Chemical Sdn. Bhd. ("SYCSB")	(a) SYHSB has more than 20% indirect interest in SYCSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	4,156
12	The Group	Purchase of fresh fruit bunches from Danum Sinar Sdn. Bhd. ("DSSB")	(a) Tan Sri Datuk Ling Chiong Ho ⁽²⁾	19,299
13	The Group	Purchase of fresh fruit bunches from Dataran Seping Sdn. Bhd. ("DSePing")	(a) SYHSB has more than 20% direct interest in DSePing. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	7,922
14	The Group	Purchase of fresh fruit bunches from Selangau Plantation Sdn. Bhd. ("SPSB")	(a) SYHSB has more than 20% indirect interest in SPSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	-
15	The Group	Purchase of fresh fruit bunches from Dataran Linau Sdn. Bhd. ("DLSB")	(a) SYHSB has more than 20% direct interest in DLSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	6,617
16	The Group	Supply of motor vehicles and provision of maintenance services for motor vehicles by Boulevard Motor Sdn. Bhd. ("BMSB")	(a) SYHSB has more than 20% indirect interest in BMSB. ⁽¹⁾ (b) Ling Lu Kuang has 5.9994% indirect interest in BMSB. (c) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (d) Ling Chiong Sing ⁽³⁾	852
17	The Group	Provision of services of heavy machineries and vehicles by Dai Lieng Industry Sdn. Bhd. ("DLI")	(a) SYHSB has more than 20% indirect interest in DLI. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	1,071

ADDITIONAL COMPLIANCES INFORMATION

Name of Transacting Party		Nature of Transaction	Related Party #	Year 2025 Actual (RM'000)
18	The Company	Purchase of fresh fruit bunches from Shin yang Agriculture Sdn. Bhd. ("SYAgri")	(a) SYHSB has more than 20% direct interest in SYAgri. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	4,825
19	The Group	Purchase of plastic and packaging items from Kian Hang Plastic Sdn. Bhd. ("KHPSB")	(a) SYHSB has more than 20% direct interest in KHPSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	2,402
20	The Group	Supply of motor vehicles and provision of maintenance services for the motor vehicles by Dai Max Automobile Sdn. Bhd. ("DMASB")	(a) SYHSB has more than 20% indirect interest in DMASB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	121
21	The Group	Purchase of fresh fruit bunches from Linau Sinar Sdn. Bhd. ("LSSB")	(a) SYHSB has more than 20% indirect interest in LSSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	7,741
22	The Company	Purchase of fresh fruit bunches from VC Megamas Sdn. Bhd. ("VCMSB")	(a) SYHSB has more than 20% direct interest in VCMSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	2,271
23	The Group	Purchase of lubricant and spare parts from Melinau Machinery Sdn. Bhd. ("MMSB")	(a) SYHSB has more than 20% indirect interest in MMSB. ⁽¹⁾ (b) Tan Sri Datuk Ling Chiong Ho ⁽²⁾ (c) Ling Chiong Sing ⁽³⁾ (d) Ling Lu Kuang ⁽⁴⁾ (e) Ling Pau Pau ⁽⁵⁾ (f) Tang Tiong Ing ⁽⁶⁾	319

ADDITIONAL COMPLIANCES INFORMATION

Note

- (1) *Shin Yang Holding Sdn. Bhd. ("SYHSB"), a major shareholder of SOPB with indirect interest of 27.15% held through Shin Yang Plantation Sdn. Bhd. ("SYPSB"). SYPSB is wholly owned by Shin Yang Corporation Sdn. Bhd. ("SYCSB") and SYCSB is, in turn, wholly owned by SYHSB.*
- (2) *Tan Sri Datuk Ling Chiong Ho is a major shareholder of SOPB and is also the Director of SYHSB, SY Trading, HQ, DLT, DLM, LMSB, SYFSB, MTSB, BJSB, SYShipping, DSSB, DSeping, SPSB, DLSB, BMSB, DLI, SYAgri, LSSB and VCMSB. He has substantial direct/indirect interest in SYHSB, SY Trading, HQ, DLT, DLM, LMSB, SYFSB, MTSB, BJSB, PSB, SYShipping, SYCSB, DSeping, SPSB, DLSB, BMSB, DLI, SYAgri, KHPSB, DMASB, LSSB, VCMSB and MMSB. He is also the Group Business Advisor of SOPB.*
- (3) *Ling Chiong Sing is the Non-Executive Director of SOPB and is also the Director of SYHSB, SY Trading, HQ, DLT, DLM, LMSB, SYFSB, MTSB, BJSB, SYShipping, SYCSB, DSeping, SPSB, DLSB, BMSB, DLI, SYAgri, KHPSB, LSSB and VCMSB. He has substantial direct/indirect interest in SYHSB, SY Trading, HQ, DLT, DLM, LMSB, SYFSB, MTSB, BJSB, PSB, SYShipping, SYCSB, DSeping, SPSB, DLSB, BMSB, DLI, SYAgri, KHPSB, DMASB, LSSB, VCMSB and MMSB.*
- (4) *Ling Lu Kuang is the Group Executive Chairman of SOPB. He is a deemed person connected to Tan Sri Datuk Ling Chiong Ho and also authorised representative of Shin Yang Holding Group.*
- (5) *Ling Pau Pau is the Non-Executive Director, member of the Audit and Risk Management Committee of SOPB and is also Director of SYFSB. She is a deemed person connected to Tan Sri Datuk Ling Chiong Ho and also authorised representative of Shin Yang Holding Group.*
- (6) *Tang Tiong Ing is the Non-Executive Director, member of the Audit and Risk Management Committee and Nomination Committee of SOPB. He is authorised representative and also an employee of Shin Yang Holding Group.*

4. ADDITIONAL ESOS INFORMATION

Pursuant to paragraph 27, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia, the aggregate maximum allocation of ESOS applicable to Directors and Senior Management is up to 50%. Since the commencement of the ESOS up to 31 December 2025, approximately 37% of the options were granted to Directors and Senior Management.



FINANCIAL STATEMENTS



145	Directors' Report
152	Statement By Directors
153	Statutory Declaration
154	Independent Auditors' Report
158	Statements of Financial Position
160	Statements of Profit or Loss and Other Comprehensive Income
162	Consolidated Statement of Changes in Equity
164	Statement of Changes in Equity
165	Statements of Cash Flows
172	Notes to the Financial Statements

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

Principal activities

The Company is principally engaged in investment holding, cultivation of oil palms and operations of palm oil mills. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

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

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	447,251	200,261
Non-controlling interests	22,972	-
	470,223	200,261

Reserves and provisions

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

Dividend

Since the end of the previous financial year, the Company had paid the following dividends:

- (i) In respect of the financial year ended 31 December 2024 as reported in the Directors' report of that year, a final single-tier dividend of 4 sen per ordinary share totalling RM35,759,398 was paid on 18 July 2025.
- (ii) In respect of the financial year ended 31 December 2025:
 - (a) a first interim single-tier dividend of 4 sen per ordinary share totalling RM35,836,528 was paid on 17 October 2025 ; and
 - (b) a second interim single-tier dividend of 8 sen per ordinary share totalling RM71,741,605 was paid on 29 December 2025.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2025, of 6 sen per ordinary share on 899,395,354 ordinary shares, amounting to a dividend payable of RM53,963,722 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial statements for the financial year ending 31 December 2026.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Directors of the Company

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

Ling Lu Kuang*
 Ling Chiong Sing*
 Ling Pau Pau*
 Tang Tiong Ing*
 Datu Sr. Haji Zaidi Bin Haji Mahdi*
 Datu Hasmawati Binti Sapawi*
 Fong Yoo Kaw @ Fong Yee Kow
 Perpetua Phang
 Chua Chen San*
 Bibi Umizah Binti Osman

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

Directors of the subsidiaries

The following is the list of directors of the subsidiaries (excluding those who are also directors of the Company as mentioned above) in office during the financial year until the date of this report:

Tan Sri Datuk Ling Chiong Ho
 Chan Kim Hong
 Cheang Chu King
 Chua Chin Wei
 Datu Haji Sarudu Bin Haji Hoklai
 Datuk Tan Thian Siang
 Eric Kiu Kwong Seng
 George Lentton Anak Indang
 Wong Hee Kwong
 Wong Kai Song
 Dato Chung Soon Nam (Retired on 25 April 2025)
 Tho Kheng Chiang
 Mohammad Faisal Bin Jaffar
 Abg Mohammad Ashraf Bin Abg Azhri (Appointed on 11 April 2025)
 Datu John Wayne Anak Chamberlin Sirau (Resigned on 11 April 2025)
 Datu Mohamad Junaidi Bin Mohidin (Appointed on 1 June 2025)
 Datu Haji Mersal Bin Abang Rosli (Resigned on 1 June 2025)
 Herman Hadafi Bin Mohamad (Appointed on 9 February 2026)
 Datu Haji Abdul Hadi Bin Datuk Haji Abdul Kadir (Resigned on 9 February 2026)
 Dato Wong Kuo Hea (Appointed on 17 November 2025)
 Datu Haji Zainal Abidin Bin Haji Abdullah (Appointed on 17 November 2025)
 Mohammad Nor Topek Bin Julaihi (Resigned on 17 November 2025)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Directors' interests in shares

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

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Acquired/ ESOS exercised	Sold	
The Company				
<u>Direct interest</u>				
Ling Lu Kuang	4,280,850	-	-	4,280,850
Ling Chiong Sing	225,000	-	-	225,000
Ling Pau Pau	-	150,000	-	150,000
Tang Tiong Ing	307,696	-	-	307,696
Datu Haji Sr. Zaidi Bin Haji Mahdi	-	50,000	-	50,000
Fong Yoo Kaw @ Fong Yee Kow	30,000	50,000	-	80,000
<u>Deemed interest</u>				
Ling Lu Kuang	98,909,505	-	-	98,909,505
Ling Chiong Sing	244,181,850	-	-	244,181,850
Ling Pau Pau	2,469,544	382,800	-	2,852,344
Tang Tiong Ing	187,071	-	-	187,071

	Number of ESOS options over ordinary shares			At 31.12.2025
	At 1.1.2025	Granted	Exercised	
Share options of the Company at RM2.40 per share				
Fong Yoo Kaw @ Fong Yee Kow	175,000	-	(50,000)	125,000
Chua Chen San	225,000	-	-	225,000
Share options of the Company at RM2.29 per share				
Ling Lu Kuang	2,854,000	-	-	2,854,000
Ling Pau Pau	150,000	-	(150,000)	-
Datu Hasmawati Binti Sapawi	150,000	-	-	150,000
Share options of the Company at RM2.59 per share				
Perpetua Phang	150,000	-	-	150,000
Bibi Umizah Binti Osman	150,000	-	-	150,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Directors' interests in shares (Cont'd)

	Number of ESOS options over ordinary shares			At 31.12.2025
	At 1.1.2025	Granted	Exercised	
Share options of the Company at RM3.15 per share				
Datu Sr. Haji Zaidi Bin Haji Mahdi	-	150,000	(50,000)	100,000

By virtue of his interest in the shares of the Company, Ling Chiong Sing is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	765	490
Remuneration	2,294	1,730
	3,059	2,220

Save for ESOS options as disclosed above, there were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

During the financial year, the Company issued 4,447,643 new ordinary shares for cash totalling RM10,478,196 arising from the exercise of the employees' share options at an average exercise price of RM2.36 per share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issuances of debentures by the Company during the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

At an Extraordinary General Meeting held on 9 August 2017, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issued share capital of the Company to eligible Directors and employees of the Group.

The salient features and other terms of the ESOS are disclosed in Note 16 to the financial statements.

During the financial year, the Company granted 1,135,200 share options under the scheme. These options expire on 18 September 2027 and are exercisable if the employee remains in service.

The options offered to take up unissued ordinary shares and the exercise prices are as follows:

Date of Offer	Expiry date	Exercise price	Number of ESOS options over ordinary shares				At 31.12.2025
			At 1.1.2025	Granted	Exercised	Forfeited	
28.09.2017	18.09.2027	2.40	11,880,100	-	(3,006,143)	(328,200)	8,545,757
25.05.2018	18.09.2027	2.08	426,900	-	(162,000)	(27,000)	237,900
03.04.2019	18.09.2027	1.48	418,750	-	(159,100)	(13,800)	245,850
17.04.2020	18.09.2027	1.49	259,150	-	(68,100)	(44,100)	146,950
06.04.2021	18.09.2027	2.38	336,200	-	(132,500)	(7,500)	196,200
12.04.2022	18.09.2027	3.46	1,633,650	-	-	(168,900)	1,464,750
10.04.2023	18.09.2027	2.21	1,250,500	-	(404,100)	(106,600)	739,800
01.09.2023	18.09.2027	2.29	3,154,000	-	(150,000)	-	3,004,000
02.04.2024	18.09.2027	2.81	1,137,900	-	(199,500)	(125,800)	812,600
02.09.2024	18.09.2027	2.59	300,000	-	-	-	300,000
02.04.2025	18.09.2027	2.75	-	985,200	(116,200)	(98,700)	770,300
02.09.2025	18.09.2027	3.15	-	150,000	(50,000)	-	100,000
			20,797,150	1,135,200	(4,447,643)	(920,600)	16,564,107

Indemnity and insurance costs

a. Directors

During the financial year, the Company maintained a Directors' and Officers' Liability Insurance to provide appropriate insurance cover for the Directors and Officers of the Company. The total insured limit for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Company and its subsidiaries was RM100,000,000 per occurrence and in the aggregate. The insurance premium for the Group was RM197,800.

b. Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. There is no amount of such indemnity given or insurance effected for its auditors during the year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Auditors

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

The auditors' remuneration of the Group and of the Company during the year are RM710,000 and RM131,000 respectively.

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

.....
Fong Yoo Kaw @ Fong Yee Kow
Director

.....
Chua Chen San
Director

Miri,

Date:

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 158 to 259 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

.....
Fong Yoo Kaw @ Fong Yee Kow
Director

.....
Chua Chen San
Director

Miri,

Date:

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Sim Yen You**, the officer primarily responsible for the financial management of Sarawak Oil Palms Berhad, do solemnly and sincerely declare that the financial statements set out on pages 158 to 259 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Sim Yen You**, NRIC: 840926-13-5374, MIA CA31839, at Miri in the State of Sarawak on 24 april 2026.

.....
Sim Yen You

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK OIL PALMS BERHAD

REGISTRATION NO. 196801000358 (7949 - M)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sarawak Oil Palms Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 158 to 259.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of investment in subsidiaries – Company

Refer to Note 6 – Investment in subsidiaries and its material accounting policy information.

The key audit matter

Certain subsidiaries of the Company were loss making for the financial year ended 31 December 2025. In addition, the Company's share of the net assets in these subsidiaries is lower than the carrying amount of the investments. These factors indicate that there may be impairment indicators present, warranting an assessment of the recoverable amounts of the investments in these subsidiaries. The Company has evaluated the indicator and performed impairment assessment to determine the recoverable amount.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SARAWAK OIL PALMS BERHAD
REGISTRATION NO. 196801000358 (7949 - M)
(INCORPORATED IN MALAYSIA)**

1. Valuation of investment in subsidiaries – Company (continued)

Refer to Note 6 – Investment in subsidiaries and its material accounting policy information. (continued)

The key audit matter (continued)

We determined this to be a key audit matter due to the degree of judgement involved in preparing and considering the prospective financial information based on the assumptions and events which may occur in the next 12 months and beyond by the Company. In view of the inherent uncertainties involved in forecasting and discounting future cash flows, as well as the appropriateness of the key assumptions used to derive the projections, it required us to exercise a significant level of judgement in evaluating the Company's assessment on investment in subsidiaries.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- we obtained an understanding on the process in relation to the Company's assessment on investment in subsidiaries and evaluated the design and implementation of the controls over the preparation of the valuation model used to determine the recoverable amount of those affected subsidiaries;
- we performed a retrospective review by comparing the actual results during the current year with those included in the prior year's forecasts in order to assess the accuracy of the Company's budgeting process;
- we evaluated and challenged the Company's key assumptions such as prices and production of fresh fruit bunches, operational costs in plantations, palm oil prices, sales and production volume, gross profit margin, discount rates by making comparisons to actual results, externally derived data and industry norms; and
- we compared the carrying amount of the investment against its recoverable amount based on value-in-use. Where the recoverable amount was less than carrying amount of the investment, assessed if the impairment loss has been properly recognised in the profit or loss.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SARAWAK OIL PALMS BERHAD
REGISTRATION NO. 196801000358 (7949 - M)
(INCORPORATED IN MALAYSIA)**

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SARAWAK OIL PALMS BERHAD
REGISTRATION NO. 196801000358 (7949 - M)
(INCORPORATED IN MALAYSIA)**

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Miri,

Date: 24 April 2026

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	2	1,214,102	1,146,422	242,414	208,181
Bearer plants	3	826,592	804,705	169,934	165,072
Right-of-use assets	4	474,795	484,132	38,357	39,360
Intangible assets	5	168,197	168,220	-	-
Investment in subsidiaries	6	-	-	1,645,900	1,636,350
Inventories	8	66,391	68,012	-	-
Other investments	9	1,839	-	-	-
Deferred tax assets	10	1,109	1,148	-	-
Total non-current assets		2,753,025	2,672,639	2,096,605	2,048,963
Biological assets	11	28,360	30,045	5,267	5,180
Inventories	8	623,050	634,596	76,478	39,304
Trade and other receivables	12	450,839	236,403	120,129	174,120
Prepayments and other assets		5,272	6,540	641	436
Derivatives	13	7,919	3,679	2,000	1,202
Current tax recoverable		22,645	25,100	-	1,901
Other investments	9	1,393,964	1,015,690	248,687	158,143
Cash and cash equivalents	14	435,127	586,517	205,431	246,699
Total current assets		2,967,176	2,538,570	658,633	626,985
Total assets		5,720,201	5,211,209	2,755,238	2,675,948
Equity					
Share capital	15.1	940,753	925,619	940,753	925,619
Other reserves	15.2	(1,764)	2,233	-	-
Employee share option reserve	16	15,372	18,457	15,372	18,457
Retained earnings		3,172,250	2,868,336	1,588,493	1,531,569
Total equity attributable to owners of the Company		4,126,611	3,814,645	2,544,618	2,475,645
Non-controlling interests	6	203,238	171,301	-	-
Total equity		4,329,849	3,985,946	2,544,618	2,475,645

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Loans and borrowings	17	155,774	219,692	16,000	20,000
Lease liabilities		468	530	1,238	1,740
Government grants	18	10,142	11,185	169	240
Deferred tax liabilities	10	420,307	390,646	58,278	53,011
Total non-current liabilities		586,691	622,053	75,685	74,991
Loans and borrowings	17	466,853	307,752	9,000	-
Lease liabilities		1,169	1,535	501	480
Trade and other payables	19	303,919	282,345	121,184	124,759
Contract liabilities	20	2,687	-	-	-
Current tax payable		25,926	8,731	4,177	-
Government grants	18	1,043	1,043	73	73
Derivatives	13	2,064	1,804	-	-
Total current liabilities		803,661	603,210	134,935	125,312
Total liabilities		1,390,352	1,225,263	210,620	200,303
Total equity and liabilities		5,720,201	5,211,209	2,755,238	2,675,948

The notes on pages 172 to 259 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	21	5,680,311	5,318,342	1,570,105	1,503,953
Cost of sales		(4,722,011)	(4,377,746)	(1,274,025)	(1,267,247)
Gross profit		958,300	940,596	296,080	236,706
Other income	22	49,466	10,642	36,437	32,085
Administrative expenses		(41,829)	(34,205)	(17,632)	(16,008)
Other operating expenses		(46,408)	(47,146)	(15,124)	(13,076)
Selling and marketing expenses		(297,422)	(291,401)	(64,267)	(70,216)
Changes in fair value of biological assets	11	(1,685)	5,995	87	1,015
Results from operating activities		620,422	584,481	235,581	170,506
Finance income	23	60,695	53,360	15,244	17,980
Finance costs	24	(21,042)	(21,867)	(1,094)	(2,703)
Net finance income		39,653	31,493	14,150	15,277
Share of loss of equity-accounted joint venture, net of tax		-	(36)	-	-
Profit before tax		660,075	615,938	249,731	185,783
Taxation	25	(189,852)	(150,146)	(49,470)	(42,791)
Profit for the financial year	26	470,223	465,792	200,261	142,992
Other comprehensive expenses, net of tax					
Item that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(3,997)	(3,660)	-	-
Other comprehensive expenses for the financial year, net of tax		(3,997)	(3,660)	-	-
Total comprehensive income for the financial year		466,226	462,132	200,261	142,992

