

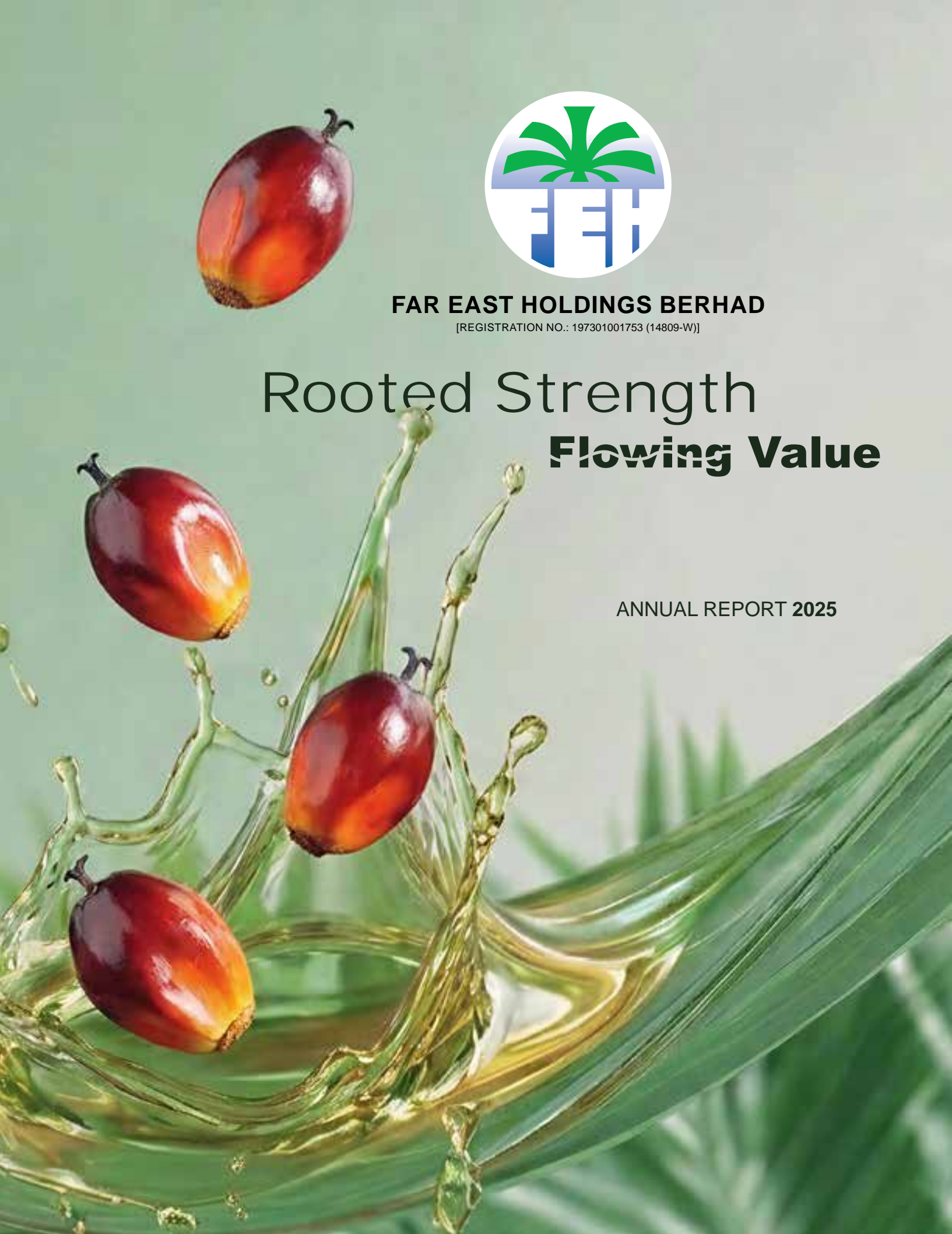


**FAR EAST HOLDINGS BERHAD**

[REGISTRATION NO.: 197301001753 (14809-W)]

# Rooted Strength **Flowing Value**

ANNUAL REPORT 2025



# 52<sup>nd</sup>

## Annual General Meeting



The Zenith Hotel  
Jalan Putra Square 6  
25200 Kuantan  
Pahang Darul Makmur



24 June 2026, Wednesday  
10.00 a.m.



Follow the steps below to scan the QR code in **3 EASY STEPS:**



Download the “QR Code Reader” on Apple App Store or Google Play Store



Run the QR Code Reader app and point your camera to the QR Code



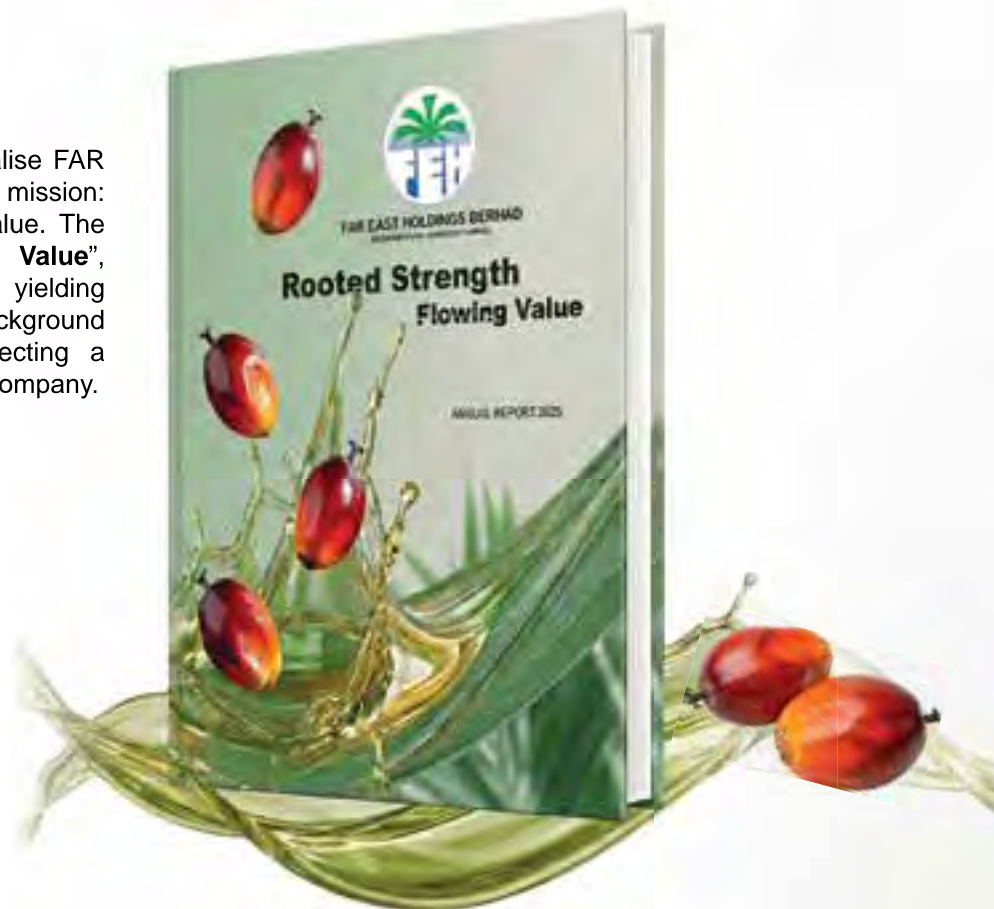
Get access our Website to view our Annual Report



The soft copy of Far East Holdings Berhad's Annual Report 2025 is available on our website. Go to [www.fehb.com.my](http://www.fehb.com.my) or scan the QR code.

### Cover Rationale

The dynamic splash of palm oil to visualise FAR EAST HOLDINGS BERHAD's core mission: transforming raw potential into liquid value. The tagline, “**Rooted Strength, Flowing Value**”, captures this idea of a solid foundation yielding continuous returns. The vibrant green background reinforces freshness and vitality, projecting a confident, forwardlooking image for the Company.





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# KEY INDICATORS

AS AT 31 DECEMBER 2025



## REVENUE

RM **1.10** Billion



## PROFIT BEFORE TAX

RM **313.87** Million



## PROFIT AFTER TAX

RM **255.45** Million



## TOTAL EQUITY

RM **1.68** Billion

## EARNINGS PER SHARE

**40.31** Sen



## NET TANGIBLE ASSET

RM **2.82** Per Share



## MARKET CAPITALISATION

RM **2.55** Billion



## SHARE PRICE

RM **4.30** Per Share



(Source: [finance.yahoo.com](https://finance.yahoo.com))  
Price as at 31 December 2025

# FINANCIAL CALENDAR

AS AT 31 DECEMBER 2025



**Financial Year End**



**31 December 2025**



## ANNOUNCEMENTS OF RESULTS

**First Quarter**  
30 May 2025

**Second Quarter**  
19 Aug 2025

**Third Quarter**  
28 Nov 2025

**Fourth Quarter**  
27 Feb 2026

**PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS**



**DIVIDENDS**



**Notice of Annual General Meeting**

30 April 2026

### Interim

Book Closure Announcement Date	19 August 2025
Entitlement Date	03 September 2025
Payment Date	18 September 2025

### Final

Book Closure Announcement Date	04 May 2026
Entitlement Date	02 July 2026
Payment Date	16 July 2026



**Annual General Meeting**

24 June 2026, Wednesday  
10.00 a.m.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 52<sup>nd</sup> Annual General Meeting (“**AGM**”) of Far East Holdings Berhad (“**FEHB**” or “**Company**”) will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on 24 June 2026, Wednesday at 10.00 a.m. to transact the following businesses:-

## AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. **Refer to Explanatory Note 1**
2. To approve the payment of a special single tier dividend of three (3) sen per ordinary share and final single tier dividend of twelve (12) sen per ordinary share in respect of the financial year ended 31 December 2025 as recommended by Directors. **(Ordinary Resolution 1)**
3. To re-elect the following Directors who retire pursuant to Clause 77 of the Constitution of the Company and being eligible, offer themselves for re-elections:-
  - (a) YH Datuk Mohd Afrizan bin Husain **(Ordinary Resolution 2)**
  - (b) YH Dato’ Asmin binti Yahya **(Ordinary Resolution 3)**
  - (c) Mr Tee Cheng Hua **(Ordinary Resolution 4)****Refer to Explanatory Note 2**
4. To approve the payment of fees to the Directors up to an amount of RM1,170,000 for the financial year ended 31 December 2025. **(Ordinary Resolution 5)**  
**Refer to Explanatory Note 3**
5. To approve the payment of benefits to the Directors up to an amount of RM1,749,800 from the 52<sup>nd</sup> AGM until the next AGM of the Company. **(Ordinary Resolution 6)**  
**Refer to Explanatory Note 4**
6. To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 7)**  
**Refer to Explanatory Note 5**

## AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following Ordinary Resolution:-

**Proposed Renewal of Shareholders’ Mandate For Existing Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties**

“THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and subject to the Companies Act 2016 (“Act”), the Constitution of the Company, other applicable laws, guidelines, rules and regulations and the approvals of the relevant governmental and/or regulatory authorities, 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 the related parties involving interest of Directors, major shareholders or person connected, as set out in Section 2.2 of Part A of the Circular to Shareholders dated 30 April 2026, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiary companies on normal commercial terms which are not more favourable to the related parties than those generally available to the public, undertaken on arm’s length basis, and are not detrimental to the minority shareholders of the Company (“Mandate”);

## Notice of Annual General Meeting (Cont'd)

THAT the Mandate shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such Mandate is passed, at which time it will lapse, unless renewed by a resolution passed at that AGM, the authority is again renewed; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act, (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the Mandate is revoked or varied by ordinary resolution passed by the shareholders in an AGM or EGM;

whichever is 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 Mandate.”

**(Ordinary Resolution 8)**  
**Refer to Explanatory Note 6**

- 8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT** a special single tier dividend of three (3) sen per ordinary share and final single tier dividend of twelve (12) sen per ordinary share for the financial year ended 31 December 2025 if approved by the shareholders at the AGM will be paid on 16 July 2026 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 2 July 2026.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 30 June 2026 (in respect of shares which are exempted from mandatory deposit); or
- (b) Shares transferred into Depositor's Securities Account before 4.00 p.m. on 2 July 2026 (in respect of ordinary shares).

By Order of the Board

**Noor Anisah binti Sabarudin**  
Company Secretary (LS 0008153)  
(SSM PC No. 201908003026)  
Kuantan, Pahang Darul Makmur

30 April 2026

## Notice of Annual General Meeting (Cont'd)

### Notes On Proxy

1. Depositors who appear in the Record of Depositors as at 18 June 2026 (which is not less than three (3) market days before the date of this meeting) shall be regarded as member of the Company entitled to attend the 52<sup>nd</sup> AGM or appoint a proxy or proxies to attend and vote on his behalf.
2. To be valid, the duly completed form of proxy must be deposited at the registered office of the Company, Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur, not less than 24 hours before the time for holding the meeting.
3. A member who is an authorised nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
6. If the member is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. 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.
10. Voting right of shareholders; every member of the Company present in person or by proxy shall have one vote on a show of hand and in the case of a poll shall have one vote for every share of which he/she is the holder.

### Explanatory Notes

**1. Audited Financial Statements for the Financial Year Ended 31 December 2025 Together with the Reports of the Directors and the Auditors thereon**

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only. The Audited Financial Statements do not require shareholders' approval and as such, will not be put forward for voting to be formally approved by the shareholders.

**2. Ordinary Resolutions 2, 3 & 4 - Re-Elections of Directors Pursuant to Clause 77 of the Constitution of the Company**

Clause 77 of the Constitution of the Company expressly states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A Director retiring at a meeting shall retain office until the conclusion of the meeting. In addition, Clause 77 of the Constitution of the Company states that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

YH Datuk Mohd Afrizan bin Husain, YH Dato' Asmin binti Yahya and Mr Tee Cheng Hua being eligible, have offered themselves for re-elections at the 52<sup>nd</sup> AGM pursuant to Clause 77 of the Constitution of the Company.

## Notice of Annual General Meeting (Cont'd)

### 3. Ordinary Resolution 5 - Payment of Fees to the Directors up to an Amount of RM1,170,000 for the Financial Year Ended 31 December 2025

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of the Company will have to be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of Directors' fees up to an amount of RM1,170,000 for the financial year ended 31 December 2025 in accordance with the remuneration structure as set out below:-

Directors' Fees	RM
Executive Directors	240,000
Non-Executive Directors	930,000
<b>Total</b>	<b>1,170,000</b>

### 4. Ordinary Resolution 6 - Payment of Directors' Benefits (Excluding Directors' Fees)

The Company is seeking the shareholders' approval for the following payment of benefits to its Directors pursuant to Section 230(1) of the Act for the period from the 52<sup>nd</sup> AGM until the next AGM of the Company.

Directors' Benefit	RM
Meeting allowance (Board and Committees)	591,000
<b>Other benefits</b>	
• Business travel, medical, insurance coverage and other claimable and reimbursement for the purpose of enabling the Directors to perform their duties.	1,158,800
<b>Total</b>	<b>1,749,800</b>

### 5. Ordinary Resolution 7 - Re-appointment of Auditors

The Audit Committee ("AC") at its meeting held on 26 February 2026 undertook the annual assessment of the suitability and effectiveness of the external audit process, the performance, suitability and independence of the external auditors, Messrs Moore Stephens Associates PLT ("Moore Stephens"). The following factors were taken into consideration:-

- (a) Dissemination of information about policies and processes for maintaining independence, objectivity and the monitoring of Moore Stephens compliance with professional ethical standards;
- (b) Communication of audit strategy and current developments in relation to accounting and auditing standards relevant to the Group's financial statements and the potential impact on the audit; and
- (c) Reasonableness of the audit fees charged.

The AC was satisfied with the suitability of Moore Stephens based on the quality of audit, performance, competency and sufficiency of resources that the external audit team had provided to the FEHB as prescribed under Paragraph 15.21 of the Listing Requirements.

The Board at its meeting held on 26 February 2026 approved the AC's recommendation that the shareholders' approval be sought at the 52<sup>nd</sup> AGM on the re-appointment of Moore Stephens as external auditors of the Company for the financial year ending 31 December 2026, under Ordinary Resolution 7. The Auditors, Moore Stephens, have indicated their willingness to continue their services for the next financial year.

### 6. Ordinary Resolution 8 - Proposed Shareholders' Mandate

The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on normal commercial terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Detailed information on the Proposed Shareholders' Mandate is set out in Section 2.2 Circular to Shareholders dated 30 April 2026.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

<b>Clause 77 of the Company's Constitution</b>	<p><b>Names of Directors for Re-elections:-</b></p> <p>(a) YH Datuk Mohd Afrizan bin Husain (b) YH Dato' Asmin binti Yahya (c) Mr Tee Cheng Hua</p> <p>The details of the abovenamed Directors who are standing for re-elections are set out in the Directors' profiles (pages 14 to 23 of the Annual Report); whilst their securities holdings (where applicable) are set out in the Analysis of Shareholdings - Directors' Interests in the Company and Related Corporations (pages 223 and 224 of the Annual Report).</p>
<b>Election of Director</b>	No individual is seeking election as a Director at the forthcoming 52 <sup>nd</sup> AGM of the Company except for the Directors retiring by rotation.
<b>Place, date and time of the AGM</b>	The 52 <sup>nd</sup> AGM of the Company will be held at the The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on 24 June 2026, Wednesday at 10.00 a.m.
<b>Details of Directors Attendance at Board Meetings</b>	A total of eight (8) Board Meetings were held during the financial year ended 31 December 2025. The details of the Directors' attendance at the financial year 2025 are as tabulated below.

No.	Directors	Appointment Date	Attendance	Percentage
1	YH Dato' Sri Kamaruddin bin Mohammed	16.08.2002	8/8	100
2	YH Dato' Suhaimi bin Mohd Yunus	05.07.2019	8/8	100
3	YH Datuk Mohd Afrizan bin Husain	01.11.2018	8/8	100
4	YH Dato' Asmin binti Yahya	20.07.2020	8/8	100
5	Mr Tee Kim Tee @ Tee Ching Tee	16.08.2002	6/7*	86
6	Mr Tee Cheng Hua	16.08.2002	7/7*	100
7	Mr Tee Lip Teng	23.07.2012	7/7*	100
8	Ms Ng Yee Kim	20.07.2020	8/8	100
9	Puan Adzlina Junita binti Abd.Jalil	15.07.2024	8/8	100
10	Mr Tee Lip Jen (alternate Director to Mr Tee Kim Tee @ Tee Ching Tee)	09.05.2024	1/7**	14

**Note:-**

\* Due to the nature of the meeting agenda, which is related party transaction, the Directors were not called for the Special Board of Directors' Meeting 5/2025 held on 11 July 2025.

\*\* Attended meeting in the absence of Principal Directors.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**YH Dato' Sri Kamaruddin bin Mohammed**  
Group Chairman  
Non-Independent, Non-Executive Director

**YH Dato' Suhaimi bin Mohd Yunus**  
Non-Independent, Non-Executive Director

**YH Datuk Mohd Afrizan bin Husain**  
Independent, Non-Executive Director

**YH Dato' Asmin binti Yahya**  
Non-Independent, Chief Executive Officer/  
Executive Director

**Mr Tee Kim Tee @ Tee Ching Tee**  
Non-Independent, Non-Executive Director

**Mr Tee Cheng Hua**  
Non-Independent, Senior Executive Director,  
Plantations & Milling

**Mr Tee Lip Teng**  
Non-Independent, Non-Executive Director

**Ms Ng Yee Kim**  
Independent, Non-Executive Director  
(Responsible for Investor Relations)

☎ : 09-5141 936 / 948 / 339  
☎ : 09-5136 211  
✉ : [ngyeekim@fareh.po.my](mailto:ngyeekim@fareh.po.my)

**Puan Adzlina Junita binti Abd.Jalil**  
Independent, Non-Executive Director

**Mr Tee Lip Jen**  
Alternate Director to  
Mr Tee Kim Tee @ Tee Ching Tee

## SECRETARY

**Puan Noor Anisah  
binti Sabarudin (LS0008153)**  
(PC201908003026)

☎ : 09-5141 936 / 948 / 339  
☎ : 09-5136 211  
🌐 : [www.fehb.com.my](http://www.fehb.com.my)  
✉ : [nooranisah@fareh.po.my](mailto:nooranisah@fareh.po.my)

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market  
(Listing Date: 31.01.1991)

## REGISTERED ADDRESS

Level 23, Menara Zenith  
Jalan Putra Square 6  
25200 Kuantan  
Pahang Darul Makmur

☎ : 09-5141 936 / 948 / 339  
☎ : 09-5136 211  
🌐 : [www.fehb.com.my](http://www.fehb.com.my)  
✉ : [fareast@fareh.po.my](mailto:fareast@fareh.po.my)

## SHARE REGISTRAR

**Boardroom Share Registrars  
Sdn. Bhd.**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

☎ : 03-7890 4700  
☎ : 03-7890 4670  
✉ : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

## MAJOR BANKERS

**CIMB Bank Berhad**  
Lot 32, Jalan Bank  
25000 Kuantan  
Pahang Darul Makmur

**CIMB Bank Berhad**  
A1, Lorong Tun Ismail 9  
Sri Dagangan 2, 25000 Kuantan  
Pahang Darul Makmur

## SENIOR MANAGEMENT TEAM

**YH Dato' Asmin binti Yahya**  
Chief Executive Officer/  
Executive Director

**Mr Tee Cheng Hua**  
Senior Executive Director,  
Plantations & Milling

**Encik Nazaruddin bin Hasim**  
Plantation Controller/  
Deputy Chief Operating Officer

**Puan Noor Anisah  
binti Sabarudin**  
General Manager, Services

**Encik Musa bin Abdul Halim**  
Senior Regional Manager

**Puan Rosliha binti Husin**  
Group Financial Controller

**Encik Norfadli bin Mahrom**  
Chief Internal Auditor

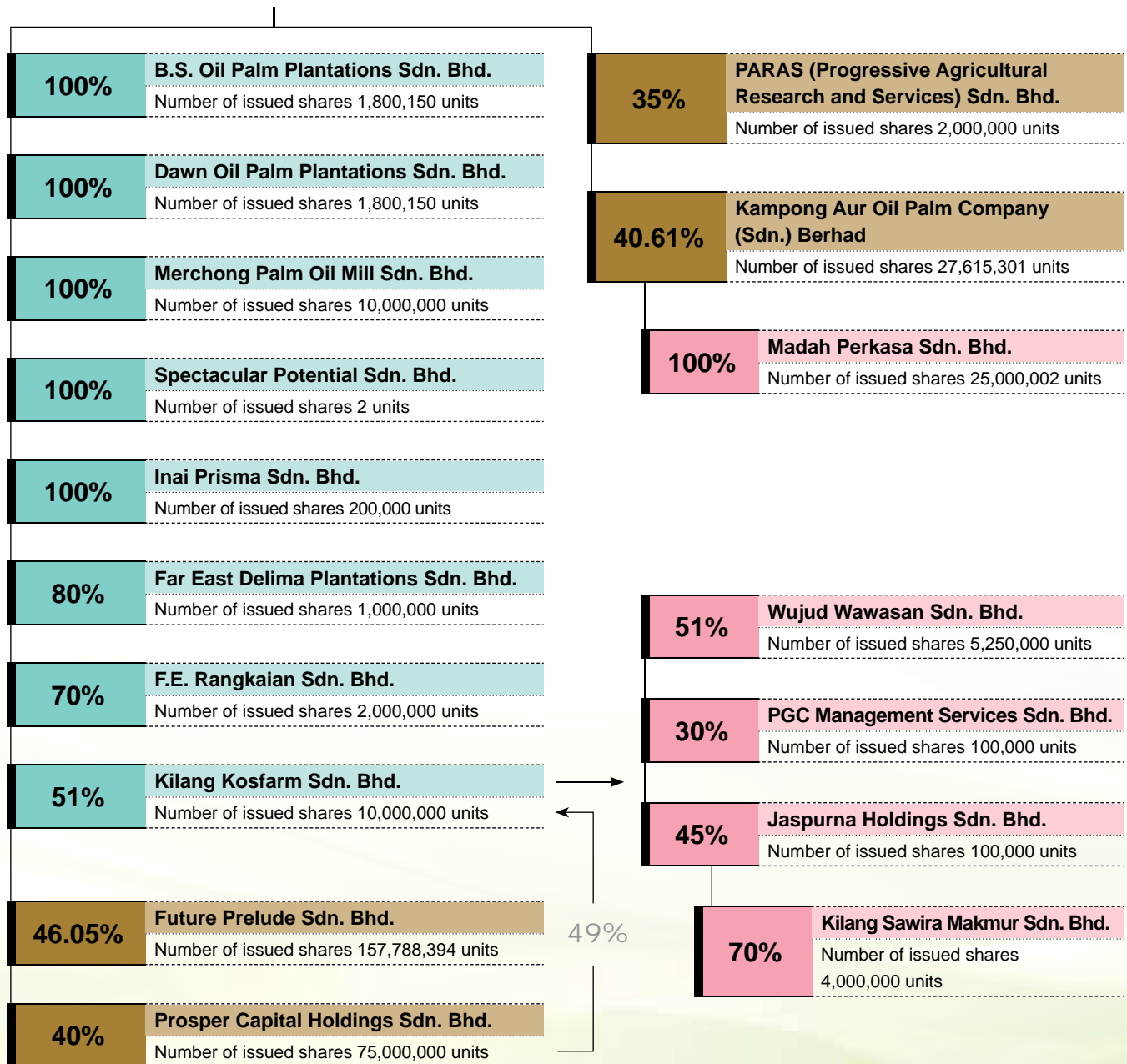
**Encik Mohd Hafidz  
bin Shamsudin**  
Manager, Risk & Governance



# CORPORATE STRUCTURE



## FAR EAST HOLDINGS BERHAD



Subsidiary

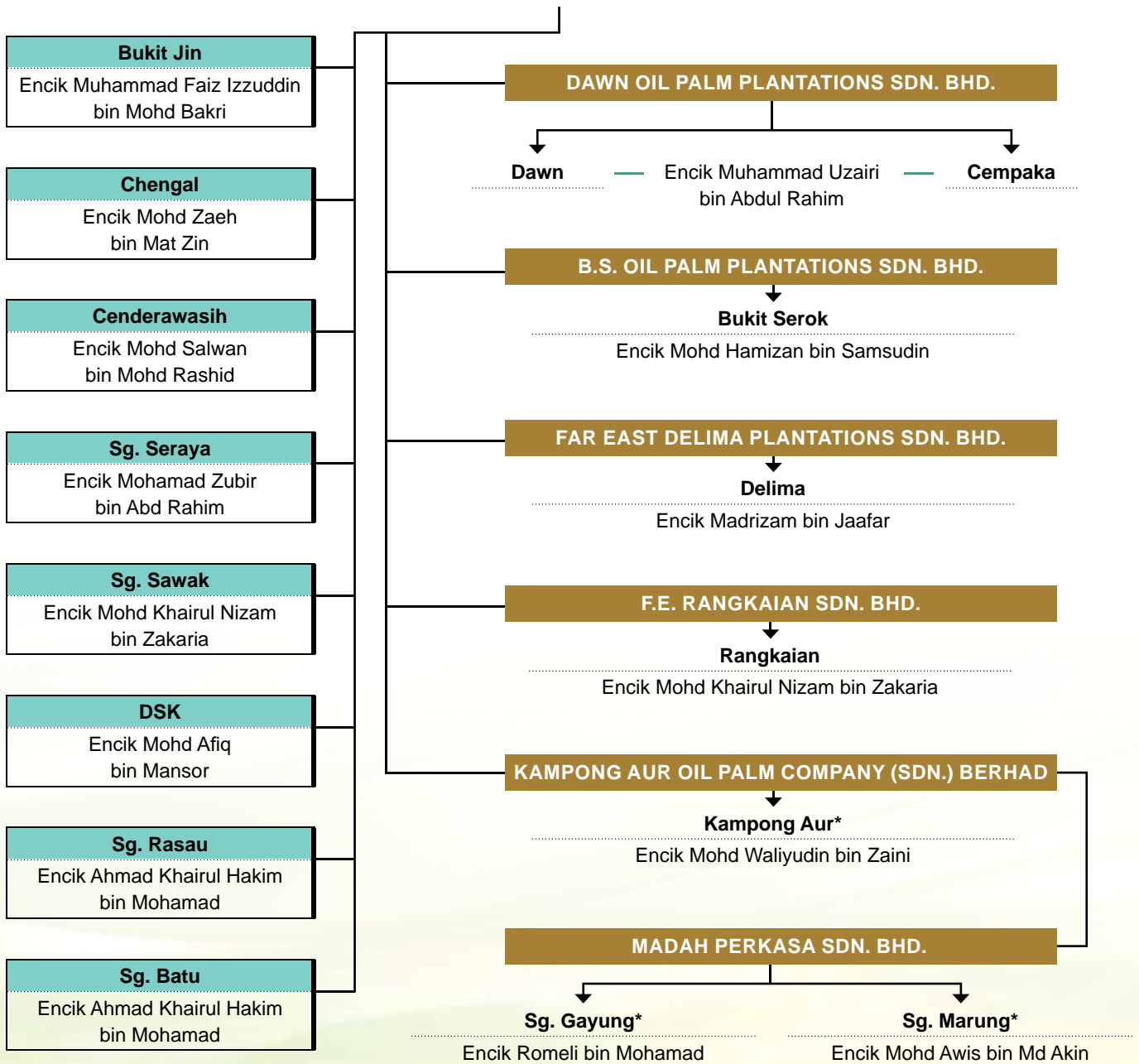
Associate

Shareholding Through Subsidiary/Associate

# ESTATES' STRUCTURE



## FAR EAST HOLDINGS BERHAD



Note:

\* The estates under Kampong Aur Oil Palm Company (Sdn.) Berhad's Group are managed by Far East Holdings Berhad.

# Board of Directors

- 1** YH Dato' Sri Kamaruddin bin Mohammed  
*Group Chairman  
Non-Independent, Non-Executive Director*
- 2** YH Dato' Suhaimi bin Mohd Yunus  
*Non-Independent, Non-Executive Director*
- 3** YH Datuk Mohd Afrizan bin Husain  
*Independent, Non-Executive Director*



**4** YH Dato' Asmin binti Yahya  
*Non-Independent, Chief Executive Officer / Executive Director*

**5** Mr Tee Kim Tee @ Tee Ching Tee  
*Non-Independent, Non-Executive Director*

**6** Mr Tee Cheng Hua  
*Non-Independent, Senior Executive Director, Plantations & Milling*

**7** Mr Tee Lip Teng  
*Non-Independent, Non-Executive Director*

**8** Ms Ng Yee Kim  
*Independent, Non-Executive Director*

**9** Puan Adzlina Junita binti Abd.Jalil  
*Independent, Non-Executive Director*

**10** Mr Tee Lip Jen  
*Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee*



## DIRECTORS' PROFILE

### YH Dato' Sri Kamaruddin bin Mohammed

SSAP, DSAP, DIMP, SF Fin (Aust), FCSI

Group Chairman

Non-Independent, Non-Executive Director

AGE 77  Malaysian  Male



#### Qualification

- A Business Graduate from MARA College (UiTM)
- Professional Graduate in Investment Analysis from The Securities Institute of Australia, Sydney, Australia (FSIA)
- Management Graduate from The Asian Institute of Management, Manila, Philippines
- A Senior Fellow of the Financial Services Institute of Australasia (SF Fin)
- A Fellow for Chartered Institute for Securities and Investment (FCSI)

#### Date first appointment to the FEHB Board

16 August 2002

#### Membership of FEHB Board Committees

None

#### Working experience

- Vast experience in Investment & Financial Management, Corporate Restructuring and Management. Worked over 41 years in ASMB (currently known as Pelaburan MARA Berhad - PMB) before retiring in 2010.
- Group Executive Director of ASMB (PMB) from January 1991 to November 1995.
- Group Chief Executive Officer and Group Managing Director of ASMB (PMB) from December 1995 until April 2008.
- Deputy Chairman cum Advisor of ASMB (PMB) from May 2008 to 30 April 2010.

#### Any other directorships in listed issuer and in public companies

Amanah Saham Pahang Berhad

#### Securities holdings in FEHB and subsidiaries

Indirect in FEHB - 21,500,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Conflict of interest ("COI") disclosure

- He sits in the board of Perbadanan Kemajuan Pertanian Negeri Pahang ("PKPP") and Prosper Trading Sdn. Bhd. ("PTSB"). Both are the substantial shareholders of FEHB with 25.18% and 23.73% holdings respectively.
- He also sits in the board of subsidiaries and associates companies in the Group of FEHB.
- In day-to-day business operations of FEHB Group, he ensures a separation of interests under the Companies Act 2016 and adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance, ensuring that all relevant information is readily available to stakeholders and reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### YH Dato' Suhaimi bin Mohd Yunus

DSAP, DIMP, SMP, AAP, AMP  
*Non-Independent, Non-Executive Director*

AGE 60  Malaysian  Male

#### Qualification

- Master in Science Administration and Land Development from University of Technology Malaysia
- Degree in Social and Politic from University Gadjah Mada, Indonesia
- Diploma in Public Administration from INTAN Bukit Kiara

#### Date first appointment to the FEHB Board

5 July 2019

#### Membership of FEHB Board Committees

Chairman of Risk & Governance Committee

#### Working experience

- He started his career in 1995 as Administration & Diplomatic Officer in Transport Ministry. Later he moved to Public Service Department.
- In 1997, he was transferred to Transport Ministry as Assistant Secretary and in 1999 he assumed the post as Assistant District Officer of Rompin, Pahang.
- He was promoted as Chief Assistant Secretary in 2003 and he served in a few Ministries i.e. Agriculture and Natural Resources and Environment till 2005.
- He was appointed as Director of Pahang Sport Council until 2010 and later was promoted as Division Secretary and had served Economic Planning Unit and Pahang State Secretary Office.
- In 2012 to 2014, he was appointed as a Secretary Division of Human Resources of Pahang State Secretary Office.
- In 2014, he was appointed as Deputy State Secretary (Development) of Pahang State Secretary Office till May 2019.
- From 10 May 2019 until his retirement, he was the Chief Executive Officer of Perbadanan Kemajuan Pertanian Negeri Pahang.



#### Any other directorships in listed issuer and in public companies

Astral Asia Berhad

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 100,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Conflict of interest ("COI") disclosure

- He is the former Chief Executive Officer of Perbadanan Kemajuan Pertanian Negeri Pahang ("PKPP") and sits in the Board of LKPP Corporation Sendirian Berhad. Both are the substantial shareholders of FEHB with 25.18% and 5.96% holdings respectively.
- He is also a nominee Director representing the interest of PKPP.
- He is not involved in the day-to-day operations of FEHB and is not sitting in any entities within the FEHB Group.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### Mr Tee Kim Tee @ Tee Ching Tee

*Non-Independent, Non-Executive Director*

AGE 77     Malaysian     Male

#### Date first appointment to the FEHB Board

16 August 2002

#### Membership of FEHB Board Committees

Chairman of Nomination & Remuneration Committee

#### Working experience

- Started his career 55 years ago as an estate contractor and FFB dealer.
- Vast experience in managing oil palm plantations, palm oil milling and refinery business both as an owner as well as operator over the last 49 years.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 7,359,620 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

He is the elder brother of Mr Tee Cheng Hua, the uncle of Mr Tee Lip Teng and father to Mr Tee Lip Jen (his alternate Director).



#### Conflict of interest ("COI") disclosure

- He sits in the board of Prosper Trading Sdn. Bhd. ("PTSB") which is a substantial shareholder of FEHB with 23.73% holdings.
- He also sits in the board of associates and joint venture companies in the Group of FEHB. However, he is not involved in the day-to-day operations of FEHB.
- In certain business transactions that may trigger potential COI, he does not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group. If any, his role ensures a separation of interests under the Companies Act 2016, and he adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

Six out of seven meetings

## Directors' Profile (Cont'd)

### Mr Tee Cheng Hua

*Non-Independent, Senior Executive Director,  
Plantations & Milling*

AGE 71     Malaysian     Male

#### Qualification

Bachelor of Mechanical Engineering from University of Technology Malaysia

#### Date first appointment to the FEHB Board

16 August 2002

#### Membership of FEHB Board Committees

None

#### Working experience

- Engineer with Highlands and Lowlands Bhd.
- Mill Manager/Engineer with Kulim (M) Bhd.
- He is at present the Senior Executive Director of Prosper Group of Companies.

#### Any other directorships in listed issuer and in public companies

United Malacca Berhad

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 8,762,200 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

He is the younger brother of Mr Tee Kim Tee @ Tee Ching Tee, father to Mr Tee Lip Teng and the uncle of Mr Tee Lip Jen.



#### Conflict of interest ("COI") disclosure

- He sits in the board of Prosper Trading Sdn. Bhd. ("PTSB") which is a substantial shareholder of FEHB with 23.73% holdings.
- He also sits in the board of subsidiaries and associate companies in the Group of FEHB.
- In day-to-day business operations of FEHB Group that may trigger potential COI, he does not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group. If any, his role ensures a separation of interests under the Companies Act 2016, and he adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All seven meetings

## Directors' Profile (Cont'd)

### YH Datuk Mohd Afrizan bin Husain

DPSM, CA(M), CPA(M), CPA(Aust), FCCA  
Independent, Non-Executive Director

AGE 58     Malaysian     Male



#### Qualification

- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Chartered Public Accountants
- Fellow member of Association of Chartered Certified Accountants
- Member of CPA Australia
- ISCA Professional Certification in Sustainability Assurance

#### Date first appointment to the FEHB Board

1 November 2018

#### Membership of FEHB Board Committees

- Chairman of Audit Committee
- Member of Risk & Governance Committee

#### Working experience

- Started his career in 1990 until 1998 with Messrs Coopers & Lybrand. Last position held was Manager of the Business Assurance Service.
- Later in 1999 till present, he became a partner of Messrs Afrizan Tarmili Khairul Azahar, a Chartered accountants practice.
- His specialty is in statutory, internal and forensic audits as well as corporate exercise and business planning.
- He also had an extensive experience in insolvency practice and tax advisory and compliance.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 260,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Conflict of interest ("COI") disclosure

He has no COI or potential COI, including interest in any competing business with FEHB Group.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### YH Dato' Asmin binti Yahya

DIMP

Non-Independent, Chief Executive Officer/Executive Director

AGE 57     Malaysian     Female

#### Qualification

- Bachelor in Accountancy, UiTM
- Diploma in Accountancy, UiTM
- Member of Malaysian Institute of Accountants (MIA)

#### Date first appointment to the FEHB Board

20 July 2020

#### Membership of FEHB Board Committees

Nil

#### Working experience

- She was an External Auditor with Messrs Arthur Andersen & Co. (currently known as Messrs Ernst & Young) before joining Yayasan Pahang as an Investment Officer. Later on she was transferred to Sumber Perindu Sdn. Bhd. (currently known as YP Plantations Holdings Sdn. Bhd.) as the Group Accountant.
- She joined Far East Holdings Berhad in 1995 as the Group Accountant until her promotion as General Manager in 2010. On 1 January 2020, she was re-designated as Chief Operating Officer.
- She was appointed as FEHB's Board member on 20 July 2020 and elevated as Executive Director/Chief Operating Officer on 1 January 2021. Effective 1 January 2025, her position has been promoted to Chief Executive Officer/Executive Director.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 389,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None



#### Conflict of interest ("COI") disclosure

- She is a nominee Director representing the interest of Perbadanan Kemajuan Pertanian Negeri Pahang ("PKPP") and sits in the Board of LKPP Corporation Sendirian Berhad. Both are the substantial shareholders of FEHB with 25.18% and 5.96% holdings respectively.
- She also sits in the board of subsidiaries, associates and joint venture companies in the Group of FEHB.
- In day-to-day business operations of FEHB Group that may trigger potential COI, she does not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group. If any, her role ensures a separation of interests under the Companies Act 2016, and she adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### Mr Tee Lip Teng

*Non-Independent, Non-Executive Director*

AGE 42     Malaysian     Male



#### Qualification

- Master of Electronic and Electrical Engineering from University College London, United Kingdom
- MPOB Intensive Diploma in Oil Palm Management & Technology (IDOPMT) 2021

#### Date first appointment to the FEHB Board

23 July 2012

#### Membership of FEHB Board Committees

Member of Risk & Governance Committee

#### Working experience

- Electrical Engineer with Hoare Lea, United Kingdom.
- Director, Marketing & Business Development of Prosper Group since 2011.
- Currently he is also the Director of Prosper Palm Oil Products Marketing Sdn. Bhd.
- He is also the Managing Director for Future Prelude Sdn. Bhd.
- Management Board Member of the Palm Oil Refiners Association of Malaysia (PORAM) since 2021.
- President of Malaysian Biodiesel Association (MBA) since 2025.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 1,990,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

He is the son of Mr Tee Cheng Hua, the nephew of Mr Tee Kim Tee @ Tee Ching Tee and cousin to Mr Tee Lip Jen.

#### Conflict of interest ("COI") disclosure

- He sits in the board of Prosper Trading Sdn. Bhd. ("PTSB") (as alternate Director to Mr Tee Cheng Hua) which is a substantial shareholder of FEHB with 23.73% holdings.
- He also sits in the board of associate companies in the Group of FEHB. However, he is not involved in the day-to-day operations of FEHB.
- In certain business transactions that may trigger potential COI, he does not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group. If any, his role ensures a separation of interests under the Companies Act 2016, and he adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All seven meetings

## Directors' Profile (Cont'd)

### Ms Ng Yee Kim

*Independent, Non-Executive Director*

AGE 56     Malaysian     Female

#### Qualification

- Chartered Financial Analyst (CFA) Charterholder
- Bachelor of Business Administration Investment & Business Management, University of Oklahoma, USA
- CMSRL Dealing in Securities and Dealing in Derivatives License Holder
- Professional Stock Market Technical Analysis Certificate
- Business Entrepreneur Certificate

#### Date first appointment to the FEHB Board

20 July 2020

#### Membership of FEHB Board Committees

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

#### Working experience

- Director of Cornet Research Sdn. Bhd., an approved Independent Software Vendor (ISV) of Bursa Malaysia Exchange.
- Director of Favor Tech Sdn. Bhd.
- Chair of the Finance and Capital Market Committee (2025-2027), The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI"). In this capacity, she engages with regulators, industry stakeholders and the investment community on capital market development, corporate governance and investor relations-related initiatives.
- She holds a Capital Markets Services Representative's License ("CMSRL") with Affin Hwang Investment Bank Berhad and has more than 20 years of experience in equity dealing, capital markets and investment.



#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Nil

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Conflict of interest ("COI") disclosure

She has no COI or potential COI, including interest in any competing business with FEHB Group.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### Puan Adzlina Junita binti Abd.Jalil

CA(M), FCCA, CPA(M)  
Independent, Non-Executive Director

AGE 52     Malaysian     Female

#### Qualification

- Honours Degree in Accounting and Finance from United Kingdom
- Member of Malaysian Institute of Accountants
- Fellow member of Association of Chartered Certified Accountants
- Member of Malaysian Institute of Chartered Public Accountants

#### Date first appointment to the FEHB Board

15 July 2024

#### Membership of FEHB Board Committees

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

#### Working experience

- She is currently the Principal of Jalil & Co., an audit firm with offices in Kuala Terengganu, Shah Alam and Kota Bharu.
- She started her career with international firms Messrs Coopers & Lybrand in 1996 and the merged firm of Messrs PricewaterhouseCoopers and was involved in the audit of large multinational companies and listed companies in Malaysia.
- Besides audit, she has extensive experience in accounting and finance from her various senior positions in several companies. In 2000, she joined Shell Shared Service Centre Kuala Lumpur Sdn. Bhd. as Team Leader for Financial Reporting. She was with Pembinaan BLT Sdn. Bhd. from 2006 to 2013 and later joined Symphony Life Berhad as Senior Manager until 2016.



#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 20,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Conflict of interest ("COI") disclosure

She has no COI or potential COI, including interest in any competing business with FEHB Group.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

All eight meetings

## Directors' Profile (Cont'd)

### Mr Tee Lip Jen

Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee

AGE 42     Malaysian     Male

#### Qualification

Bachelor of Mechanical Engineering from the Royal Melbourne Institute of Technology (RMIT) in 2005

#### Date first appointment to the FEHB Board

9 May 2024

#### Membership of FEHB Board Committees

Nil

#### Working experience

- He is the Process Engineer in Future Prelude Sdn. Bhd. since 2006 for two (2) years before expanding his experience as a Project Engineer in Future Prelude Sdn. Bhd.
- In 2012, he was appointed as Executive Director of Future Prelude Sdn. Bhd.
- He is the Non-Executive Director in CI Resources Limited (now known as PRL Global Ltd or "PRL"), a public listed company on Australian Securities Exchange since 2011. He later assumed the role of Executive Director of PRL on 1 July 2023 and serves as a member of Audit & Risk Management Committee and Remuneration & Nomination Committee in PRL.
- He also sits in the board of Phosphate Resources (Malaysia) Sdn. Bhd. and Phosphate Resources Ltd, which are the wholly owned subsidiaries of PRL.
- Currently, he is the Engineering Director of Prosper Group companies, where he oversees the engineering and production activities in ten (10) palm oil mills with the processing capacity ranging between 20mt to 70mt of fresh fruit bunch/hour. He is also tasked with overseeing their associated biogas projects with the output capacity ranging between 0.5MW to 2MW/hour.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 4,283,580 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

He is the son of Mr Tee Kim Tee @ Tee Ching Tee, the nephew to Mr Tee Cheng Hua and cousin to Mr Tee Lip Teng.



#### Conflict of interest ("COI") disclosure

- He sits in the board of Prosper Trading Sdn. Bhd. ("PTSB") which is a substantial shareholder of FEHB with 23.73% holdings.
- He also sits in the board of subsidiaries and associate companies in the Group of FEHB. However, he is not involved in the day-to-day operations of FEHB.
- In certain business transactions that may trigger potential COI, he does not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group. If any, his role ensures a separation of interests under the Companies Act 2016, and he adheres to strict governance protocols to prevent any potential COI.
- This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing FEHB's commitment to accountability and ethical conduct.

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

#### Number of FEHB Board Meetings attended in the financial year

One out of seven meetings  
(In the absence of Principal Director)

## MANAGEMENT'S PROFILE



### YH Dato' Asmin binti Yahya

*DIMP*

**AGE** 57    Malaysian    Female

#### Position

Chief Executive Officer/Executive Director

#### Other Profile

- YH Dato' Asmin binti Yahya was appointed as FEHB's Board member on 20 July 2020 and elevated as Executive Director/Chief Operating Officer on 1 January 2021. On 1 January 2025, she was promoted as Chief Executive Officer/Executive Director.
- Her profile is listed in the Directors' Profile on page 19.



### Mr Tee Cheng Hua

**AGE** 71    Malaysian    Male

#### Position

Senior Executive Director, Plantations & Milling

#### Other Profile

- Mr Tee Cheng Hua was appointed as Executive Director, Plantations on 16 August 2002. He was elevated to Senior Executive Director, Plantations & Milling on 1 January 2020.
- His profile is listed in the Directors' Profile on page 17.

## Management's Profile (Cont'd)



### Encik Nazaruddin bin Hasim

**AGE** 54 Malaysian Male

#### Qualification

- Bachelor of Business Administration, UiTM
- Diploma in Agriculture, University of Putra Malaysia

#### Position

Plantation Controller/Deputy Chief Operating Officer

#### Date Joined

1 August 1993

#### Working experience

He has vast experience in estates operations and joined the Company in 1993. He specialises in oil palm operation and labour management.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 2,100 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil



### Puan Noor Anisah binti Sabarudin

**AGE** 59 Malaysian Female

#### Qualification

Bachelor of Business Administration (Management and Marketing), Loyola University, USA

#### Position

General Manager, Services

#### Date Joined

4 July 1989

#### Working experience

She has been with the Company since 1989 and has worked in various divisions at the Head Office. She is now the General Manager of Services. She was appointed as Secretary of the Company in 2002.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 26,040 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

## Management's Profile (Cont'd)



### Encik Musa bin Abdul Halim

**AGE** 56 **Malaysian** **Male**

#### Qualification

Bachelor in Science Horticulture, University of Putra Malaysia

#### Position

Senior Regional Manager

#### Date Joined

1 June 1996

#### Working experience

He has vast experience in oil palm estates operation and involved in various stages of the oil palm cycle i.e. mature, immature, replanting, tall palm and oil palm nursery. He is well versed with peat soil oil palm planting.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 42,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil



### Puan Rosliha binti Husin

**AGE** 45 **Malaysian** **Female**

#### Qualification

- Bachelor of Accounting (Honours), UiTM
- Member of Malaysian Institute of Accountants (MIA)

#### Position

Group Financial Controller

#### Date Joined

1 April 2010

#### Working experience

She was an External Auditor at Messrs Ernst & Young and Messrs Parker Randall Thomas for 5 years before joining FEHB in 2010.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Direct in FEHB - 3,000 units

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

## Management's Profile (Cont'd)



### Encik Norfadli bin Mahrom

**AGE** 48 Malaysian Male

#### Qualification

- Bachelor of Accounting (Honours), UiTM
- Diploma in Accountancy, UiTM
- Member of Malaysian Institute of Accountants (MIA)
- Member of the Institute of Internal Auditors (IIA) Malaysia

#### Position

Chief Internal Auditor

#### Date Joined

1 October 2001

#### Working experience

He has been with FEHB since 2001 and attached to Internal Audit Department since joining FEHB. He was appointed as the Head of Internal Audit on 1 January 2020 and elevated as the Chief Internal Auditor on 1 January 2025.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Nil

#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil



### Encik Mohd Hafidz bin Shamsudin

**AGE** 41 Malaysian Male

#### Qualification

- Bachelor in International Tropical Forestry, University Malaysia Sabah
- Diploma in Wood Based Technology, Polytechnic Shah Alam

#### Position

Manager, Risk & Governance

#### Date Joined

16 August 2021

#### Working experience

He has been in the plantation industry since he completed his studies in 2010. He had served in companies namely Kuala Lumpur Kepong Berhad and Mycorp Sdn. Bhd. Currently he is the Manager of Risk & Governance.