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit attributable to:					
Owners of the Company		447,251	446,464	200,261	142,992
Non-controlling interests	6	22,972	19,328	-	-
Profit for the financial year		470,223	465,792	200,261	142,992
Total comprehensive income attributable to:					
Owners of the Company		443,254	442,804	200,261	142,992
Non-controlling interests	6	22,972	19,328	-	-
Total comprehensive income for the financial year		466,226	462,132	200,261	142,992
Basic earnings per ordinary share (sen)	28	50.00	50.08		
Diluted earnings per ordinary share (sen)	28	49.84	49.91		

The notes on pages 172 to 259 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to owners of the Company					Total equity RM'000
		Share capital RM'000	Other reserves RM'000	Employee share option reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	
At 1 January 2024		914,901	5,893	19,694	2,573,545	158,161	3,672,194
Foreign currency translation differences for foreign operations		-	(3,660)	-	-	-	(3,660)
Profit for the financial year		-	-	-	446,464	19,328	465,792
Total comprehensive income for the financial year		-	(3,660)	-	446,464	19,328	462,132
<i>Contributions by and distributions to owners of the Company</i>							
Share options granted	16	-	-	2,294	-	-	2,294
Share options exercised	16	3,531	-	(3,531)	-	-	-
Dividends to owners of the Company	29	-	-	-	(151,673)	-	(151,673)
Dividends to non-controlling interests in subsidiaries		-	-	-	-	(6,188)	(6,188)
Issue of ordinary shares pursuant to exercise of share options	15	7,187	-	-	-	-	7,187
Total transaction with owners of the Company		10,718	-	(1,237)	(151,673)	(6,188)	(148,380)
At 31 December 2024		925,619	2,233	18,457	2,868,336	171,301	3,985,946

**CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (CONT'D)**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group (continued)	Note	Attributable to owners of the Company						Total equity RM'000
		Share capital RM'000	Other reserves RM'000	Employee share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2025		925,619	2,233	18,457	2,868,336	3,814,645	171,301	3,985,946
Foreign currency translation differences for foreign operations		-	(3,997)	-	-	(3,997)	-	(3,997)
Profit for the financial year		-	-	-	447,251	447,251	22,972	470,223
Total comprehensive income for the financial year		-	(3,997)	-	447,251	443,254	22,972	466,226
<i>Contributions by and distributions to owners of the Company</i>								
Share options granted	16	-	-	1,570	-	1,570	-	1,570
Share options exercised	16	4,655	-	(4,655)	-	-	-	-
Dividends to owners of the Company	29	-	-	-	(143,337)	(143,337)	-	(143,337)
Dividends to non-controlling interests in subsidiaries		-	-	-	-	-	(5,609)	(5,609)
Acquisition of a subsidiary		-	-	-	-	-	14,574	14,574
Issue of ordinary shares pursuant to exercise of share options	15	10,479	-	-	-	10,479	-	10,479
Total transaction with owners of the Company		15,134	-	(3,085)	(143,337)	(131,288)	8,965	(122,323)
At 31 December 2025		940,753	(1,764)	15,372	3,172,250	4,126,611	203,238	4,329,849

The notes on pages 172 to 259 are an integral part of these financial statements.

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

Company	Note	← Attributable to owners of the Company →			Total RM'000
		Share capital RM'000	Employee share option reserve RM'000	Retained earnings RM'000	
At 1 January 2024		914,901	19,694	1,540,250	2,474,845
Profit and total comprehensive income for the financial year		-	-	142,992	142,992
<i>Contributions by and distributions to owners of the Company:</i>					
- Share options granted	16	-	2,294	-	2,294
- Share options exercised	16	3,531	(3,531)	-	-
- Dividends to owners of the Company	29	-	-	(151,673)	(151,673)
- Issue of ordinary shares pursuant to exercise of share options	15	7,187	-	-	7,187
Total transaction with owners of the Company		10,718	(1,237)	(151,673)	(142,192)
At 31 December 2024/ 1 January 2025		925,619	18,457	1,531,569	2,475,645
Profit and total comprehensive income for the financial year		-	-	200,261	200,261
<i>Contributions by and distributions to owners of the Company:</i>					
- Share options granted	16	-	1,570	-	1,570
- Share options exercised	16	4,655	(4,655)	-	-
- Dividends to owners of the Company	29	-	-	(143,337)	(143,337)
- Issue of ordinary shares pursuant to exercise of share options	15	10,479	-	-	10,479
Total transaction with owners of the Company		15,134	(3,085)	(143,337)	(131,288)
At 31 December 2025		940,753	15,372	1,588,493	2,544,618

The notes on pages 172 to 259 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		660,075	615,938	249,731	185,783
<i>Adjustments for:</i>					
Change in fair value of biological assets	11	1,685	(5,995)	(87)	(1,015)
Amortisation of bearer plants	3	68,911	77,937	8,972	8,752
Amortisation of government grants	18	(1,043)	(1,046)	(71)	(73)
Amortisation of intangible assets	5	20	20	-	-
Depreciation of property, plant and equipment	2.2	85,663	91,623	22,618	25,002
Depreciation of right-of-use assets	4	9,604	12,263	1,003	984
Dividend income from subsidiaries	21	-	-	(49,409)	(21,694)
Gain on disposal of property, plant and equipment		(1,207)	(919)	(341)	(512)
Gain on disposal of right-of-use assets		-	-	-	(6,948)
Net gain on lease modifications/ terminations		-	(5)	-	-
Goodwill written off	35	132	-	-	-
Impairment loss on investment in joint venture		-	309	-	-
Reversal of impairment loss on investment in a subsidiary	12	-	-	(9,904)	-
Impairment loss on financial assets		1,303	15	-	-
Impairment loss on property, plant and equipment	2	13,149	-	-	-
Finance income	23	(60,695)	(53,360)	(15,244)	(17,980)
Finance costs	24	21,042	21,867	1,094	2,703
Fair value changes on equity investments		508	-	-	-
Fair value changes on derivatives		(3,980)	6,624	(798)	(1,202)
Inventories written down	8	2,162	7,705	164	1,844
Inventories written off	8	2,669	1,185	193	191
Property, plant and equipment written off		1,223	1,223	346	38
Bearer plants written off		23,555	30,998	154	122
Bad debts written off		-	19	1	-
Unrealised loss/(gain) on foreign exchange		1,561	(2,329)	5	17
Share options granted under ESOS	16	1,570	2,294	435	743
Share of loss of equity accounted joint venture, net of tax		-	36	-	-
Operating profit before changes in working capital		827,907	806,402	208,862	176,755

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
(continued)					
Change in inventories		8,896	(109,326)	(37,404)	(8,332)
Change in trade and other receivables, prepayments and other assets		(214,516)	61,563	(11,367)	5,317
Change in trade and other payables		24,376	453	2,507	(20,333)
Net movement in subsidiaries balances		-	-	52,167	24,876
Cash generated from operations		646,663	759,092	214,765	178,283
Net tax paid		(144,051)	(146,083)	(38,125)	(47,213)
Interest/Profit paid		(340)	(362)	(193)	(207)
Interest received		10,627	10,146	3,627	3,976
Net cash from operating activities		512,899	622,793	180,074	134,839
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(141,515)	(138,405)	(58,030)	(47,885)
Additional investment in subsidiaries		-	-	(29,550)	(26,500)
Dividends received		-	-	49,409	21,694
Interest received		50,068	43,214	11,617	14,004
Additions to bearer plants	(ii)	(109,050)	(86,885)	(13,408)	(11,595)
Additions to right-of-use assets		(105)	-	-	-
Acquisition of a subsidiary, net of cash and cash equivalents	35	(15,299)	-	-	-
(Placement)/Upliftment of fixed deposits with original maturities exceeding three months		(378,274)	(145,052)	(90,544)	216,776
Proceeds from disposal of property, plant and equipment		1,915	2,962	467	2,234
Proceeds from disposal of right-of-use assets		-	-	-	7,133
Proceeds from redemption of preference shares from joint venture	7	-	2,599	-	-
Proceeds from redemption of preference shares from subsidiaries		-	-	37,000	40,000
Investment in private equity funds		(2,347)	-	-	-
Net cash (used in)/from investing activities		(594,607)	(321,567)	(93,039)	215,861

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Net movement in trade financing	(iii)	93,568	(106,023)	-	-
Proceeds from revolving credits	(iii)	5,000	-	5,000	-
Repayment of loans and borrowings	(iii)	(3,467)	(211,971)	-	(200,000)
Repayment of hire purchase financing	(iii)	-	(23)	-	-
Payment of lease liabilities	(iii)	(592)	(842)	(481)	(487)
ESOS capital contribution from subsidiaries		-	-	1,135	1,551
Proceeds from exercise of ESOS		10,479	7,187	10,479	7,187
Dividends paid to owners of the Company	29	(143,337)	(151,673)	(143,337)	(151,673)
Dividends paid to non-controlling interests		(5,609)	(6,188)	-	-
Interest paid		(20,824)	(21,754)	(1,094)	(3,293)
Net cash used in financing activities		(64,782)	(491,287)	(128,298)	(346,715)
Net (decrease)/increase in cash and cash equivalents					
		(146,490)	(190,061)	(41,263)	3,985
Effect of exchange rate changes		(4,900)	(2,739)	(5)	(17)
Cash and cash equivalents at beginning of financial year		586,517	779,317	246,699	242,731
Cash and cash equivalents at end of financial year	14	435,127	586,517	205,431	246,699

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash outflows for leases as a lessee					
Included in net cash from operating activities:					
Payment related to short-term leases		(2,095)	(2,094)	(323)	(238)
Payment relating to variable lease payments not included in the measurement of lease liabilities		(10,951)	(11,298)	-	-
Interest paid in relation to lease liabilities		(85)	(87)	(94)	(86)
Included in net cash from financing activities:					
Payment of lease liabilities		(590)	(842)	(481)	(487)
Total cash outflows for leases		(13,721)	(14,321)	(898)	(811)

Notes:

(i) Acquisition of property, plant and equipment

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amount paid using internal fund		141,515	138,405	58,030	47,885
Finance cost capitalised	2.1	-	196	-	193
Aggregate cost of property, plant and equipment acquired during the year	2	141,515	138,601	58,030	48,078

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes: (continued)

(ii) Additions to bearer plants

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Addition of bearer plants (including personnel expenses)	3	114,353	89,970	13,988	12,130
Depreciation capitalised	3.1	(5,303)	(2,952)	(580)	(402)
Finance costs capitalised	3.1	-	(133)	-	(133)
		109,050	86,885	13,408	11,595

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes: (continued)

(iii) Reconciliation of liabilities arising from financing activities

	At 1.1.2024 RM'000	Net changes financing cash flows RM'000	Addition/ modification/ terminations of leases (net) RM'000	Interest amortisation on financial liabilities RM'000	Foreign exchange movement RM'000	At 31.12.2024 RM'000
Group						
Term loans	215,438	(211,971)	-	-	-	3,467
Sukuk Murabahah	219,612	-	-	80	-	219,692
Hire purchase financing	23	(23)	-	-	-	-
Trade financing facilities	410,015	(106,023)	-	-	293	304,285
Lease liabilities	2,084	(842)	823	-	-	2,065
Total liabilities from financing activities	847,172	(318,859)	823	80	293	529,509
Company						
Term loans	200,000	(200,000)	-	-	-	-
Sukuk Murabahah	20,000	-	-	-	-	20,000
Lease liabilities	1,962	(487)	745	-	-	2,220
Total liabilities from financing activities	221,962	(200,487)	745	-	-	22,220

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes: (continued)

(iii) Reconciliation of liabilities arising from financing activities (continued)

	At 31.12.2024/ 1.1.2025 RM'000	Net changes financing cash flows RM'000	Addition/ modification/ terminations of leases (net) RM'000	Interest amortisation on financial liabilities RM'000	Foreign exchange movement RM'000	At 31.12.2025 RM'000
Group						
Term loans	3,467	(3,467)	-	-	-	-
Sukuk Murabahah	219,692	-	-	82	-	219,774
Revolving credits	-	5,000	-	-	-	5,000
Trade financing facilities	304,285	93,568	-	-	-	397,853
Lease liabilities	2,065	(592)	164	-	-	1,637
Total liabilities from financing activities	529,509	94,509	164	82	-	624,264
Company						
Sukuk Murabahah	20,000	-	-	-	-	20,000
Revolving credits	-	5,000	-	-	-	5,000
Lease liabilities	2,220	(481)	-	-	-	1,739
Total liabilities from financing activities	22,220	4,519	-	-	-	26,739

The notes on pages 172 to 259 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

Sarawak Oil Palms Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are No. 124 - 126, Jalan Bendahara, 98000 Miri, Sarawak.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, cultivation of oil palms and operations of palm oil mills, while the principal activities of its subsidiaries is stated in Note 6 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 24 April 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Boards ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the MASB but have not been adopted by the Group and the Company.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for those accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivatives	Fair value
Biological assets	Fair value
Employee share option reserve	Black Scholes model
Investment in private equity fund	Fair value

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are prepared using the currency of the primary economic environment in which the entity operates, which is the functional currency. The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2 - impairment testing of property, plant and equipment;
- Note 5 - impairment testing of goodwill;
- Note 6 - impairment testing of investment in subsidiaries;
- Note 8 - measurement of inventories
- Note 10 - recognition of deferred tax assets
- Note 11 - measurement of biological assets; and
- Note 12 and 31.4 - measurement of expected credit loss ("ECL").

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Property, plant and equipment

Group	Buildings and nursery RM'000	Furniture and office equipment RM'000	Infra-structures RM'000	Plant, machinery and field equipment RM'000	Motor vehicles and vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 January 2024	450,526	38,592	557,987	899,812	172,174	64,503	2,183,594
Additions	4,380	2,995	5,961	37,336	18,456	69,473	138,601
Disposals	-	(538)	-	(4,533)	(3,621)	(57)	(8,749)
Reclassification	30,989	4	7,354	7,734	-	(46,081)	-
Transfer to bearer plants (Note 3)	-	-	(21)	-	-	-	(21)
Write-offs	(4,000)	(991)	-	(11,608)	(2,171)	(41)	(18,811)
Exchange translation differences	(911)	(8)	-	-	-	-	(919)
At 31 December 2024/ 1 January 2025	480,984	40,054	571,281	928,741	184,838	87,797	2,293,695
Acquisition of a subsidiary (Note 35)	30,868	2,609	-	19,807	-	-	53,284
Additions	12,800	4,273	6,462	36,858	14,922	66,200	141,515
Disposals	-	(32)	-	(5,500)	(8,391)	-	(13,923)
Reclassification	34,639	128	2,019	17,408	-	(54,194)	-
Write-offs	(1,471)	(816)	-	(8,824)	(1,184)	(20)	(12,315)
Exchange translation differences	(612)	(26)	-	-	-	-	(638)
At 31 December 2025	557,208	46,190	579,762	988,490	190,185	99,783	2,461,618

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. Property, plant and equipment (continued)

Group (continued)	Buildings and nursery RM'000	Furniture and office equipment RM'000	Infra-structures RM'000	Plant, machinery and field equipment RM'000	Motor vehicles and vessels RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2024	245,145	28,729	93,360	590,181	119,177	-	1,076,592
Accumulated depreciation	-	-	-	-	-	-	-
Accumulated impairment loss	245,145	28,729	93,360	590,181	119,177	-	1,076,592
Depreciation for the financial year	20,135	3,192	8,911	53,594	9,279	-	95,111
Disposals	-	(321)	-	(3,837)	(2,548)	-	(6,706)
Write-offs	(3,309)	(940)	-	(11,411)	(1,928)	-	(17,588)
Exchange translation differences	(130)	(6)	-	-	-	-	(136)
At 31 December 2024/1 January 2025	261,841	30,654	102,271	628,527	123,980	-	1,147,273
Accumulated depreciation	-	-	-	-	-	-	-
Accumulated impairment loss	261,841	30,654	102,271	628,527	123,980	-	1,147,273
Acquisition of a subsidiary (Note 35)	7,582	2,205	-	10,208	-	-	19,995
Depreciation for the financial year	22,674	3,314	9,355	46,617	9,566	-	91,526
Impairment loss for the financial year (Note 26)	1,793	-	-	11,356	-	-	13,149
Disposals	-	(18)	-	(5,264)	(7,933)	-	(13,215)
Write-offs	(1,271)	(764)	-	(8,130)	(927)	-	(11,092)
Exchange translation differences	(101)	(19)	-	-	-	-	(120)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Property, plant and equipment (continued)

Group (continued)	Plant, Buildings and nursery RM'000	Furniture and office equipment RM'000	Infra-structures RM'000	machinery and field equipment RM'000	Motor vehicles and vessels RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2025	290,725	35,372	111,626	671,958	124,686	-	1,234,367
Accumulated depreciation	1,793	-	-	11,356	-	-	13,149
Accumulated impairment loss	292,518	35,372	111,626	683,314	124,686	-	1,247,516
Carrying amounts							
At 31 December 2024	219,143	9,400	469,010	300,214	60,858	87,797	1,146,422
At 31 December 2025	264,690	10,818	468,136	305,176	65,499	99,783	1,214,102

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Property, plant and equipment (continued)

Company	Buildings and nursery RM'000	Furniture and office equipment RM'000	Infra-structures RM'000	Plant, machinery and field equipment RM'000	Motor vehicles and vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 January 2024	159,618	22,723	30,499	343,209	26,540	23,704	606,293
Additions	1,909	1,092	1,166	16,057	7,055	20,799	48,078
Disposals	-	(41)	-	(1,158)	(2,524)	(57)	(3,780)
Write-offs	(674)	(211)	-	(2,878)	-	-	(3,763)
Reclassification	761	-	-	4,611	-	(5,372)	-
At 31 December 2024/							
1 January 2025	161,614	23,563	31,665	359,841	31,071	39,074	646,828
Additions	586	2,242	1,237	23,251	4,131	26,583	58,030
Disposals	-	(19)	-	(616)	(1,076)	-	(1,711)
Write-offs	(19)	(195)	-	(4,397)	-	-	(4,611)
Reclassification	62	40	-	9,982	-	(10,084)	-
At 31 December 2025	162,243	25,631	32,902	388,061	34,126	55,573	698,536

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Property, plant and equipment (continued)

Company (continued)	Buildings and nursery RM'000	Furniture and office equipment RM'000	Infra-structures RM'000	Plant, machinery and field equipment RM'000	Motor vehicles and vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation							
At 1 January 2024	108,491	16,738	3,652	271,065	18,962	-	418,908
Depreciation for the financial year	6,277	1,596	518	15,534	1,597	-	25,522
Disposals	-	(36)	-	(687)	(1,335)	-	(2,058)
Write-offs	(674)	(200)	-	(2,851)	-	-	(3,725)
At 31 December 2024/ 1 January 2025	114,094	18,098	4,170	283,061	19,224	-	438,647
Depreciation for the financial year	6,139	1,470	541	13,174	2,001	-	23,325
Disposals	-	(14)	-	(596)	(975)	-	(1,585)
Write-offs	(15)	(181)	-	(4,069)	-	-	(4,265)
At 31 December 2025	120,218	19,373	4,711	291,570	20,250	-	456,122
Carrying amounts							
At 31 December 2024	47,520	5,465	27,495	76,780	11,847	39,074	208,181
At 31 December 2025	42,025	6,258	28,191	96,491	13,876	55,573	242,414

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. Property, plant and equipment (continued)

2.1 Additions to property, plant and equipment

Additions during the year include:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance costs capitalised	24	-	196	-	193

Included in additions to property, plant and equipment during the year are finance costs capitalised at rates Nil (2024: 3.91% to 4.35%) per annum.