#### Any other directorships in listed issuer and in public companies

None

#### Securities holdings in FEHB and subsidiaries

Nil

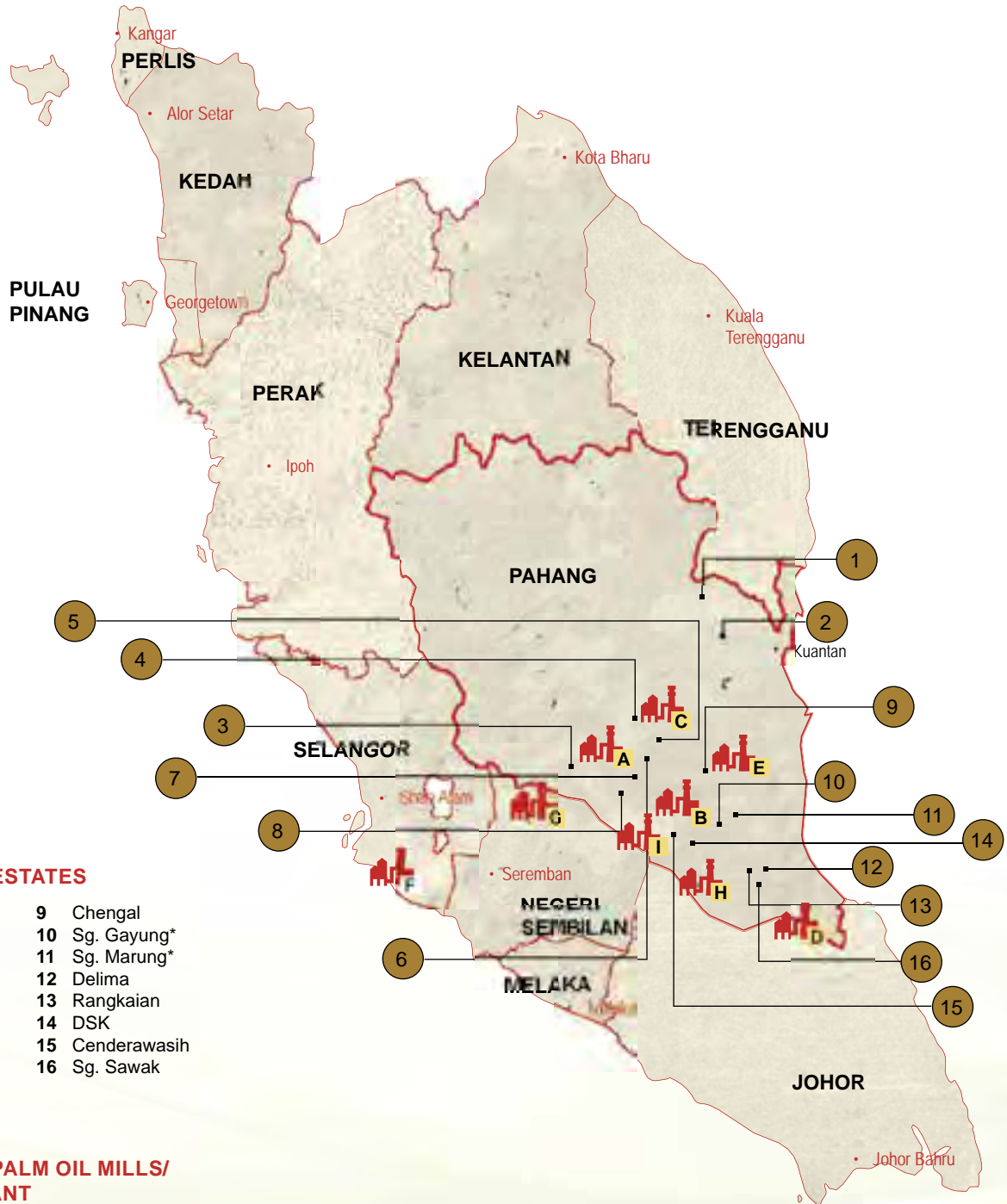
#### Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries

None

#### Other than traffic offences, list of conviction for offences within the past 5 years, if any and particular of sanctions and penalty imposed by relevant regulatory bodies

Nil

# LOCATION OF OPERATIONS



### LOCATION OF ESTATES

- |                |                 |
|----------------|-----------------|
| 1 Sg. Batu     | 9 Chengal       |
| 2 Sg. Rasau    | 10 Sg. Gayung*  |
| 3 Bukit Jin    | 11 Sg. Marung*  |
| 4 Cempaka      | 12 Delima       |
| 5 Kampong Aur* | 13 Rangkaian    |
| 6 Dawn         | 14 DSK          |
| 7 Bukit Serok  | 15 Cenderawasih |
| 8 Sg. Seraya   | 16 Sg. Sawak    |

### LOCATION OF PALM OIL MILLS/BIODIESEL PLANT

- A Kilang Kosfarm Sdn. Bhd.
- B Kilang Sawira Makmur Sdn. Bhd.
- C Wujud Wawasan Sdn. Bhd.
- D Endau Palm Oil Mill Sdn. Bhd.
- E Rompin Palm Oil Mill Sdn. Bhd.
- F Future Prelude Sdn. Bhd.
- G Prosper Capital Holdings Sdn. Bhd.
- H Merchong Palm Oil Mill Sdn. Bhd.
- I Cenderawasih Palm Oil Mill

**Note:**

\* The estates under Kampong Aur Oil Palm Company (Sdn.) Berhad's Group are managed by Far East Holdings Berhad.

# GROUP FINANCIAL SUMMARY

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

	2025	2024	2023	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Non-Current Assets					
Property, Plant and Equipment	325,134	336,976	299,014	310,543	319,610
Investment Property	63,000	63,000	63,000	61,000	61,000
Associates	715,614	650,949	611,364	595,932	524,647
Right-of-Use Assets	424,594	430,003	437,135	443,014	438,758
Other Financial Assets	7,095	7,038	1,997	-	-
	1,535,437	1,487,966	1,412,510	1,410,489	1,344,015
Current Assets	416,070	306,382	289,151	331,182	237,011
<b>Total Assets</b>	<b>1,951,507</b>	<b>1,794,348</b>	<b>1,701,661</b>	<b>1,741,671</b>	<b>1,581,026</b>
<b>Equity and Liabilities</b>					
Share Capital	197,946	197,946	197,946	197,946	197,946
Fair Value Reserve	96	39	23	-	-
Retained Earnings	1,418,796	1,269,245	1,184,873	1,174,753	1,052,499
Equity attributable to Owners of the Company	1,616,838	1,467,230	1,382,842	1,372,699	1,250,445
Non-Controlling Interests	59,186	51,539	47,573	47,978	43,991
Total Equity	1,676,024	1,518,769	1,430,415	1,420,677	1,294,436
<b>Liabilities</b>					
Non-Current Liabilities					
Deferred Tax Liabilities	75,032	73,700	74,033	73,714	74,610
Lease Liabilities	15,532	15,728	15,958	16,090	16,014
Borrowings	56,250	71,250	86,250	101,250	116,250
	146,814	160,678	176,241	191,054	206,874
Current Liabilities	128,669	114,901	95,005	129,940	79,716
Total Liabilities	275,483	275,579	271,246	320,994	286,590
<b>Total Equity and Liabilities</b>	<b>1,951,507</b>	<b>1,794,348</b>	<b>1,701,661</b>	<b>1,741,671</b>	<b>1,581,026</b>

## Group Financial Summary (Cont'd)

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	2025	2024	2023	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,097,131	863,587	542,359	785,657	693,585
Profit Before Tax	313,872	252,764	129,457	274,686	210,465
Profit After Tax	255,451	202,350	105,420	227,914	174,836

### HIGHLIGHTS AS AT 31 DECEMBER

	2025	2024	2023	2022	2021
Earnings Per Share (Sen)	39.51	32.02	16.59	36.59	27.67
Net Tangible Asset Per Share (RM)	2.82	2.56	2.41	2.39	2.18
Current Ratio (Times)	3.23	2.67	3.04	2.55	2.97
Pre Tax Profit As a Percentage of Revenue (%)	28.61	29.27	23.87	34.96	30.34
Pre Tax Profit As a Percentage of Shareholders' Equity (%)	19.41	17.23	9.36	20.01	16.83
Profit Before Tax Margin (%)	28.61	29.27	23.87	34.96	30.34
Profit After Tax Margin (%)	23.28	23.43	19.44	29.01	25.21

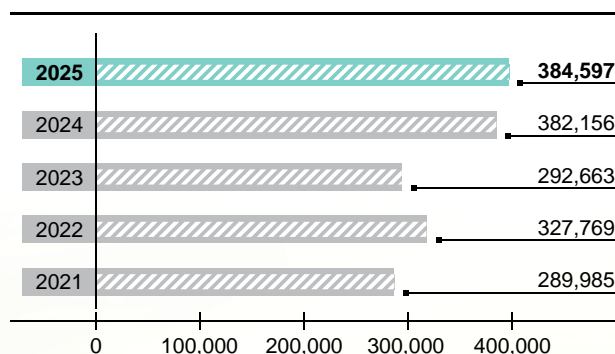
### DIVIDENDS DECLARED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	2025	2024	2023	2022	2021
Gross Dividend (Sen)	21.00	21.00	11.00	18.00	13.00

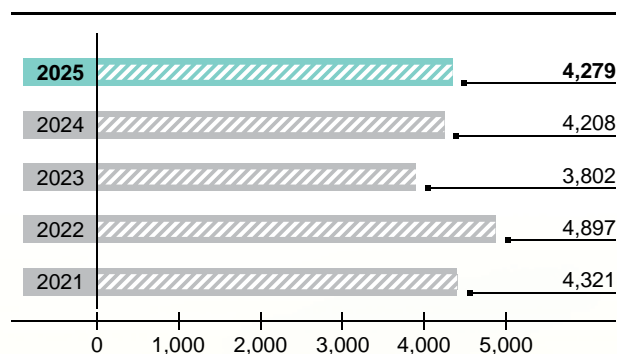
# PLANTATION MATRIX

		2025	2024	2023	2022	2021
<b>Oil Palm Production</b>						
FFB Production	MT	384,597	382,156	292,663	327,769	289,985
CPO Production	MT	73,608	73,005	55,670	61,598	55,094
FFB Yield	MT/ha	21.76	21.34	16.31	18.69	17.01
CPO Yield	MT/ha	4.17	4.08	3.10	3.51	3.23
Average OER	%	19.14	19.10	19.02	18.79	19.00
<b>Price and Cost</b>						
CPO Average Price	RM/MT	4,279	4,208	3,802	4,897	4,321
PK Average Price	RM/MT	3,429	2,682	2,018	2,953	2,874
Kernel Recovery Revenue	RM/MT	868	685	514	774	732
FFB Cost (Ex-estate)	RM/MT	254	248	326	286	246
CPO Production Cost (Ex-estate)	RM/MT	1,328	1,299	1,711	1,520	1,295
<b>Land Areas</b>						
Mature Area	Hectare	17,672	17,904	17,939	17,536	17,044
Total Planted Area	Hectare	18,795	18,808	18,898	18,909	18,791

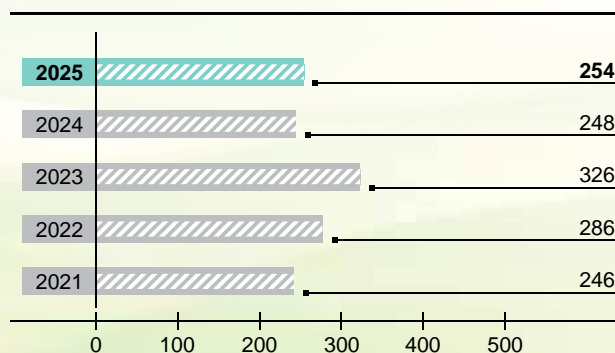
**5 Years FFB Production**  
(MT)



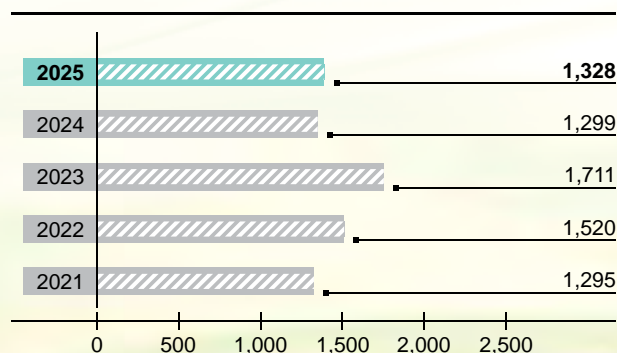
**5 Years CPO Average Price**  
(RM/MT)



**5 Years FFB Cost (Ex-estate) per MT**  
(RM/MT)



**5 Years CPO Production Cost (Ex-estate) per MT**  
(RM/MT)



# CORPORATE SUSTAINABILITY STATEMENT

## About This

# Sustainability Statement

Far East Holdings Berhad (“FEHB” or “the Group”) is pleased to present this Sustainability Statement, which outlines our approach to responsible and sustainable palm oil production.

As a business closely linked to land use, climate change and community wellbeing, we recognise the importance of transparent, consistent and meaningful sustainability reporting. We actively integrate sustainability considerations into our operations, risk management and stakeholders engagement across the value chain.

This Statement is a key platform for addressing environmental, social, and governance (“ESG”) matters and responding to increasing expectations for climate-related disclosures. FEHB continues to strengthen its reporting practices in line with evolving regulatory and international reporting developments.

Globally, there is a clear shift towards more decision-useful, comparable and climate-focused sustainability disclosures that closely link to financial performance and long-term value creation. In response, FEHB has taken steps to progressively enhance its sustainability disclosures, moving beyond compliance-based reporting towards a more structured and integrated approach.

As part of this transition, the Group has begun aligning its sustainability disclosures with Bursa Malaysia’s mandatory implementation timeline, while utilising available reliefs. The disclosures are being developed in line with the principles underpinning the International Sustainability Standards Board (“ISSB”), namely International Financial Reporting Standards (“IFRS”) S1 and IFRS S2, with particular focus on climate-related risks and opportunities, governance and risk management.



## Corporate Sustainability Statement (Cont'd)

This Sustainability Statement reflects FEHB's ongoing journey in strengthening its sustainability reporting practices. It highlights how sustainability considerations are increasingly embedded into business strategy, risk oversight and operational decision-making, while recognising that this is a progressive process that will continue to evolve in line with regulatory developments and stakeholders expectations.

<b>Reporting Scope and Boundary</b>	This Sustainability Statement covers FEHB's operations, including oil palm plantations, processing facilities and related business activities. The reporting boundary encompasses all entities under the Group's operational control, providing a comprehensive view of ESG impacts, management approaches and performance.
<b>Reporting Period</b>	Unless otherwise stated, this Sustainability Statement covers the financial year from 1 January to 31 December 2025 ("FY2025"), in line with the Group's annual reporting cycle. Where relevant, we incorporate significant developments before or after FY2025 to provide context, explain material matters and highlight initiatives and priorities shaping the Group's sustainability journey.
<b>Reporting Cycle</b>	Annually.
<b>Principles and Guidelines</b>	<p>FEHB primarily aligns its sustainability practices with the Malaysian Sustainable Palm Oil ("MSPO") certification, the national sustainability standard for the palm oil industry. MSPO is structured around five core principles, providing a comprehensive management framework that addresses economic viability, environmental stewardship and social responsibility across the palm oil value chain.</p> <p>In addition to MSPO, FEHB references relevant international frameworks, sustainability indices and regulatory guidelines to enhance transparency, comparability and accountability in its sustainability reporting, including:-</p> <ul style="list-style-type: none"> <li>(a) Global Reporting Initiative ("GRI") Standards (Core Option);</li> <li>(b) Bursa Malaysia's Sustainability Reporting Framework;</li> <li>(c) FTSE4Good Bursa Malaysia ESG Index requirements;</li> <li>(d) National Sustainability Reporting Framework ("NSRF"), with particular reference to IFRS S2 in accordance with the applicable implementation timeline; and</li> <li>(e) Other sustainability indices and rating methodologies relevant to the palm oil and plantation industry.</li> </ul>
<b>Assurance of Accuracy and Reliability of Disclosures</b>	FEHB's internal audit function assures the information disclosed in this Sustainability Statement and Climate Related Disclosure by reviewing governance processes, internal controls and compliance with applicable requirements. This audit enhances the reliability of the disclosures and supports continuous improvement.
<b>Feedback</b>	<p>We welcome feedback and enquiries regarding our sustainability efforts. For more information, please contact:-</p> <p>Mohd Hafidz bin Shamsudin  Manager, Risk &amp; Governance  <a href="mailto:mohdhafidz@fareh.po.my">mohdhafidz@fareh.po.my</a>  Telephone : 09-5141 936 / 948 / 339</p>

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY AT FEHB

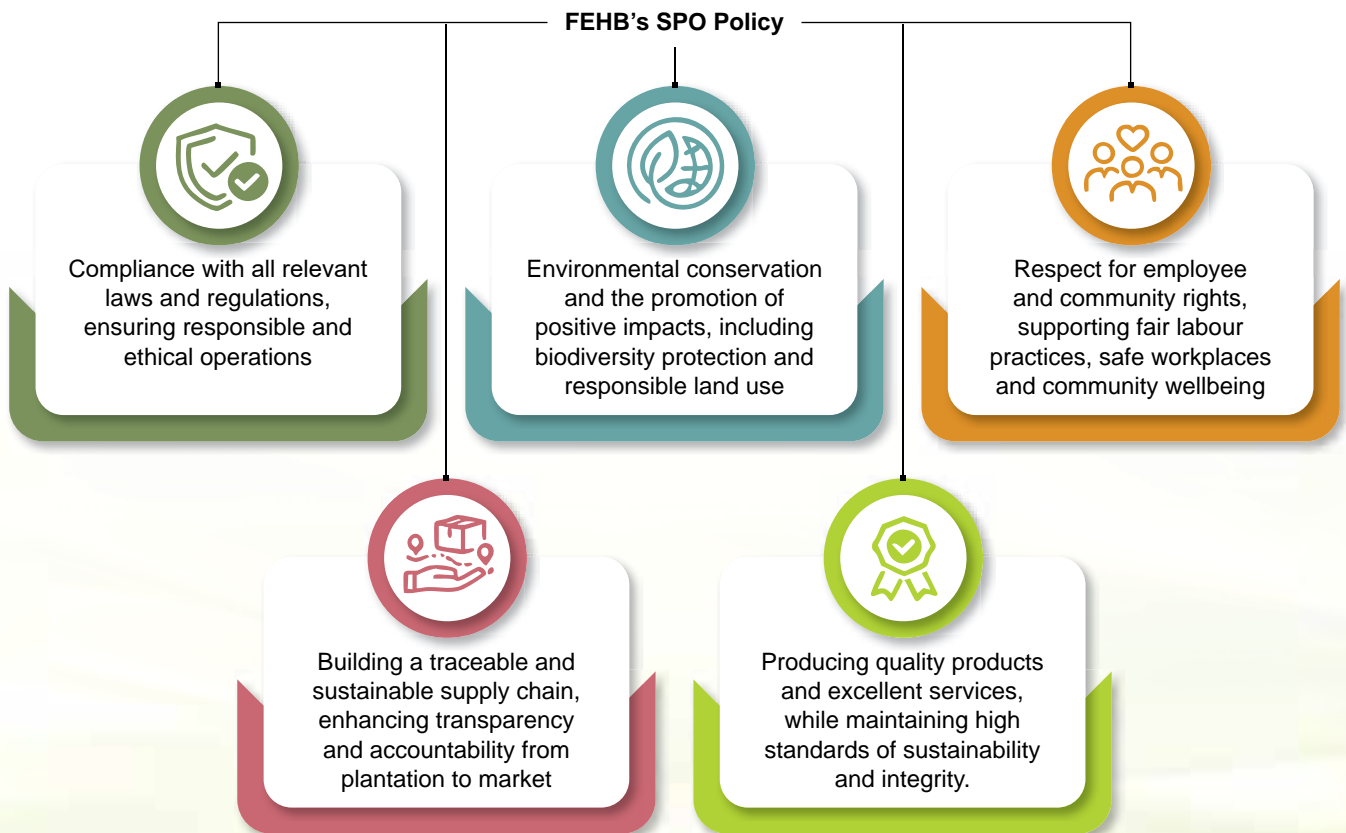
Sustainability is integral to how the Group operates, shaping decisions across our plantations, supply chain and engagement with employees, communities and business partners. Strong environmental and social performance supports operational resilience, builds market confidence and underpins long-term value creation.

As a responsible oil palm producer operating within a globally significant supply chain, FEHB actively balances productivity with environmental protection and social responsibility. We work to minimise our environmental footprint, protect biodiversity, respect human rights and contribute positively to the communities in which we operate.

We embed sustainability into day-to-day operations, from estate management and conservation initiatives to workforce welfare and value chain traceability. These practices guide risk management, efficiency improvements and responses to stakeholders expectations.

FEHB's Sustainable Palm Oil ("SPO") Policy formalises these commitments and provides a clear framework for responsible production and continuous improvement. The Policy reflects industry best practices and evolving expectations around accountability, climate action and responsible business conduct, ensuring sustainability principles are applied consistently across the Group.

### FEHB's Commitments Under the Sustainable Palm Oil ("SPO") Policy



These commitments guide how FEHB manages its oil palm cultivation and production activities and are closely aligned with the United Nations Sustainable Development Goals ("SDGs"). Through responsible agricultural practices, certification standards, biodiversity conservation, labour protection and supply chain transparency, the Group translates these commitments into actions that contribute to the SDGs most relevant to its operations.

## Corporate Sustainability Statement (Cont'd)

Sustainable Development Goals	FEHB's Objectives/ Targets	FEHB's Efforts	Status
	End poverty in all its forms everywhere	Providing employment opportunities to the surrounding local communities, including the Orang Asli. Compliance with MSPO and International Sustainability and Carbon Certification ("ISCC") certification standards requires responsible agricultural practices. Collaboration with Malaysian Palm Oil Board ("MPOB") under the Code of Good Nursery Practice for Oil Palm Nurseries ("CoPN") programme to provide Good Agricultural Practices ("GAP") training.	Ongoing/ Certified
	End hunger, achieve food security and promote sustainable agriculture	Certified under MSPO and ISCC to ensure sustainable and responsible palm oil production. Improving agricultural techniques and crop yields to strengthen long-term food security.	Ongoing/ Certified
	Achieve gender equality and empower all women and girls	Promoting women in leadership through capacity-building programmes in business and technical skills. Implementing safety measures, including relocating pregnant employees away from chemical exposure.	Complied
	Ensure availability and sustainable management of water and sanitation for all	Providing access to clean water for employees. Progressing water treatment facilities for Bukit Serok, Cempaka, Sungai Batu and Sungai Rasau estates. Conserving water through GAP and protecting riparian buffer zones along waterways.	Ongoing/in progress
	Ensure access to affordable, reliable, sustainable and modern energy for all	Harnessing biogas from palm oil mill effluent ("POME"). Capturing methane for electricity generation. Using shredded and dehydrated empty fruit bunches ("EFB") in biomass boilers.	Ongoing
	Promote sustained, inclusive and sustainable economic growth and decent work	Protecting labour rights, enhancing welfare and prohibiting forced labour. Investing in battery-operated mechanisation, solar solutions and drone technology. Maximising by-product value from EFB and supporting rural economic multiplier effects.	Ongoing/ compliance
	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Applying geospatial and Geographic Information System ("GIS") mapping for High Conservation Value ("HCV") and Land Use Change Analysis ("LUCA") assessments. Using drones for precision agriculture and mapping. Expanding waste-to-energy solutions through EFB utilisation and certification-led innovation.	Ongoing/ compliance
	Ensure sustainable consumption and production patterns	Converting palm kernel shells and pressed fibres into solid fuels for steam generation. Recycling EFB as a natural organic fertiliser. Applying No Deforestation, No Peat, No Exploitation ("NDPE") commitments and improving yields to reduce pressure on land conversion.	Ongoing/ compliance
	Take urgent action to combat climate change and its impacts	Enforcing zero-burning practices. Using biomass for renewable energy generation and supporting conservation-based landscape approaches.	Ongoing/ compliance
	Protect, restore and promote sustainable use of terrestrial ecosystems	Implementing NDPE policies, HCV and High Carbon Stock ("HCS") assessments, wildlife corridors, forest rehabilitation and enrichment planting. Using barn owls for biocontrol, minimising erosion through sustainable land management and supporting the nation 100 Million Tree Planting Programme.	Ongoing/ compliance

# Corporate Sustainability Statement (Cont'd)

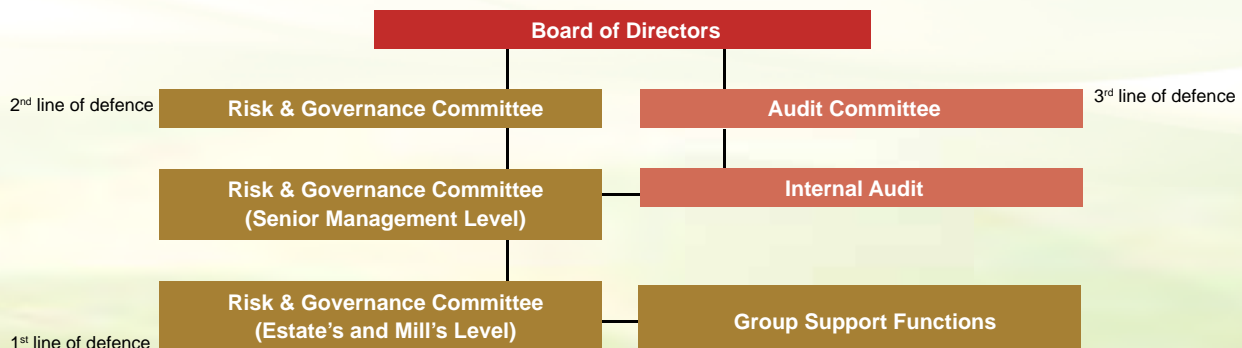
## SUSTAINABILITY GOVERNANCE

Strong governance underpins the effective management of sustainability-related risks and opportunities and supports long-term business resilience. Embedding sustainability oversight within the Group's governance structure ensures that environmental, social and climate-related considerations inform strategy, risk management and decision-making.



<b>BOARD OVERSIGHT</b>	<p>The Board of Directors, supported by the Risk &amp; Governance Committee, provides oversight of sustainability matters, including the identification and management of material ESG and climate-related risks and opportunities. These responsibilities are embedded in the Committee's mandate and supported by regular engagement with Management.</p> <p>In fulfilling this role, the Board and Committee:-</p> <ul style="list-style-type: none"> <li>(a) Integrate sustainability considerations into strategic planning and major business decisions;</li> <li>(b) Oversee the Group's ESG and climate-related risk framework; and</li> <li>(c) Monitor emerging regulatory and stakeholders expectations.</li> </ul>
<b>GOVERNANCE STRUCTURE AND FREQUENCY</b>	<p>FEHB strengthened governance oversight during the year through enhanced engagement and meeting frequency:-</p> <ul style="list-style-type: none"> <li>(a) Board-level Risk &amp; Governance Committee: Meeting frequency increased from twice yearly to quarterly; and</li> <li>(b) Management-level sustainability meetings: Conducted biannually to support the coordination, implementation and exploration of decarbonisation opportunities and initiatives across the Group.</li> </ul> <p>This structure supports timely oversight, escalation and informed decision-making.</p>
<b>MANAGEMENT RESPONSIBILITIES</b>	<p>Management, through the Risk &amp; Governance Division, is responsible for:-</p> <ul style="list-style-type: none"> <li>(a) Implementing sustainability initiatives;</li> <li>(b) Monitoring performance against sustainability objectives; and</li> <li>(c) Reporting progress and key issues to the Risk &amp; Governance Committee.</li> </ul> <p>Regular reporting of sustainability-related matters enables prompt oversight when risks or issues are material. The Board and Committee also assess whether appropriate skills and competencies are in place to oversee sustainability and climate-related matters, supported by ongoing briefings and capacity-building initiatives.</p>
<b>CONTINUOUS STRENGTHENING OF GOVERNANCE</b>	<p>The Group continues to enhance internal controls and processes to support effective governance of sustainability-related risks and opportunities. FEHB oversees sustainability objectives and performance alongside financial and operational considerations to support balanced decision-making and responsible long-term value creation as sustainability and climate-related requirements evolve.</p>

### Group Risk Management Framework



## Corporate Sustainability Statement (Cont'd)

### DOUBLE MATERIALITY ASSESSMENT AT FEHB

FEHB recognises that its operations generate impacts that extend beyond financial performance, influencing the environment, employees, communities and stakeholders throughout the palm oil value chain. At the same time, sustainability-related factors increasingly affect the Group's operational resilience, risk profile and long-term value creation.