2.2 Allocation of depreciation

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss	26	85,663	91,623	22,618	25,002
Capitalised in bearer plants	3.1	5,303	2,952	580	402
Recognised in inventories		560	536	127	118
		91,526	95,111	23,325	25,522

2.3 Impairment loss

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

As at 31 December 2025, the Group identified indicators of impairment and performed an impairment assessment for one CGU, which is phytonutrient plant. The recoverable amount of the CGU was determined using value-in-use calculation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. Property, plant and equipment (continued)

2.3 Impairment loss (continued)

The determination of impairment involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of impairment.

From the impairment assessment, the Group recognised an impairment loss of RM13,149,000 in the profit or loss as “other operating expenses”.

2.4 Material accounting policy information

(a) Recognition and measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Assets under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings and nursery	5 - 20 years
Furniture and office equipment	5 - 10 years
Infrastructures	47 - 99 years
Plant, machinery and field equipment	4 - 10 years
Motor vehicles and vessels	5 - 10 years

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Bearer plants

	Note	Group RM'000	Company RM'000
Cost			
At 1 January 2024		1,392,252	206,153
Additions		89,970	12,130
Transfer from property, plant and equipment	2	21	-
Written off		(103,118)	(4,919)
At 31 December 2024/1 January 2025		1,379,125	213,364
Additions		114,353	13,988
Written off		(66,283)	(4,486)
At 31 December 2025		1,427,195	222,866
Accumulated amortisation			
At 1 January 2024		568,603	44,337
Amortisation for the financial year	26	77,937	8,752
Written off		(72,120)	(4,797)
At 31 December 2024/1 January 2025		574,420	48,292
Amortisation for the financial year	26	68,911	8,972
Written off		(42,728)	(4,332)
At 31 December 2025		600,603	52,932
Carrying amounts			
At 31 December 2024/1 January 2025		804,705	165,072
At 31 December 2025		826,592	169,934

During the financial year, the Group and the Company identified and assessed the carrying amount of the bearer plants to determine the recoverable amounts based on future economic benefits.

The bearer plants that are no longer expected to contribute to future cash flows were earmarked for clearing and replanting. The carrying amount of the bearer plants was derecognised as write-off in accordance with the accounting policy, which requires the removal of the carrying amount of assets that are no longer expected to contribute to future cash flows.

Consequently, the Group and the Company recognised a write-off of bearer plants of RM23,555,000 (2024: RM30,998,000) and RM154,000 (2024: RM122,000) respectively during the financial year in profit or loss as "other operating expenses".

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Bearer plants (continued)

3.1 Additions to bearer plants

Additions to bearer plants include the capitalisation of the following expenditure:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment	2.2	5,303	2,952	580	402
Finance costs	24	-	133	-	133
Personnel expenses - wages, salaries and others		23,629	11,638	5,917	4,234

The finance costs were capitalised at rates of 4.35% - 4.60% per annum.

3.2 Material accounting policy information

Bearer plants are living plants used in the production or supply of biological assets; are expected to bear produce for more than one period; and have a remote likelihood of being sold as biological assets except for incidental scrap sales.

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.3 Security

At 31 December 2025, bearer plants of the Group with total carrying amount of RM35,698,000 (2024: RM37,177,000) was planted on the twenty-five (2024: twenty-five) parcels of land which are charged as security for the Sukuk Murabahah Programme (see Note 17.1).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Right-of-use assets

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Plant and machinery RM'000	Total RM'000
Group					
Cost					
At 1 January 2024	594,711	6,040	3,728	2,509	606,988
Additions	-	-	823	-	823
Modifications/terminations	-	-	(770)	-	(770)
Exchange translation difference	-	-	(137)	(1)	(138)
At 31 December 2024/ 1 January 2025	594,711	6,040	3,644	2,508	606,903
Additions	-	-	268	-	268
Reclassification	185	(185)	-	-	-
Exchange translation difference	-	-	(449)	(5)	(454)
Derecognition	-	-	(915)	-	(915)
At 31 December 2025	594,896	5,855	2,548	2,503	605,802
Accumulated depreciation					
At 1 January 2024	107,290	1,102	2,233	663	111,288
Depreciation for the financial year	11,335	120	673	135	12,263
Modifications/terminations	-	-	(642)	-	(642)
Exchange translation difference	-	-	(137)	(1)	(138)
At 31 December 2024/ 1 January 2025	118,625	1,222	2,127	797	122,771
Depreciation for the financial year	8,766	276	428	134	9,604
Exchange translation difference	-	-	(450)	(3)	(453)
Derecognition	-	-	(915)	-	(915)
At 31 December 2025	127,391	1,498	1,190	928	131,007
Carrying amounts					
At 31 December 2024	476,086	4,818	1,517	1,711	484,132
At 31 December 2025	467,549	4,357	1,314	1,575	474,795

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Right-of-use assets (continued)

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Total RM'000
Company				
Cost				
At 1 January 2024	50,739	993	2,042	53,774
Additions	-	-	745	745
Disposals	(313)	-	-	(313)
Modifications/terminations	-	-	(642)	(642)
At 31 December 2024/ 1 January 2025, 31 December 2025	50,426	993	2,145	53,564
Accumulated depreciation				
At 1 January 2024	12,800	266	924	13,990
Depreciation for the year	508	66	410	984
Disposals	(128)	-	-	(128)
Modifications/terminations	-	-	(642)	(642)
At 31 December 2024/ 1 January 2025	13,180	332	692	14,204
Depreciation for the year	508	66	429	1,003
At 31 December 2025	13,688	398	1,121	15,207
Carrying amount				
At 31 December 2024	37,246	661	1,453	39,360
At 31 December 2025	36,738	595	1,024	38,357

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Right-of-use assets (continued)

As a lessee

Group

Right-of use assets are in relation to lease of land from state government which is single one-off upfront lease payment, lease of Native Customary Rights land ("land use rights"), lease of land from third party, lease of office building from third party and lease of natural gas pipeline and metering station.

Company

Right-of use assets are mainly in relation to lease of land from state governments and subsidiaries and lease of office building from third party.

4.1 Security

At 31 December 2025, certain leasehold land of the Group with total carrying amount of RM28,919,000 (2024: RM29,634,000) are pledged to banks for banking facilities granted to the Group (see Note 17).

4.2 Variable lease payments

Fixed and variable rental payments for the year ended 31 December 2025 were as follows:

	Fixed payments* RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of 1% increase in usage RM'000
Leases with lease payments based on usage	1,971	10,951	12,922	1,095

The Group applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

4.3 Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Right-of-use assets (continued)

4.3 Material accounting policy information (continued)

(b) Recognition exemption

The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

5. Intangible assets - Group

	<i>Goodwill</i> <i>RM'000</i>	<i>Trademark</i> <i>RM'000</i>	<i>Total</i> <i>RM'000</i>
Cost			
At 1 January 2024	168,123	210	168,333
Exchange translation difference	-	(12)	(12)
At 31 December 2024/1 January 2025	168,123	198	168,321
Exchange translation difference	-	(8)	(8)
At 31 December 2025	168,123	190	168,313
Accumulated amortisation			
At 1 January 2024	-	87	87
Amortisation for the year	-	20	20
Exchange translation difference	-	(6)	(6)
At 31 December 2024/1 January 2025	-	101	101
Amortisation for the year	-	20	20
Exchange translation difference	-	(5)	(5)
At 31 December 2025	-	116	116
Carrying amount			
At 31 December 2024	168,123	97	168,220
At 31 December 2025	168,123	74	168,197

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. Intangible assets – Group (continued)

Goodwill

Goodwill has been allocated to the Group's CGUs identified, which is the plantations segment as follows:

5.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units ("CGU") in respect of the following subsidiaries in the plantations segment, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

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

	Group	
	2025 RM'000	2024 RM'000
SOP Plantations (Murum) Sdn. Bhd.	162,941	162,941
SOP Plantations (Borneo) Sdn. Bhd.	1,026	1,026
SOP Industries Sdn. Bhd.	696	696
SOP Karabungan Sdn. Bhd.	500	500
SOP Plantations (Sabaju) Sdn. Bhd.	2,960	2,960
	168,123	168,123

The Group performs the impairment testing on an annual basis or more frequently if there is an indication that the goodwill may be impaired. An impairment testing may be performed at any time within an annual reporting period provided the test is performed at the same time annually. This testing involves determining the CGUs' value in use and comparing to the carrying amount of the CGUs. Where the value in use exceeds the carrying value of the CGUs, the asset is not impaired, but where the carrying amount exceeds the value in use, an impairment loss is recognised to reduce the carrying amount of the CGUs to its value in use. Estimates of value in use are key judgemental estimates in the financial statements. A number of key assumptions have been made as a basis for the impairment tests. In each case, these key assumptions have been made by management reflecting past experiences and are consistent with relevant external sources of information.

The recoverable amount of the CGUs has been estimated using the value-in-use method. Value in use was determined by discounting the projected cash flow based on operating results over the expected useful life of the bearer plants on the following key assumptions:

- (i) Average selling prices were determined based on long term pricing of crude palm oil, palm kernel and fresh fruit bunches of RM4,000/MT, RM2,800/MT and RM736/MT (2024: RM3,800/MT, RM2,280/MT and RM734/MT) respectively;
- (ii) Yield rates ranging from 18.77 MT/HA to 22.40MT/HA (2024: 17.51MT/HA to 21.13MT/HA) depend on the age profile of the bearer plants; and

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. Intangible assets – Group (continued)

5.1 Impairment testing for cash-generating units containing goodwill (continued)

- (iii) Pre-tax discount rates of 10% (2024: 10%).

The estimated recoverable amounts exceed the carrying amounts of the CGUs, there is no impairment necessary.

The values assigned to the key assumptions represent management's assessment of future trends in the plantation industry and are based on historical data from both external and inter sources.

5.2 Sensitivity to changes in assumptions

The estimated value-in-use is most sensitive to the following key assumptions:

- (i) An increase of 1 percentage point in the discount rate used would have resulted in a reduction in recoverable amount by RM66,515,000 (2024: RM56,187,000), without any impairment;
- (ii) Reduction in the average selling price by 5% would have resulted in a reduction in recoverable amount by RM123,321,000 (2024: RM114,320,000), without any impairment; and
- (iii) Reduction in the production volume by 5% would have resulted in a reduction in recoverable amount by RM108,928,000 (2024: RM93,840,000), without any impairment.

5.3 Material accounting policy information

Recognition and measurement

Intangible assets, other than goodwill that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment loss.

6. Investment in subsidiaries – Company

	2025 RM'000	2024 RM'000
Unquoted shares, at cost		
Ordinary shares	1,353,167	1,353,017
Redeemable preference shares	305,794	296,394
	1,658,961	1,649,411
Less: Impairment loss	(13,061)	(13,061)
	1,645,900	1,636,350

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

Certain subsidiaries of the Company were loss making for the financial year ended 31 December 2025. In addition, the Company's share of the net assets in these subsidiaries is lower than the carrying amount of the investments. These factors indicate that there may be impairment indicators present, warranting an assessment of the recoverable amounts of the investments in these subsidiaries. The Company has evaluated the indicator for impairment and performed impairment testing of these investments to evaluate whether the investment in subsidiaries are stated in excess of their recoverable amounts. The estimated recoverable amount is determined with reference to the underlying assets and liabilities of the subsidiaries as well as the anticipated future performance of the subsidiaries from the financial budgets and forecasts approved by management, an exercise that entails a high degree of estimation uncertainty. The recoverable amount represents the equity value of the subsidiaries, calculated as the net present value of future cash flows adjusted for net debt position. These key assumptions include long term average selling price, production volume and budgeted operation cost of the respective subsidiaries. The pre-tax discount rate used is 10%. As the recoverable amount is higher than the carrying amount, the Company has concluded no impairment to the investment in subsidiaries is necessary.

Plantation segment

The key assumptions for plantation companies are similar to the impairment assessment on the intangible assets, which have been set out in Note 5 to the financial statements.

During the year, the Company:

- (i) received partial redemption for 20,000,000 (2024: 20,000,000) redeemable preference shares of RM1 each at RM20,000,000 (2024: RM20,000,000) from SOP Plantations (Beluru) Sdn. Bhd.
- (ii) subscribed for 4,400,000 (2024: 3,500,000) redeemable preference shares in SOP Industries Sdn. Bhd for a total consideration of RM4,400,000 (2024: RM3,500,000).
- (iii) subscribed for 5,000,000 (2024: 5,000,000) redeemable preference shares in SOP Research Services Sdn. Bhd. for a total consideration of RM5,000,000 (2024: RM5,000,000).
- (iv) subscribed for 20,000,000 redeemable preference shares in SOP Plantations (Sarawak) Sdn. Bhd. for a total consideration of RM20,000,000.
- (v) subscribed for 150,000 ordinary shares in Titian Megamas Sdn. Bhd. for a total consideration of RM150,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

Name of subsidiaries	Principal activities	Principal place of business/ country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
<i>Held by the Company:</i>				
SOP Karabungan Sdn. Bhd.	Cultivation of oil palms	Malaysia	70	70
SOP Pelita Batu Lintang Plantation Sdn. Bhd.	Cultivation of oil palms	Malaysia	60	60
SOP Plantations (Balingian) Sdn. Bhd.	Cultivation of oil palms	Malaysia	80	80
SOP Plantations (Beluru) Sdn. Bhd.	Cultivation of oil palms	Malaysia	100	100
SOP Plantations (Borneo) Sdn. Bhd.	Cultivation of oil palms	Malaysia	85	85
SOP Plantations (Kemena) Sdn. Bhd.	Cultivation of oil palms	Malaysia	100	100
SOP Plantations (Niah) Sdn. Bhd.	Cultivation of oil palms	Malaysia	80	80
SOP Plantations (Sarawak) Sdn. Bhd.	Investment holding	Malaysia	100	100
SOP Plantations (Suai) Sdn. Bhd.	Cultivation of oil palms	Malaysia	85	85
SOP Plantations (Sabaju) Sdn. Bhd.	Cultivation of oil palms	Malaysia	100	100
SOP Plantations (Murum) Sdn. Bhd.	Cultivation of oil palms and operations of palm oil mill	Malaysia	100	100
SOP Resources Sdn. Bhd.	Supply of goods	Malaysia	100	100
SOP Services Sdn. Bhd.	Rendering of insurance services	Malaysia	100	100
SOP Industries Sdn. Bhd.	Investment holding	Malaysia	100	100
SOP Properties Sdn. Bhd.	Property development	Malaysia	100	100
SOP Research Services Sdn. Bhd.	Processing oil palm by-products into fertilisers and agricultural science related services	Malaysia	100	100
SOP Corporate Services Sdn. Bhd.	Corporate support and service	Malaysia	100	100
SOP Transport Sdn. Bhd.	Transportation and repair and maintenance services	Malaysia	100	100
Asia Oils Investment Pte. Ltd.*	Investment holding	Singapore	100	100
Asia Oils (Labuan) Pte. Ltd.	Inactive	Labuan, Malaysia	100	100
Titian Megamas Sdn. Bhd.	Licensed money lending activities	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

Name of subsidiaries	Principal activities	Principal place of business/ country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
<i>Held by the Company:</i> (continued)				
Healthy Strides Malaysia Sdn.Bhd.	Physiotherapy and training centre, health and medical related activities	Malaysia	100	100
SOP Mutual Sdn. Bhd.	Inactive	Malaysia	100	100
SOP Capital Sdn. Bhd.	Issuance of bonds, Sukuk or other securities to potential investors	Malaysia	100	100
<i>Held through SOP Plantations (Beluru) Sdn. Bhd.:</i>				
Setia Wiramaju Sdn. Bhd.	Management and maintenance of road and barge	Malaysia	62.75 [^]	62.75 [^]
<i>Held through SOP Properties Sdn. Bhd.:</i>				
Wawasan Asiamaju Sdn. Bhd.	Property development	Malaysia	100	100
<i>Held through SOP Industries Sdn. Bhd.:</i>				
SOP Green Energy Sdn. Bhd.	Manufacturing of biodiesel and phytonutrient products	Malaysia	100	100
SOP Edible Oils Sdn. Bhd.	Refining and trading of palm products	Malaysia	100	100
SOP Foods Sdn. Bhd.	Manufacturing, trading and distribution of food products and cooking oil	Malaysia	100	100
SOP Nutraceuticals Sdn. Bhd.	Selling and distribution of health and food products	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

Name of subsidiaries	Principal activities	Principal place of business/ country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
Held through SOP Industries Sdn. Bhd.: (continued)				
Avantsar Sdn. Bhd.	Research and development	Malaysia	100	100
Tanjung Manis Bulkiers Sdn. Bhd. [#]	Own and manage crude palm oil bulking installation and dry bulk facilities	Malaysia	51	-
Held through SOP Edible Oils Sdn. Bhd.:				
Asia Oils Pte. Ltd.*	Sales and marketing agents and trading of palm products	Singapore	100	100
Held through SOP Foods Sdn. Bhd.:				
Subur Asiamas Sdn. Bhd.	Packaging and distribution of cooking oil	Malaysia	70	70
TSEA Sdn. Bhd.	Packaging and distribution of cooking oil	Malaysia	70	70
Held through Avantsar Sdn. Bhd.:				
Avantsar International Sdn. Bhd.	Marketing, selling and distribution of health and food products	Malaysia	100	100

* The financial statements of these subsidiaries are audited by a member of KPMG International.

[#] The financial statements of the subsidiary is audited by another firm of Chartered Accountants that is not affiliated with KPMG International.

[^] Included ownership interest held by the Company of 3.83% (2024: 3.83%).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

6.1 Non-controlling interests in subsidiaries

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

2025	SOP Plantations (Niah) Sdn. Bhd. RM'000	SOP Plantations (Balingian) Sdn. Bhd. RM'000	SOP Plantations (Borneo) Sdn. Bhd. RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest					
Carrying amount of NCI	44,549	36,968	50,871	70,850	203,238
Profit allocated to NCI	3,556	2,281	1,975	15,160	22,972
Summarised financial information before intra-group elimination As at 31 December 2025					
Non-current assets	94,503	61,188	168,795		
Current assets	152,819	139,099	182,662		
Non-current liabilities	(20,376)	(11,459)	(27,936)		
Current liabilities	(4,201)	(3,988)	(9,788)		
Net assets	222,745	184,840	313,733		
Year ended 31 December 2025					
Revenue	40,695	23,261	47,524		
Profit for the year, representing total comprehensive income	17,780	11,404	16,438		
Cash flows from operating activities	18,213	10,559	22,332		
Cash flow used in investing activities	(9,211)	(29,559)	(48,056)		
Cash flow used in financing activities	(8,000)	(2,000)	(6,000)		
Net increase/(decrease) in cash and cash equivalents	1,002	(21,000)	(31,724)		
Dividend paid to NCI	1,600	400	900		

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Investment in subsidiaries – Company (continued)

6.1 Non-controlling interests in subsidiaries (continued)

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

2024	SOP Plantations (Niah) Sdn. Bhd. RM'000	SOP Plantations (Balingian) Sdn. Bhd. RM'000	SOP Plantations (Borneo) Sdn. Bhd. RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	20%	20%	15%		
Carrying amount of NCI	42,593	35,087	49,796	43,825	171,301
Profit allocated to NCI	3,225	2,542	2,140	11,421	19,328
Summarised financial information before intra-group elimination As at 31 December 2024					
Non-current assets	78,324	47,222	118,096		
Current assets	156,356	141,286	219,169		
Non-current liabilities	(16,958)	(8,609)	(22,935)		
Current liabilities	(4,756)	(4,093)	(11,035)		
Net assets	212,966	175,806	303,295		
Year ended 31 December 2024					
Revenue	38,874	30,637	61,153		
Profit for the year, representing total comprehensive income	16,123	13,077	16,784		
Cash flows from operating activities	20,144	16,946	25,488		
Cash flow used in investing activities	(74,380)	(58,893)	(28,366)		
Cash flow used in financing activities	(8,000)	(5,000)	(6,000)		
Net decrease in cash and cash equivalents	(62,236)	(46,947)	(8,878)		
Dividend paid to NCI	1,600	1,000	900		

6.2 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

7. Investment in joint venture – Group

	2025 RM'000	2024 RM'000
Investment in shares	-	14,580
Share of post-acquisition losses	-	(16,693)
Less: Accumulated impairment loss (Note 7.1)	-	(811)
Add : Foreign exchange gain arising from redemption of preference shares	-	2,924
	-	-

Details of the joint venture are as follows:

Name of entity	Principal place of business/ country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<i>Held by the Company:</i>				
Seaworth Pte. Ltd.#	Singapore	Inactive	-	50

The Company was struck off on 29 May 2025

In 2024, the Group had redeemed its investment in redeemable preference shares of the joint venture of SGD848,000 as equivalent to RM2,599,000.