During the year, FEHB conducted a refreshed double materiality assessment to ensure its sustainability priorities remain relevant, focused, and aligned with evolving business conditions. The exercise builds on previous assessments that established a strong foundation for governance oversight, management focus and the prioritisation of key sustainability matters.

The updated review reflects:-

- (a) Evolving stakeholders expectations;
- (b) Industry developments within the plantation sector;
- (c) Emerging sustainability risks and opportunities; and
- (d) Increasing global focus on climate and responsible supply chains.

By reassessing sustainability topics through both impact materiality and financial materiality lenses, FEHB continues to prioritise areas where its activities have the most significant environmental and social impacts and where sustainability factors are most likely to influence long-term business performance.

### ASSESSMENT METHODOLOGY

FEHB adopted a structured approach to identifying and prioritising sustainability topics.

#### Identification of Topics

The process began with a review of sustainability topics previously identified by the Group, complemented by an assessment of emerging ESG issues relevant to the plantation and palm oil sector. This review considered operational risks, stakeholders expectations and regulatory developments that could influence the Group's sustainability priorities.

#### External Benchmarking

FEHB benchmarked its sustainability topics against internationally recognised ESG frameworks and industry practices to ensure the relevance and completeness. These references provide an external perspective on sustainability matters commonly considered material within the global ESG landscape.

The benchmarking exercise considered:-

- (a) Global ESG rating frameworks used by institutional investors;
- (b) Internationally recognised sustainability standards; and
- (c) Sustainability disclosures by comparable companies within the plantation sector.

This external benchmarking helps ensure that FEHB's sustainability priorities remain aligned with international ESG expectations.

#### Internal Evaluation

Following the benchmarking review, the Board of Directors and senior management evaluated each sustainability topic holistically. The assessment considered both the:-

- (a) Significance of FEHB's environmental and social impacts; and
- (b) Potential implications of sustainability-related factors on financial performance, operational resilience and long-term value creation.

Each topic was assessed using a five-point importance scale.

This integrated approach strengthens the connection between sustainability priorities, Enterprise Risk Management ("ERM") and strategic decision-making, ensuring alignment with the principles of double materiality.

## Corporate Sustainability Statement (Cont'd)

### ASSESSMENT METHODOLOGY (CONT'D)

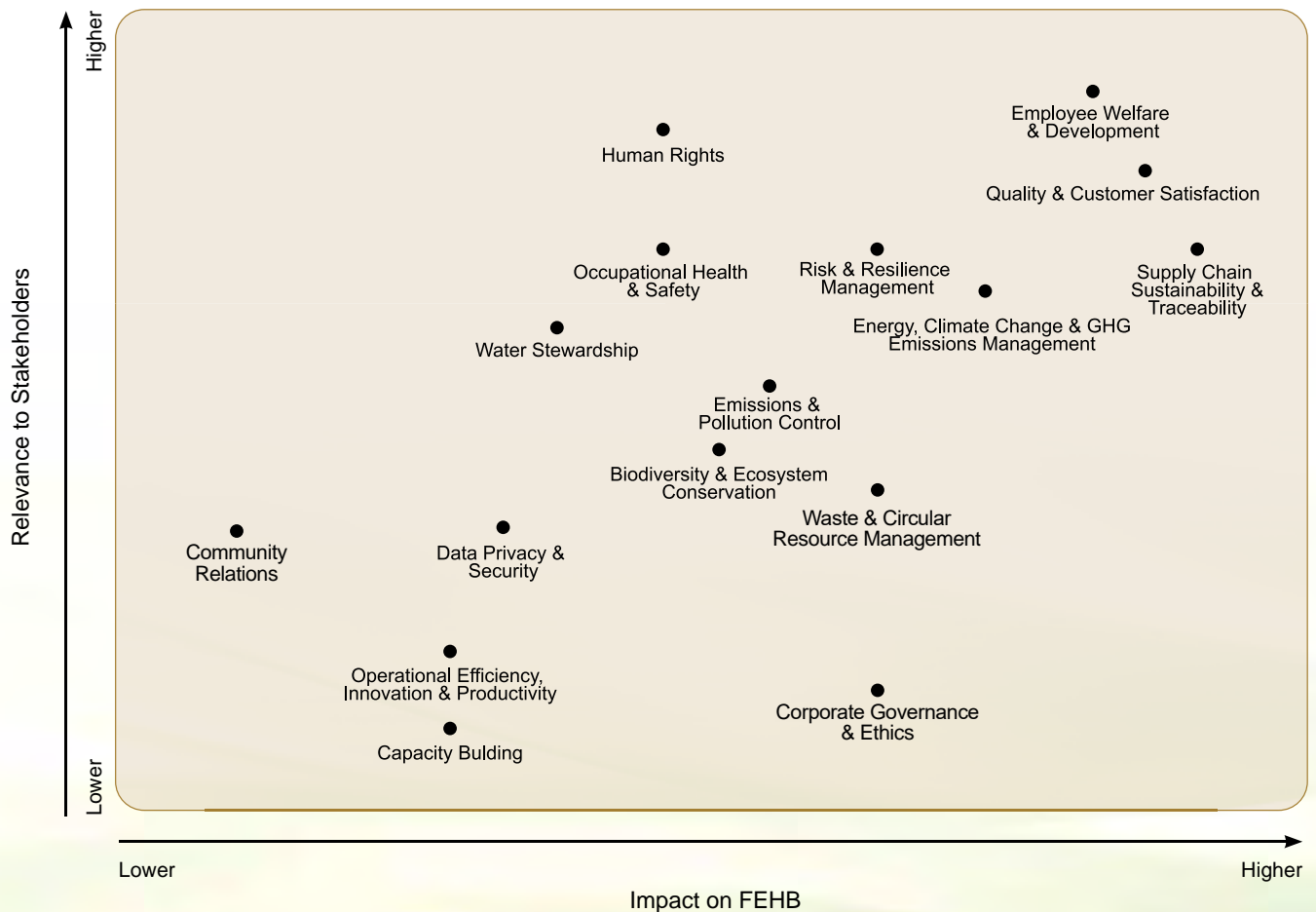
#### Materiality Matrix Development

The outcomes of the assessment are illustrated in the double materiality matrix below.

The matrix visualises the relative importance of sustainability topics across two dimensions:-

- Impact on FEHB: representing the potential implications of sustainability factors on the Group's operations, financial performance and long-term value creation; and
- Relevance to Stakeholders: reflecting the importance of sustainability issues to employees, communities, regulators, investors and other stakeholders.

To provide an additional layer of insight, the size of each data point reflects the degree of alignment between the topic and leading international ESG frameworks and industry benchmarks. This visual representation helps illustrate the broader relevance of each sustainability topic within the global ESG landscape.



## Corporate Sustainability Statement (Cont'd)

### MATERIAL SUSTAINABILITY TOPICS

Based on the assessment, FEHB identified a range of sustainability topics across the Economic, Environmental and Social dimensions that are most relevant to the Group's operations and long-term resilience.

These topics reflect key areas where FEHB's activities can create both impacts and opportunities.

Category	Impact on Sustainability	Financial Impact	Key Risks	Key Opportunities
Corporate Governance & Ethics	Upholding integrity, transparency and accountability across governance structures and business practices	Protecting the licence to operate and reducing regulatory, legal and reputational exposure	Governance failures, corruption incidents and regulatory non-compliance	Stronger governance culture, improved stakeholders confidence and long-term trust
Supply Chain Sustainability & Traceability	Promoting responsible, transparent and traceable sourcing across estates, contractors and suppliers	Improving supply reliability, operational continuity and cost control	Traceability gaps, labour issues and supplier non-compliance	Stronger sourcing assurance and more resilient, responsible supply chains
Risk & Resilience Management	Strengthening preparedness for climate, market and operational risks	Protecting long-term earnings, asset value and business continuity	Operational disruptions, climate impacts and inadequate risk mitigation	Enhanced resilience, adaptive capacity and continuity planning
Operational Efficiency, Innovation & Productivity	Improving yields and reducing resource intensity through mechanisation, R&D and digitalisation	Lower operating costs and improved margins	Inefficiencies affecting productivity, yields and cost competitiveness	Productivity gains, cost optimisation and operational innovation
Energy, Climate Change & Greenhouse Gas ("GHG") Emissions Management	Reducing energy intensity and GHG emissions while integrating renewable energy	Lower energy costs and reduced exposure to transition and regulatory pressures	Rising fuel costs, climate-related regulation and transition risks	Energy efficiency improvements and renewable energy adoption
Emissions & Pollution Control	Minimising emissions from fuel use, fertiliser and agrochemical application practices	Avoiding compliance costs, penalties and operational disruptions	Environmental non-compliance, pollution incidents and regulatory breaches	Improved efficiency, cleaner practices and reduced environmental liabilities
Waste & Circular Resource Management	Optimising resource efficiency through waste reduction, recycling and the use of biomass and by-products	Reduced disposal costs and improved resource utilisation	Improper waste handling and increasing disposal costs	Value recovery from biomass and improved circular practices
Water Stewardship	Protecting water sources through efficient water use and safe effluent management	Reduced operational risks, costs and supply disruptions	Water scarcity, pollution incidents and regulatory constraints	Improved water efficiency and operational resilience

## Corporate Sustainability Statement (Cont'd)

### MATERIAL SUSTAINABILITY TOPICS (CONT'D)

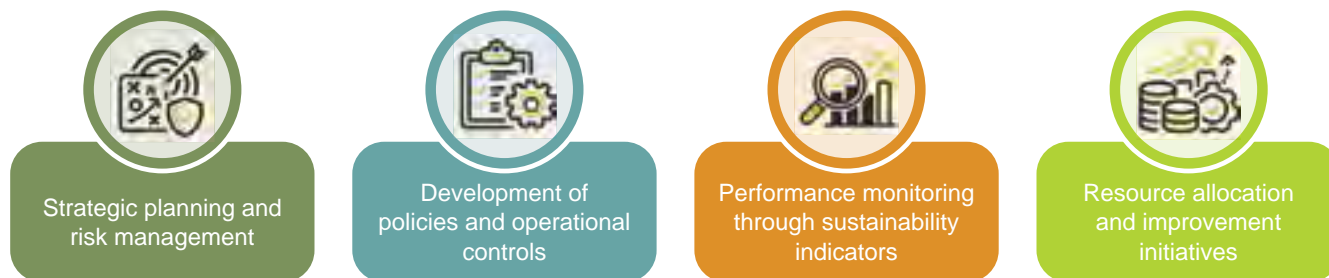
Category	Impact on Sustainability	Financial Impact	Key Risks	Key Opportunities
Biodiversity & Ecosystem Conservation	Conserving ecosystems through responsible land use, zero-burning practices and deforestation prevention	Safeguarding land productivity and licence to operate	Land-use conflicts, biodiversity degradation and habitat loss	Long-term land sustainability and enhanced ecosystem services
Employee Welfare & Development	Supporting fair wages, decent living conditions and an inclusive workplace	Improved retention productivity and workforce stability	Workforce dissatisfaction, labour shortages and industrial relations risks	Stronger engagement, morale and workforce resilience
Community Relations	Maintaining positive relationships and supporting socio-economic development in surrounding communities	Protecting social licence to operate and operational continuity	Community grievances, disputes and operational disruption	Stronger local support and long-term operating stability
Human Rights	Upholding fair treatment, equal opportunity and respect for workers' rights	Reduced legal, compliance and reputational exposure	Labour violations, enforcement actions and reputational damage	Responsible operations and stable workforce relationships
Capacity Building	Strengthening workforce capabilities through training and development	Improved performance, safety and operational consistency	Skills gaps affecting productivity and safety	Higher capability, adaptability and long-term efficiency
Occupational Health & Safety	Ensuring safe and healthy working conditions across estates and mills	Reduced incidents, downtime and compliance risks	Workplace accidents, injuries and regulatory action	Stronger safety culture and operational continuity
Quality & Customer Satisfaction	Maintaining product quality and adherence to standards across Fresh Fruit Bunches ("FFB"), Crude Palm Oil ("CPO") and Palm Kernel ("PK") production	Revenue stability and continued market access	Quality failures affecting contracts, pricing or demand	Stronger customer relationships and sustained demand
Data Privacy & Security	Protecting confidential business, employee and customer information	Avoiding financial losses, operational disruption and regulatory penalties	Cyber incidents, data breaches and system vulnerabilities	Improved data governance, system reliability and stakeholders trust

## Corporate Sustainability Statement (Cont'd)

### USE OF RESULTS

The outcomes of the materiality assessment guide FEHB's sustainability strategy, governance oversight and management priorities.

The results support:



Topics assessed as highly important receive greater management attention and are integrated into operational decision-making across estates, mills and corporate functions.

FEHB applies a combined ESG and financial perspective to embed sustainability considerations into core business decision-making and long-term value creation. The materiality assessment strengthens transparency by clearly demonstrating how the Group prioritises sustainability matters in response to stakeholders expectations and evolving global ESG developments.

### GOVERNANCE AND REVIEW

The materiality assessment process and its outcomes have been reviewed and approved by the Board of Directors. FEHB will continue to periodically review and refine its materiality assessment to ensure ongoing relevance and alignment with evolving stakeholders expectations, operating conditions, climate-related considerations and regulatory developments.

### SUSTAINABILITY RISK MANAGEMENT

FEHB develops structured processes to identify and assess sustainability-related risks and opportunities, aligns them with business objectives and integrates them into the ERM framework. This holistic approach ensures that sustainability is not just a focus area but a core component of FEHB's long-term resilience and growth.

Assessing environmental, social and governance risks alongside financial considerations enables informed decisions across estate operations, supply chain management and capital planning.

Sustainability Risk Area	Influence on Management Decision- Making	Impact on Financial Planning
Climate Variability and Resource Availability	Management assesses exposure to rainfall variability, extreme weather events and water availability across estates. These assessments inform decisions on crop planning, estate infrastructure upgrades and mechanisation to maintain productivity and operational continuity.	Capital expenditure planning incorporates investments in drainage systems, estate roads, water management infrastructure and energy-efficient machinery. Operating cost forecasts reflect potential increases in input and maintenance costs during adverse weather conditions.
Energy Use and Fuel Dependency	Rising fuel costs and emissions-related risks influence decisions to optimise diesel and petrol consumption, improve operational efficiency and adopt lower-emission alternatives where feasible.	Financial plans account for fuel price volatility, energy efficiency investments and the gradual integration of renewable energy solutions, supporting cost control over the medium to long-term.

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY RISK MANAGEMENT (CONT'D)

Sustainability Risk Area	Influence on Management Decision- Making	Impact on Financial Planning
Supply Chain Integrity and Labour Practices	Management actively assesses sustainability risks related to labour standards, contractor practices and community relations, strengthening oversight, engagement and monitoring across estates and contractors to prevent operational, compliance and reputational risks.	Budgets include costs for training, audits, worker welfare improvements and stakeholders engagement to reduce the risk of fines, disputes or work stoppages.
Environmental Compliance and Biodiversity Impacts	Management considers potential risks related to land use, pollution and biodiversity when planning estate activities, replanting programmes, and infrastructure development, to ensure compliance with environmental regulations and certification requirements.	Financial planning includes compliance costs, environmental monitoring, mitigation measures and remediation provisions to avoid unexpected liabilities.
Operational Resilience and Continuity	Integrating sustainability risks into FEHB's Enterprise Risk Management framework enhances preparedness for operational disruptions, including weather-related events and social risks.	Management incorporates contingency planning into budgets to support business continuity and stabilise cash flows during periods of disruption.

The table below outlines key sustainability-related risks identified across FEHB's operations, together with their assessed risk levels and corresponding mitigation measures.

Risk Area	Category	Risk Level	Risk Description	Mitigation Measures
Human Resource Risk	Over-dependence on Foreign Workers	Medium	Reliance on foreign labour increases operational vulnerability to border restrictions, as demonstrated during the pandemic, which caused severe labour shortages and reduced FFB production.	<ul style="list-style-type: none"> <li>Maximising the usage of semi-mechanisation in field fruits collection</li> <li>Enhance local workforce participation</li> <li>Improve workers' living conditions with better infrastructure and facilities</li> <li>Bearing the cost of extending the work permit for workers in years 10,11 and 12</li> <li>Implement performance-based incentives</li> <li>Complying with Malaysia Labour Law.</li> </ul>
Environment Risk	Unfavorable Weather Condition	Medium	Excessive rainfall and prolonged dry periods can hinder pollination, cause waterlogging, and stress oil palm plants, thereby reducing FFB yield and oil quality.	<ul style="list-style-type: none"> <li>Desilting and constructing new drains/ waterways</li> <li>Constructing bunds in low-lying or flood prone areas</li> <li>Constructing bridges for better access routes.</li> <li>Applying fertiliser promptly</li> </ul>
Sustainability Risk	ESG	Medium	Compliance with sustainability standards such as MSPO and ISCC is critical for reducing deforestation, protecting biodiversity and ensuring ethical labour practices.	<ul style="list-style-type: none"> <li>Complying with MSPO and ISCC certifications</li> <li>Adapting to NDPE and zero burning protocols</li> <li>Complying with Bursa's sustainability framework</li> <li>Preserving the natural habitats through conservation areas</li> <li>Complying with No Force Labour protocols</li> <li>Using battery-operated machinery and solar photovoltaic panel to reduce non-renewable energy consumption</li> </ul>

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY RISK MANAGEMENT (CONT'D)

Risk Area	Category	Risk Level	Risk Description	Mitigation Measures
Operational Risk	Pest & Disease	Medium	Pests such as bagworms, rats and <i>Ganoderma Boninense</i> severely impact oil palm yields by damaging leaves, reducing fruit quality, and spreading disease.	<ul style="list-style-type: none"> <li>• Conduct a census programme to identify pests and diseases</li> <li>• Pertaining immediate treatment (bagworm and rat baiting)</li> <li>• Planting biological control plants</li> <li>• Implementing a mounding method for area affected by <i>Ganoderma Boninense</i></li> </ul>
	Yield Determining Factor in Oil Palm	Medium	Climate change, labour shortages and poor soil suitability reduce oil palm yield. Nutrient deficiencies also hinder plant growth, affecting FFB production.	<ul style="list-style-type: none"> <li>• Maximising semi- mechanisation use in fruits collection</li> <li>• Establishing a special task force team to inspect loose fruit collection</li> <li>• Complying with GAP to improve yield.</li> </ul>
	Factors Contributing to Oil Losses in CPO	Medium	Harvesting inefficiencies, overripe fruits and uncollected loose fruits contribute to significant oil losses. Proper harvesting and collection techniques are crucial to reducing losses.	<ul style="list-style-type: none"> <li>• Maximising semi- mechanisation in harvesting</li> <li>• Inspect loose fruit collection</li> <li>• Ensure proper ripeness for harvesting</li> <li>• Implement GAP to optimise harvesting efficiency</li> </ul>
Business Risk	Fluctuation in CPO Prices	Medium	Global supply and demand fluctuations, geopolitical changes and weather phenomena lead to unstable CPO prices, affecting revenue and operational planning.	<ul style="list-style-type: none"> <li>• Improving productivity by maximising semi- mechanisation use in field fruits collection</li> <li>• Replanting tall palms and low-yield areas in phases</li> <li>• Implementing a cost control mechanism</li> <li>• Ensuring expenditure align with estimates</li> </ul>
ESG Risk, Marketing Risk, Operational Risk	European Union Deforestation Regulation ("EUDR")	Medium	The EUDR requires palm oil products to be deforestation-free, which could restrict market access and damage the reputations of non-compliant businesses.	<ul style="list-style-type: none"> <li>• Complying with MSPO, ISCC and NDPE protocols</li> <li>• Ensure traceability and due diligence for EU exports</li> <li>• Align with regulatory requirements on sustainability disclosure</li> </ul>
	Operation Cost in Oil Palm	Low	Factors such as labour wages, land quality and fertiliser costs directly affect production costs, thereby impacting overall profitability and competitiveness.	<ul style="list-style-type: none"> <li>• Control operational costs through efficient maintenance and budgeting</li> <li>• Ensure productive upkeep to reduce unnecessary spending</li> <li>• Maintain harvesting rounds to avoid crop losses</li> </ul>
	Food Safety Challenges in Oil Palm Industries	Low	The palm oil industry faces risks related to environmental contamination, pesticide use, and food safety, which can lead to health issues and damage brand reputation.	<ul style="list-style-type: none"> <li>• Complying with ripeness standards procedures</li> <li>• Send clean FFB and loose fruits to the mills</li> <li>• Follow good manufacturing practices at palm oil mills</li> <li>• Comply with fertiliser application standards and safe chemical use</li> </ul>

## Corporate Sustainability Statement (Cont'd)

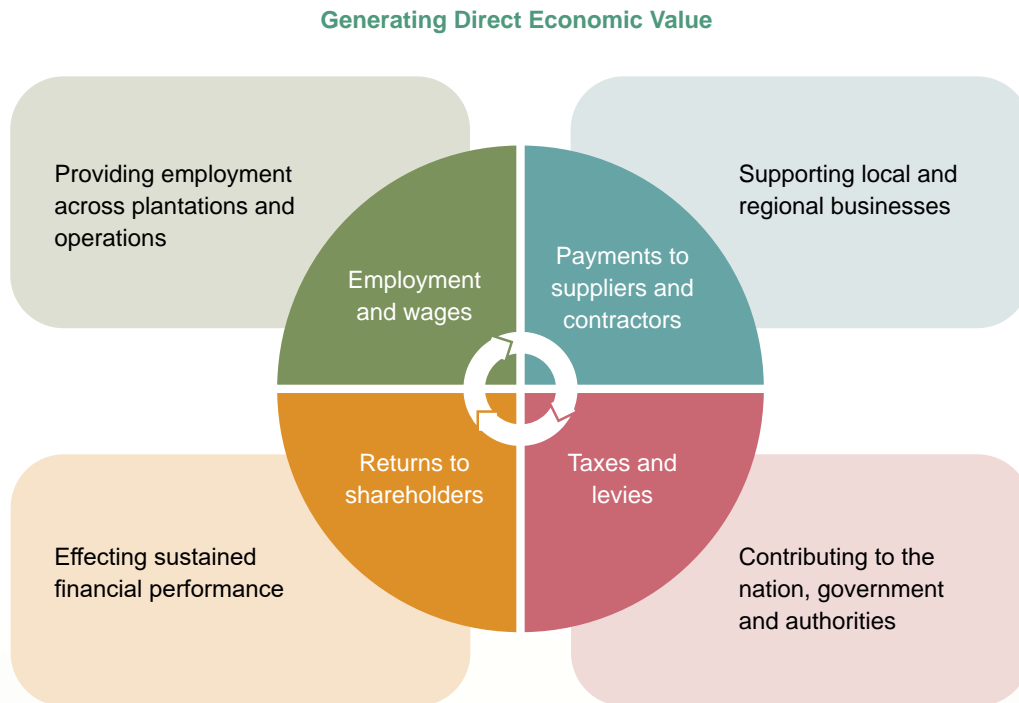
### ECONOMIC SUSTAINABILITY

As a Malaysia-based investment holding company, FEHB drives economic growth through its oil palm cultivation and production activities, creating direct and indirect value for the palm oil industry, the national economy and the communities in which it operates.

### DIRECT ECONOMIC CONTRIBUTION

Direct economic contributions represent the immediate, tangible financial value generated by FEHB's operations. These contributions support livelihoods, business activity and economic stability across the regions in which the Group operates.

### HOW FEHB CREATES DIRECT ECONOMIC VALUE



**Together, these contributions underpin economic resilience across the palm oil value chain**

### CORE OPERATIONAL DRIVERS

FEHB's core plantation and production activities drive direct economic impact, including:-

- (a) Oil palm cultivation;
- (b) Production of FFB; and
- (c) Processing of CPO and PK.

These activities remain central to the Group's financial performance and its contribution to the broader economy.

### FINANCIAL AND PRODUCTION PERFORMANCE

In FY2025, FEHB continued to strengthen its financial performance, building on the momentum from the previous year:-

- (a) CPO Production at the highest level reached 73,608 mt in FY2025;
- (b) FFB production reached 384,597 mt with a yield of 21.76 mt/ha; and
  - (i) Exceeded the 2025 estimate of 367,050 mt by 4.78%
  - (ii) Surpassed FY2024 production of 382,156 mt by 0.64%
- (c) Performance was supported by favourable CPO and PK prices, contributing positively to revenue growth.

## Corporate Sustainability Statement (Cont'd)

### HOW FEHB CREATES DIRECT ECONOMIC VALUE (CONT'D)

#### PRODUCTIVITY AND EFFICIENCY GAINS

FEHB's continued focus on operational efficiency and yield maximisation delivered measurable productivity improvements:-

- (a) Yield per hectare increased to 21.76 mt/ha in FY2025; and
  - (i) Above the 2025 estimate of 20.93 mt/ha
  - (ii) Improved from 21.34 mt/ha in FY2024
- (b) Represents a 1.97% year-on-year improvement across the Group's estates.

These gains reflect disciplined estate management and a sustained focus on productivity.

#### ECONOMIC IMPACT

These strong operating and financial results underscore FEHB's direct contribution to Malaysia's economy through:-

- Higher revenues from CPO and PK sales.
- Higher FFB processed from mill operations.
- Higher share of profit after tax of associates.
- Sustained employment and supplier activity.

Collectively, these outcomes reinforce FEHB's role in supporting national and regional economic growth.

### INDIRECT ECONOMIC CONTRIBUTION

Beyond its direct financial contributions, FEHB generates indirect economic value across its operations, value chain and surrounding communities. These impacts arise through inclusive employment, workforce development, technology adoption and operational innovation, supporting broader economic resilience and long-term development. Carefully coordinating replanting activities ensures that FFB yields can be sustained in the future, reinforcing the long-term productivity and resilience of the Group's plantation operations.

#### Pathways of Indirect Economic Value Creation



#### INCLUSIVE EMPLOYMENT AND LOCAL LIVELIHOODS

Employment across FEHB's plantation operations plays a meaningful role in supporting local livelihoods, particularly in rural areas where economic opportunities are limited. Prioritising local participation, where feasible, including engagement with Orang Asli communities, enables the Group to support income stability, household resilience and social inclusion.

In FY2025, FEHB employed 485 local workers, including 15 Orang Asli, across its operations. By strengthening access to employment and stable income, the Group supports community resilience while addressing unemployment and income insecurity in the regions where it operates.

## Corporate Sustainability Statement (Cont'd)

### INDIRECT ECONOMIC CONTRIBUTION (CONT'D)

#### HUMAN CAPITAL DEVELOPMENT

FEHB invests in human capital development to enhance workforce capability, productivity and long-term sustainability. The Group focuses on strengthening employees' knowledge, skills, health and potential through structured training, education initiatives and supportive working environments.

These investments strengthen operational performance, support innovation and contribute to organisational resilience. Over time, improved workforce capability also supports broader economic productivity through skills transfer and labour mobility beyond FEHB's operations.

#### KNOWLEDGE TRANSFER AND AGRICULTURAL PERFORMANCE

FEHB enhances agricultural performance by using high-quality oil palm seedlings and sound nursery practices. The Group sources seedlings from licensed suppliers, including FELDA nurseries accredited by the MPOB, and participates in the CoPN, which is subject to annual assessments.

Collaboration with industry and technology partners, such as G-Planter Sdn. Bhd., has enabled the adoption of the G-Drip system. This efficient water management solution optimises resource use, reduces labour requirements and supports productivity improvements. These initiatives also facilitate knowledge transfer across the supply chain, strengthening sector-wide performance.

#### TECHNOLOGY ADOPTION AND OPERATIONAL INNOVATION

FEHB has expanded the use of mechanisation and technology across its plantation operations to address labour constraints and improve efficiency. Deploying semi-mechanised systems for in-field fruit collection and manuring reduces reliance on manual labour, improving productivity and lowering FFB production costs.

FEHB has also adopted drone technology to enhance plantation management. Drones support targeted pest and disease control through precise application, enable early detection using multispectral sensors and reduce chemical use and labour requirements. High-resolution drone imagery further supports estate mapping, assessments of tree density and canopy coverage, and improved planning and resource allocation.

#### BROADER ECONOMIC AND COMMUNITY SPILLOVER EFFECTS

Through employment creation, skills development, innovation and supplier engagement, FEHB's operations generate positive spillover effects for local communities and businesses. These indirect contributions support local economic activity, strengthen supply chains and enhance overall economic well-being in the regions where the Group operates.

Collectively, these indirect economic impacts reinforce FEHB's role not only as a producer within the palm oil sector, but also as a contributor to inclusive growth, capability building and long-term economic resilience.

### CONTRIBUTIONS TO NATIONAL ECONOMIC GROWTH

FEHB's strategic initiatives and strong operational performance position the Group as a meaningful contributor to Malaysia's national economy. Through its core plantation and production activities, FEHB supports agricultural output, export growth and value creation within the palm oil sector.

As a producer of CPO and PK, FEHB plays an important role in reinforcing Malaysia's position as a global palm oil supplier. The Group's export activities generate foreign exchange earnings, strengthen Malaysia's trade balance and contribute to broader economic development.

FEHB also aligns its operations with Malaysia's wider economic and sustainability objectives. By adhering to recognised local and international sustainability standards, the Group supports responsible palm oil production and strengthens the global reputation and long-term competitiveness of Malaysia's palm oil industry.

## Corporate Sustainability Statement (Cont'd)

### INDUSTRY-WIDE IMPACT

FEHB adopts sustainable plantation practices to strengthen operational resilience and support the long-term viability of Malaysia's palm oil industry. The Group applies a combination of environmental management, energy efficiency and waste reduction measures to remain competitive amid evolving regulatory and market conditions.

### Key Operational Focus Areas

Focus Areas	Strategy	What We Do
Environmental management	Protect soil, water and biodiversity	Sungai Sawak Conservation Area is preserved to safeguard ecosystems, maintain water quality and enhance biodiversity.
Energy efficiency initiatives	Optimise resource use and manage costs	Implement waste-to-energy solutions by converting biomass and biogas into usable energy, improving efficiency and reducing costs. Install solar photovoltaic lighting to reduce electricity usage
Waste reduction measures	Support circular practices and compliance	(a) Apply EFB in the field as mulch and organic fertiliser, thereby reducing reliance on inorganic fertilisers; and (b) Treat POME through biogas recovery systems to lower methane emissions and produce renewable energy.

#### Environmental management

Protects soil, water and biodiversity

#### Energy efficiency initiatives

Optimise resource use and manage costs

#### Waste reduction measures

Support circular practices and compliance

Investments in technologies such as the G-Drip system and semi-mechanisation have improved productivity, operational efficiency and resource utilisation. These initiatives support the broader adoption of practical innovation across the palm oil sector and contribute to a more resilient, efficient value chain.

FEHB also strengthens plantation capability through collaboration, research and innovation. FEHB has established a joint venture with PARAS (Progressive Agricultural Research and Services) Sdn. Bhd. to enhance plantation capability through technical and operational expertise.

Through this partnership, FEHB adopts an integrated, one-stop approach to plantation management, including:-

- (a) Professional field consultation;
- (b) Technical advisory and operational support; and
- (c) Applied research and development to enhance cultivation practices.

Together, these efforts strengthen plantation performance while supporting sustainable industry development.

### LONG-TERM ECONOMIC SUSTAINABILITY

FEHB continues to assess and pursue investments that support sustainable growth and strengthen its position within the oil palm industry. Investments such as PARAS complement the Group's core plantation activities by enhancing technical capability, improving operational efficiency and supporting long-term competitiveness.

Adopting sustainable farming practices, including efficient water management and reduced chemical usage, helps protect the long-term productivity of FEHB's estates and the surrounding environment. These practices reduce operational risks, support regulatory compliance and ensure that environmental stewardship goes hand in hand with long-term economic value creation.

## Corporate Sustainability Statement (Cont'd)

### ETHICAL BUSINESS CONDUCT

In parallel, continued investment in mechanisation, technology and research strengthens operational resilience and productivity. Together, these efforts position FEHB to remain efficient, competitive and sustainable as market conditions, labour dynamics and sustainability expectations continue to evolve.

FEHB's structured governance framework enforces ethical conduct across all operations. The Corporate Gift Policy, Anti-Bribery & Anti-Corruption Policy and Code of Business Conduct prevent misconduct and manage corruption risks.

The Group complies with all applicable laws and regulations, including those relating to its palm oil supply chain. FEHB prohibits corruption, bribery and fraud across all business activities.

The Opening Tender Committee and Tender Committee oversee procurement and commercial transactions to ensure transparency and accountability. Training and awareness programmes for employees reinforce ethical standards.

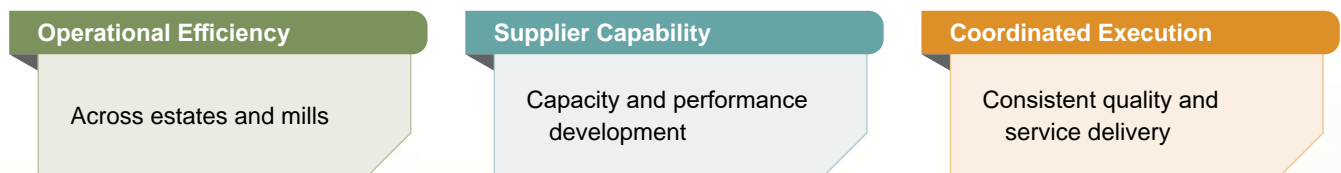
In 2025, representatives from the Malaysian Anti-Corruption Commission ("MACC") delivered integrity training for employees. FEHB also conducted an ethics and anti-corruption awareness programme in collaboration with MACC for all staff during the year.

### SUSTAINABLE SUPPLY CHAIN

FEHB actively manages its supply chain to improve efficiency, strengthen supplier capability and support coordinated execution across its operations. With over 50 years of operating experience in the palm oil industry and a listing on the Main Market of Bursa Malaysia Securities Berhad, the Group operates 13 oil palm estates across Pahang. It relies significantly on local contractors and SME vendors to support day-to-day field operations.

To build a responsible and resilient supply chain, FEHB applies clear procurement, sourcing and operational standards across its business. The Group works directly with suppliers and contractors to set performance expectations, promote transparency and embed sustainable practices into daily operations.

#### Supply Chain Performance Enablers



FEHB recognises suppliers that demonstrate strong performance, reinforcing high standards and encouraging continuous improvement across the supply base.

This structured approach aligns suppliers with FEHB's management practices, balancing economic priorities such as quality, cost optimisation and technological advancement with social and environmental responsibility. As sustainability becomes more deeply integrated into supply chain management, FEHB continues to strengthen palm oil traceability and expects all suppliers to commit to its Sustainable Palm Oil Policy.

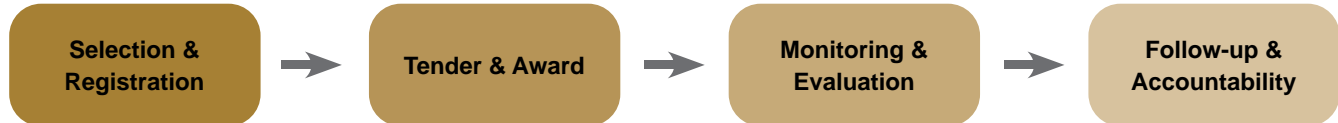
FEHB also maintains open, constructive, two-way engagement with suppliers. A transparent grievance mechanism enables issues to be raised and addressed promptly, strengthening trust, accountability and long-term collaboration across the supply chain.

## Corporate Sustainability Statement (Cont'd)

### EXCELLENCE AND ACCOUNTABILITY

FEHB enforces a rigorous supplier and contractor management framework to uphold high standards of quality, integrity and operational reliability. The Group applies formal vetting, due diligence and performance-based controls across all engagements to ensure transparent procurement and effective risk management.

#### Supplier and Contractor Management Framework



#### Selection and Registration

FEHB requires all suppliers and contractors to undergo formal vetting and registration before inclusion in the Group's approved vendor database. This process assesses legal compliance, financial standing and operational capability.

Requirements include:-

- (a) SSM registration and valid licences or permits;
- (b) Company profile and latest financial statements;
- (c) Recent bank statements to assess financial capacity; and
- (d) Reference checks with previous clients to verify reliability and business conduct.

FEHB also conducts site visits before contract award to confirm alignment with project scope and operational requirements.

#### Tender and Award

FEHB selects contractors through a fair, transparent and competitive tender process. Selection criteria focus on:-

- (a) Past performance and track record;
- (b) Quality of workmanship and delivery timeliness;
- (c) Compliance with specifications; and
- (d) Pricing competitiveness and value for money.

Established procurement controls provide oversight throughout the tender and award process to ensure consistency and accountability.

#### Monitoring and Evaluation

Estate and mill managers actively monitor supplier and contractor performance through regular audits and site visits. Evaluations assess:-

- (a) Compliance with specifications and procedures;
- (b) Quality, performance and cost control against contract terms;
- (c) Completeness and accuracy of documentation; and
- (d) Stakeholders satisfaction, including feedback from estate and mill management, engineers and end users.

#### Follow-up and Accountability

FEHB documents audit findings and site visit outcomes to confirm compliance, identify corrective actions and inform future engagement decisions. Contractors demonstrating strong performance may be considered for repeat engagements, while those with deficiencies are subject to closer monitoring or removal from the approved vendor list.

This structured approach reinforces accountability, strengthens supplier performance and supports a resilient and responsible supply chain.

## Corporate Sustainability Statement (Cont'd)

### COMMITMENT TO LOCAL SOURCING

FEHB prioritises local sourcing across its operations to support nearby communities, improve responsiveness and reduce operational costs. Primarily, the Group sources the following activities from local contractors, vendors and smallholders.

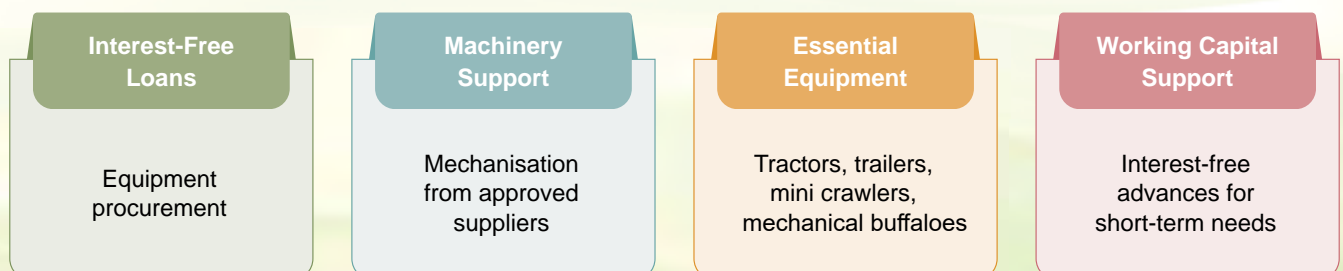
Activity	Local sourcing approach	Impact
<b>Replanting Activities</b>	Contractors are appointed from nearby districts for estate replanting works, particularly in areas where FEHB operates.	Strengthens local contractor participation, reduces mobilisation time & costs, and improves project responsiveness.
<b>Mechanisation and Machinery Procurement</b>	Agricultural and estate machinery are procured from local vendors and authorised distributors operating within the state or near estate locations.	Improves access to after-sales support and spare parts, reduces equipment downtime and enhances operational efficiency.
<b>Palm Oil Mill ("POM") Operations</b>	FFB are sourced from surrounding estates and nearby smallholders located close to FEHB's mills.	Supports smallholder livelihoods, shortens transportation distances, and strengthens mill supply reliability.
<b>Fertiliser Procurement</b>	Fertilisers are purchased from manufacturers with production facilities located within the region.	Ensures consistent supply, reduces lead times and lowers transportation-related emissions.
<b>Infrastructure and Estate Works</b>	Infrastructure works prioritise contractors located near estate operations.	Improves response time and site supervision, supports local entrepreneurship and enhances execution efficiency.

Generally, FEHB prioritises sourcing goods and services from local vendors whenever feasible.

Category	Items Procured	Source
<b>Consumable Equipment</b>	Harvesting sickles, machetes, boots and other tools.	Local SME vendors from Bandar Muadzam Shah, Gugusan Felde Keratong, Rompin and Kuantan.
<b>Heavy Machinery</b>	Tractors, tipping trailers, rotary slashers, mini crawlers and mechanical buffalo.	Local suppliers from Pahang, Johor and Selangor.
<b>Fertilisers (Largest Procurement Category)</b>	Ammonium Sulphate, Muriate of Potash, Kieserite, Rock Phosphate and Borate.	Imported from China/Taiwan, Germany, Egypt, Jordan, Peru and Christmas Island, but purchased through Malaysian-based importers for competitive pricing.

FEHB strengthens the capacity and resilience of local contractors through targeted financial and operational support, helping improve productivity, support mechanisation and ensure continuous estate operations.

### Contractor Support Measures



## Corporate Sustainability Statement (Cont'd)

### COMMITMENT TO LOCAL SOURCING (CONT'D)

These measures enhance contractor capability, reduce operational bottlenecks and support reliable service delivery across estates. By improving access to equipment and working capital, FEHB strengthens contractor performance while supporting long-term operational resilience.

While local employment remains a priority, FEHB continues to rely on foreign labour for certain labour-intensive functions, particularly harvesting, due to industry-wide labour constraints. Workers from Indonesia (majority from Kepulauan Lombok), Bangladesh and Nepal make up a significant portion of the workforce in these roles, supporting the continuity of plantation operations.

### COMMITMENT TO ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE SUPPLY CHAIN

FEHB integrates environmental and social considerations into the screening and engagement of its suppliers and contractors through mandatory contractual requirements.

Our contractual clauses require suppliers and contractors to comply with FEHB's sustainability-related policies, including:-

- (a) Sustainable Palm Oil Policy;
- (b) Environmental Protection and Biological Diversity Policy;
- (c) Equality and Gender Policy;
- (d) Food Safety Policy;
- (e) Quality Policy;
- (f) Safety and Health Policy;
- (g) Slope and River Protection Policy; and
- (h) Social Policy.

At FEHB, we are committed to integrating social and environmental responsibility into our supply chain to ensure ethical, sustainable, and efficient operations.



### ENVIRONMENTAL RESPONSIBILITY

We uphold strict compliance with established standards to guide all estates and mills in responsible land use, waste management and conservation efforts, minimising environmental impact. These include:-

- (a) FEHB Standard Operating Procedures;
- (b) ISCC Certification;
- (c) MSPO Certification;
- (d) MPOB Regulations; and
- (e) Malaysian Palm Oil Association ("MPOA").

## Corporate Sustainability Statement (Cont'd)



### SOCIAL RESPONSIBILITY

- (a) We are committed to fair labour practices and community development, ensuring ethical and sustainable operations across our supply chain;
- (b) **Safe and Decent Living Conditions:** Agreements with supply chain partners include provisions for adequate housing and amenities;
- (c) **Fair Wages & Safe Working Conditions:** We ensure all workers receive equitable compensation and a safe workplace. We also comply with all government-mandated regulations and updates to the minimum wage system;
- (d) **Child Labour Prevention:** We strictly comply with labour laws and enforce a zero-tolerance policy against underage employment; and
- (d) **Job Opportunities for Orang Asli:** We actively recruit from local Orang Asli communities to support economic empowerment.

### FEATURING OUR FOREIGN WORKERS' INFRASTRUCTURE

FEHB provides foreign workers with well-equipped accommodation to ensure a safe and comfortable living environment. Each housing facility includes adequate living space, a clean water supply and consistent access to electricity to support daily needs. Workers also have access to places of worship and recreational facilities to foster community and well-being, promoting a balanced and supportive living environment.



# Corporate Sustainability Statement (Cont'd)

## ENVIRONMENTAL STEWARDSHIP

FEHB recognises that palm oil cultivation and production have both direct and indirect impacts on the environment and surrounding ecosystems. The Group is committed to minimising its environmental footprint while supporting the long-term sustainability of the communities and natural resources that underpin its operations.

Environmental sustainability is a core element of FEHB's business strategy. Through responsible agricultural practices, efficient resource management and continuous improvement, FEHB seeks to balance economic performance with environmental protection. This commitment includes safeguarding biodiversity, reducing emissions, promoting sustainable land use and protecting ecological integrity for present and future generations.

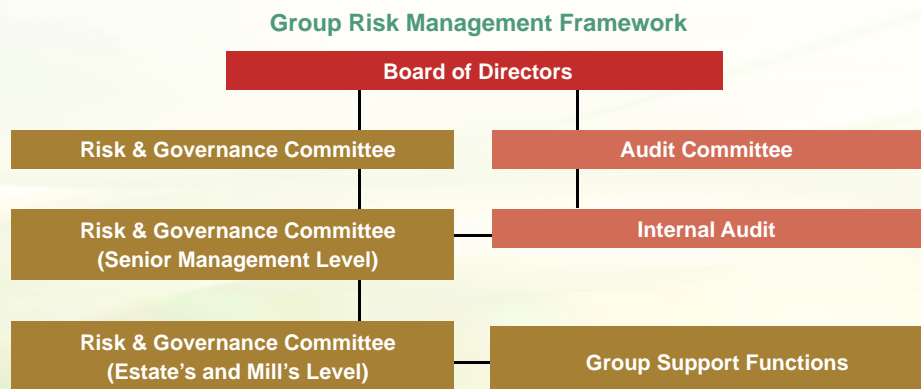
### FEHB SUSTAINABLE PALM OIL ("SPO") POLICY

The Group is committed to responsible and sustainable operations, ensuring compliance with environmental standards and best practices. Our commitments include:-

- (a) Strict adherence to all environmental laws and regulations;
- (b) Zero-burning policy across all operations;
- (c) Environmental conservation through proactive mitigation of negative impacts and promotion of positive outcomes via systematic planning and procedures;
- (d) Ongoing training for employees on environmental awareness, pollution prevention, and their role in environmental stewardship;
- (e) Preservation of HCV areas and protection of rare, threatened, and endangered species within these zones;
- (f) No new development in HCS forests;
- (g) No new development on peatlands, regardless of depth;
- (h) Implementation of Best Management Practices for existing plantations on peatlands; and
- (i) Active collaboration with communities, contractors, suppliers, and government agencies to enhance environmental sustainability.

## ENVIRONMENTAL GOVERNANCE

FEHB embeds environmental management oversight within the Risk & Governance Committee's responsibilities, alongside other sustainability-related risks and opportunities. The Committee oversees environmental performance and integrates sustainability considerations into the Group's business strategy and operations, treating environmental management as a core element of enterprise-wide risk management and governance.



## Corporate Sustainability Statement (Cont'd)

### Key Responsibilities of the Risk & Governance Committee

#### Risk Management Oversight

- Recommend risk management systems to the Board
- Identify, monitor and mitigate key risks

#### ESG Strategy and Policy Oversight

- Oversee ESG strategies and policies
- Align sustainability with business objectives

#### ESG Risk and Opportunity Management

- Embed sustainability into decision-making
- Manage ESG-related risks and opportunities

### BIODIVERSITY AND CONSERVATION

#### ENVIRONMENTAL PROTECTION & BIOLOGICAL DIVERSITY POLICY

FEHB is committed to preserving the environment and protecting biodiversity with sustainable development. Environmental's sustainability and biodiversity are the priority of FEHB in every aspect and stage of FEHB's plantation operations, in accordance with the principles and criteria set by ISCC and MSPO.

To preserve the environment and protect biological diversity, FEHB is hereby committed to:-

- Obey all legal provisions related to environmental preservation and protection of biological diversity;
- Creating, maintaining and improving plantation management systems in line with the need for environmental preservation and protection of biological diversity;
- Minimise and further eliminate the negative effects of plantation practices on the environment and biodiversity;
- Educate and raise awareness of stakeholders on environmental preservation and biodiversity through information and training;
- Avoid the elimination of old-growth forest, original forests, high value conservation areas and high carbon storage areas;
- Supporting peat forest conservation efforts through direct involvement in forest conservation and fire control;
- Enables zero combustion practices in plantation operations and prohibits any form of open burning within the premises of the Company's; and
- Adopt an environmentally friendly waste disposal system and responsible for systematic scheduled waste disposal.

Malaysia is one of the world's largest palm oil producers and has committed to conserving biodiversity and preventing illegal deforestation, including maintaining at least 50% forest cover. As of December 2023, 54.9% of Malaysia remained forested, according to the Fourth National Communication to the United Nations Framework Convention on Climate Change.

FEHB supports national and international biodiversity commitments through certified sustainable practices and targeted conservation initiatives implemented across its estates.

#### SUSTAINABILITY CERTIFICATIONS AND STANDARDS

FEHB maintains certification under the MSPO and the ISCC schemes. These certifications require compliance with no-deforestation principles and the protection of HCV areas, primary forests and land with significant carbon stocks. Under the ISCC framework, FEHB applies a no-deforestation cut-off date of 31 December 2019.

## Corporate Sustainability Statement (Cont'd)

### CONSERVATION AREAS AND WILDLIFE CORRIDORS

FEHB has designated 121.41 hectares at Sungai Sawak Estate as a conservation area in line with its commitment to protecting HCV areas. These areas function as wildlife corridors, facilitating animal movement between fragmented habitats, reducing isolation and supporting genetic diversity.

### REFORESTATION AND HABITAT RESTORATION

FEHB has initiated a Forest Tree Planting Programme at Sungai Sawak Estate to restore forest cover and support native wildlife populations. Endangered species such as elephants, tapirs and tigers have been observed in the area, highlighting the ecological importance of these restoration efforts.

### BIODIVERSITY ASSESSMENTS AND RSPO READINESS

As part of its preparation for certification under the Roundtable on Sustainable Palm Oil ("RSPO"), FEHB has undertaken integrated HCV, HCS and LUCA assessments. These assessments provide structured basis for identifying biodiversity values, ecosystem services and land-use risks across the Group's operations.

### EUDR REQUIREMENTS

FEHB continues to strengthen its sustainability approach by enhancing traceability, land-use monitoring and documentation practices in line with the EUDR. The Group has implemented its NDPE commitments and maintains a zero-burning policy to support compliance with EUDR requirements. FEHB is also undertaking ongoing biodiversity assessments, including HCV and LUCA, to support the identification and verification of deforestation-free areas. These initiatives strengthen the Group's ability to meet emerging regulatory expectations while maintaining continued access to export markets, including the European Union.

### Key Biodiversity and Ecosystem Features Identified



### RISK MANAGEMENT AND MITIGATION

The assessments identified key biodiversity-related risks, including:-

- (a) Habitat loss associated with land conversion;
- (b) Agrochemical pollution; and
- (c) Illegal logging.

FEHB addresses these risks through targeted mitigation measures, including conservation set-asides, reforestation initiatives and strengthened land management practices. These actions support biodiversity protection, reduce environmental impacts, strengthen the Group's readiness for RSPO certification and align land-use practices with long-term sustainability objectives.

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABLE LAND MANAGEMENT

Sustainable land management underpins FEHB's ability to maintain long-term plantation productivity while minimising environmental impact. The Group applies structured agronomic, soil and land-use practices to support responsible cultivation and operational efficiency.

#### NO DEFORESTATION, NO PEAT AND NO EXPLOITATION

FEHB implements an NDPE commitment, delivering the following outcomes:-

- (a) Protection of forests and peatlands;
- (b) Reducing GHG emissions;
- (c) Integrity in human rights and worker wellbeing;
- (d) Safeguarding biodiversity and ecosystems; and
- (e) Market and stakeholders trust.

#### PEATLAND MANAGEMENT

FEHB prohibits new development on peat, regardless of depth, and manages existing peat plantations using best management practices. These include controlled drainage, nutrient supplementation and careful water table monitoring to mitigate peat oxidation and associated carbon dioxide emissions, while supporting stable yields despite the inherent challenges of peat soils, including high water content, low fertility and subsidence risk.