7.1 Impairment and reversal of impairment loss

In prior financial years, an accumulated impairment loss RM811,000 was recognised against the carrying amount of the Group's investment in joint venture, based on the estimated recoverable amount of the investment. The recoverable amount was determined with reference to the estimated fair value less cost to sell of the net assets of the joint venture.

During the current financial year, no impairment loss or reversal of impairment loss was recognised in respect of the investment in joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

7. Investment in joint venture – Group (continued)

7.1 Impairment and reversal of impairment loss (continued)

The table as shown below summarises the financial information of the Group's joint venture, adjusted for any differences in accounting policies and reconciles the summarised financial information to the carrying amount of the Group's interest in the joint venture, which is accounted for using the equity method.

	Seaworth Pte. Ltd.	
	2025	2024
	RM'000	RM'000
Group		
Summarised financial information		
As at 31 December		
Current assets	-	-
Cash and cash equivalents	-	-
Current liabilities	-	-
	<hr/>	<hr/>
Net assets	-	-
Year ended 31 December		
Loss and total comprehensive expenses for the financial year	-	(72)
	<hr/>	<hr/>
<i>Included in the (loss)/profit/total comprehensive (expenses)/income is:</i>		
Revenue	-	-
Depreciation	-	-
Impairment loss on goodwill	-	-
Gain on disposal of property, plant and equipment	-	-
Finance costs	-	-
Tax income	-	1
	<hr/>	<hr/>
Reconciliation of net assets to carrying amount		
Group's share of net assets	-	-
Goodwill	-	1,250
Impairment losses	-	(811)
Effect of movements in exchange rates	-	(439)
	<hr/>	<hr/>
Carrying amount in the statement of financial position	-	-
	<hr/>	<hr/>
Group's share of results for the financial year ended 31 December	-	
Group's share of loss and total comprehensive expense	-	(36)
	<hr/>	<hr/>

7.2 Material accounting policy information

Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. Inventories

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
Non-current				
Land held for property development (Note 8.1)	66,391	68,012	-	-
Current				
Property development costs	3,300	-	-	-
Raw materials	26,100	19,545	595	3,540
Finished goods	159,475	323,351	-	-
Nursery inventories	12,170	13,472	1,706	2,020
Stores and consumables	75,184	66,615	16,582	16,424
Construction materials	62	107	-	-
Completed properties	6,267	10,943	-	-
	282,558	434,033	18,883	21,984
Net realisable value				
Finished goods	159,055	28,783	57,595	17,320
Raw materials	181,173	170,463	-	-
Completed properties	264	1,317	-	-
	340,492	200,563	57,595	17,320
	623,050	634,596	76,478	39,304
	689,441	702,608	76,478	39,304
Recognised in profit or loss:				
Inventories recognised as cost of sales	4,217,055	3,834,585	1,176,393	1,138,401
Inventories recognised as other operating expenses	1,330	184	-	-
Written off as cost of sales (Note 26)	2,669	1,185	193	191
Write down to net realisable value as cost of sales (Note 26)	2,162	7,705	164	1,844

The write down to net realisable value is primarily due to declining market price. In determining the appropriate write down of the raw material and finished goods, the Directors apply judgement and consider factors such as the latest selling price of the manufactured inventories, after considering the necessary adjustments and the estimated cost to sell.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. Inventories (continued)

8.1 Land held for property development - Group

	2025 RM'000	2024 RM'000
Leasehold land ("right-of-use assets")	45,178	45,869
Development costs	21,213	22,143
	66,391	68,012

8.2 Material accounting policy information

Cost of spare parts and consumables are based on the weighted average basis.

Cost of land includes expenditure that are directly attributable to the acquisition of the land and any other costs directly attributable to bringing the land to working condition for its intended use.

Property development cost comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Cost of completed properties are determined on a specific identification basis and includes land, construction costs and other related development costs attributable to developing the properties to completion.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

9. Other investments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non Current				
Investment in private equity funds	1,839	-	-	-
Current				
Fixed deposits with original maturities exceeding three months	1,393,964	1,015,690	248,687	158,143
	1,395,803	1,015,690	248,687	158,143

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

9. Other investments (continued)

9.1 Fair value information

The fair value of the private equity fund investment is determined using the net asset value ("NAV") per unit provided by the fund manager as at the reporting date, which management has assessed to be representative of fair value in accordance with MFRS 13.

The NAV reflects the Group's proportionate interest in the net assets of the fund. The fund's underlying investments primarily comprise unquoted equity instruments, which are valued by the fund manager using valuation techniques including discounted cash flow analysis, earnings multiples and recent comparable market transactions. These valuation techniques involve significant unobservable inputs and management judgment.

Accordingly, the investment is classified as Level 3 in the fair value hierarchy. Due to the inherent estimation uncertainty associated with the valuation of unquoted investments, changes in assumptions could result in a material change to the fair value in future periods.

9.2 Material accounting policy information

Investment in private equity funds

Investments in private equity funds are classified as financial assets at fair value through profit or loss ("FVTPL") as they are managed and their performance is evaluated on a fair value basis.

These investments are initially recognised at fair value and subsequently measured at fair value at each reporting date. Any changes in fair value are recognised in profit or loss.

Fair value is determined based on the NAV provided by the fund manager as at the reporting date, which management has assessed to be representative of fair value. The NAV is derived from the fair value of the underlying investments of the fund, which primarily comprise unquoted equity instruments and involve significant unobservable inputs and management judgment.

Fixed deposits with original maturity exceeding three months

The Group and the Company classifies deposits with licensed banks not held for working capital purposes that have a maturity of more than three months as other investments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

10. Deferred tax assets/(liabilities)

10.1 Recognised deferred tax assets and liabilities

Deferred taxation is attributable to the followings:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	-	-	(172,847)	(170,009)	(172,847)	(170,009)
Bearer plants	-	-	(183,459)	(179,205)	(183,459)	(179,205)
Rights-of-use assets	-	-	(83,011)	(84,536)	(83,011)	(84,536)
Fair value adjustment on biological assets	-	-	(6,807)	(7,211)	(6,807)	(7,211)
Unutilised tax losses	9,084	32,985	-	-	9,084	32,985
Unabsorbed capital allowance and agriculture allowance	9,209	6,909	-	-	9,209	6,909
Others	8,633	11,569	-	-	8,633	11,569
Tax assets/(liabilities)	26,926	51,463	(446,124)	(440,961)	(419,198)	(389,498)
Set off of tax	(25,817)	(50,315)	25,817	50,315	-	-
Net tax assets/(liabilities)	1,109	1,148	(420,307)	(390,646)	(419,198)	(389,498)
Company						
Property, plant and equipment	-	-	(18,749)	(17,020)	(18,749)	(17,020)
Bearer plants	-	-	(40,784)	(39,617)	(40,784)	(39,617)
Fair value adjustment on biological assets	-	-	(1,264)	(1,243)	(1,264)	(1,243)
Others	-	-	2,519	4,869	2,519	4,869
Tax liabilities	-	-	(58,278)	(53,011)	(58,278)	(53,011)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

10. Deferred tax assets/(liabilities) (continued)

10.2 Recognised deferred tax assets and liabilities – net movement during the year

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

Group	At 1.1.2024 RM'000	Recognised in profit or loss RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss RM'000	Acquisition of a subsidiary RM'000	At 31.12.2025 RM'000
Property, plant and equipment	166,672	3,337	170,009	(711)	3,549	172,847
Bearer plants	193,238	(14,033)	179,205	4,254	-	183,459
Rights-of-use assets	89,642	(5,106)	84,536	(1,525)	-	83,011
Fair value adjustment on biological assets	5,772	1,439	7,211	(404)	-	6,807
Unutilised tax losses	(51,413)	18,428	(32,985)	23,901	-	(9,084)
Unabsorbed capital allowance and agriculture allowance	(9,537)	2,628	(6,909)	(2,300)	-	(9,209)
Others	(8,512)	(3,057)	(11,569)	2,936	-	(8,633)
	385,862	3,636	389,498	26,151	3,549	419,198
		(Note 25)		(Note 25)	(Note 35)	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

10. Deferred tax assets/(liabilities) (continued)

10.2 Recognised deferred tax assets and liabilities – net movement during the year (continued)

Company	At 1.1.2024 RM'000	Recognised in profit or loss RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss RM'000	Acquisition of a subsidiary RM'000	At 31.12.2025 RM'000
Deferred tax liabilities						
Property, plant and equipment	14,272	2,748	17,020	1,729	-	18,749
Bearer plants	38,836	781	39,617	1,167	-	40,784
Fair value adjustment on biological assets	1,000	243	1,243	21	-	1,264
Others	(4,476)	(393)	(4,869)	2,350	-	(2,519)
	49,632	3,379	53,011	5,267	-	58,278
		(Note 25)		(Note 25)		

Under the Income Tax Act 1967, unabsorbed business losses from a year of assessment can only be carried forward up to 10 consecutive year of assessment (“YA”) effective from YA2019. Unutilised capital allowances and agriculture allowances attributable to group entities incorporated in Malaysia do not expire under the current tax legislation. In the case of a dormant company, such allowances and losses will not be available to the affected group entities if there has been a change of 50% or more in the shareholdings thereof.

<i>Carried forward until end of YA:</i>	RM'000
2028	16,253
2033	41
2034	506
2035	21,050
	37,850

10.3 Unrecognised deferred tax assets – Group

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

	2025 RM'000	2024 RM'000
Unabsorbed tax losses carried forward	126,647	29,550
Unutilised capital allowances	15,657	14,517
Others	2,404	2,022
	144,708	46,089

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

10. Deferred tax assets/(liabilities) (continued)

10.3 Unrecognised deferred tax assets - Group (continued)

Deferred tax assets of RM34,730,000 (2024: RM11,061,000) have not been recognised in the statement of financial position in respect of the temporary differences because it is not probable that future taxable profits will be available against which the affected group entities can utilise the benefits.

During the financial year, the Group reassessed the recoverability of deferred tax assets relating to unabsorbed tax losses of a subsidiary based on the latest profit projections. The reassessment took into account operational developments during the year, including the write-off of bearer plants, which resulted in lower profit projection. Based on the latest profit projections, the subsidiary expects insufficient future taxable profits within the statutory utilisation period of the unabsorbed tax losses carried forward. Accordingly, the subsidiary has derecognised the deferred tax assets relating to the unabsorbed tax losses carried forward amounting to RM108,675,000, representing a deferred tax asset of RM26,082,000, calculated at the prevailing Malaysian corporate income tax rate of 24% (refer to Note 25).

Under the Income Tax Act 1967, unabsorbed business losses from a year of assessment can only be carried forward up to 10 consecutive year of assessment ("YA") effective from YA2019. Unutilised capital allowances and agriculture allowances attributable to group entities incorporated in Malaysia do not expire under the current tax legislation. In the case of a dormant company, such allowances and losses will not be available to the affected group entities if there has been a change of 50% or more in the shareholdings thereof.

<i>Carried forward until end of YA:</i>	RM'000
2028	108,750
2029	317
2030	337
2031	315
2032	2,076
2033	3,453
2034	5,576
2035	5,823
	126,647

The estimation of future taxable profits requires management to make judgments, estimates and assumptions about future events that are inherently uncertain. Accordingly, the deferred tax assets recognised are subject to estimation uncertainties and may be adjusted in subsequent periods as a result of changes in the accounting estimates.

10.4 Global minimum top-up tax - Group

The profits associated with the Group's operations in Malaysia and Singapore for the year ended 31 December 2025 would not be subject to top up tax as the average effective tax rate is 22%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. Biological assets

	Group RM'000	Company RM'000
Unharvested fresh fruit bunches		
<i>Fair value</i>		
At 1 January 2024	24,050	4,165
Changes in fair value less costs to sell	5,995	1,015
At 31 December 2024/1 January 2025	30,045	5,180
Changes in fair value less costs to sell	(1,685)	87
At 31 December 2025	28,360	5,267

Biological assets of the Group and of the Company is in relation to unharvested fresh fruit bunches ("FFB") in the oil palm plantations.

During the financial year, the Group and the Company harvested approximately 1.29 million metric tonne ("mt") (2024: 1.25 million mt) and 222,000 mt (2024: 206,000 mt) of FFB respectively. The estimated quantity of unharvested FFB of the Group and of the Company as at 31 December 2025 included in the fair valuation was 152,000 mt (2024: 138,000 mt) and 26,000 mt (2024: 23,000 mt) respectively.

The fair value less costs to sell measurement of biological assets involves the use of unobservable inputs that are subject to estimation uncertainties that may result in a higher or a lower carrying amounts of biological assets in subsequent reporting periods. Any gain or loss in fair value less costs to sell of biological assets is recognised in the profit or loss as "changes in fair value of biological assets".

11.1 Fair value information

Fair value of the biological assets are categorised as Level 3. Level 3 fair value is estimated using unobservable inputs for the biological assets.

The following table summarises the valuation method and assumptions used in the determination of fair value less cost to sell within Level 3, as well as the significant unobservable inputs used in the valuation model of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. Biological assets (continued)

11.1 Fair value information (continued)

Description of valuation technique and inputs used	Significant unobservable inputs of the Group	Significant unobservable inputs of the Company	Inter-relationship between key unobservable inputs and fair value measurement
The fair value measurement is determined by using the market approach, which takes into consideration the market prices of fresh fruits bunches ("FFB"), adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell.	<ul style="list-style-type: none"> Expected FFB production of 152,000 mt (2024: 138,000 mt) Expected oil content of 57,000 mt (2024: 51,000 mt) Average FFB sales price (2025: RM653/mt – RM844/mt; 2024: RM724/mt – RM974/mt) Average harvesting and collection cost (2025: RM63/mt – RM142/mt; 2024: RM54/mt – RM119/mt) 	<ul style="list-style-type: none"> Expected FFB production of 26,000 mt (2024: 23,000 mt) Expected oil content of 10,000 mt (2024: 9,000 mt) Average FFB sales price (2025: RM653/mt – RM788/mt; 2024: RM758/mt – RM950/mt) Average harvesting and collection cost (2025: RM65/mt – RM81/mt; 2024: RM60/mt – RM83/mt) 	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> Expected FFB production were higher/(lower); Expected oil content were higher/(lower); Average FFB sales price were higher/ (lower); Average harvesting and collection cost were lower/ (higher);

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. Biological assets (continued)

11.2 Sensitivity analysis

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

	Increase/ (Decrease) in price and volume	2025 Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM'000	Increase/ (Decrease) in price and volume	2024 Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM'000
Group				
Selling price	10% (10%)	2,524 (2,520)	10% (10%)	2,725 (2,722)
FFB metric tonnage	10% (10%)	2,836 (2,836)	10% (10%)	3,005 (3,005)
Company				
Selling price	10% (10%)	432 (458)	10% (10%)	437 (437)
FFB metric tonnage	10% (10%)	527 (527)	10% (10%)	518 (518)

11.3 Risk management strategy related to agriculture activities

The Group and the Company are primarily exposed to the following risks relating to its oil palm plantations.

i) Regulatory and environmental risk

The Group and the Company have established environmental policies and procedures in an effort to drive towards greater commitments in sustainable palm oil practices while ensuring compliance with local environmental regulations and other applicable laws.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. Biological assets (continued)

11.3 Risk management strategy related to agriculture activities (continued)

ii) Supply and demand risk

The Group and the Company are exposed to risks arising from fluctuations in the price and production volume of fresh fruit bunches. When possible, the Group and the Company managed the risk by aligning its forward contract against projected production volume to market supply and demand trend. Management performs regular industry trend analysis to formulate the quantum and period of forward contract to mitigate the risk.

iii) Climate and other risk

The Group plantations are exposed to the risk of damages from climatic changes, diseases, forest fires and other natural forces. The Group has underlying best plantation practices and policy in place aimed at monitoring and mitigating those risks.

11.4 Material accounting policy information

A gain or loss arising on initial recognition of a biological assets at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets shall be included in profit or loss for the period in which it arises.

12. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables		391,620	201,582	-	-
Less: Allowance for impairment losses	12.1	(1,428)	(125)	-	-
		390,192	201,457	-	-
Amount due from subsidiaries		-	-	63,171	76,099
		390,192	201,457	63,171	76,099
Non-trade					
Other receivables		60,438	32,292	5,757	2,165
Less: Allowance for impairment losses	12.1	(404)	(419)	-	-
		60,034	31,873	5,757	2,165

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

12. Trade and other receivables (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-trade (continued)					
Amount due from subsidiaries	12.2	-	-	41,127	103,255
Less: Allowance for impairment losses	12.1	-	-	-	(9,904)
		-	-	41,127	93,351
		60,034	31,873	46,884	95,516
Refundable deposits		613	3,073	10,074	2,505
		60,647	34,946	56,958	98,021
Total trade and other receivables		450,839	236,403	120,129	174,120

12.1 Assessment of impairment losses on receivables

The main collectability risk of trade and other receivables is customer insolvencies. Management determines allowance for impairment losses of doubtful receivables based on an on-going review and evaluation performed as part of its credit risk evaluation process. These include assessment of customers' past payment records, sales level, financial standing and the age of debts. During the financial year, the Company had reversed an impairment loss on amount due from a subsidiary of RM9,904,000.

12.2 Non-trade amount due from subsidiaries of RM24,977,000 (2024: RM68,687,000) is unsecured, bears interest at 4.50% (2024: 4.75%) per annum and repayable on demand. The remaining balance is unsecured, interest free and repayable on demand.

12.3 **Material accounting policy information**

The Group and the Company recognises loss allowance for expected credit losses on trade and other receivables (Note 31.4).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

13. Derivatives

	Nominal amount RM'000	2025		2024		
		Assets RM'000	Liabilities RM'000	Nominal amount RM'000	Assets RM'000	Liabilities RM'000
Group						
Derivatives at fair value through profit or loss						
- Commodity swap contracts	28,410	2,000	-	24,800	1,202	-
- Forward commodity contracts	112,769	-	2,064	78,184	2,477	-
- Forward currency contracts	537,493	5,919	-	303,728	-	1,804
Total derivatives		7,919	2,064		3,679	1,804
Company						
Derivatives at fair value through profit or loss						
- Commodity swap contracts	28,410	2,000	-	24,800	1,202	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

13. Derivatives (continued)

Derivatives not designated as hedging instruments

The Group and the Company use commodity swap contracts, forward commodity contracts and forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flows or fair value hedges and are entered into for period consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in USD for which firm commitments existed at the reporting date.

14. Cash and cash equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	390,561	349,990	175,431	157,962
Fixed deposits with original maturities not exceeding three months	44,566	236,527	30,000	88,737
	435,127	586,517	205,431	246,699

15. Capital and reserves – Group and Company

15.1 Share capital

	2025		2024	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary shares <i>Issued and fully paid shares with no par value classified as equity instruments:</i>				
At 1 January	925,619	893,447	914,901	890,322
Exercise of share options	10,479	4,448	7,187	3,125
Transfer from employee share option reserve	4,655	-	3,531	-
At 31 December	940,753	897,895	925,619	893,447

During the financial year, the Company issued 4,447,643 new ordinary shares for cash totalling RM10,478,196 arising from the exercise of the employees' share options at an average exercise price of RM2.36 per share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15. Capital and reserves – Group and Company (continued)

15.2 Other reserves – Group

Foreign currency translation reserve	RM'000
At 1 January 2024	5,893
Other comprehensive income:	
Exchange differences on translation of the financial statements of foreign entities	(3,660)
At 31 December 2024/1 January 2025	2,233
Other comprehensive income:	
Exchange differences on translation of the financial statements of foreign entities	(3,997)
At 31 December 2025	(1,764)

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

16. Employee share option reserve

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January		18,457	19,694	18,457	19,694
Share options granted under ESOS recognised in profit or loss		1,570	2,294	435	743
Charged to subsidiaries		-	-	1,135	1,551
Transfer to share capital arising from exercise of share options	16.1	(4,655)	(3,531)	(4,655)	(3,531)
At 31 December		15,372	18,457	15,372	18,457

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

16. Employee share option reserve (continued)

The employee share option reserve represents the value of equity-settled share options granted to eligible Directors and employees.