#### LAND CONSERVATION PROJECT

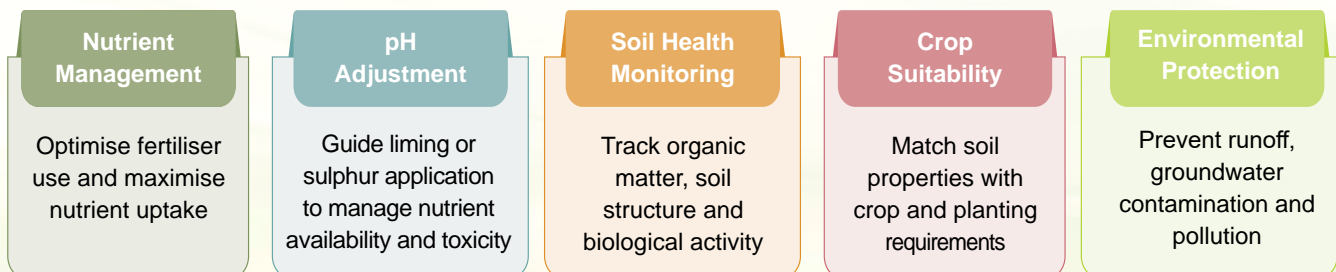
FEHB implements land conservation initiatives to protect sensitive ecosystems and promote sustainable land use across its operations. As part of these efforts, 121.41 hectares within the Sungai Sawak Estate Conservation Area have been designated as a preservation zone to enhance biodiversity and strengthen ecosystem resilience. The Group remains committed to conserving flora and fauna by setting aside designated areas within the estate for conservation purposes. These initiatives include the Planting Forest Tree Programme, which covers 2.5 hectares at Sungai Sawak Estate and supports reforestation efforts.

#### SOIL HEALTH AND FERTILITY MANAGEMENT

FEHB places soil analysis at the centre of its land management approach to safeguard soil health, optimise productivity and protect the environment. Through systematic soil testing, the Group assesses fertility, physical properties and potential risks, enabling informed decisions on fertilisation, liming, irrigation and land use while preventing over-application and pollution.

Soil testing evaluates nutrient levels, pH, organic matter content and the presence of contaminants, supporting precise and responsible soil management. During the year, FEHB conducted soil sampling and analysis at six (6) ISCC certified estates, reinforcing compliance with certification requirements and best agricultural practices.

#### Objectives of Soil Analysis



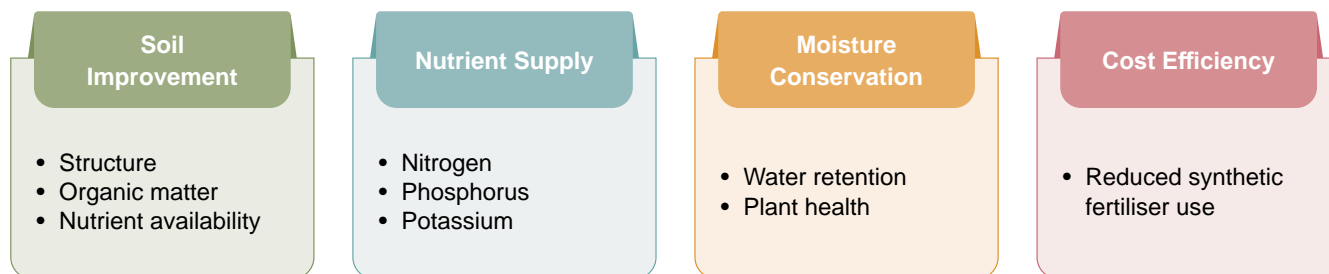
Aligning soil management practices with site-specific conditions improves fertiliser efficiency, reduces environmental risks and supports long-term soil quality. Identifying contaminants, such as heavy metals and pesticide residues, enables timely mitigation and remediation, reinforcing sustainable land stewardship and operational resilience.

## Corporate Sustainability Statement (Cont'd)

### EFB APPLICATION

FEHB reuses EFB, a by-product of palm oil production, as an organic soil amendment to improve soil quality and reduce reliance on synthetic fertilisers. The Group composts and applies EFB as mulch, strengthening soil structure, enhancing moisture retention and increasing organic matter content.

#### How EFB Supports Soil Health



By supplying nutrients and improving soil physical properties, EFB application lowers the need for external fertiliser inputs and supports more efficient nutrient uptake. Mulching with EFB also conserves soil moisture, helping to stabilise yields and improve plant health, particularly during drier periods.

FEHB applies EFB as an organic fertiliser across selected estates to complement conventional fertilisation programmes. This practice improves soil health, reduces reliance on non-organic fertilisers and supports a more circular, cost-efficient approach to nutrient management.

Estate	Area (ha)
Dawn	439.30
Cenderawasih	59.09
<b>Total</b>	<b>498.39</b>

### ZERO-BURNING PRACTICES

FEHB strictly prohibits open burning across all operations in compliance with environmental regulations and the requirements of MSPO and ISCC certification. This policy supports air quality protection and reduces emissions associated with land preparation.

### SLOPE AND RIVER PROTECTION

FEHB enforces a Slope and River Protection Policy to prevent erosion, landslides and water pollution. The Group excludes areas with slopes greater than 25° from plantation development and replanting. On slopes below 25°, FEHB maintains existing vegetation cover, promotes forest planting to enhance species diversity and requires legume cover on gradients exceeding 7°.

FEHB also maintains river buffer zones on both sides of waterways, in accordance with the river's width and applicable legal requirements.

River's Width (m)	<5	5-10	11-20	21-40	>40
Buffer Zone (both sides of the riverbank)	5m	10m	30m	40m	50m

FEHB addresses existing areas that do not meet buffer zone criteria during future replanting activities, protecting riparian ecosystems and reducing sedimentation and pollution.

## Corporate Sustainability Statement (Cont'd)

### POLLUTION PREVENTION AND GOOD AGRICULTURAL PRACTICES

FEHB applies Good Agricultural Practices across plantation operations to minimise pollution risks, particularly during road construction, terracing, drainage works, fertiliser management and weed and pest control. The Group has progressively reduced chemical use by lowering active ingredient levels and discontinuing Class I and II pesticides, with only Class III chemicals, which have a lower environmental impact.

### SUSTAINABLE MECHANISATION

Mechanisation improves efficiency in the oil palm industry by enabling faster harvesting and processing, reducing oil losses. By shortening the time between harvesting and processing, mechanisation helps prevent oil degradation and maximise extraction rates.

FEHB has adopted battery-operated mechanisation for in-field fertiliser application across all estates since 2024. The Group has deployed thirteen (13) units of battery-operated equipment, reducing diesel consumption and associated greenhouse gas emissions. This transition also improves working conditions by lowering noise levels and eliminating exhaust fumes.

Although battery-operated equipment requires a higher upfront investment, it delivers long-term cost savings through reduced fuel use and lower maintenance requirements. Where feasible, FEHB charges batteries using renewable energy sources to minimise the carbon intensity of plantation operations.

### **OPTIMISING ENERGY USE & REDUCING EMISSIONS**

Effective energy management underpins FEHB's sustainability approach. The Group closely tracks diesel, petrol and electricity consumption across its operation, with daily monitoring of fuel usage to support operational efficiency, cost control and reduced environmental impact. To further manage greenhouse gas emissions, FEHB has implemented a range of measures, including operational emission reductions alongside nature-based initiatives such as forest rehabilitation and conservation programmes.

FEHB also integrates renewable energy solutions, such as solar power systems, to enhance energy efficiency and reduce reliance on fossil fuels, together with efforts to restore forests and protect natural areas. A solar power system has been installed at Sungai Batu Estate to supply electricity across the estate where feasible. The installation of the solar power system at Sungai Batu Estate also contributes to the reduction of diesel consumption. FEHB plans to install additional solar systems in the future.

### **ENERGY CONSERVATION POLICY**

FEHB is committed to the continuous improvement of energy management across the organisation, guided by recognised best practices. The Group seeks to use energy efficiently and responsibly to support operational performance and reduce environmental impact.

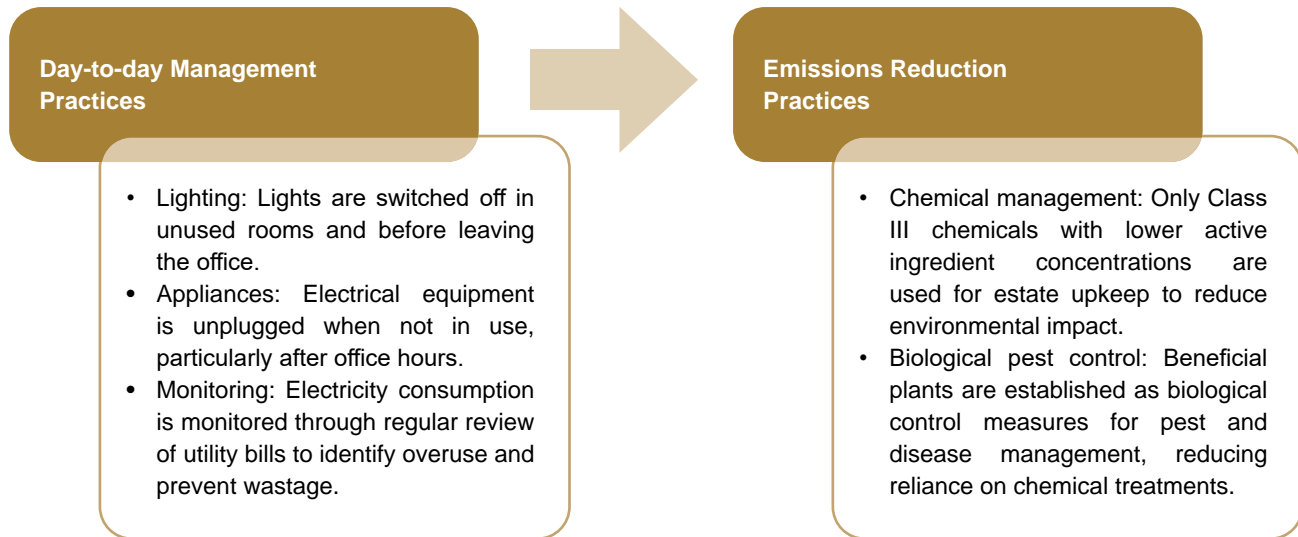
To achieve this, FEHB commits to the following principles:-

- (a) Continuously improve energy management practices to enhance efficiency and effectiveness across all operations;
- (b) Foster a culture of energy efficiency by promoting awareness and responsible energy use through training and engagement programmes;
- (c) Identify opportunities for energy savings and performance improvements through the adoption of appropriate technologies, monitoring systems and management practices; and
- (d) Support national efforts to reduce greenhouse gas emission intensity by 2030, in line with Malaysia's climate commitments.

FEHB adopts practical day-to-day measures to manage energy use efficiently and reduce emissions from its operations.

# Corporate Sustainability Statement (Cont'd)

## OPTIMISING ENERGY USE & REDUCING EMISSIONS (CONT'D)



## ENERGY GOVERNANCE

FEHB's Risk & Governance Division monitors energy use and energy-saving initiatives as part of the Group's overall risk management and sustainability framework. The Division tracks energy performance, identifies efficiency opportunities and ensures alignment with internal policies and regulatory requirements.

The Division periodically reports energy performance data, key trends and material issues to the Risk & Governance Committee, which oversees energy-related risks, opportunities and improvement initiatives. Where relevant, Management escalates significant energy matters and progress against energy efficiency objectives to the Board for review and direction.

## ENERGY USE AND CONSERVATION

- Optimising Fuel Use:

- Maximising the load capacity of both internal and external transport to reduce the number of trips, thereby decreasing diesel consumption.
- Transition to Cleaner Technology:

- Battery-Operated Mechanisation: Replacing machinery with battery-powered alternatives to reduce reliance on diesel and petrol for FFB evacuation.
- Energy Conservation Practices:

- Encouraging employees to switch off unnecessary electrical appliances, particularly during working hours, to conserve electricity.
- Sustainable Agricultural Practices:

- Lower Chemical Use: Using Class III chemicals with lower concentrations to reduce environmental impact.
  - Biological Pest Control: Planting beneficial plants to reduce reliance on chemical pesticides.
  - Organic Fertilisation: Applying EFB to reduce the need for inorganic fertilisers.

## Corporate Sustainability Statement (Cont'd)

### EXPANDING RENEWABLE ENERGY ADOPTION

FEHB integrates renewable energy solutions where operationally feasible. The Group has installed 48 solar photovoltaic street lamps across its estates, reducing reliance on grid electricity for estate lighting.

FEHB also uses solar power systems to supply electricity to selected housing, office and storage facilities. In the future, the Group plans to monitor the kWh generated by these systems to track performance and further optimise energy use while improving overall energy efficiency. In addition, the Group has introduced battery-powered mechanical buffaloes for in-field collection, reducing fossil fuel use while supporting operational efficiency.

FEHB plans to expand solar installations in suitable areas to minimise carbon emissions and improve energy efficiency across operations.

### Energy consumption records for FEHB's Group:-

Energy	Unit	2025	2024	2023
Diesel	Litres	1,443,883	1,326,401	658,517
Grid Electricity	kWh	1,592,085	2,009,604	1,991,428

Energy consumption decreased in 2025 compared to 2024. Diesel consumption rose from 1,326,401 litres in 2024 to 1,448,775 litres in 2025, while grid electricity usage decreased from 2,009,604 kWh to 1,592,085 kWh.

Energy reduction is achieved through combination of renewable energy generation (biogas and solar), energy efficiency measures and operational optimisation.

### CLIMATE CHANGE MANAGEMENT

The palm oil industry operates in an environment increasingly shaped by climate-related risks and opportunities that influence operational performance, financial outcomes and long-term value creation. Both physical and transition factors are becoming more pronounced, while opportunities linked to sustainable production and climate resilience are gaining importance.

Key climate-related drivers affecting the palm oil sector include:

- **Physical risks** arising from more frequent and severe extreme weather events, such as droughts, floods and heatwaves
- **Transition risks** driven by evolving regulations, market expectations and stakeholders demands
- **Opportunities** associated with sustainable production practices, efficiency improvements and climate-resilient operations

Climate change is already influencing oil palm productivity:-

- Changes in rainfall patterns and rising temperatures disrupt growing conditions, reduce fruit production and increase operational uncertainty;
- Elevated temperatures place physiological stress on oil palm trees, impairing growth and fruit development; and
- Greater rainfall variability, including prolonged dry periods and intense rainfall events, affects water availability and soil conditions.

## Corporate Sustainability Statement (Cont'd)

### CLIMATE CHANGE MANAGEMENT (CONT'D)

Studies indicate that prolong dry period could reduce palm oil production by approximately 10% to 41%, depending on the extent of temperature increases. These impacts highlight the importance of proactive climate risk management across plantation operations.

In line with the adoption of the IFRS Sustainability Disclosure Standards, FEHB recognises climate change as a material issue for its operations and the importance of transparent, consistent and decision-useful climate-related disclosures. FEHB remains committed to mitigating climate-related impacts by improving operational efficiency and strengthening resource management across its estates.

These efforts support effective risk management, enhance governance and oversight and contribute to the Group's long-term productivity, resilience and sustainable value creation.

### GOVERNANCE

FEHB has established clear governance structures to support effective oversight and management of climate-related risks and opportunities across the Group.

The Board of Directors is responsible for overall climate-related oversight. The Board integrates climate considerations into corporate strategy, risk management and long-term planning, and considers climate-related risks and opportunities when reviewing:-

- (a) Corporate strategy and direction;
- (b) Major investments and capital allocation; and
- (c) Key operational and business decisions.

Management supports the Board through the Risk & Governance Committee, which plays a central role in assessing and managing climate-related risks and opportunities. The Committee establishes and maintains the appropriate frameworks, policies, plans and internal controls to address climate-related issues.

At the management level, responsibility includes:-

- (a) Identifying relevant climate-related risks and opportunities;
- (b) Monitoring regulatory, market and climate developments; and
- (c) Implementing operational and strategic responses across the Group.

Together, this governance structure enables consistent oversight, informed decision-making and effective integration of climate considerations into FEHB's enterprise-wide risk management and strategic processes.

### STRATEGY

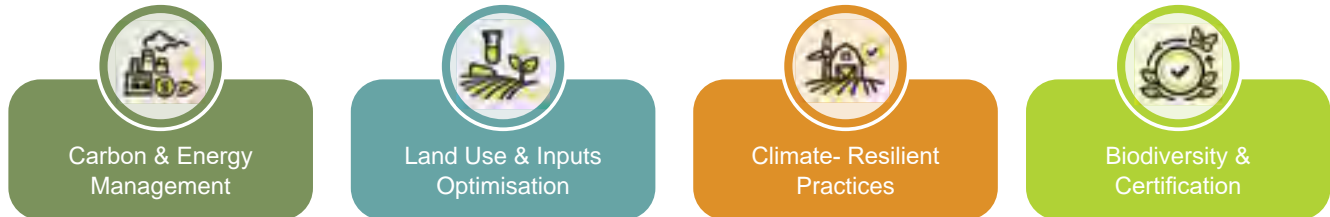
FEHB manages climate-related risks and opportunities by actively reducing its carbon footprint, optimising land use, and strengthening operational efficiency and resilience across its operations.

To prevent deforestation and promote responsible land use, FEHB implements the NDPE policy and applies sustainable land management practices across its operations. The Group optimises land use to support long-term productivity while minimising environmental impacts.

## Corporate Sustainability Statement (Cont'd)

### STRATEGY (CONT'D)

#### Key Strategic Levers for Climate Resilience



FEHB monitors energy consumption and emissions and applies EFB as an organic soil amendment to reduce reliance on non-organic fertilisers, supporting emissions management and resource efficiency. In parallel, the Group implements best agricultural practices and invests in infrastructure to improve water-use efficiency and strengthen climate resilience.

FEHB also supports biodiversity through initiatives such as the Forest Tree Planting Programme, which contributes to ecosystem preservation within and surrounding estate areas. To reinforce responsible operations and credible climate action, FEHB complies with recognised sustainability standards and maintains certification under the MSPO and ISCC.

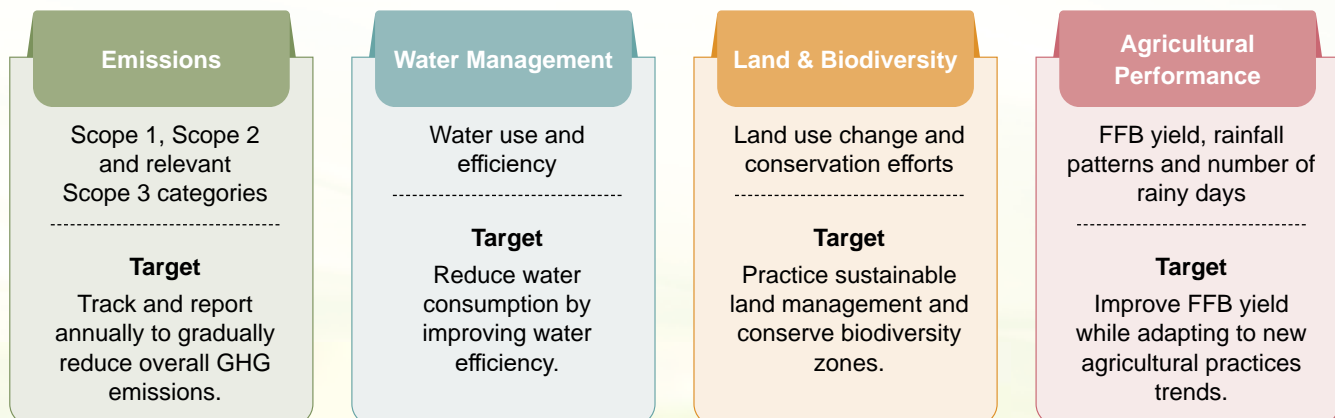
Together, these strategic actions integrate climate considerations into land use, operations and resource management, supporting long-term resilience, productivity and sustainable value creation.

### METRICS AND TARGET

FEHB tracks and reports key climate-related performance indicators to assess environmental impact, operational resilience and long-term productivity. These metrics support informed decision-making, performance monitoring and continuous improvement across the Group's operations.

FEHB aims to strengthen its environmental and agricultural performance across all operations by 2030. The Group focuses on reducing emissions, managing land sustainably, using water efficiently and improving crop yield while adapting to changing weather patterns.

#### Key Climate-Related Metrics Monitored



## Corporate Sustainability Statement (Cont'd)

### METRICS AND TARGET (CONT'D)

FEHB tracks GHG emissions using an approved calculation methodology to support accurate reporting and year-on-year improvement. Emissions primarily arise from diesel consumption by agricultural machinery, fertiliser application and lifecycle emissions associated with pesticide and herbicide use. By monitoring these sources, FEHB identifies opportunities to reduce emissions intensity and improve operational efficiency.

FEHB continues to strengthen its climate-related management approach and disclosures. Key focus areas include:-

- (a) Reducing GHG emissions intensity across operations;
- (b) Improving water-use efficiency at the estate level;
- (c) Increasing Certified Sustainable Palm Oil (“CSPO”) production; and
- (d) Strengthening resilience to unfavourable weather conditions to safeguard long-term productivity and FFB yields.

Together, these metrics and focus areas support FEHB's ability to manage climate-related risks, capture opportunities and enhance long-term operational resilience and value creation.

### Emission management for 2025

Emission (Scope)	Unit	Value
Bursa C11a) Scope 1 in tonnes of CO <sub>2</sub> e	Tonnes	3,821
Bursa C11b) Scope 2 in tonnes of CO <sub>2</sub> e	Tonnes	1,555
Bursa C11c) Scope 3 Business Travel Emission in tonnes of CO <sub>2</sub> e	Tonnes	233
Bursa C11c) Scope 3 Employee Commuting Emission in tonnes of CO <sub>2</sub> e	Tonnes	1,176

Emission records for Kilang Kosfarm Sdn. Bhd. (KKSB):-

Mill	Indicator	2025	2024	2023
KKSB	EEC	211.55	269.34	255.85
	EP	6.38	14.22	11.86
	ETD	16.93	4.56	4.54
<b>TOTAL</b>		<b>234.86</b>	<b>288.11</b>	<b>272.25</b>

\*\* Note: Emission unit - kgCO<sub>2</sub> e/dry mt CPO

\* EEC - Emissions from the extraction or cultivation of raw materials

\* EP - Emissions from processing

\* ETD - Emissions from transport and distribution

As part of its commitment to improving sustainability disclosures and strengthening transparency, FEHB aims to include emissions records from Merchong Palm Oil Mill Sdn. Bhd. (“MPOM”) in its 2026 Annual Report.

FEHB's Group GHG Records:-

Year	Fertilisers*	Pesticides*	Diesel*	Total*
2023	7,096.59	379.86	337.69	7,814.14
2024	10,096.43	84.06	276.59	10,457.08

\*\* Note: Emission unit - kgCO<sub>2</sub> per ha per year

\* Emission unit increase due to changes made by ISCC regarding the emissions factor values for the GHG calculation.

## Corporate Sustainability Statement (Cont'd)

### METRICS AND TARGET (CONT'D)

#### Emission management for 2025 (Cont'd)

Starting from 2025, FEHB adopted a revised methodology for GHG reporting to reflect updates to the calculation tool and the introduction of new regulatory requirements.

FEHB's Group GHG Value for 2025:-

Estate	Fertilisers (kg)	Electricity (kWh)	Pesticides (kg)	Diesel (Litres)	Emission kgCO <sub>2</sub>	GHG Value*
Bukit Jin	2,013,520	151,565	2,208	8,148	452,745.72	19.17
Sungai Seraya	1,123,350	121,404	3,018	3,981	279,273.09	21.08
Bukit Serok	3,068,050	207,703	5,313	3,223	637,032.44	23.68
Dawn	2,384,600	215,148	5,039	5,104	693,032.44	23.68
Cempaka	608,970	11,013	8,176	19,457	144,171.93	51.65

\* GHG Value unit - kgCO<sub>2</sub> dry tonne

FEHB tracks and reports on key climate-related performance indicators to assess environmental impact and operational resilience, including:-

- GHG emissions across Scope 1, 2 and 3;
- Water usage and efficiency improvements;
- Land use changes and conservation efforts; and
- Agricultural performance metrics such as FFB yield, rainfall patterns and the number of rainy days.

Looking ahead, FEHB remains committed to enhancing climate-related disclosures and management. The company has set targets to:-

- Reduce greenhouse gas emissions intensity;
- Improve water efficiency across operations;
- Increase CSPO production; and
- Strengthen resilience against unfavourable weather conditions to safeguard FFB yield.

### CLIMATE RISK MANAGEMENT

Climate change affects FEHB primarily through its impact on plantation conditions, biological stress and operational stability. As a palm oil plantation group, FEHB faces climate-related risks that are predominantly physical in nature, arising from environmental conditions that influence palm health, pest and disease prevalence, yield performance and operating costs.

These impacts occur directly at the estate level and, if not managed effectively, can affect:-

- Plantation productivity and yield performance;
- Long-term estate viability and palm longevity; and
- Operating costs and overall financial performance.

FEHB manages climate-related risks through established plantation management and enterprise risk management practices. Rather than treating climate change as a standalone risk category, the Group embeds climate considerations into routine operational risk processes.

This integrated approach addresses climate-related impacts through practical, agronomic and cost-focused controls that reflect on-the-ground plantation realities, supporting effective risk mitigation, operational resilience and long-term performance.

## Corporate Sustainability Statement (Cont'd)

### MANAGING CLIMATE RISK IN PLANTATION OPERATIONS

FEHB identifies climate-related risks through continuous monitoring of plantation conditions. Regular censuses, field inspections, and agronomic assessments enable early detection of pest infestations, disease spread, and palm stress, allowing timely intervention at the estate level.

Management consolidates these estate-level observations and reviews them quarterly through the Risk & Governance Committee, ensuring structured oversight of emerging and ongoing climate-related risks.

FEHB evaluates identified risks using its established probability and impact framework, assessing:-

- (a) The likelihood of occurrence; and
- (b) Potential impacts on yields, palm survival and operating costs.

This approach enables consistent risk prioritisation across estates and supports timely decisions on mitigation measures. FEHB conducts ongoing monitoring, with risk trends and mitigation outcomes regularly reviewed and refined based on field data and agronomist input.

### KEY CLIMATE-RELATED RISKS AND MANAGEMENT MEASURES

The table below summarises FEHB's key climate-related risks, their impacts, mitigation measures, and monitoring approaches.

Risk Identified	Type of Climate Risk	Nature of Impact on Operations	Risk Rating	Key Mitigation Measures	Monitoring and Review
Ganoderma Boninense (Basal Stem Rot)	Physical risk - chronic	Causes palm mortality, reduced FFB production and loss of productive palm stand, leading to replanting requirements and long-term yield decline	Low likelihood; Very high impact	Mounding of infected palms to prolong economic life; deboling of dead and fallen palms to remove fungal inoculum; application of Trichoderma at the nursery stage and mycorrhizae during planting; incorporation of Ganoderma treatment during replanting	Annual Ganoderma census across estates; comparison of palm survival and yield between mounded and unmounded blocks; agronomist review of disease trends
Bagworm Infestation	Physical risk - acute	Causes defoliation of palms, resulting in yield reduction of up to 40%, palm stress and potential palm death if outbreaks are not controlled	Low likelihood; High impact	Early detection through regular census; integrated pest management combining biological controls, cultural practices and targeted chemical application; use of drones for census and aerial spraying to improve coverage and response time	Manual and drone-assisted census; post-treatment population assessment; follow-up inspections to evaluate treatment effectiveness

## Corporate Sustainability Statement (Cont'd)

### KEY CLIMATE-RELATED RISKS AND MANAGEMENT MEASURES

Risk Identified	Type of Climate Risk	Nature of Impact on Operations	Risk Rating	Key Mitigation Measures	Monitoring and Review
Rat Infestation	Physical risk - chronic with economic losses if infestation levels are high	Results damage FFB, leading to yield loss and increased free fatty acid levels,	Low likelihood; Moderate impact	Biological control through barn owl programmes and conservation of natural predators; targeted baiting based on census and agronomist recommendations; multiple baiting rounds for high-infestation areas	Estate-level rat attack census; monitoring of baiting effectiveness through staged campaigns; review of infestation reduction trends
Operational Cost Pressures in Oil Palm Operations		Leads to increased labour, upkeep, harvesting and logistics costs, affecting cost per hectare and cost per metric tonne	Low likelihood; Low impact	Semi- mechanisation to reduce labour dependency; optimisation of workforce deployment and multi-tasking; use of drones for spraying; improved agronomic practices to increase yields; optimisation of fertiliser and input usage; improved estate layout and logistics planning	Cost per hectare and cost per metric tonne benchmarking; periodic management review of estate cost performance

### MITIGATION EFFECTIVENESS AND CONTINUOUS REVIEW

FEHB actively reviews the effectiveness of its climate risk mitigation measures to ensure that responses remain proportionate, targeted and effective.

Ganoderma management focuses on increasing plantation productivity. Mounding has demonstrated the ability to prolong the economic life of affected palms by two to three years, with mounded areas recording lower palm loss rates than unmounded blocks. FEHB tracks these outcomes through annual disease censuses and yield comparisons across estates.

Early and rapid detection underpins FEHB's approach to managing pest-related risks. Drone-assisted monitoring has strengthened coverage and accelerated the identification of bagworm infestations, enabling earlier and more targeted intervention. FEHB applies integrated pest management, prioritising biological controls and deploying selective chemical treatment only when infestation levels exceed defined thresholds.

Rat management programmes rely on repeated censuses and staged baiting campaigns, supported by biological controls. FEHB reviews findings with agronomists to refine treatment strategies, improve effectiveness and reduce recurrence across affected areas.

FEHB monitors operational cost pressures linked to plantation conditions through estate-level cost analysis and benchmarking. The Group applies mechanisation, precision monitoring and improved labour deployment to control costs while maintaining plantation performance and productivity.

## Corporate Sustainability Statement (Cont'd)

### CLIMATE-RELATED OPPORTUNITIES

Actions taken to manage climate-related risks also unlock operational opportunities across FEHB's plantation operations. Integrated pest management, supported by biological controls and enhanced monitoring, reduces reliance on chemical inputs while strengthening plantation resilience. Mechanisation and the use of drones improve labour productivity, shorten response times and enable more efficient use of resources.

Together, these measures enhance operational efficiency, support more climate-resilient plantation systems and reinforce FEHB's commitment to sustainable palm oil production.

### INTEGRATION WITH ENTERPRISE RISK MANAGEMENT ("ERM")

FEHB manages climate-related risks within its ERM framework, applying the same governance, assessment and reporting processes used for other operational risks. The Risk & Governance Committee oversees and challenges management of climate-related risks, while risks with strategic implications remain under the Board of Directors' oversight.

FEHB embeds climate considerations into routine risk discussions and operational decision-making, addressing climate-related risks in a consistent, structured and business-relevant manner across the Group.

### **WASTE AND POLLUTION MANAGEMENT**

FEHB manages waste and pollution as a core component of responsible plantation operations. Across its estates, the Group applies practical measures to reduce waste generation, control emissions and limit environmental impacts, embedding sound environmental practices into day-to-day activities.

FEHB manages all waste streams in line with applicable regulatory requirements, with clear controls governing handling, treatment and disposal. The Group prioritises waste reduction at source, increased recycling and safe disposal practices, supported by ongoing monitoring and continuous process improvements to strengthen environmental performance and support long-term sustainability objectives.

FEHB's Group Waste Management:-

Waste Management	Unit	Total Consumption
Bursa C10a) Total waste generated,	Tonnes	5,106
Bursa C10a) (i) total waste diverted from disposal	Tonnes	0.00
Bursa C10a) (i) total waste diverted to disposal	Tonnes	5,106

## Corporate Sustainability Statement (Cont'd)

### WASTE AND POLLUTION MANAGEMENT (CONT'D)

Our waste and pollution management practices cover the following key categories:-

#### Waste Management at FEHB

##### Scheduled Waste

- Adhere to the Malaysia Environmental Quality (Scheduled Waste) Regulations 2005
- Proper classification, labelling and storage in designated areas
- Engage DOE-approved contractors for collection, transportation and disposal in compliance with environmental standards
- Conduct regular waste audits and tracking to support waste reduction strategies
- Explore opportunities to reduce hazardous waste generation through process optimisation
- Empty chemical containers are collected, rinsed and repurposed or sent for recycling

##### Solid Waste

- Includes biomass waste, packaging materials and non-recyclable residues
- EFB are repurposed as organic fertiliser, renewable energy or soil conditioners
- Segregate recyclable materials for recycling or repurposing
- Dispose of non-recyclable waste responsibly to minimise landfill dependency

##### General Waste

- General waste from office buildings, worker housing and operational sites includes household, food and non-hazardous commercial waste
- Encourage employees and workers to separate waste at the source
- Hold regular community awareness campaigns to promote waste reduction and proper disposal

##### E-Waste

- Send E-waste to certified recycling facilities
- Confidential data on electronic devices is securely wiped before disposal

FEHB implements waste recycling practices across its operations to minimise environmental impacts and prevent pollution. The Group manages key recyclable waste streams through defined procedures that support regulatory compliance, safe handling and resource recovery.

# Corporate Sustainability Statement (Cont'd)

## WASTE AND POLLUTION MANAGEMENT (CONT'D)

### Empty Chemical Containers

FEHB collects and manages empty chemical containers in accordance with regulatory requirements and established procedures. Containers undergo a triple-rinse process and are stored securely. Where appropriate, FEHB reuses containers for chemical mixing or for temporary storage of chemicals used in field activities, such as weeding. The Group disposed of containers which could not reuse or recycle to licensed waste collectors to ensure safe, proper handling.

### Empty Cans and Bottles

FEHB rinses, sorts and places empty cans and bottles into designated recycling bins. Where feasible, plastic bottles and cans are crushed before collection to reduce volume and improve recycling efficiency before municipal recycling.

### Empty Fertiliser Bags

FEHB collects empty fertiliser bags and sends them to local agricultural suppliers or manufacturers for recycling, supporting waste reduction and circular resource use.

### Palm Oil Mill Effluent (“POME”)

FEHB manages POME, the wastewater generated from palm oil milling, in compliance with environmental regulations. The effluent is treated to minimise pollution and, where feasible, the biogas, which contains methane, is captured and used to generate electricity as a renewable energy source, as demonstrated at Cenderawasih Estate. These efforts support sustainable operations and reduce the overall environmental impact.



*POME as renewable energy*



*Schedule Waste Management*

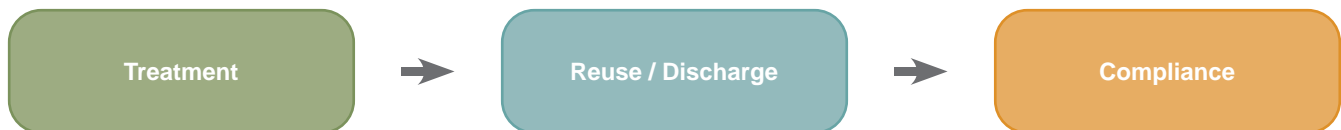


## Corporate Sustainability Statement (Cont'd)

### EFFLUENT MANAGEMENT

FEHB implements strict effluent treatment measures across its palm oil mills and estates to prevent water pollution and protect the surrounding environment. Wastewater undergoes a multi-stage treatment process to remove pollutants before discharge or reuse.

Treated wastewater is either safely discharged or repurposed for land irrigation, in line with operational requirements and environmental safeguards. FEHB ensures full compliance with the Department of Environment (“DOE”) effluent discharge limits through regular monitoring and control.



### AIR QUALITY CONTROL

FEHB maintains agricultural machinery and transport vehicles regularly to optimise fuel efficiency and reduce harmful emissions across plantation operations. Preventive maintenance supports lower emissions intensity and improved operational efficiency.

FEHB also enforces a strict zero-burning policy across all estates, eliminating emissions associated with open burning and supporting air quality protection.

### Effluent Management



**Air Quality Control:**  
Using *Electrostatic Precipitators (“ESP”)* to reduce the total particulate emission from the palm oil mill boiler chimneys.

## Corporate Sustainability Statement (Cont'd)

### WATER STEWARDSHIP AND MANAGEMENT

Water is a critical resource for FEHB's operations and is essential for plantation sustainability and milling processes. As part of its commitment to responsible water stewardship, FEHB actively manages water consumption, conservation and quality to minimise environmental impact and ensure the long-term availability of this resource.

#### WATER SOURCING

To reduce reliance on municipal water and strengthen supply resilience, FEHB sources water from various channels, including:-

- (a) Municipal supply for office and estate facilities;
- (b) Treated surface water from lakes and rivers; and
- (c) Bore wells located near estates to supplement supply during dry periods.

This diversified sourcing approach supports operational continuity, particularly during periods of low rainfall.

#### WATER SAVING AND CONSERVATION INITIATIVES

FEHB implements a range of water-saving initiatives across its offices and estate operations to optimise water use and minimise wastage.

Initiative	Description
Oil Palm Nursery G-Drip Irrigation System	FEHB applies a drip-based irrigation system in its oil palm nurseries to meet the water requirements of individual seedlings. This highly efficient system improves water management, reduces wastage and integrates with fertiliser application programmes, while requiring minimal labour and maintenance.
Monitoring of Monthly Water Consumption	FEHB monitors water consumption through monthly readings from mechanical water meters installed by the water utility company Pengurusan Air Pahang ("PAIP"). The Group investigates any unusual or elevated readings and, based on the findings, implements corrective actions, including pipeline repair or replacement.
Rainwater Harvesting and Water Retention Measures	FEHB continues to use rainwater harvesting systems at office compounds to supplement non-potable water needs. The Group did not introduce any new rainwater harvesting systems at the office or housing buildings during 2025.  At the estate level, FEHB constructs water sumps at each block to collect and retain water. Several estates have developed water catchment ponds. The Group also uses water retention ponds, tube wells, weirs and bunds to enhance water retention, preserve soil moisture and support sustainable plantation practices, particularly during dry seasons.
Water Quality Management	Protecting water quality remains a priority for FEHB. The Group conducts annual water quality monitoring for all rivers passing through estate areas by carrying out systematic water sampling. FEHB assesses both incoming (upstream) and outgoing (downstream) water quality, with clearly marked sampling points to ensure consistent monitoring and effective pollution control.

FEHB sends river and tube well water samples to external laboratories for analysis and implements strict controls to prevent contamination from effluent discharge. As the Group's estates share river systems with the surrounding communities, these measures ensure compliance with environmental regulations while safeguarding shared water resources and community wellbeing.

FEHB's Group Water Consumption for the year 2025:-

Water Consumption	Unit	2025 Consumption	2024 Consumption
Bursa C9(a) Total volume of water used	Megalitres	837.539	687.813

## Corporate Sustainability Statement (Cont'd)

### SOCIAL

FEHB values the people who support its operations, including employees, estate workers and surrounding communities. The Group fosters a supportive, safe and respectful working environment that enables individuals to perform effectively and grow with the organisation.

FEHB builds workforce capability through training, skills development and clear career pathways, while actively prioritising health, safety and wellbeing across the estate and mill operations. These efforts strengthen trust, teamwork and shared responsibility in the workplace.

Beyond its operations, FEHB closely engages with local communities to support livelihoods and promote positive social outcomes in the areas where it operates. Building strong relationships with community stakeholders supports stable operations and delivers mutual long-term benefits.

### BENEFIT

FEHB provides comprehensive benefits and remuneration packages that include competitive compensation above market rates, leave entitlements and health-related coverage. Practical benefits support employees' daily well-being, including medical, insurance and dental coverage to promote health, financial security and overall quality of life.

FEHB also extends support beyond the workplace by providing a complimentary school transportation service for employees' children using company vehicles. This initiative supports work-life balance, ensures safe access to education and provides peace of mind for families, including extended households within estate communities.

### CAREER DEVELOPMENT

FEHB invests in continuous learning to strengthen operational capability, leadership readiness and individual growth across its workforce. The Group designs training programmes to build job-specific competencies and broader personal development, equipping employees to perform effectively while strengthening long-term career resilience.

Type of Training	Description	Training Programmes
Operational and Technical Training	Strengthens plantation, mill and operational competencies, focusing on safety, environmental management, productivity and regulatory compliance across cultivation and manufacturing activities.	(a) Palm Oil Economic Review & Outlook Seminar; (b) 17 <sup>th</sup> International Palm Oil Seminar 2025; (c) Greenhouse Gas Training; (d) E-License Pest Risk Management Course ("E-HTP"); (e) Bengkel Hands-On: Pengurusan Buangan Terjadual melalui Sistem eSWIS Version 2.0; (f) Kursus Penyelia Kilang Sawit 2025; and (g) Authorised Gas Tester & Entry Supervisor for Confined Space ("NIOSH").
Health, Safety and Emergency Preparedness	Raises awareness and practical skills to ensure a safe working environment, emergency readiness and protection of employee wellbeing across estates and facilities.	(a) First Aid & CPR Course 2025; (b) Basic Occupational First Aid ("BOFA"); (c) Occupational Safety & Health ("OSH") Coordinator Course; (d) Understanding Ergonomics at the Workplace for Manual Handling Workers; and (e) Persidangan Meja Bulat Keselamatan & Kesihatan Mental 2.0.
Governance, Integrity and Labour Practices	Reinforces ethical conduct, transparency, labour standards and compliance with laws and internal policies through targeted integrity and governance training.	(a) Conflict of Interest & Disclosure Obligations; (b) Integrity Awareness Programme with MACC; (c) Kursus Asas Peranan dan Tanggungjawab Unit Integriti Dalam Organisasi; (d) Program Jerayawara Pencegahan Eksploitasi Buruh: Ke Arah Sifar Buruh Paksa; and (e) Seminar Perburuhan 2025.

# Corporate Sustainability Statement (Cont'd)

## CAREER DEVELOPMENT (CONT'D)

Type of Training	Description	Training Programmes
Digital, Financial and Regulatory Readiness	Enhances capabilities in digital systems, financial reporting and regulatory compliance to support operational efficiency and evolving statutory requirements.	(a) E-Invoicing Director Programme; (b) E-Invoicing Implementation in Malaysia; (c) Taklimat Pelaksanaan E-Invoice MBRS 2.0 for Preparers-Financial Statements; (d) MIA Webinar Series: Company Resolutions; and (e) The New SORMIC Guide 2025: Implications for Listed Issuers and Directors.
Sustainability and Environmental Management	Develops technical knowledge in sustainability, environmental stewardship and ESG reporting aligned with industry standards and regulatory frameworks.	(a) KPMG ESG Symposium: Adopting IFRS S1 & S2; (b) Greenhouse Gas Training; (c) Malaysian Sustainable Palm Oil ("MSPO 2.0") MS2530:2022 Course; (d) MSPO Basic Social Impact Assessment Training; and (e) CSR Upcycling Workshop.

## EMPLOYEE WELLBEING AND ENGAGEMENT

FEHB promotes employee well-being through structured, practical initiatives that complement daily operations. Kelab Kebajikan dan Rekreasi ("KKR") serves as the Group's in-house welfare and recreation club, coordinating and delivering wellbeing activities throughout the year. As a central platform, KKR ensures consistent planning, effective coordination and broad participation across departments and operational sites.

KKR focuses its activities on PIT:-

- (a) P - Physical wellbeing, supported through sports and recreational programmes;
- (b) I - Interaction and camaraderie, encouraged across departments and estates; and
- (c) T - Togetherness, fostered through informal engagement channels that complement formal workplace structures.

Providing informal engagement channels that complement formal workplace structures.

By operating as a dedicated internal body, KKR enables the consistent delivery of wellbeing initiatives and supports a more balanced and sustainable working environment.

### EMPLOYEE ENGAGEMENT ACTIVITIES

KKR organises a wide range of sports, recreational and family-oriented activities, including:-

The image displays eight distinct icons, each within a colored rounded rectangle, representing different types of employee engagement activities. The icons are arranged in two rows of four. The first row includes: a person kicking a ball (Futsal and Mini Sukaneka), a person coloring (Children's Colouring Contests), two people playing a ball game (Sepak Takraw and Ping Pong), and a person fishing (Fishing Competitions). The second row includes: a family group (Employee Sports Carnival), bowling pins (Bowling), a person playing badminton (Badminton Tournaments), and a group of people with a star (Festive Celebrations, Family Inclusion Activities and Employee Recognition Events Treatment).

## Corporate Sustainability Statement (Cont'd)

### EMPLOYEE ENGAGEMENT ACTIVITIES (CONT'D)

In addition to KKR programmes, FEHB organises regular initiatives that recognise employee contributions and strengthen engagement with families and the wider community, including:-

- (a) Festive and cultural celebrations such as Chinese New Year, Hari Raya Aidilfitri, Merdeka Day and Labour Day;
- (b) Family Day events at headquarters and estate locations;
- (c) Sports and recreational programmes such as Sports Day and employee tournaments;
- (d) Structured recognition initiatives, including Long Service Awards, Annual Dinner and Pertandingan Keceriaan Ladang-Ladang FEHB; and
- (e) Periodic gatherings such as Majlis Berbuka Puasa.

Together, these initiatives foster stronger relationships, encourage teamwork and support employee wellbeing across FEHB's operations.

### **WHISTLEBLOWING & GRIEVANCE MECHANISM**

FEHB upholds high standards of integrity, transparency and ethical conduct. The Group's Whistleblower Policy provides a secure and confidential channel for employees and external stakeholders to report concerns regarding bribery, corruption, fraud, or other forms of misconduct, without fear of retaliation.

### CONFIDENTIAL AND ACCESSIBLE REPORTING

FEHB allows disclosures to be made confidentially or anonymously, recognising that individuals may not feel comfortable raising concerns through normal management channels. Whistleblowers may submit reports through the following channels:

Telephone : 09-514 1936 / 09-514 1948 / 09-514 1339  
 Email : fareast@fareh.po.my  
 Address : Disclosure Officer  
**Far East Holdings Berhad**  
 Menara Zenith, Jalan Putra Square 6,  
 25200 Kuantan, Pahang Darul Makmur  
 (marked "Private and Confidential")

### REVIEW, INVESTIGATION AND OVERSIGHT

The Disclosure Officer records all disclosures and reviews the information provided, seeking sufficient details to enable proper investigation. Subject to applicable laws, including the Whistleblower Protection Act 2010 (Malaysia), the Disclosure Officer reports matters to the Compliance Committee for oversight.

Where investigations confirm improper conduct, the Disclosure Officer submits recommendations to the General Manager, Services or Chief Executive Officer/Executive Director, for appropriate action.

### PROTECTION AGAINST RETALIATION

FEHB strictly prohibits retaliation, victimisation or any form of detrimental treatment against individuals who:-

- (a) Report misconduct in good faith, or;
- (b) Refuse to participate in improper conduct; and
- (c) Any whistleblower who believes they have been subjected to detrimental treatment must inform their manager immediately or, if the matter remains unresolved, raise the concern directly with the Compliance Committee.

### CONFIDENTIALITY AND FOLLOW-UP

FEHB does not record whistleblowing matters in personnel files or performance reviews. Where appropriate, and subject to legal and confidentiality constraints, FEHB informs whistleblowers of the outcome once the matter has been addressed.

## Corporate Sustainability Statement (Cont'd)

### COMMITMENT TO DIVERSITY, EQUALITY AND NON-DISCRIMINATION

FEHB fosters a respectful and inclusive workplace and treats all employees fairly and with dignity, regardless of background. The Group applies non-discriminatory employment practices across recruitment, employment and workforce management and bases decisions on role requirements and merit.

In practice, FEHB promotes diversity, equality and inclusion by:-



- (a) Applying fair, merit-based recruitment and employment practices;
- (b) Respecting employees' cultural, religious and personal backgrounds; and
- (c) Promoting equal opportunity across estate and mill operations.

FEHB maintains a working environment built on equality, mutual respect and non-discrimination. The Group strictly prohibits:-

- (a) All forms of discrimination;
- (b) Harassment, bullying, threats or violence; and
- (c) Inappropriate conduct that is verbal, physical, visual or communicated through digital or other channels.

FEHB does not tolerate sexual harassment or any conduct of a sexual nature. The Group complies with applicable laws, including the Anti-Sexual Harassment Act, and requires employees to report any incidents of harassment, intimidation or inappropriate behaviour. FEHB investigates all reported cases in accordance with internal procedures and takes appropriate action where misconduct is confirmed.

The table below outlines FEHB's actions across the key areas of workforce diversity within its estates and mills.

Category	Actions
Nationality	FEHB welcomes workers from all nationalities and currently employs 485 local staff, 1,103 from Indonesia, 144 from Bangladesh, 17 from India and 20 from Nepal across its estates and mills.
Race	There are no race-based restrictions in hiring or employment.
Religion	FEHB provides prayer rooms at offices and estates to support employees' religious practices: <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Gender	FEHB bases hiring and employment decisions on merit, without gender bias or restrictions, and currently employs 1,679 male and 90 female workers across its operations.
Age	FEHB adheres to the International Labour Organisation ("ILO") Child Labour Standards by hiring only individuals aged 18 and above. The company employs: <ul style="list-style-type: none"> <li>• 747 workers below 30 years old</li> <li>• 900 workers between 30 and 50 years old</li> <li>• 122 workers above 50 years old</li> </ul>

## Corporate Sustainability Statement (Cont'd)

### GENDER EQUALITY AND EMPOWERMENT

FEHB actively promotes gender equality by expanding opportunities for women across its operations. Operating within a sector where many roles have traditionally been male-dominated, the Group recognises the need to address structural and practical barriers to participation, particularly in plantation activities such as harvesting and estate maintenance, where physical demands have historically limited female representation.

While these roles remain predominantly male, FEHB takes deliberate steps to broaden participation and diversify job functions by:-

- (a) Identifying suitable operational and non-operational roles for female employees;
- (b) Redesigning roles where feasible to improve accessibility and inclusivity; and
- (c) Promoting inclusive workforce practices and awareness across estates and offices.

Through these efforts, FEHB challenges gender-based perceptions and supports the development of a more balanced workforce over time.

FEHB also focuses on creating an environment where all employees can grow and succeed. The Group provides support, development opportunities and fair treatment to enable individuals to reach their full potential. By empowering women and supporting other underrepresented groups, FEHB fosters a workplace culture where people feel valued, respected and included.

Category	Male	Female
Directors	6	3

Category	Male	Female
Management	19	6
Executive	50	13
Non-Executive	153	40
General Workers	1,457	31

The Group supports the participation, development and progression of women through targeted measures guided by the PEOPLE framework, which outlines practical actions to foster a more inclusive and supportive working environment.

#### Prevention



of sexual harassment and violence: We ensure that all employees are protected from harassment and violence through clear policies and proactive measures.

#### Ensuring



accessible procedures for complaints: We implement clear, transparent and accessible procedures for addressing gender-related complaints and grievances, ensuring all employees feel heard and supported.

#### Offering



targeted training programmes: We provide training that raises awareness and builds skills around gender equality, helping to create a more inclusive workplace culture.

#### Providing



leadership development opportunities: We invest in leadership development programmes specifically aimed at empowering women at all levels within the organisation, ensuring equal opportunities for career advancement.

#### Leading



participation in decision-making: We actively promote the involvement of women in decision-making processes, including encouraging their participation in key committees, such as the Occupational Safety and Health Committee.

#### Encouraging



involvement in key committees: We encourage and support women's active participation in various committees and decision-making bodies, ensuring their voices are heard at all levels of the organisation.

## Corporate Sustainability Statement (Cont'd)

### SAFETY AND HEALTH

FEHB places strong emphasis on Occupational Safety & Health (“OSH”), recognising the inherently high-risk nature of plantation and mill operations. Activities such as harvesting, chemical spraying, machinery operation and estate maintenance expose workers to physical, chemical and environmental hazards.

To manage these risks, FEHB implements structured safety programmes that focus on prevention, competency development and regulatory compliance across estates, mills and offices. The Group supports safety management through targeted training, certification, risk assessments and active collaboration with relevant authorities.

Through these measures, FEHB reduces workplace incidents, protects employee well-being and maintains a safe working environment for all personnel.

#### FEHB SAFETY AND HEALTH POLICY

FEHB is committed to complying with the Occupational Safety and Health Act 1994 and upholding our sustainability principles. The Group's Safety and Health Policy includes the following commitments:-

- (a) Compliance with all relevant legal requirements, regulations, codes of practice, national standards and guidelines related to OSH;
- (b) Establishment of an OSH Management System across all operating units;
- (c) Formulation, implementation and maintenance of a safe work system in the workplace;
- (d) Provision of adequate education, training, and experience for all employees to perform their duties efficiently and effectively; and
- (e) Continuous improvement of OSH performance.