The Sarawak Oil Palms Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 9 August 2017. The ESOS was implemented on 19 September 2017 and to be in force for a period of 10 years from the date of implementation.

The salient features of the ESOS are as follows:

- (i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant ESOS Option ("Options") to eligible employees of the Group and also Directors of the Company (collectively referred to "eligible person") to subscribe for new shares in the Company in accordance with the by-laws.
- (ii) Subject to the discretion of the ESOS Committee, any eligible person who has served for at least one year shall be eligible to participate in the ESOS.
- (iii) The maximum number of new shares which may be made available under the ESOS shall be up to 10% of the total number of issued shares of the Company at any point of time during the tenure of the ESOS.
- (iv) The aggregate allocation of Options to the Directors of the Company and senior management of the Group shall not exceed 50% of the total number of shares to be issued under the ESOS. In addition, not more than 10% of the shares available under the ESOS are to be allocated to any eligible person who, either singly or collectively through persons connected to the eligible person, holds 20% or more in the issued shares of the Company.
- (v) The subscription price for each share under the ESOS shall be based on the 5-day volume weighted average market price of the shares of the Company as quoted on Bursa Securities immediately preceding the date on which the option is granted, subject to a discount of not more than 10% or such other limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities as may be amended from time to time.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

16. Employee share option reserve (continued)

The salient features of the ESOS are as follows (continued):

- (vi) The new shares of the Company to be allotted and issued upon any exercise of the Options will upon such allocation and issuance, rank pari passu in all respects with the then existing issued shares, save and except that the new shares so issued will not be entitled to any dividends, rights, allocations and/or other form of distributions that may be declared, made or paid to shareholders, the entitlement date (namely the date as at the close of business on which shareholders must be registered on the Register of Depositors in order to be entitled to any dividends, rights, allocations and/or other distributions) of which is prior to the date of allotment of the new shares.
- (vii) The Options shall not carry any right to vote any general meetings of the Company.
- (viii) Fair value of share options granted during the year:

The fair value of share options granted during the year was estimated using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at granted date and the assumptions are as follows:

Grant dates	2025		2024	
	02.09.2025	02.04.2025	02.09.2024	02.04.2024
Fair value of share option (RM)	0.25	0.30	0.54	0.47
Weighted average share price (RM)	3.37	3.04	3.12	3.06
Weighted average exercise price (RM)	3.15	2.75	2.59	2.81
Expected volatility (%) *	16.12	21.79	18.89	28.35
Expected life (years)	1	1	2	2
Risk free rate (%)	3.00	3.00	3.00	3.00

The expected life of the options is based on historical date and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

* *The expected volatility is based on 2 years average historical volatility.*

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

16. Employee share option reserve (continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options during the year.

	Outstanding 1 January '000	Granted '000	Exercised '000	Forfeited and other adjustment '000	Outstanding 31 December '000	Exercisable 31 December '000
2025						
2025 options	-	1,135	(166)	(99)	870	423
2024 options	1,437	-	(199)	(126)	1,112	763
2023 options	4,406	-	(554)	(107)	3,744	3,410
2022 options	1,634	-	-	(169)	1,465	1,178
2021 options	336	-	(133)	(7)	196	169
2020 options	259	-	(68)	(44)	147	118
2019 options	419	-	(159)	(14)	246	197
2018 options	427	-	(162)	(27)	238	196
2017 options	11,880	-	(3,006)	(328)	8,546	7,249
WAEP (RM)	2.44	2.80	2.36	2.60	2.48	2.47
2024						
2024 options	-	1,555	(15)	(103)	1,437	665
2023 options	4,887	-	(224)	(257)	4,406	3,691
2022 options	1,846	-	-	(212)	1,634	1,002
2021 options	428	-	(74)	(18)	336	210
2020 options	369	-	(92)	(18)	259	187
2019 options	602	-	(151)	(32)	419	264
2018 options	636	-	(165)	(44)	427	345
2017 options	14,651	-	(2,404)	(367)	11,880	9,213
WAEP (RM)	2.41	2.77	2.30	2.56	2.44	2.42

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

16. Employee share option reserve (continued)

(i) Details of share options outstanding at the end of the year:

Grant date	WAEP RM	Exercisable period
2025	3.15	02.9.2025-18.9.2027
2025	2.75	02.4.2025-18.9.2027
2024	2.59	02.9.2024-18.9.2027
2024	2.81	02.4.2024-18.9.2027
2023	2.29	01.9.2023-18.9.2027
2023	2.21	10.4.2023-18.9.2027
2022	3.46	12.4.2022-18.9.2027
2021	2.38	06.4.2021-18.9.2027
2020	1.49	17.4.2020-18.9.2027
2019	1.48	02.5.2019-18.9.2027
2018	2.08	25.5.2018-18.9.2027
2017	2.40	27.10.2017-18.9.2027

(ii) Share options exercised during the year:

Option exercised during the financial year resulted in the issuance of 4,447,643 (2024: 3,125,500) ordinary shares at an average price of RM2.36 (2024: RM2.30) each. The related weighted average share price at the date of exercise was RM3.49 (2024: RM3.05).

17. Loans and borrowings

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Sukuk Murabahah	17.1	155,774	219,692	16,000	20,000
Current					
Sukuk Murabahah	17.1	64,000	-	4,000	-
Term loans		-	3,467	-	-
Trade financing		397,853	304,285	-	-
Revolving credits		5,000	-	5,000	-
		466,853	307,752	9,000	-
Total loans and borrowings		622,627	527,444	25,000	20,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

17. Loans and borrowings (continued)

17.1 Sukuk Murabahah

In the financial year 2020, the Group had secured and entered into a Sukuk Murabahah Programme for the issuance of Sukuk Murabahah of up to a nominal value of RM1.00 billion with a tenure of up to 20 years from the first issue date.

The tenure of the Sukuk Murabahah Programme is 20 years from the first issue date of the Sukuk Murabahah under the Sukuk Murabahah Programme. The Sukuk Murabahah may be issued in series and shall have a tenure of more than one year and up to 20 years from the first Issue Date. All Sukuk Murabahah shall mature upon the expiry of the Sukuk Murabahah Programme Tenure.

OCBC Al-Amin Bank Berhad ("OCBC") has made available Sukuk Murabahah of up to RM400 million in nominal value to be issued (whether in one or more series) under the Sukuk Murabahah Programme during the availability period for the Sukuk Murabahah to be subscribed for by OCBC.

The first issuance of RM20 million out of the RM400 million Sukuk Murabahah subscribed by OCBC under the Sukuk Murabahah programme was on 6 November 2020. The first issuance was within ninety (90) days after the date of fulfilment of the conditions precedent defined in the Sukuk Murabahah programme.

On 18 October 2023, the Group completed the second issuance of Sukuk Murabahah amounting to RM200 million, subscribed by OCBC under the existing Sukuk Murabahah Programme. The proceeds from the second issuance were disbursed to a related company for utilisation under the terms and conditions specified in the trust deed of the Sukuk Murabahah programme.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

17. Loans and borrowings (continued)

17.1 Sukuk Murabahah (continued)

(i) Repayment terms of the Sukuk Murabahah programme

The OCBC Sukuk Murabahah shall be issued with each Tranche having a tenure as stated below, and which shall be redeemed based on the following redemption schedule:

Tenure of each Tranche of Sukuk Murabahah Percentage Nominal Value of each Series of OCBC Sukuk Murabahah

Tenure of each Tranche of Sukuk Murabahah	Percentage Nominal Value of each Series of OCBC Sukuk Murabahah	
	First Issuance (2020)	Second Issuance (2023)
3 years	-	Thirty per cent. (30%)
4 years	-	Thirty per cent. (30%)
5 years	-	Forty per cent. (40%)
6 years	Twenty per cent. (20%)	-
7 years	Twenty per cent. (20%)	-
8 years	Twenty per cent. (20%)	-
9 years	Twenty per cent. (20%)	-
10 years	Twenty per cent. (20%)	-
Total	One hundred per cent. (100%)	One hundred per cent. (100%)

(ii) Periodic profit payment terms under the Sukuk Murabahah programme

The periodic profit rate is determined prior to the issuance of the Sukuk Murabahah. Sukuk Murabahah is issued with periodic profit payments which are payable quarterly. The periodic profit payments are determined based on pricing spread above OCBC's three months cost of fund during the tenure.

(iii) Securities

Sukuk Murabahah is secured by third party first land charge over the leasehold lands of the subsidiaries with total planted area of not less than seventy per cent of 13,837 hectares.

(iv) Significant covenants on Sukuk Murabahah

The Group is also subjected to the following significant loan covenants on Sukuk Murabahah:

- a) consolidated finance service cover ratio of not less than 1.25 times
- b) consolidated debt to shareholders' funds ratio of less than 1.50 times
- c) debt to value ratio of less than 80%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

17. Loans and borrowings (continued)

17.1 Sukuk Murabahah (continued)

(iv) Significant covenants on Sukuk Murabahah (continued)

The Group complied with the threshold when it was tested on 31 December. The Group has consolidated finance service cover ratio of 1.62 times, consolidated debt to shareholders' fund ratio of 0.15 and debt to value ratio of 31%. As at 31 December, the Group has no indication that it will have difficulty complying with these covenants.

17.2 Securities

Trade financing facilities amounting to RM229,500,000 (2024: 200,500,000) is supported by corporate guarantees provided by the Company.

The term loans was secured by way of legal charges over certain leasehold land (see Note 4).

18. Government grants

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost:				
At 1 January and 31 December	19,356	19,356	726	726
Accumulated amortisation:				
At 1 January	7,128	6,082	413	340
Amortisation for the year (Note 26)	1,043	1,046	71	73
At 31 December	8,171	7,128	484	413
Net carrying amount:				
At 31 December	11,185	12,228	242	313
Current	1,043	1,043	73	73
Non-current	10,142	11,185	169	240
	11,185	12,228	242	313

The government grant of RM15,630,000 was received to partly finance the construction of an advanced integrated bio-refinery plant. The construction of bio-refinery plant was completed in 2017, hence the commencement of the amortisation of the government grant, which is recognised as "other income" in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

18. Government grants (continued)

In the earlier financial year, a research project in relation to crude palm oil washing facilities, which was acquired in FY2019 was completed, hence, amortisation of government grant was recognised as ‘other income’ in profit or loss over the useful life of the plant. Total grant received in relation to the research project was RM726,000.

Another government grant of RM3,000,000 was received to partly finance a project to mitigate 3-monochloropropanediol (“3-MCPD”) and glycidyl acid esters (“GE”) level in palm oil. The project was completed in 2022 and amortisation of the government grant is recognised as “other income” in profit or loss over the useful life of the plants.

19. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current Trade					
Trade payables	19.1	148,560	144,756	38,436	39,865
Amount due to subsidiaries	19.2	-	-	26,375	31,718
		148,560	144,756	64,811	71,583
Non-trade					
Amount due to subsidiaries	19.3	-	-	821	1,368
Retention sums payable to contractors		13,883	10,918	6,438	4,140
Deposits received		79	113	69	102
Other payables and accruals	19.1	141,397	126,558	49,045	47,566
		155,359	137,589	56,373	53,176
Total		303,919	282,345	121,184	124,759

19.1 Included in trade and other payables of the Group and of the Company are the amounts of RM11,613,000 (2024: RM4,543,000) and RM1,965,000 (2024: RM2,185,000) respectively due to companies in which certain Directors of the Company have substantial financial interest.

19.2 Trade balance due to subsidiaries are subject to normal trade terms.

19.3 Non-trade balance due to subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

20. Contract assets/(liabilities) – Group

	2025 RM'000	2024 RM'000
Contract liabilities	(2,687)	-

The contract liabilities are in relation to the Group's advance consideration received from customers for sales of goods.

Significant changes to contract (liabilities)/assets balances during the period are as follows:

	2025 RM'000	2024 RM'000
Contract assets at the beginning of the period transferred to trade receivables	-	28,399
Contract liabilities not recognised as revenue due to change in time frame	(2,687)	-

21. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	5,680,311	5,318,342	1,520,696	1,482,259
Other revenue				
Dividend income from subsidiaries	-	-	49,409	21,694
	5,680,311	5,318,342	1,570,105	1,503,953

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21. Revenue (continued)

21.1 Disaggregation of revenue

Group	Oil palm operations		Property development		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Major products and service lines						
Sales of oil palm based products and other related income	5,669,989	5,313,132	-	-	5,669,989	5,313,132
Sales of completed properties	-	-	10,322	5,210	10,322	5,210
	5,669,989	5,313,132	10,322	5,210	5,680,311	5,318,342
Geographical markets						
Malaysia	2,375,854	1,765,111	10,322	5,210	2,386,176	1,770,321
Asia-Pacific	2,762,252	3,006,888	-	-	2,762,252	3,006,888
Others	531,883	541,133	-	-	531,883	541,133
	5,669,989	5,313,132	10,322	5,210	5,680,311	5,318,342
Timing and recognition						
At a point in time	5,669,989	5,313,132	10,322	5,210	5,680,311	5,318,342

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21. Revenue (continued)

21.1 Disaggregation of revenue (continued)

	2025 RM'000	2024 RM'000
Company		
Major products and service lines		
Sales of oil palm based products	1,520,696	1,482,259
Geographical markets		
Malaysia	1,520,696	1,482,259
Timing of recognition		
At a point in time	1,520,696	1,482,259
Revenue from contracts with customers	1,520,696	1,482,259
Other revenue	49,409	21,694
Total	1,570,105	1,503,953

21.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Oil palm products	<u>Export sales</u> Revenue is recognised at the point in time when goods are shipped on board.	<u>Export sales</u> By irrevocable letter of credit at sight, advance payment or cash against documents through bank.	Not applicable.	Not applicable.
	<u>Local sales</u> Revenue is recognised at the point in time when goods are delivered and accepted by the customers at their premises, when the goods are transferred to the purchaser or when goods are shipped on board.	<u>Local sales</u> Credit period of 14 - 45 days from invoice date or advance payment.		
Completed properties	Revenue is recognised at a point in time when the control of the property is transferred to the purchaser.	Payment within 14 days upon signing of sales and purchase agreement.	Discounts or rebates granted during promotional periods.	Defect liability period from 18 months as established in contracts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

22. Other income

Included in other income of the Group is net realised gain on derivatives of RM33,551,000 (2024: RM Nil).

Included in other income of the Company are head quarter reallocate charge of RM15,406,676 (2024: RM13,652,000), reversal of impairment loss on subsidiary of RM9,904,000 (2024: Nil) and gain on disposal of land of RM Nil (2024: RM6,948,023) respectively.

23. Finance income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- Short-term deposits	50,067	43,214	8,633	9,432
- Current accounts	10,589	10,146	3,627	3,976
- Advances to subsidiaries	-	-	2,984	4,572
- Others	39	-	-	-
Recognised in profit or loss	60,695	53,360	15,244	17,980

24. Finance costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense/profit payments of financial liabilities that are not at fair value through profit or loss:				
- Term loans	20	2,344	-	1,908
- Sukuk Murabahah	9,987	10,159	900	914
- Trade financing	10,776	9,330	-	-
- Hire purchase financing	-	1	-	-
- Revolving credits	62	117	12	34
- Others	112	158	88	87
Interest expense on lease liabilities	20,957	22,109	1,000	2,943
	85	87	94	86
	21,042	22,196	1,094	3,029

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24. Finance costs (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss	21,042	21,867	1,094	2,703
Interest expense/profit payments of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- property, plant and equipment (Note 2.1)	-	196	-	193
- bearer plants (Note 3.1)	-	133	-	133
	21,042	22,196	1,094	3,029

25. Taxation

Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
Malaysian - current year	162,387	145,347	44,170	39,045
- prior year	1,314	1,163	33	367
	163,701	146,510	44,203	39,412
Deferred tax expense (Note 10)				
Origination and reversal of temporary differences	33,419	16,196	8,385	2,855
(Over)/Under provision in prior year	(7,268)	(12,560)	(3,118)	524
	26,151	3,636	5,267	3,379
Taxation	189,852	150,146	49,470	42,791

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25. Taxation (continued)

Recognised in profit or loss (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Reconciliation of taxation				
Profit for the financial year	470,223	465,792	200,261	142,992
Taxation	189,852	150,146	49,470	42,791
Profit excluding tax	660,075	615,938	249,731	185,783
Income tax calculated using Malaysian tax rate of 24%	158,418	147,825	59,935	44,588
Effect of tax rates in foreign jurisdiction	(29)	(714)	-	-
Non-deductible expenses	16,227	9,433	6,855	4,181
Derecognition of deferred tax assets on utilised tax losses	26,082	4,500	-	-
Movements in unrecognised deferred tax assets	(2,413)	934	-	-
Income not subject to taxation	(2,479)	(435)	(14,235)	(6,869)
(Over)/Under provision prior year	195,806 (5,954)	161,543 (11,397)	52,555 (3,085)	41,900 891
Taxation	189,852	150,146	49,470	42,791

26. Profit for the financial year

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year are arrived at after charging/(crediting):				
Auditors' remuneration:				
- Statutory audit				
- KPMG PLT	466	466	121	121
- Overseas affiliates of KPMG PLT	234	207	-	-
- Non-audit fees:				
- KPMG PLT	10	10	10	10
- Local affiliates of KPMG PLT	235	232	48	53

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

26. Profit for the financial year (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Material expenses/(income)</i>				
Depreciation of property, plant and equipment (Note 2.2)	85,663	91,623	22,618	25,002
Depreciation of right-of-use assets (Note 4)	9,604	12,263	1,003	984
Amortisation of bearer plants (Note 3)	68,911	77,937	8,972	8,752
Amortisation of government grant (Note 18)	(1,043)	(1,046)	(71)	(73)
Gain on disposal of property, plant and equipment	(1,207)	(919)	(341)	(512)
Gain on disposal of right-of-use assets	-	-	-	(6,948)
Personnel expenses (including key management personnel):				
- Contributions to the state plans	17,650	14,898	5,529	4,835
- Wages, salaries and others	368,664	337,455	88,181	80,012
- Social security contributions	4,209	2,854	1,052	767
- Share options granted under ESOS	1,554	2,294	435	743
Property, plant and equipment written off	1,223	1,223	346	38
Bearer plants written off	23,555	30,998	154	122
Goodwill written off (Note 35)	132	-	-	-
Inventories written down (Note 8)	2,162	7,705	164	1,844
Inventories written off (Note 8)	2,669	1,185	193	191
Net loss / (gain) on foreign exchange	388	(986)	5	17
Fair value (gain) / loss on derivatives	(3,980)	6,624	(798)	(1,202)
Net (gain) / loss on derivatives	(33,551)	2,604	-	-
Fair value gain on biological assets (Note 11)	1,685	(5,995)	(87)	(1,015)
Fair value loss on investment in private equity funds	508	-	-	-
Impairment loss on property, plant and equipment (Note 2)	13,149	-	-	-
Impairment loss on investment in joint venture	-	309	-	-
<i>Expenses arising from leases:</i>				
Expenses relating to short-term leases	2,095	2,094	323	238
Expenses relating to variable lease payments not included in the measurement of lease liabilities	10,951	11,298	-	-
<i>Loss/(Gain) on impairment of financial instruments:</i>				
Financial assets at amortised cost				
- Trade receivables	1,303	-	-	-
- Other receivables	-	15	-	-
- Inter-company loans and advances	-	-	(9,904)	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

27. Compensations to key management personnel

Compensations to key management personnel are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors:				
- Fees	1,255	1,139	765	689
- Short term employee benefits (including estimated benefits-in-kind)	3,637	3,239	1,964	1,581
- Post employment benefits	314	249	257	190
- Other emoluments	36	40	36	40
- Share options granted under ESOS	37	161	37	161
	5,279	4,828	3,059	2,661
Other key management personnel:				
- Fees	382	404	-	-
- Short term employee benefits (including estimated benefits-in-kind)	14,203	14,359	12,442	12,596
- Post employment benefits	1,460	1,588	1,460	1,588
- Share options granted under ESOS	115	188	115	188
	16,160	16,539	14,017	14,372
	21,439	21,367	17,076	17,033

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

28. Earnings per ordinary share – Group

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

Diluted earnings per share is calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

28. Earnings per ordinary share – Group (continued)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	2025 RM'000	2024 RM'000
Profit attributable to owners of the Company	447,251	446,464

Weighted average number of ordinary shares

	2025 '000	2024 '000
Weighted average number of ordinary shares (basic)	894,493	891,531
Effect of dilution of share options	2,824	2,956
Adjusted weighted average number of ordinary shares (diluted)	897,317	894,487

Basic and diluted earnings per share

	2025 Sen	2024 Sen
Basic earnings per share	50.00	50.08
Diluted earnings per share	49.84	49.91

29. Dividends

Dividends recognised by the Company:

	Sen per share (single-tier)	Total RM'000	Date of payment
2025			
Final 2024 ordinary	4	35,759	18 July 2025
First Interim 2025 ordinary	4	35,836	17 October 2025
Second Interim 2025 ordinary	8	71,742	29 December 2025
		143,337	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

29. Dividends (continued)

	Sen per share (single-tier)	Total RM'000	Date of payment
2024			
Final 2023 ordinary	6	53,509	19 Jul 2024
First Interim 2024 ordinary	4	35,679	17 October 2024
Second Interim 2024 ordinary	7	62,485	30 December 2024
		151,673	

The Directors have proposed the following dividend which is subject to shareholders' approval at the forthcoming Annual General Meeting:

	Per ordinary shares Sen	Total amount RM'000
Final dividend for year ended 31 December 2025	6	53,964

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2025, of 6 sen per ordinary share on 899,395,354 ordinary shares, amounting to a dividend payable of RM53,963,722 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial statements for the financial year ending 31 December 2026.

30. Operating segments

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

- Oil palms - Cultivation of oil palms, processing, refining and trading of palm products
- Property development - Development of residential and commercial properties.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30. Operating segments (continued)

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment assets total is used to measure the return of assets of each segment.

Segment liabilities

Information on segment liabilities aggregates the total liabilities, including borrowings, to allow the Group's Chief Executive Officer to review and plan for the liquidity requirements of the Group.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

30. Operating segments (continued)

	Oil palms		Property development		Elimination		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Segment profit/(loss)	660,967	615,671	(857)	115	(35)	152	660,075	615,938
Included in the measure of segment profit are:								
Revenue from external customers	5,669,989	5,313,132	10,383	5,210	(61)	-	5,680,311	5,318,342
Finance income	60,660	53,479	128	71	(93)	(190)	60,695	53,360
Finance costs	(21,042)	(21,867)	(93)	(190)	93	190	(21,042)	(21,867)
Write-down of inventories to net realisable value	(2,162)	(7,638)	-	(67)	-	-	(2,162)	(7,705)
Write-off of inventories	(2,669)	(1,185)	-	-	-	-	(2,669)	(1,185)
Share of (loss)/profit of equity-accounted joint venture, net of tax	-	-	-	-	-	(36)	-	(36)
Depreciation and amortisation	(164,109)	(181,686)	(95)	(137)	26	-	(164,178)	(181,823)
Fair value gain/(loss) on derivatives	3,980	(6,624)	-	-	-	-	3,980	(6,624)
Fair value (loss)/gain on biological assets	(1,685)	5,995	-	-	-	-	(1,685)	5,995
Property, plant and equipment written off	(1,223)	(1,223)	-	-	-	-	(1,223)	(1,223)
Bearer plants written off	(23,555)	(30,998)	-	-	-	-	(23,555)	(30,998)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

30. Operating segments (continued)

	Oil palms		Property development		Elimination		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other information								
Segment assets	5,619,180	5,106,823	110,689	113,822	(9,668)	(9,436)	5,720,201	5,211,209
Segment liabilities	1,388,378	1,224,664	8,941	10,888	(6,967)	(10,289)	1,390,352	1,225,263
Included in the measure of segment assets are:								
Additions to property, plant and equipment	141,499	138,136	16	465	-	-	141,515	138,601
Additions to bearer plants	114,353	89,970	-	-	-	-	114,343	89,970
Additions to right-of-use assets	268	823	-	-	-	-	268	823

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30. Operating segments (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in joint venture), intangible assets, deferred tax assets other investments and inventories.

	2025 RM'000	2024 RM'000
Revenue		
Malaysia	2,386,176	1,770,321
Asia-Pacific	2,762,252	3,006,888
Others	531,883	541,133
	5,680,311	5,318,342
Non-current assets		
Malaysia	2,503,075	2,422,152
Singapore	12,414	13,107
	2,515,489	2,435,259

Major customers

The major customer contributing revenue equal to or exceeding 10% of the Group's total revenue was a single counterparty under the oil palm segment, with revenue amounting to RM936,208,000 (2024: RM529,950,000).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9
- (b) Amortised cost ("AC")

	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2025				
Financial assets				
Group				
Trade and other receivables	12	450,839	450,839	-
Derivative financial assets	13	7,919	-	7,919
Other investments	9	1,395,803	1,393,964	1,839
Cash and cash equivalents	14	435,127	435,127	-
		2,289,688	2,279,930	9,758
Company				
Trade and other receivables	12	120,129	120,129	-
Derivative financial assets	13	2,000	-	2,000
Other investments	9	248,687	248,687	-
Cash and cash equivalents	14	205,431	205,431	-
		576,247	574,247	2,000
2025				
Financial liabilities				
Group				
Derivative financial liabilities	13	2,064	-	2,064
Loans and borrowings	17	622,627	622,627	-
Trade and other payables	19	303,919	303,919	-
		928,610	926,546	2,064
Company				
Loans and borrowings	17	25,000	25,000	-
Trade and other payables	19	121,184	121,184	-
		146,184	146,184	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.1 Categories of financial instruments (continued)

	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2024				
Financial assets				
Group				
Trade and other receivables	12	236,403	236,403	-
Derivative financial assets	13	3,679	-	3,679
Other investments	9	1,015,690	1,015,690	-
Cash and cash equivalents	14	586,517	586,517	-
		<u>1,842,289</u>	<u>1,838,610</u>	<u>3,679</u>
Company				
Trade and other receivables	12	174,120	174,120	-
Derivative financial assets	13	1,202	-	1,202
Other investments	9	158,143	158,143	-
Cash and cash equivalents	14	246,699	246,699	-
		<u>580,164</u>	<u>578,962</u>	<u>1,202</u>
2024				
Financial liabilities				
Group				
Derivative financial liabilities	13	1,804	-	1,804
Loans and borrowings	17	527,444	527,444	-
Trade and other payables	19	282,345	282,345	-
		<u>811,593</u>	<u>809,789</u>	<u>1,804</u>
Company				
Loans and borrowings	17	20,000	20,000	-
Trade and other payables	19	124,759	124,759	-
		<u>144,759</u>	<u>144,759</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost				
- interest income	60,695	53,360	15,244	17,980
- net (loss)/gain on foreign exchange	(261)	993	-	-
	60,434	54,353	15,244	17,980
Financial assets at fair value through profit or loss Mandatorily required by MFRS 9				
- fair value changes on derivatives	4,240	(4,980)	798	1,202
- realised gain on derivatives	33,551	-	-	-
- fair value changes on equity instruments	(508)	-	-	-
	37,283	(4,980)	798	1,202
Financial liabilities at fair value through profit or loss Mandatorily required by MFRS 9				
- fair value changes on derivatives	(260)	11,603	-	-
- realised gain on derivatives	-	(2,604)	-	-
	(260)	8,999	-	-
Financial liabilities measured at amortised cost				
- interest expense/profit payments	(20,957)	(21,780)	(1,000)	(2,617)
- net loss on foreign exchange	(127)	(7)	(5)	(17)
	(21,084)	(21,787)	(1,005)	(2,634)
	76,373	36,585	15,037	16,548

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

31.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

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

The Group assess periodically whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

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

The Group assessed the risk of loss of each major customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2025			
Group			
Current (not past due)	350,082	-	350,082
1 – 30 days past due	27,293	-	27,293
31 – 60 days past due	12,113	-	12,113
61 – 90 days past due	127	-	127
More than 90 days past due	577	-	577
	390,192	-	390,192
Credit impaired			
Individually impaired	1,428	(1,428)	-
Trade receivables	391,620	(1,428)	390,192

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2024			
Group			
Current (not past due)	200,144	-	200,144
1 – 30 days past due	257	-	257
31 – 60 days past due	307	-	307
61 – 90 days past due	-	-	-
More than 90 days past due	749	-	749
	201,457	-	201,457
Credit impaired			
Individually impaired	125	(125)	-
Trade receivables	201,582	(125)	201,457

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Credit impaired RM'000
Group	
Balance at 1 January 2025/31 December 2024 and 1 January 2025	125
Charge for the year	1,303
Balance at 31 December 2025	1,428

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Other receivables

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

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

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2025			
Low credit risk	60,034	-	60,034
Credit impaired	404	(404)	-
	60,438	(404)	60,034
2024			
Low credit risk	31,873	-	31,873
Credit impaired	419	(419)	-
	32,292	(419)	31,873

Recognition and measurement of impairment losses

Generally, the Group considers other receivables have low credit risk. As the Group is able to determine the timing of payments of the other debtors when they are payable, the Group considers the other receivables to be in default when the other debtors are not able to pay when demanded. The Group considers other receivables to be credit impaired when the other debtor is unlikely to repay its payables to the Group in full.

The movement in the allowance for impairment in respect of other receivables during the year is as follows:

	2025 RM'000	2024 RM'000
Opening balance	419	464
Net measurement of loss allowance	-	15
Write-offs	(15)	(60)
Closing balance	404	419

As at the end of reporting period, except for an impairment loss of RM Nil (2024: RM15,000) been provided for during the financial year, there was no indication that the other receivables are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits with licensed banks are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

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

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

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

Recognition and measurement of impairment loss

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

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Inter-company loans and advances(continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at the end of the reporting period was:

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2025			
Low credit risk	41,127	-	41,127
Credit impaired	-	-	-
	41,127	-	41,127
2024			
Low credit risk	86,255	-	86,255
Credit impaired	17,000	(9,904)	7,096
	103,255	(9,904)	93,351

The movement in the allowance for impairment in respect of inter-company loans and advances during the financial year as follows:

	2025 RM'000	2024 RM'000
Opening balance	9,904	9,904
Impairment loss reversed	(9,904)	-
Closing balance	-	9,904

Investment in private equity fund

The Group's investment in a private equity fund is subject to credit risk as its value depends on the performance of the fund and its underlying investments.

The Group monitors this investment through reports provided by the fund manager. As at the end of the reporting period, no allowance for impairment losses has been recognized.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to the subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. In addition, the Company has issued letters of financial support to certain subsidiaries and have indicated its willingness to provide continuing financial support to these subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk relating to facilities granted to certain subsidiaries up to a limit of RM1,018,174,000 (2024: RM1,073,717,000) of which RM229,500,000 (2024: RM200,500,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

The financial guarantee is not recognised since the probability of default was low.

31.5 Liquidity risk

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

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group 2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	303,919	-	303,919	303,919	-	-	-
Revolving credits	5,000	3.93	5,000	5,000	-	-	-
Sukuk Murabahah	219,774	4.20	238,690	72,806	70,118	95,766	-
Trade financing	397,853	3.15 - 3.52	397,853	397,853	-	-	-
Lease liabilities	1,637	3.50 - 5.25	2,039	589	427	445	578
	928,183		947,501	780,167	70,545	96,211	578
<i>Derivative financial liabilities</i>							
Forward currency contracts	2,064	-	2,064	2,064	-	-	-
	2,064		2,064	2,064	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Company 2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	121,184	-	121,184	121,184	-	-	-
Sukuk Murabahah	20,000	4.20	22,861	812	4,644	13,405	4,000
Revolving credit	5,000	3.93	5,000	5,000	-	-	-
Lease liabilities	1,739	3.50 - 5.00	2,051	574	426	571	480
Financial guarantee contracts	-		229,500	229,500	-	-	-
	147,923		380,596	357,070	5,070	13,976	4,480
Group 2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	282,345	-	282,345	282,345	-	-	-
Term loans	3,467	4.76	3,487	3,487	-	-	-
Sukuk Murabahah	219,692	4.56	250,356	10,040	73,569	162,578	4,169
Trade financing	304,285	3.20 - 3.99	304,285	304,285	-	-	-
Lease liabilities	2,038	3.50 - 5.25	2,482	598	548	759	577
	811,827		842,955	600,755	74,117	163,337	4,746

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group							
2024 (continued)							
<i>Derivative financial liabilities</i>							
Forward currency contracts	1,804	-	1,804	1,804	-	-	-
	1,804		1,804	1,804	-	-	-
Company							
2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	124,759	-	124,759	124,759	-	-	-
Sukuk Murabahah	20,000	4.67	24,113	932	4,903	13,961	4,317
Lease liabilities	2,220	3.50 - 5.00	2,625	574	574	925	552
Financial guarantee contracts	-	-	200,500	200,500	-	-	-
	146,979		351,997	326,765	5,477	14,886	4,869

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.6 Market risk

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

31.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Singapore Dollar ("SGD") and Chinese Yuan ("CNY").

(i) *Risk management objectives, policies and processes for managing the risk*

The Group uses forward foreign currency contracts to hedge its foreign currency risk with maturities of less than one year after the end of the reporting period. Where necessary, the forward foreign currency contracts are rolled over maturity.

(ii) *Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	2025			2024		
	USD RM	SGD RM	CNY RM	USD RM	SGD RM	CNY RM
Balances recognised in the statement of financial position						
Trade and other receivables	4,283	-	-	18,023	-	-
Cash at banks	4,851	-	-	2,927	-	-
Trade and other payables	(131)	(262)	-	(1,245)	(107)	(205)
	9,003	(262)	-	19,705	(107)	(205)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.6 Market risk

33.6.1 Currency risk (continued)

(iii) Currency risk sensitivity analysis

A 10% strengthening of RM against the primary foreign currency at the end of the reporting period would impact on post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant.

	2025 RM'000	2024 RM'000
USD	(684)	(1,497)
SGD	20	8
CNY	-	16
	(664)	(1,473)

A 10% weakening of RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

31.6.2 Interest rates risk

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

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

Risk management objectives, policies and processes for managing the risk

The Group manages its interest rate exposure by maintaining available lines of fixed and floating rate borrowings. Short-term investment and deposits placed with licensed banks are not significantly exposed to interest rate risk. The Group may enter into interest rate swap to mitigate the impact of interest rate fluctuations, as and when deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.6 Market risk

31.6.2 Interest rates risk (continued)

Exposure to interest rates risk

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Fixed deposits	1,438,530	1,252,217	278,687	246,880
Revolving credits	(5,000)	-	(5,000)	-
Trade financing	(397,853)	(304,285)	-	-
Lease liabilities	(1,637)	(2,038)	(1,739)	(2,220)
	1,034,040	945,894	271,948	244,660
Floating rate instruments				
Term loans	-	(3,467)	-	-
Sukuk Murabahah	(219,774)	(219,692)	(20,000)	(20,000)
Amount due from subsidiaries	-	-	24,977	68,687
	(219,774)	(223,159)	4,977	48,687

Interest rates risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.6 Market risk

31.6.2 Interest rates risk (continued)

Interest rates risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates for financial assets and financial liabilities at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2025 Profit or loss		2024 Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
Group				
Floating rate instruments	(1,670)	1,670	(1,696)	1,696
Company				
Floating rate instruments	38	(38)	370	(370)

31.6.3 Other price risk

The Group's investment in unquoted shares is exposed to other price risk, as the value of the investment may fluctuate due to changes in the underlying performance of the investee entities and valuation assumptions applied.

As the investment is not traded in an active market, its fair value is not based on quoted market prices. Based on the size of the investment and management's assessment, the resulting exposure to other price risk is not material to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.7 Fair value information

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

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group 2025								
Financial assets								
Investment in private equity funds	-	-	1,839	-	-	-	1,839	1,839
Commodity swaps contracts	-	2,000	-	-	-	-	2,000	2,000
Forward currency contracts	-	5,919	-	-	-	-	5,919	5,919
	-	7,919	1,839	-	-	-	9,758	9,758
Financial liabilities								
Forward commodity contracts	-	(2,064)	-	-	-	-	(2,064)	(2,064)
Sukuk Murabahah	-	-	-	-	-	(219,774)	(219,774)	(219,774)
	-	(2,064)	-	-	-	(219,774)	(221,838)	(221,838)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial instruments (continued)

31.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group 2024								
Financial assets								
Commodity swaps contracts	-	1,202	-	-	-	-	1,202	1,202
Forward commodity contracts	-	2,477	-	-	-	-	2,477	2,477
	-	3,679	-	-	-	-	3,679	3,679
Financial liabilities								
Forward currency contracts	-	(1,804)	-	-	-	-	(1,804)	(1,804)
Sukuk Murabahah	-	-	-	-	-	(219,692)	(219,692)	(219,692)
	-	(1,804)	-	-	-	(219,692)	(221,496)	(221,496)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial instruments (continued)

31.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Company 2025								
Financial assets								
Commodity swap contracts	-	2,000	-	-	-	-	2,000	2,000
Financial liabilities								
Sukuk Murabahah	-	-	-	-	-	(20,000)	(20,000)	(20,000)
2024								
Financial assets								
Commodity swap contracts	-	1,202	-	-	-	-	1,202	1,202
Financial liabilities								
Sukuk Murabahah	-	-	-	-	-	(20,000)	(20,000)	(20,000)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.7 Fair value information (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Derivatives

The fair value of forward currency contracts, commodity swap contracts and forward commodity contracts are based on banker quotes.

Non-derivative financial liabilities

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

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value

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

Investment in private equity funds

The fair value of private equity fund investment is based on the net asset value ("NAV") provided by the fund manager as at the reporting date.

The capital balance reflects the Group's proportionate interest in the net assets of the fund. The fund underlying investment primarily comprises unquoted shares, which are valued by the fund manager using an appropriate valuation technique.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. Financial instruments (continued)

31.7 Fair value information (continued)

Level 3 fair value (continued)

The following shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Sukuk Murabahah	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting date (2025: 4.20%, 2024: 4.56%).
Term loans	The fair value of term loans approximate their carrying amounts as these are variable rate borrowings.

31.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

32. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	2025 RM'000	2024 RM'000
Total loans and borrowings (Note 17)	(622,627)	(527,444)
Lease liabilities	(1,637)	(2,065)
Gross debts	(624,264)	(529,509)
Less: Other investments (Note 9)	1,395,803	1,015,690
Less: Cash and cash equivalents (Note 14)	435,127	586,517
Net cash	1,206,666	1,072,698
Total equity	4,329,849	3,985,946
Gross debt to equity ratio	0.14	0.13

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

33. Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Contracted but not provided for</i>				
Property, plant and equipment	96,602	123,879	45,878	75,906
Bearer plants	12,128	16,451	185	611
Other investments	17,652	-	-	-
	126,382	140,330	46,063	76,517

34. Related parties

Identity of related parties

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

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

The Group has a related party relationship with:

- (i) its subsidiaries as disclosed in Note 6;
- (ii) key management personnel as disclosed in Note 27; and
- (iii) companies in which certain Directors and their close family members have or deemed to have substantial interest.

Significant related party transactions

Significant related party transactions of the Group and of the Company, other than compensations to key management personnel (see Note 27) and those disclosed elsewhere in the financial statements, are shown below.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

34. Related parties (continued)

Significant related party transactions (continued)

	Company	
	2025 RM'000	2024 RM'000
Dividend income	(49,409)	(21,694)
Head quarter reallocate charge	(15,407)	(13,653)
Interest income	(2,984)	(4,572)
Management fee	(260)	(260)
Rental income	(478)	(413)
Rental expense	311	412
Corporate service fee	2,596	3,014
Purchase of goods and services	15,111	17,388
Purchase of oil palm fresh fruit bunches	527,199	522,919
Sales of goods and services	(1,527,950)	(1,492,118)
Sales of property, plant and equipment	(171)	(1,310)
Sales of land	-	(7,133)
Purchase of property, plant and equipment	794	1,657

Transaction in which certain Directors and their close family members have or deemed to have substantial interest

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of oil palm fresh fruit bunches	73,005	128,970	21,929	71,029
Sales of goods and services	(341)	(272)	(260)	(244)
Transport services	7,200	8,523	32	43
Purchase of property, plant and equipment	7,240	14,397	2,330	4,987
Purchase of goods and services	160,617	24,565	4,368	3,565

The balances related to the above transactions are shown in Notes 12 and 19. There is no allowance for impairment loss on doubtful receivables provided against the outstanding balances of related parties.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Acquisition of a subsidiary – Tanjung Manis Bulkera Sdn. Bhd.

On 5 November 2025, the Group acquired a 51% equity interest in Tanjung Manis Bulkera Sdn. Bhd. through the subscription of shares totaling RM15,300,000. The Company operates a bulking facility based in Tanjung Manis, Sarawak.

The fair values of the identifiable assets and liabilities of the subsidiary at the date of acquisition were:-

Fair value of identifiable net assets acquired

	2025 RM'000
Property, plant and equipment	33,289
Trade and other receivables	86
Current tax asset	1
Cash and cash equivalents	1
Trade and other payables	(87)
Deferred tax liabilities	(3,549)
	29,741

Measurement of non-controlling interests

The non-controlling interest ("NCI"), representing 49% equity interest not held by the Group, were measured at fair value at the acquisition date.

The fair value of non-controlling interests amounted to RM14,574,000, which has been recognised directly in equity. This amount is presented as a movement in non-controlling interests in Group's statement of changes in equity for the financial year ended 31 December 2025.

Net assets acquired and cash outflow

	2025 RM'000
Net assets acquired (51%)	15,168
Net cash outflow arising from acquisition of subsidiary:-	
Purchase consideration	(15,300)
Cash and cash equivalents acquired	1
Net cash outflow	(15,299)
Goodwill arising on acquisition: -	
Purchase consideration	15,300
Net asset acquired	(15,168)
Goodwill	132

Based on the difference between the purchase consideration and the Group's share of the fair value of the identifiable net assets acquired, a goodwill amount of RM132,000 arose on acquisition.

After applying materiality considerations at the Group level, management determined that the goodwill amount was not material to the consolidated statements. Accordingly, the goodwill was not recognised as an asset and the amount has been fully written off in the year of acquisition.

The results of the acquired subsidiary have been consolidated into the Group's financial statements from the date of acquisition. The management does not expect the impact on the Group's consolidated financial results to be material.

PROPERTIES OF THE GROUP AS AT 31 DECEMBER 2025

Location of Properties	Year of Acquisition/ Revaluation	Tenure	Year of Expiry	Area in Hectares	Description	Age of Building (Years)	Net Book Value As at 31 Dec 2025 (RM'000)	Net Book Value As at 31 Dec 2024 (RM'000)
Lambir 1, 2 Estate KM 41, Miri – Bintulu Road, Miri Sarawak	1971-1981	Leasehold 87 to 97 years	2067	4,572	Oil Palm Estate Palm Oil Mill	19	351,942	318,001
Suai 1 Estate KM 120, Miri – Bintulu Road, Miri Sarawak	1989-1991	Leasehold 99 years	2084-2090	3,183	Oil Palm Estate Palm Oil Mill	24		
Suai 2 Estate KM 115, Miri – Bintulu Road, plus further 9KM	1989-2019	Leasehold 99 years	2085-2118	2,878	Oil Palm Estate			
Tinbarap 9 Estate KM 22, Miri – Bintulu Road, Off KM 45, From BLD Junction	2010-2011	Leasehold 60 years	2068-2070	1,194	Oil Palm Estate			
Miri Office No. 124-126, Jalan Bendahara, 98000 Miri	2004	Leasehold 60 years	2042	-	Registered Office - 445 sq.m.	41		
Lot 2415, Block 1, Lambir Land District	2021	Leasehold 60 years	2069	-	Shophouses - 869 sq.m.	5		
Lot 1894, Block 4, Miri Concession Land District	2024	Leasehold 60 years	2043	-	Warehouse cum office - 4059 sq.m.	42		
Kuala Lumpur Office 183 Level 26 Building M1, Lot 70 Section 70, Bandar Kuala Lumpur	2019	Freehold	-	-	Office Unit - 172 sq.m.	7		
SOP Tower Lot 275 & Lot 1007 Block 9 Miri Concession Land District	2021	Leasehold 99 years	2109 - 2114	-	Office under construction	-		

**PROPERTIES OF
THE GROUP
AS AT 31 DECEMBER 2025**

Location of Properties	Year of Acquisition/ Revaluation	Tenure	Year of Expiry	Area in Hectares	Description	Age of Building (Years)	Net Book Value As at 31 Dec 2025 (RM'000)	Net Book Value As at 31 Dec 2024 (RM'000)
Balingian Estate KM 8, Balingian – Mukah Road, Balingian	1997-1999	Leasehold 60 years	2057-2059	3,978	Oil Palm Estate Palm Oil Mill	19	72,223	56,782
Tibus Estate Lot 157, Suai	2003	Leasehold 60 years	2063	1,494	Oil Palm Estate		59,655	58,210
Lamaus Estate KM 3, Jalan Ulu Niah, Off KM 110, Miri – Bintulu Road, Miri	2003	Leasehold 60 years	2063	3,812	Oil Palm Estate			
Suai Estate, Niah Lot 157, Suai	2004	Leasehold 60 years	2064	3,337	Oil Palm Estate			
Niah Estate KM 3, Kubur Road, Off Sepupok, Niah	1999	Leasehold 60 years	2059	4,960	Oil Palm Estate		88,320	72,528
Taniku Estate Jalan Pujut 7, Permyjaya KM 9 East of Miri	2003	Leasehold 60 years	2058	4,868	Oil Palm Estate		176,229	120,504
Sepakau Estate KM 81, Jalan Bakun off KM 53, Jalan Bintulu – Miri	2003	Leasehold 60 years	2057-2059	9,028	Oil Palm Estate Oil Palm Mill	17		
Karabungan Estate KM 48, Miri – Bintulu Road, Miri	2005	Leasehold 60 years	2058	2,023	Oil Palm Estate		21,248	20,138

**PROPERTIES OF
THE GROUP
AS AT 31 DECEMBER 2025**

Location of Properties	Year of Acquisition/ Revaluation	Tenure	Year of Expiry	Area in Hectares	Description	Age of Building (Years)	Net Book Value As at 31 Dec 2025 (RM'000)	Net Book Value As at 31 Dec 2024 (RM'000)
Tatau Estate KM 40, Bintulu – Sibu Road, Off KM 13, Tatau	2008	Leasehold 99 years	2103	3,840	Oil Palm Estate		165,470	164,657
Sebunggan Estate KM 25, Bintulu – Miri Road, KM 19 To Sebauh	2006	Leasehold 99 years	2103	1,646	Oil Palm Estate			
Sabaju 1, 2 Estate KM 53, Bintulu – Miri, KM 31 Bakun Road	2006	Leasehold 99 years	2104	4,880	Oil Palm Estate Palm Oil Mill	14		
Tinbarap Estate KM 22, Miri – Bintulu Road, Off KM 45, From BLD Junction	2007	Leasehold 99 years	2106	12,891	Oil Palm Estate Palm Oil Mill	12	140,951	167,317
Batu Lintang Estate Ulu Undop NCR, Sri Aman District	2008	NCR Native Land 60 years	NA	2,334	Oil Palm Estate		35,013	37,194
Sabaju Estate KM 53, Bintulu – Miri, KM 31 Bakun Road	2010	Leasehold 99 years	2112-2118	5,089	Oil Palm Estate		59,324	59,617
POIC, Bintulu Lot 4270, 4277, 4278, Block 26, Kemena LD	2012	Leasehold 60 years	2074	40	Palm Oil Refinery Plant, Palm Kernel Crushing Plant, Biodiesel Plant, Phytonutrient Plant, Consumer Packaging Plant & Other Amenities	11 to 14	236,428	246,510

**PROPERTIES OF
THE GROUP
AS AT 31 DECEMBER 2025**

Location of Properties	Year of Acquisition/ Revaluation	Tenure	Year of Expiry	Area in Hectares	Description	Age of Building (Years)	Net Book Value As at 31 Dec 2025 (RM'000)	Net Book Value As at 31 Dec 2024 (RM'000)
POIC, Mukah Lot 642, Block 12, Buan LD	2025	-	-	-	Crude Palm Oil Bulking Installation and Dry Bulk Facilities	8	31,995	-
Land - Kuching/Miri Lot 6918, Lambir LD Lot 76, 172, 919-921, Block 233, Kuching North LD Lot 82, 2662 Block 10, Kuching Central LD	2007-2024	Leasehold 60 to 99 years	2038-2124	31	Land Held for Future Development		41,268	41,265
Murum Estate Sungai Maleh, Belaga Blk 89 & Blk 90 Murum LD 96950 Murum Sarawak	2016	Leasehold 60 years	2076	47,000	Oil Palm Estate Palm Oil Mill	14	554,194	582,487
Lot 2196, Section 66, Kuching Town LD	2025	Leasehold 60 years	2052	-	Laboratory - 2,713 sq.m.	16	10,500	-
Singapore Office 133 New Bridge Road, #20-09/10 Chinatown Point, Singapore 059413	2016	Leasehold 99 years	2079	-	Office Unit - 223 sq.m.	34	12,318	13,107

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

SHARE CAPITAL

Authorised	:	5,000,000,000 Ordinary Shares
Issued and Fully Paid	:	899,395,354 Ordinary Shares
Voting Rights	:	One Vote Per Share

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	307	6.32	7,596	0.00
100 - 1,000	963	19.84	535,636	0.06
1,001 - 10,000	2,318	47.75	9,990,802	1.11
10,001 - 100,000	1,016	20.93	29,766,660	3.31
100,001 to less than 5% of issued shares	245	5.05	275,109,905	30.59
5% and above of issued shares	5	0.10	583,984,755	64.93
	4,854	100.00	899,395,354	100.00

SUBSTANTIAL SHAREHOLDERS

	No. of Shares Held	% of Issued Capital
1. LCDA HOLDINGS SDN BHD	173,439,900	19.28
2. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR SHIN YANG PLANTATION SDN BHD	154,596,717	17.19
3. CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	98,909,505	11.00
4. SHIN YANG PLANTATION SDN BHD	89,585,133	9.96
5. TAN SRI DATUK LING CHIONG HO	68,633,250	7.63
6. STATE FINANCIAL SECRETARY SARAWAK	67,453,500	7.50

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

DIRECTORS' INTERESTS IN SHARES

Size of Holdings	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
In the company				
Ling Lu Kuang	4,280,850	0.48	98,909,505 ⁽²⁾	11.00
Ling Chiong Sing	225,000	0.03	244,181,850 ⁽¹⁾	27.15
Ling Pau Pau	150,000	0.02	2,852,344 ⁽³⁾	0.32
Tang Tiong Ing	307,696	0.03	187,071 ⁽³⁾	0.02
Fong Yoo Kaw @ Fong Yee Kow	55,000	0.01	-	-
Chua Chen San	80,000	0.01	-	-
Datu Hasmawati Binti Sapawi	-	-	-	-
Perpetua Phang	-	-	-	-
Bibi Umizah Binti Osman	-	-	-	-
Datu Sr. Haji Zaidi Bin Haji Mahdi	100,000	0.01	-	-

Note

⁽¹⁾ Indirect interest held through Shin Yang Plantation Sdn. Bhd.

⁽²⁾ Indirect interest held through Agape International Pte. Ltd.

⁽³⁾ Indirect interest held through his/her spouse.

THIRTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2026

NO.	NAME	No. of Shares	Shares %
1	LCDA HOLDINGS SDN BHD	173,439,900	19.28
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR SHIN YANG PLANTATION SDN BHD	154,596,717	17.19
3	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	98,909,505	11.00
4	SHIN YANG PLANTATION SDN BHD	89,585,133	9.96
5	STATE FINANCIAL SECRETARY SARAWAK	67,453,500	7.50
6	LING CHIONG HO	37,883,250	4.21
7	UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR PERRA GROUP LIMITED	27,085,627	3.01
8	LING CHIONG HO	26,000,000	2.89
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAW KIU KIONG	17,000,000	1.89
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNTS FOR LAW KIU KIONG”	12,700,000	1.41
11	PEKAN MEGAH SDN BHD	11,218,464	1.25
12	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNTS FOR LAW KIONG HOLDINGS SDN BHD	9,500,000	1.06
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	8,800,000	0.98
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LING CHIONG HO”	4,750,000	0.53
15	LING LU KUANG	4,280,850	0.48
16	WONG HEE KWONG	3,733,950	0.42
17	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)	3,577,350	0.40
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WONG ING YUNG (PB)	3,423,700	0.38
19	TEOH GUAN KOK & CO. SDN. BERHAD	3,285,382	0.37
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIU KIONG	3,066,000	0.34
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERIC KIU KWONG SENG	2,785,285	0.31

**THIRTY LARGEST SHAREHOLDERS
AS AT 31 MARCH 2026**

NO.	NAME	No. of Shares	Shares %
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR FIDELITY ASIAN VALUES PLC	2,779,700	0.31
23	NEOH CHOO EE & COMPANY, SDN. BERHAD	2,707,000	0.30
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR LAW KIU KIONG (6000710)	2,492,800	0.28
25	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)	2,458,600	0.27
26	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC."	2,260,939	0.25
27	ADINAMAJU SDN BHD	2,087,480	0.23
28	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,899,205	0.21
29	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,845,547	0.21
30	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)"	1,744,900	0.19

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting of Sarawak Oil Palms Berhad (“SOPB” or “Company”) will be held at the Conference Room of Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak on Thursday, 25 June 2026 at 10.00 a.m. for the following purposes:-

AGENDA

- | | | |
|---|--|---------------------------|
| 1 | To receive and adopt the annual accounts for the year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. | Explanatory Note 1 |
| 2 | To approve the payment of Final Dividend in respect of the financial year ended 31 December 2025 as recommended by the Directors. | (Resolution 1) |
| 3 | To approve the payment of Directors’ Fees for the financial year ending 31 December 2026, payable quarterly in arrears after each month of completed service of the Directors during the financial year. | (Resolution 2) |
| 4 | To approve the payment of Directors’ benefit for the period from 1 January 2026 until the conclusion of the next Annual General Meeting | (Resolution 3) |
| 5 | To approve the payment of the additional Directors’ fees amounting to RM65,000 per annum with effect from 1 January 2025. | (Resolution 4) |
| 6 | To re-elect the following Directors who retire pursuant to Articles 93 and 100 of the Company’s Constitution and being eligible, offer themselves for re-election:- | |
| | (a) Mdm Perpetua Phang | (Resolution 5) |
| | (b) Cik Bibi Umizah Binti Osman | (Resolution 6) |
| | (c) Mr. Chua Chen San | (Resolution 7) |
| | (d) Mdm Lau Phui Ching, Regina | (Resolution 8) |
| 7 | To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. | (Resolution 9) |
| 8 | As Special Business | |
| | To consider and, if thought fit, to pass the following ordinary resolutions:- | |
| | (a) Continuation in office as Independent Non-Executive Director | |
| | “That approval be and is hereby given to the following Director who have served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.” | (Resolution 10) |
| | (i) Chua Chen San | |
| | (b) Proposed Renewal and New Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature | (Resolution 11) |
| | “THAT subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature with those Related Parties as stated in Section 2.2 of the Circular to Shareholders dated 28 April 2026 (“Shareholders’ Mandate”) which are necessary for its day-to-day operations subject further to the following: - | |

NOTICE OF ANNUAL GENERAL MEETING

- (a) That the transactions are in the ordinary course of business and are made on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those available to the public and not to the detriment of the minority shareholders; and
- (b) That disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year based on information such as the type of the Recurrent Transactions made and the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the company.
- (c) That such approval shall continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company;
 - (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to section 340(2) of the Companies Act, 2016 ("Acts") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate, with full powers to assents to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities.

- (c) Proposed Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

(Resolution 12)

"That subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's constitutions and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorized and empowered to Sections 75 and 76 of the Act:-

- (a) to issue and allot new shares in the Company and/or;
- (b) to grant rights to subscribe for shares in the Company; and/or
- (c) to convert any security into shares in the Company; and/or
- (d) to allot shares under an agreement or option or offer,

at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of new share issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being (excluding treasury shares, if any) ("**10% General Mandate**").

NOTICE OF ANNUAL GENERAL MEETING

That such approval of the 10% General Mandate shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the Shareholders of the Company in a general meeting,

whichever is earlier.

That the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new shares on the Main Market of Bursa Securities.

That the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient (including executing such documents as may be required) in order to give full effect to the 10% General Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

That pursuant to Section 85(1) of the Act, read together with Article 52 of the Company's Constitution, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares, arising from any issuance of new shares pursuant to this general mandate AND THAT the Directors of the Company are exempted from the obligation to offer such new shares first to the existing shareholders of the Company in proportion to their respective shareholdings in the Company, provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid, or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provision of this resolution shall remain in full force and effect."

- (d) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES OF SOPB ("SOPB SHARES" OR "SHARES") (EXCLUDING TREASURY SHARES, IF ANY) ("PROPOSED ESOS") FOR THE ELIGIBLE DIRECTORS OF SOPB AND ELIGIBLE EMPLOYEES OF SOPB AND ITS SUBSIDIARIES**

(Resolution 13)

"THAT subject to the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board of Directors of the Company ("Board"), be and is hereby authorised and empowered to:

- (i) establish and implement the Proposed ESOS of up to 10% of the total number of SOPB Shares (excluding treasury shares, if any) at any one time during the duration of the Proposed ESOS for the eligible directors of SOPB and the employees of SOPB and its subsidiaries who fulfill the eligibility criteria of the Proposed ESOS ("**Eligible Persons**"), and who are selected by the committee to be appointed and authorised by the Board to administer and implement the Proposed ESOS ("**ESOS Committee**"), in accordance with the provisions of the by-laws governing the Proposed ESOS ("**By-Laws**"). The ESOS Committee will have the sole and absolute discretion in administering the Proposed ESOS in accordance with the By-Laws and the terms of reference of the ESOS Committee;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) allot and issue such number of new SOPB Shares in relation to the exercise of the share options granted under the Proposed ESOS ("**ESOS Awards**"), to the eligible employees and directors who have accepted the offer made in writing to them by the ESOS Committee, fulfilled the relevant vesting conditions and exercised their share options granted under the Proposed ESOS, in accordance with the By-Laws:
- (a) provided that the maximum number of new SOPB Shares which may be made available under the Proposed ESOS and the existing employees' share option scheme which was effective from 19 September 2017 and expiring on 18 September 2027 ("Existing ESOS") shall not in aggregate exceed 15% of SOPB's total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS and Existing ESOS;
 - (b) that such new SOPB Shares to be allotted and issued pursuant to the Proposed ESOS will, upon allotment and issuance, rank equally in all respects with the then existing SOPB Shares, save and except that such new Shares will not be entitled to any voting rights, dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid, for which the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the date of allotment and issuance of the new Shares pursuant to the Proposed ESOS;
 - (c) add, delete, modify and/or amend any of the terms as set out in the By-Laws upon recommendation by the ESOS Committee from time to time as may be permitted or deemed necessary by the Board, provided that such additions, deletions, modifications, and/or amendments are effected in accordance with the provisions of the By-Laws; and
 - (d) do all such acts, deeds and things and execute, sign and deliver on behalf of the Company, all such documents and enter into all such transactions, arrangements, agreements, instruments, deeds and/or undertakings, to make all such rules or regulations, or impose such terms and conditions and/or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient to give full effect to the Proposed ESOS and the terms of the By-Laws;

AND THAT it is hereby approved and determined in this general meeting, in accordance with Article 52 of the Company's Constitution (read together with subsection 85(1) of the Companies Act 2016 ("**Act**")), that the Board shall allot and issue new SOPB Shares, as required, under the Proposed ESOS in accordance with the By-Laws, without such SOPB Shares being required to be offered to the shareholders of SOPB in proportion, as nearly as may be, to the number of SOPB Shares held by them or at all and effectively resulting in the shareholders of SOPB waiving their pre-emptive rights under Article 52 of the Company's Constitution (read together with subsection 85(1) of the Act) to be offered all or any part of the new SOPB Shares to be issued, if any, pursuant to the Proposed ESOS;

AND THAT the Board be and is hereby authorised to give effect to the Proposed ESOS with full power to assent to any conditions, modifications, variations and/or amendments (including assenting to such modifications, variations and/or amendments to the By-Laws) in any manner as required by the relevant authorities or as the Board may deem fit, necessary and expedient in order to implement, finalise and give full effect to the Proposed ESOS;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT the proposed By-Laws of the Proposed ESOS, as set out in Appendix I of the circular to shareholders dated 28 April 2026, which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, be and is hereby approved and adopted.”

(e) **PROPOSED GRANTING OF ESOS AWARDS TO LING LU KUANG**

(Resolution 14)

“THAT subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **LING LU KUANG** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 3,000,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(f) **PROPOSED GRANTING OF ESOS AWARDS TO LING CHIONG SING**

(Resolution 15)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **LING CHIONG SING** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(h) **PROPOSED GRANTING OF ESOS AWARDS TO LING PAU PAU**

(Resolution 16)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **LING PAU PAU** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws .”

NOTICE OF ANNUAL GENERAL MEETING

(i) **PROPOSED GRANTING OF ESOS AWARDS TO TANG TIONG ING** **(Resolution 17)**

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **TANG TIONG ING** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(j) **PROPOSED GRANTING OF ESOS AWARDS TO DATU SR HAJI ZAIDI BIN HAJI MAHDI** **(Resolution 18)**

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **DATU SR HAJI ZAIDI BIN HAJI MAHDI** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(k) **PROPOSED GRANTING OF ESOS AWARDS TO BIBI UMIZAH BINTI OSMAN** **(Resolution 19)**

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **BIBI UMIZAH BINTI OSMAN** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(l) **PROPOSED GRANTING OF ESOS AWARDS TO DATU HASMAWATI BINTI SAPAWI** **(Resolution 20)**

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **DATU HASMAWATI BINTI SAPAWI** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

NOTICE OF ANNUAL GENERAL MEETING

(m) **PROPOSED GRANTING OF ESOS AWARDS TO CHUA CHEN SAN**

(Resolution 21)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **CHUA CHEN SAN** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(n) **PROPOSED GRANTING OF ESOS AWARDS TO PERPETUA PHANG**

(Resolution 22)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **PERPETUA PHANG** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 150,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(o) **PROPOSED GRANTING OF ESOS AWARDS TO WONG HEE KWONG**

(Resolution 23)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **WONG HEE KWONG** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 1,500,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

(p) **PROPOSED GRANTING OF ESOS AWARDS TO ERIC KIU KWONG SENG**

(Resolution 24)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **ERIC KIU KWONG SENG** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 750,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

NOTICE OF ANNUAL GENERAL MEETING

(q) PROPOSED GRANTING OF ESOS AWARDS TO THO KHENG CHIANG

(Resolution 25)

“THAT, subject to the passing of the Ordinary Resolution 13 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee from time to time throughout the duration of the Proposed ESOS, to offer and grant **THO KHENG CHIANG** under the Proposed ESOS (in the form of ESOS Award(s)) of up to 750,000 new Options, in accordance with the Listing Requirements (where applicable) or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, for the purposes set out in the Circular and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws.”

- 9 To transact any other business for which due notice shall be given in accordance with the Companies Act 2016.

NOTICE OF ENTITLEMENT AND PAYMENT OF FINAL DIVIDEND

NOTICE IS HEREBY GIVEN THAT the Final Dividend of 6 sen per ordinary share for the financial year ended 31 December 2025, if approved at 58th Annual General Meeting will be paid on 17 July 2026 to Shareholders whose names appear in the Records of Depositors and Register of Members at the close of business on 30 June 2026.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into Depositor’s Securities Account before 12:30pm on 29 June 2026. (In respect of shares which are exempted from mandatory deposit)
- (b) Shares transferred into the Depositor’s Securities Account before 4:30pm on 30 June 2026 in respect of transfers; and
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Eric Kiu Kwong Seng

Secretary

Miri

28 April 2026

Notes:-

1. A member of the Company who is entitled to attend, vote and speak at the meeting is entitled to appoint a proxy to attend, vote and speak on his/her behalf. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to speak at the Meeting.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

NOTICE OF ANNUAL GENERAL MEETING

3. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy or proxies shall be writing (in the common and usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
5. The appointment of a proxy may be made in a hard copy form or by electronic means. Proxy forms must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding 58th AGM or at any adjournment thereof:
 - (i) In hard copy form
 The original signed proxy form must be deposited with the Company’s Share Registrar, at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, or alternatively, deposited at the Registered office of the Company at No. 124-126, Jalan Bendahara, 98000 Miri, Sarawak.
 - (ii) In electronic form
 The proxy form can be electronically submitted via email to bsr.proxy@boardroomlimited.com or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.
6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
7. Depositor whose name appear in the Record of Depositors as at 18 June 2026 shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this notice shall be put to vote by poll.
9. Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company’s 58th AGM is also available on the Company’s website www.sop.com.my throughout the period beginning from the date of notice until the conclusion of the 58th AGM.

Explanatory Note on Ordinary Business:

1. Audited Financial Statements for the financial year ended 31 December 2025

This agenda is meant for discussion only as under the provisions of Section 340(1) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of the shareholders. Hence, this item of the Agenda will not be put forward for voting.

2. Ordinary Resolution 1 - Final Dividend

On 24 April 2026, the Board of Directors (“the Board”) of the Company announced the declaration and payment of Final Dividend of 6 sen per ordinary share for the financial year ended 31 December 2025 subject to shareholders approval being obtained at the 58th AGM. If passed, the dividend will be paid on 17 July 2026 to shareholders whose name appears on the Record of Depositors at the close of business on 30 June 2026.

NOTICE OF ANNUAL GENERAL MEETING

3. Ordinary Resolution 2, 3 and 4 – Payment of Directors’ Fees, Benefits and additional Directors’ Fee

Section 230(1) of Companies Act 2016 stipulated that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiary shall be approved at general meeting.

Ordinary Resolution 2 and 3 is for payment of the Directors’ Fees for the financial year ended 31 December 2026 and payment of director’s benefits for the period from 1 January 2026 until the next annual general meeting in 2027.

Ordinary Resolution 4 is to approve the additional Directors’ Fees (including Independent Non-Executive Directors (“INED”)) as revised, recommended by Remuneration Committee and approved by the Board in February 2025.

Company	No. of Pax	Fees per Annum		
		2024 (RM)	2025 (RM)	Proposed Additional Payment (RM)
Directors	5	325,000	350,000	25,000
INED – Chairman	1	75,000	95,000	20,000
INED	4	300,000	320,000	20,000
		700,000	765,000	65,000

4. Ordinary Resolution 5, 6, 7 and 8 on Re-election of Directors namely, Mdm Perpetua Phang, Cik Bibi Umizah Binti Osman Mr. Chua Chen San and Mdm Lau Phui Ching, Regina

Mdm Perpetua Phang, Cik Bibi Umizah Binti Osman and Mr. Chua Chen San will retire at the 58th AGM in accordance with Article 93 of the Constitution of the Company whilst Mdm Lau Phui Ching, Regina will retire in accordance with Article 100 of the Constitution of the Company. The profiles of the retiring Directors are set out in the Profile of Board of Directors section of the Company’s Annual Report 2025.

The Nomination Committee has taken into account the Board Evaluation Assessment including the results of assessment of retiring Directors and concurred that they have met the Board’s expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuous performing their duties diligently as Directors of the Company. The Board recommended them to be re-elected as Director of the Company.

5. Ordinary Resolution 9 – Re-appointment of Auditors

The Group Audit Committee has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs. KPMG PLT (“KPMG PLT”) and was satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the Group Audit Committee’s recommendation on the re-appointment of KPMG PLT as the external auditors of the Company be put forward for the shareholders’ approval at the forthcoming 58th AGM.

NOTICE OF ANNUAL GENERAL MEETING

6. Ordinary Resolution 10 – Proposed Retention of Independent Non-Executive Director

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance published in April 2021, the tenure of an independent director should not exceed a term limit of 9 years. Upon completion of 9 years, an independent director may continue to serve on the Board as a non-independent director. If the board intends to retain as independent director beyond 9 years, shareholders' approval must be sought through two-tier process and the Board must provide justifications for the retention.

The proposed Ordinary 10 is intended to retain Mr. Chua Chen San who have served as Independent Non-Executive Director of the Company for a term limit of more than 9 years but less than 12 years and recommended him to continue to act as Independent Non-Executive Director of the Company.

The Nomination Committee has assessed the independence of Mr Chua Chen San on the following justification: -

- (a) Mr. Chua Chen San has fulfilled the criteria stated under the definition of Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Mr. Chua Chen San would be able to provide proper check and balance thus bringing an element of objectivity to the Board.
- (b) His length of services on the Board for a cumulative term of more than 9 years does not in any way interfere his exercise of objective judgement or his ability to act in the best interest of the Company and the Group. In fact, he is familiar with the Group's business operation and has always actively participated in the Board and Board Committee discussion and has continuously provided an independent view to the Board; and
- (c) He has exercised due care during his tenure as Independent Director of the Company and has discharge his duties with reasonable skill and competence, bring independent judgement into decision making of the Board and in the best interest of the Company and its shareholders.

7. Ordinary Resolution 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature:

If passed, will authorize the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of revenue or trading nature. This authority, unless revoked or varied by the Company at the general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The Proposed Shareholder's Mandate for Recurrent Related Party Transactions of a revenue or trading nature are set out in the Circular/Statement to Shareholders dated 28 April 2026 accompanying the Annual Report.

8. Ordinary Resolution 12 – Proposed Authority to issue and allot share pursuant to Sections 75 and 76 of the Companies Act 2016.

The Board continues to consider strategic opportunities to broaden the earning potential of the Company and this may involve equity deals which may require the Company to issue new shares. If passed, it will grant authority to the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and will provide flexibility to the Directors to undertake any possible fund raising activities, including but not limited to further placing of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by issuance of shares at any time up to an aggregate amount not exceeding 10% of the total issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

The Company did not utilize this Shareholders' Mandate that was approved in 57th Annual General Meeting. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion.

NOTICE OF ANNUAL GENERAL MEETING

- 9. Ordinary Resolution 13** – Proposed Establishment of an Employees’ Share Option Scheme (“ESOS”) of up to ten percent (10%) of the Total Number of Issued Ordinary Shares of SOPB (“SOPB Shares” or “Shares”) (excluding Treasury Shares, if any) (“Proposed ESOS”) for the Eligible Directors of SOPB and Eligible Employees of SOPB and its Subsidiaries

Detailed information regarding the Proposed ESOS is set out in the Circular to Shareholders dated 28 April 2026 and the By-Laws is set out in Appendix I of the said Circular. Ordinary Resolution 13, if passed, will enable the Company to, amongst others, establish, implement and administer the Proposed ESOS for the benefit of Eligible Persons, in accordance with the By-Laws. In order for the Board to issue and allot new Shares in accordance to the terms of the Proposed ESOS without first having to offer those shares to the shareholders of the Company in proportion to their shareholdings in the Company, the shareholders’ pre-emptive rights under Section 85(1) of the Act read together with Article 52 of the Company’s Constitution must first be waived. This resolution, if passed, will exclude such pre-emptive rights and will enable to the Board to allot and issue and make grants and offers in respect of new SOPB Shares pursuant to the Proposed ESOS directly to the Eligible Persons throughout the duration of the Proposed ESOS without being subject to the shareholders’ pre-emptive rights.

10. Ordinary Resolution 14 to 25

Ordinary Resolution 14 to 25 are to seek Shareholders’ approval pursuant to Paragraph 6.06 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Constitution of the Company, for the allocations and allotments of ESOS Award(s) to a director(s), major shareholder(s), chief executive(s) or interested person(s) connected with a director, major shareholder or chief executive.

11. Abstention from Voting

During the 58th AGM,

- a) Any Director who is a Shareholder of the Company will abstain from voting on the following resolutions -
 - (i) Ordinary Resolutions 2 to 4 concerning Directors’ Fees, Benefits and payment of additional Directors’ Fees.
 - (ii) Ordinary Resolutions 5 to 8 in respect of his/her re-election as a Director and Ordinary Resolution 10 in respect of his/her continuance in office as Independent Non-Executive Director.
- b) Any Director(s), major shareholder(s), chief executive or interested person(s) connected with a director, major shareholder(s) or chief executive will abstain from voting on the resolution in respect of his/her allocations and allotments of ESOS Award(s).

Personal Data Privacy

By submitting the duly executed proxy form, the shareholder and/or his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing of the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of preparation and compilation of documents relating to AGM (including adjournment thereof).

STATEMENT ACCOMPANYING NOTICE OF THE FIFTY-EIGHTH ANNUAL GENERAL MEETING OF SARAWAK OIL PALMS BERHAD

1. Directors who are standing for Re-election

(a) Perpetua Phang	(Resolution 5)
(b) Cik Bibi Umizah Binti Osman	(Resolution 6)
(c) Chua Chen San	(Resolution 7)
(d) Lau Phui Ching, Regina	(Resolution 8)

Details of Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 14 to 24 of the Annual Report.

2. Director who are seeking for continuation of office as Independent Non-Executive Director

(a) Chua Chen San	(Resolution 10)
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Profile of the Director appears on page 22 of the Annual Report.

3. Details of Attendance of Directors of Board Meetings

Name of Directors	Date of Appointment	Board Attendance
Ling Lu Kuang	27/06/2008	4/4
Ling Pau Pau	01/03/2022	4/4
Ling Chiong Sing	01/12/2006	4/4
Tang Tiong Ing	16/06/1995	4/4
Fong Yoo Kaw @ Fong Yee Kow, Victor	28/04/2014	3/4
Chua Chen San	01/03/2016	4/4
Datu Hasmawati Binti Sapawi	29/07/2021	4/4
Perpetua Phang	31/12/2022	4/4
Bibi Umizah Binti Osman	01/03/2023	2/4
Datu Sr. Haji Zaidi Bin Haji Mahdi	10/05/2024	2/4

Number of meetings attended (first figure) number of meetings held while in office (second figure)

4. Details of the Board of Directors' Meeting held

Board Meeting	Time	Place
28 February 2025	2.00 p.m.	Conference Room of SOPB, No. 124-126, Jalan Bendahara, Miri, Sarawak
25 April 2025	2.00 p.m.	Conference Room of SOPB, No. 124-126, Jalan Bendahara, Miri, Sarawak
29 August 2025	2.00 p.m.	Conference Room of SOPB, No.124-126, Jalan Bendahara, Miri, Sarawak
25 November 2025	2.00 p.m.	Conference Room of SOPB, No.124-126, Jalan Bendahara, Miri, Sarawak

5. Details of persons who are standing for election as Directors

No individual is seeking election as Director at the Fifty-Eighth Annual General Meeting of the Company.

Form of Proxy

SARAWAK OIL PALMS BERHAD

Registration No. 196801000358 (7949-M)

(Incorporated in Malaysia)

No of ordinary shares held

CDS Account No.

I/We (full name) _____

bearing *NRIC No. /Passport No./Registration No. _____

of (full address) _____

being a *member/members of **Sarawak Oil Palms Berhad** ("SOPB" or the "Company"), hereby appoint:-

Name of Proxy/ Email Address/Tel No	NRIC/Passport No.	Proportion of Shareholdings (%)
_____	_____	_____
and/or failing him/her	_____	_____
_____	_____	_____

or failing him/her, *Chairman of the Meeting as *my/our proxy to vote for* me/us and on* my/our behalf at the Fifty-Eighth Annual General Meeting (58th AGM) of the Company will be held at the Conference Room of Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak on Thursday, 25 June 2026 at 10.00 a.m., or any adjournment thereof.

Please indicate with an "X" in the spaces provided below as how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS	FOR	AGAINST
1 To approve the payment of Final Dividend for the year ended 31 December 2025.		
2 To approve the Directors' fees for financial year ending 31 December 2026 payable on quarterly in arrears.		
3 To approve the Directors' Benefits for the period from 1 January 2026 until the conclusion of the next Annual General Meeting.		
4 To approve the payment of the additional Directors' fees amounting to RM65,000 per annum with effect from 1 January 2025.		
5 Re-election of retiring Director, Mdm Perpetua Phang		
6 Re-election of retiring Director, Cik Bibi Umizah Binti Osman		
7 Re-election of retiring Director, Mr. Chua Chen San		
8 Re-election of retiring Director, Mdm Lau Phui Ching, Regina		
9 Re-appointment of KPMG PLT as Auditors of the Company and to authorize the Board of Directors to fix their remuneration.		

AS SPECIAL BUSINESS:

10 Retention of Chua Chen San as Independent Non-Executive Director		
11 Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue of trading nature		
12 Proposed Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
13 Proposed Employees' Share Option Scheme		
14 Proposed Granting of ESOS Awards to Ling Lu Kuang		
15 Proposed Granting of ESOS Awards to Ling Chiong Sing		
16 Proposed Granting of ESOS Awards to Ling Pau Pau		
17 Proposed Granting of ESOS Awards to Tang Tiong Ing		
18 Proposed Granting of ESOS Awards to Datu Sr Haji Zaidi Bin Haji Mahdi		
19 Proposed Granting of ESOS Awards to Bibi Umizah Binti Osman		
20 Proposed Granting of ESOS Awards to Datu Hasmawati Binti Sapawi		
21 Proposed Granting of ESOS Awards to Chua Chen San		
22 Proposed Granting of ESOS Awards to Perpetua Phang		
23 Proposed Granting of ESOS Awards to Wong Hee Kwong		
24 Proposed Granting of ESOS Awards to Eric Kiu Kwong Seng		
25 Proposed Granting of ESOS Awards to Tho Kheng Chiang		

Dated thisday of 2026.

Signature and/or Common Seal of Shareholders

Notes:-

1. A member of the Company who is entitled to attend, vote and speak at the meeting is entitled to appoint a proxy to attend, vote and speak on his(her) behalf. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to speak at the Meeting.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy or proxies shall be writing (in the common and usual form) under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
5. The appointment of a proxy may be made in a hard copy form or by electronic means. Proxy forms must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding 58th AGM or at any adjournment thereof:

(i) In hard copy form

The original signed proxy form must be deposited with the Company's Share Registrar, at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, or alternatively, deposited at the Registered office of the Company at No. 124-126, Jalan Bendahara, 98000 Miri, Sarawak.

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**AFFIX
STAMP
HERE**

The Company Secretary
Sarawak Oil Palms Berhad (7949-M)
No. 124-126,
Jalan Bendahara,
98000 Miri,
Sarawak, Malaysia.

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(ii) In electronic form

The proxy form can be electronically submitted via email to bsr.proxy@boardroomlimited.com or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
7. Depositor whose name appear in the Record of Depositors as at 18 June 2026 shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this notice shall be put to vote by poll.

Personal Data Privacy

By submitting the duly executed proxy form, the shareholder and/or his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of preparation and compilation of documents relating to AGM (including adjournment thereof).



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SARAWAK OIL PALMS BERHAD

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