Safety risks in oil palm plantation and mill operations arise from a combination of physical, chemical, mechanical and environmental factors. FEHB adopts a structured, risk-based approach to OSH, identifying key operational hazards and applying layered control measures through training, certification, collaboration, governance initiatives and formal risk assessments. The table below maps the main safety risks across FEHB's operations to the measures implemented to mitigate these risks.

Key Safety Risks in Oil Palm Plantation and Mill Operations	How the Risk Arises	Safety Measures and Initiatives Implemented
Chemical exposure and health risks	Use of agrochemicals during spraying, pest control and fertiliser application may result in poisoning, skin irritation or long-term health impacts if improperly managed.	<ul style="list-style-type: none"> <li>• Spraying and chemical handling training</li> <li>• Chemical Health Risk Assessment (“CHRA”) renewed in 2025</li> <li>• Scheduled next CHRA in 2029 and 2030</li> <li>• Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) implementation to identify and control chemical-related hazards</li> </ul>
Fire and emergency incidents	The presence of fuel, machinery, electrical systems and storage facilities in estates and mills increases fire and emergency risks.	<ul style="list-style-type: none"> <li>• Fire drill training</li> <li>• Competency training and certification for First Aiders</li> <li>• Renewal of First Aider competency during the year</li> </ul>
Machinery and mechanization-related injuries	Prolonged exposure to high noise levels from machinery and mill operations.	<ul style="list-style-type: none"> <li>• Mechanisation training for estate and mill operations</li> <li>• HIRARC applied to machinery-related tasks</li> </ul>

## Corporate Sustainability Statement (Cont'd)

### SAFETY AND HEALTH (CONT'D)

Key Safety Risks in Oil Palm Plantation and Mill Operations	How the Risk Arises	Safety Measures and Initiatives Implemented
Noise-induced hearing loss	Prolonged exposure to high noise levels from machinery and mill operations.	<ul style="list-style-type: none"> <li>Noise exposure awareness training</li> <li>Noise Risk Identification ("NRI") conducted across estates</li> <li>Noise Risk Assessment ("NRA") completed for all estates</li> </ul>
Musculoskeletal disorders and fatigue	Manual harvesting, lifting of fresh fruit bunches and repetitive tasks may lead to strain, fatigue and ergonomic injuries.	<ul style="list-style-type: none"> <li>Ergonomics training for manual handling work</li> <li>HIRARC used to assess ergonomic risks and implement controls</li> </ul>
Delayed response to workplace injuries	Remote estate locations and physically demanding work increase the importance of immediate medical response.	<ul style="list-style-type: none"> <li>Competency training for First Aiders</li> <li>First Aider Certification</li> <li>First Aider training conducted with the Malaysian Red Crescent Society ("PBSM")</li> </ul>
Inadequate safety oversight and coordination	Multiple estates and operational sites require consistent safety governance and compliance monitoring.	<ul style="list-style-type: none"> <li>OSH Coordinator training</li> <li>OSH Coordinator Certification</li> <li>Registration of OSH Coordinators in the MyKKP system</li> <li>Establishment of an OSH Committee at headquarters</li> </ul>
Unidentified or unmanaged workplace hazards	Diverse plantation and mill activities create evolving safety risks if not systematically assessed.	<ul style="list-style-type: none"> <li>HIRARC implemented across operations</li> <li>Periodic CHRA and NRA to address chemical and noise risks</li> </ul>
Regulatory non-compliance and legal exposure	Failure to comply with Department of Occupational Safety and Health ("DOSH") and OSH requirements may result in penalties, operational disruption or reputational risk.	<ul style="list-style-type: none"> <li>OSH Coordinator training conducted with XP Technic Solutions (DOSH-registered provider)</li> <li>Maintenance of OSH Coordinator and First Aider certifications</li> </ul>

### HUMAN RIGHTS

FEHB respects and upholds human rights across its plantation and manufacturing operations. Operating within the palm oil sector, the Group recognises salient human rights risks linked to labour practices, including child labour, forced labour, discrimination, workplace safety and freedom of association.

FEHB manages these risks through clear policies, robust operational controls, certification requirements and compliance with applicable laws and international standards. The Group aligns labour practices with local legislation and relevant international benchmarks, supported by certification under the MSPO and ISCC schemes, as well as its NDPE commitments.

Risk Area	Human Rights Issue	Potential Impact	Mitigation Measures Implemented
Equal Opportunity and Non-Discrimination	Risk of discriminatory practices in recruitment, job assignment and promotion across plantation estates, mills and offices.	Unequal access to employment opportunities, career advancement and fair treatment for plantation and mill workers.	<ul style="list-style-type: none"> <li>Recruitment and promotion based solely on individual qualifications and performance</li> <li>Equal employment opportunities regardless of race, caste, nationality, religion, physical disability, gender, sexual orientation, age, union membership or political affiliation</li> </ul>

## Corporate Sustainability Statement (Cont'd)

### HUMAN RIGHTS (CONT'D)

Risk Area	Human Rights Issue	Potential Impact	Mitigation Measures Implemented
Discrimination and Harassment	Risk of discriminatory behaviour or harassment in plantation and mill workplaces, including remote estates.	Psychological distress, unsafe working environment and reduced employee well-being.	<ul style="list-style-type: none"> <li>• Commitment to fair treatment and equal opportunity for all employees</li> <li>• Awareness initiatives including banners and posters at offices and estates</li> <li>• Employee education on workplace harassment and available reporting channels</li> </ul>
Child Labour	Risk of underage employment in labour-intensive plantation and mill activities.	Harm to children's education, physical development and well-being.	<ul style="list-style-type: none"> <li>• Strict prohibition on employing individuals under the age of 18</li> <li>• Compliance with the Children and Young Persons (Employment) Act 1966</li> <li>• Adherence to MSPO standards prohibiting child labour</li> </ul>
Forced and Bonded Labour	Risk of coercion, involuntary labour or debt bondage, particularly involving migrant workers in plantation and mill operations.	Loss of personal freedom, exploitation and vulnerability to abuse.	<ul style="list-style-type: none"> <li>• Zero tolerance for forced or bonded labour.</li> <li>• All employment is voluntary, with workers free to resign in accordance with the law.</li> <li>• Compliance with MSPO 2.0 (MS2530:2022) and ISCC requirements.</li> <li>• Participation in the Katakan Tidak Kepada Buruh Paksa initiative with Jabatan Tenaga Kerja ("JTK").</li> </ul>
Freedom of Association and Collective Bargaining	Risk of restrictions on workers' ability to organise or collectively raise concerns at estates and mills.	Reduced worker representation and limited access to collective grievance mechanisms.	<ul style="list-style-type: none"> <li>• Respect for employees' rights to form or join trade unions and to bargain collectively.</li> <li>• No discrimination based on union membership.</li> </ul>
Working Hours and Overtime	Risk of excessive working hours and inadequate compensation in labour-intensive operations.	Fatigue, health impacts and work-life imbalance.	<ul style="list-style-type: none"> <li>• Compliance with the Employment Act 1955, including the 2024 Amendment.</li> <li>• Normal working hours limited to 7.5 hours per day or 45 hours per week.</li> <li>• Total working hours capped at 11.5 hours per day, including overtime.</li> <li>• Overtime limited to a maximum of 104 hours per month and compensated in accordance with legal requirements.</li> </ul>
Sexual Harassment and Workplace Violence	Risk of harassment, intimidation or violence, particularly in remote estates or male-dominated worksites.	Physical and psychological harm and an unsafe working environment.	<ul style="list-style-type: none"> <li>• Zero tolerance for sexual harassment, violence or inappropriate conduct.</li> <li>• Management-led prevention measures.</li> <li>• Awareness initiatives and reporting / grievance channels.</li> </ul>
Occupational Safety and Health (OSH)	Exposure to physical, chemical and environmental hazards in plantation fieldwork and mill operations.	Workplace injuries, occupational illnesses or long-term health impacts.	<ul style="list-style-type: none"> <li>• Provision of a safe and healthy working environment in line with the OSH Policy.</li> <li>• Safety training, OSH initiatives, certifications and collaborative programmes.</li> <li>• Ongoing risk assessments and controls, including HIRARC, CHRA and NRA.</li> </ul>

## Corporate Sustainability Statement (Cont'd)

### EMBRACING FOREIGN WORKERS AS PART OF THE FEHB FAMILY

Foreign workers play a critical role in Malaysia's oil palm plantation sector, and FEHB recognises their significant contribution to estate operations. Foreign workers make up approximately 96% of the estate workforce, primarily from Lombok, Indonesia. FEHB protects their rights, ensures fair treatment and safeguards their well-being throughout the course of employment.

FEHB recruits and employs foreign workers in full compliance with Malaysian laws and applicable regulations in workers' countries of origin. The Group adheres to all legal recruitment requirements, including obtaining hiring quotas from the Ministry of Home Affairs and complying with immigration, medical and transportation procedures. FEHB bears all recruitment-related costs, including levies, visa applications, medical examinations and transportation, ensuring that workers do not incur recruitment fees.

Our RESPECT commitments include:-

- Retaining possession of passports and personal identification by foreign workers at all times;
- Ensuring wages adhere to the Employment Act 1955 and the Minimum Wage Order 2024;
- Strict adherence to the Employment Act 1955 regarding working hours and overtime;
- Promoting equal pay for equal work, ensuring that foreign workers receive fair and competitive compensation comparable to that of local workers;
- Empowering foreign workers to practice their religious beliefs freely without interference;
- Complying with fair treatment and upholding workers' rights across all operations; and
- Transparency and accountability in all dealings with foreign workers.

FEHB supports worker wellbeing by providing on-site housing that complies with the Workers' Minimum Standards of Housing and Amenities (Amendments) Act 2019 (Act 446). The Group equips workers' quarters with essential facilities to support safe, dignified and family-friendly living conditions within estate communities.



FEHB maintains 24-hour security at workers' quarters to safeguard workers, their families and personal belongings. Security personnel also conduct regular patrols around estates, administrative buildings, workers' quarters and sensitive areas to monitor safety, deter trespassing and address suspicious activities.

FEHB conducts compliance visits twice a year to assess living conditions at workers' quarters and identify maintenance or improvement needs. Management reviews inspection findings and carries out repairs promptly to maintain compliance and support continuous improvement.

FEHB also promotes effective communication and understanding across its workforce. Experienced workers assist management with translation, particularly for workers from Bangladesh, and the Group provides employment contracts translated into Bangla to ensure clarity of employment terms and conditions.

## Corporate Sustainability Statement (Cont'd)

### SOCIETY

FEHB's estates and mills operate in close proximity to local communities, directly linking operations to the social well-being of nearby residents and workers. The Group therefore prioritises respectful, transparent and constructive engagement with surrounding stakeholders to support stable operations and long-term trust.

FEHB recognises and respects land tenure rights and the native or customary rights of indigenous and local communities. Before commencing any new development, the Group seeks Free, Prior and Informed Consent ("FPIC") by engaging communities early, sharing clear and timely information and incorporating feedback into decision-making.

FEHB supports community development initiatives that address practical needs within plantation areas, focusing on:-

- (a) Education and skills development;
- (b) Health and community well-being;
- (c) Sports and recreational activities; and
- (d) Social welfare and community cohesion.

These initiatives strengthen community resilience and contribute to positive social outcomes for communities living near the Group's estates and mills.

FEHB conducts Social Impact Assessments ("SIA") to identify, assess and manage the social impacts of its operations and planned developments. The assessment process examines both positive and potential adverse effects on livelihoods, culture, community cohesion and social well-being. Through stakeholders engagement, data analysis and mitigation planning, FEHB informs decision-making and supports equitable and sustainable outcomes.

### FOREST TREE PLANTING

FEHB implements a Forest Tree Planting Programme at Sungai Sawak Estate to support environmental conservation and strengthen ecosystem resilience within peatland areas. The programme focuses on targeted reforestation within the Sungai Sawak Peat Land Area, helping to stabilise degraded zones and support the gradual recovery of peat swamp ecosystems.

FEHB sources forest tree seedlings from surrounding indigenous communities, directly supporting local livelihoods while encouraging community participation in conservation activities. This approach links environmental stewardship with inclusive economic benefit and local knowledge.

The programme contributes to biodiversity conservation within the estate landscape. Wildlife such as elephants, tapirs and tigers have been recorded moving through designated conservation areas, highlighting the role of maintained green corridors within and around plantation boundaries. Tree planting also supports carbon sequestration, microclimate regulation and long-term ecosystem resilience.

While modest in scale, the initiative forms part of FEHB's broader environmental management approach and aligns with the Malaysian Government's 100 Million Tree Planting Programme by 2025. It reflects the Group's commitment to responsible land stewardship and continuous improvement in environmental performance.

### OPERATING RESPONSIBLY

FEHB embeds responsible conduct at the core of its operations and creates long-term value for stakeholders. The Group operates with a strong focus on reliability, integrity and accountability, recognising its responsibilities to employees, customers, business partners and the communities connected to its operations.

Responsible conduct shapes how FEHB does business. The Group:-

- (a) Upholds ethical standards across all operations;
- (b) Complies with applicable laws and regulations; and
- (c) Enforces zero tolerance for unethical behaviour.

Applies responsible marketing practices, ensuring that all communications and product claims remain accurate, transparent and aligned with regulatory requirements.

Through consistent operational discipline and responsible business practices, FEHB strengthens stakeholders trust, supports sustainable value creation and reinforces the long-term resilience of its business.

## Corporate Sustainability Statement (Cont'd)

### PUBLIC SAFETY

Public safety is a priority across all FEHB estates and mills. The Group implements structured safety and security measures to protect employees, contractors, visitors and surrounding communities, recognising the operational risks associated with large-scale plantation and milling activities.

#### Access Control and Site Security

FEHB regulates access to its premises through manned guard posts at all estate and mill entrances. Security personnel conduct checks on all vehicles, including lorries, trailers, tankers, vans, cars and motorcycles, upon entry and exit to ensure that only authorised individuals and vehicles are permitted on-site. Clear access control procedures and visitor policies are established and enforced to maintain secure and orderly operations.

#### Lighting, Visibility and Patrols

FEHB ensures that all exterior areas and common spaces, including worker housing, stores and offices, are well-lit, particularly at night. Landscaping is actively maintained through the trimming of overgrown shrubs and trees to eliminate potential hiding spots and improve visibility. Security teams carry out regular patrols across residential areas, storage facilities and office spaces to deter unauthorised activities and respond promptly to safety concerns.

#### Rules, Procedures and Safety Enforcement

The Group establishes and enforces clear rules governing access control, visitor management and general safety protocols. These rules are communicated to employees, contractors and visitors to ensure consistent compliance and awareness across all operations.

#### Fire Safety and Emergency Preparedness

FEHB complies with local fire safety requirements by ensuring that all fire safety equipment is operational, accessible and regularly inspected and that emergency escape routes remain unobstructed at all times. Firefighting training is conducted annually for employees to strengthen emergency preparedness and response capability.

#### Contractor and Public Protection

FEHB requires contractors and suppliers operating on its premises to maintain Public Liability Insurance, ensuring adequate protection for workers, visitors and members of the public. This requirement supports risk management and reinforces shared responsibility for safety across the Group's operations.

## Corporate Sustainability Statement (Cont'd)

### QUALITY MANAGEMENT

FEHB applies a Quality Management framework that ensures consistent product quality, operational discipline and regulatory compliance across its palm oil cultivation and milling activities. The Group manages quality through defined standards, regular monitoring, independent audits and recognised certification schemes, covering the full production cycle from nursery and estate operations through to milling.

#### OUR QUALITY COMMITMENT

FEHB is committed to producing quality products and delivering reliable services at competitive prices that meet customer and industry requirements. The Group remains focused on innovation and the adoption of appropriate technologies to support continuous improvement and respond to changing operational and market needs.

Through disciplined quality management practices, independent audits and recognised certifications, FEHB seeks to maintain product integrity, operational consistency and stakeholders confidence across its palm oil operations.

#### INTERNAL AUDIT AND COMPLIANCE

FEHB conducts internal audits as independent and objective reviews of its operations, risk management, governance and internal control systems. These audits assure management and the Board of compliance with internal policies and applicable regulations, while identifying opportunities for operational improvements, efficiency gains and enhanced risk mitigation. Through this process, FEHB strengthens accountability, reinforces internal controls and reduces the risk of non-compliance and operational weaknesses.

In addition, FEHB complies with the CoPN to ensure consistent quality and sound agricultural practices at the nursery stage.

#### CERTIFICATION AND STANDARDS

FEHB reinforces its quality management practices through compliance with recognised sustainability and certification standards:-

- (a) **MSPO Certification (Certified)**  
MSPO is a legally mandated national certification standard for all palm oil operations in Malaysia. Developed through multi-stakeholders engagement, the standard sets clear requirements for sustainable and responsible palm oil production nationwide.
- (b) **ISCC (Certified)**  
ISCC is an independent, multi-stakeholder certification system that supports sustainable, traceable and deforestation-free supply chains.

FEHB conducts regular internal audits to maintain ongoing compliance with MSPO and ISCC requirements. The Group has held MSPO certification since 2016 and ISCC certification since 2014, with no major non-compliance issues recorded to date.

#### QUALITY CONTROL AT ESTATE AND MILL LEVEL

FEHB applies structured quality control measures across the harvesting and milling process to maintain fruit quality and minimise losses. Controls focus on ripeness assurance, harvesting discipline and rapid processing.

##### Ripeness Assurance at The Estate Level

FEHB enforces strict FFB ripeness standards, sending only fully ripe bunches to the mill to optimise oil extraction.

Estates conduct daily ripeness monitoring to ensure consistency and compliance.

Harvesters confirm optimal ripeness by ensuring at least one (1) loose fruit is present at the palm circle before harvesting.

FEHB further assesses ripeness through colour changes, with fruit progressing from black or dark purple (unripe) to reddish orange (ripe) and mesocarp colour shifting from yellow to orange.

## Corporate Sustainability Statement (Cont'd)

### QUALITY CONTROL AT ESTATE AND MILL LEVEL (CONT'D)

#### Harvesting Discipline and Timing

Estates conduct harvesting in two rounds per month to ensure all palms are harvested and no bunches remain uncollected.

Mechanisation improves harvesting efficiency, reduces oil losses and shortens the time between harvesting and milling.

#### Rapid Delivery and Mill Quality Control

Harvested FFB and loose fruits reach the mill within 24 hours to prevent quality deterioration.

At the mill, graders identify ripe bunches based on a minimum of ten loose fruits or empty sockets, with more than 50% of fruitlets remaining attached during inspection.

Management implements immediate corrective actions in response to any mill remarks to maintain ripeness and quality standards.

### FERTILISATION STANDARDS

FEHB maintains high fertilisation standards through clearly defined application guidelines, verification protocols and on-site oversight. The Group conducts unannounced field inspections to verify compliance with approved fertilisation practices and ensure consistent execution across estates. When inspections identify deviations, management implements timely corrective actions to restore compliance and maintain fertiliser efficiency, crop performance and environmental control.

### AUDITS, ASSESSMENTS AND REGULATORY INSPECTIONS

FEHB subjects its operations to regular audits, assessments and regulatory inspections to verify compliance, identify control gaps and strengthen operational discipline. These reviews form part of the Group's continuous improvement approach to safety, environmental management and regulatory compliance.

#### Certification and Compliance Audits

##### MSPO Audit (MSPO Standard 2.0 - MS 2530:2022)

The audit identified the following areas requiring corrective action:-

- (a) Registration of the OSH Coordinator under MyKKP; and
- (b) Establishment of groundwater table monitoring at the estate level.

#### Risk Assessments

##### Noise Risk Assessment ("NRA")

FEHB conducted NRA across all estates, covering machinery and mechanised operations to evaluate exposure risks and support appropriate control measures.

Regulatory inspections

##### DOSH Visit - Sungai Seraya Estate

The inspection resulted in recommendations to:-

- (a) Display Safety Data Sheets ("SDS") within the chemical register;
- (b) Use personal protective equipment ("PPE") certified under DOSH-SIRIM standards;
- (c) Improve PPE storage practices; and
- (d) Prepare an Ergonomic Risk Assessment following a Body Symptom Survey.

FEHB implements and monitors corrective actions arising from audits, assessments and inspections to strengthen compliance, improve controls and reduce operational risk.

# Corporate Sustainability Statement (Cont'd)

## FOOD SAFETY

FEHB commits to producing palm oil in a sustainable, responsible and safe manner that supports both present and future generations. This commitment extends beyond environmental and social considerations to include the quality and safety of palm oil products that serve as critical inputs into the downstream food supply chain.

As a palm oil cultivator and manufacturer, FEHB takes responsibility for maintaining product integrity and food safety across the value chain. The Group implements a comprehensive Integrated Food Safety Management Plan to ensure that crude palm oil meets applicable food safety requirements from harvesting and processing through to storage and delivery.

FEHB prioritises consistent compliance with food safety and quality expectations across all stages of the process value chain, supporting customer confidence and responsible supply chain practices.

To deliver this commitment, FEHB keeps products SAFE:-

### Sets and Maintains Good Practices



Implements and maintains good agricultural and manufacturing practices, including applying HACCP principles at mill operations

### Adheres to Requirements



Complies with applicable legal, regulatory and customer requirements relating to product quality and food safety

### Fortifies Improvement



Continuously improves products and processes in line with evolving food safety standards and industry practices

### Embeds a Food Safety Culture



Builds awareness and promotes a strong food safety culture among employees, contractors and relevant stakeholders

Through these measures, FEHB ensures that its palm oil products remain safe, reliable and responsibly produced, contributing to sustainable value creation across the supply chain.

## Corporate Sustainability Statement (Cont'd)

### ENSURING SATISFACTION

FEHB engages its customers through structured, ongoing feedback channels to deliver high service quality and responsiveness. Customer feedback forms, periodic surveys and post-service evaluations capture customer insights and expectations.

A formal complaint management system is in place to record, investigate and resolve customer issues within defined timeframes. This system supports consistent follow-up, accountability and continuous service improvement.

Year	Performance	Key Observations
2023	High (≈90-95%)	Minimal complaints and improved response time
2024	High (≈92-96%)	Increased customer engagement and service consistency
2025	Very high (≈95-98%)	Strong customer loyalty and consistently positive feedback

FEHB enhances the overall customer experience and ensures consistency and reliability across operations through:-

- (a) Prompt response and resolution of issues; and
- (b) Clear service standards and standard operating procedures.

Continuous staff training strengthens professionalism, communication skills and technical competency; preventive and proactive measures enable early identification of potential issues before they affect customers. FEHB reviews customer feedback regularly to inform corrective actions and drive ongoing improvements in service quality.

### FEHB DIGITAL JOURNEY

FEHB's digital journey focuses on strengthening operational efficiency, improving data accuracy and enhancing stakeholders' experiences across its headquarters and plantation operations. Adopting integrated digital systems has improved visibility, reduced manual processes and enabled more timely, informed decision-making.

#### Digital Enablement Across FEHB's Operations

Objective	Technology/System Unlocked	Description
Strengthening Workforce Management and Employee Experience	Infotech Human Resource Management System ("HRMS")	FEHB implemented a cloud-based HRMS to streamline human resource processes across the Group. The system integrates time and attendance, payroll, leave and claims management, performance appraisal, project cost management and accounting into a single platform. A centralised dashboard provides employees and managers with quick access to key HR functions. Employees can record attendance, apply for leave, manage flexible work arrangements, and update personal information through a web portal or mobile application, improving data accuracy, operational efficiency, and the overall employee experience while supporting more effective workforce planning.
Enhancing Transparency and Stakeholders Engagement	FEHB Corporate Website	The FEHB corporate website serves as a central platform for corporate information, providing stakeholders and the public with accessible updates, policies and disclosures. This transparency strengthens engagement with investors and other stakeholders and ensures consistent and timely communication.

## Corporate Sustainability Statement (Cont'd)

### FEHB DIGITAL JOURNEY (CONT'D)

#### Digital Enablement Across FEHB's Operations (Cont'd)

Objective	Technology/System Unlocked	Description
Improving Financial and Operational Control	Sage 300 (Headquarters)	At headquarters, FEHB uses Sage 300 to strengthen financial management, inventory control and project monitoring. The system supports more accurate financial reporting, improved cost control and enhanced oversight of operational performance, enabling management to monitor business activities more effectively.
Supporting Plantation Operations Through Integrated Systems	Plantation Integrated Information System ("PINFOSYS")	PINFOSYS supports estate operations and headquarters by streamlining activity-based cost accounting, payroll processing, budget preparation, inter-operating centre debit and credit notes and crop production reporting. The system reduces reliance on manual reporting, limits errors and improves data consistency across estates, supporting better operational monitoring and cost management.
Managing Foreign Workforce Administration	Foreign Labour Management System	FEHB maintains a dedicated system to manage foreign labour records, including permit and passport expiry tracking. This system supports compliance with regulatory requirements, reduces administrative risk and ensures timely monitoring and renewal of foreign workforce documentation.



## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA

Indicator	Unit	2025	2024
<b>Economic</b>			
<b>Supply Chain</b>			
Proportion of spending on local suppliers	%	99.92	99.95
<b>Corruption</b>			
Total Management Employees Receiving Training on Anti-Corruption	No. (%)	5 (20.00%)	1 (1.89%)
Total Executive Employees Receiving Training on Anti-Corruption	No. (%)	30 (47.62%)	20 (62.50%)
Total Non-Executive Employees Receiving Training on Anti-Corruption	No. (%)	76 (39.38%)	50 (33.78%)
Total General Workers Receiving Training on Anti-Corruption	No. (%)	4 (0.27%)	3 (0.20%)
Total Employees Receiving Training on Anti-Corruption	No. (%)	115 (6.5%)	74 (4.26%)
Percentage of operations assessed for corruption-related risks	%	NA	1
Total confirmed incidents of corruption	No.	0	0
Total cost of fines, penalties or settlements in relation to corruption	RM	0	0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	No.	0	0
Provisions for fines and settlements specified for ESG issues in audited accounts	RM	0	0
Total costs of environmental fines and penalties	RM	0	0
<b>Volume and Production</b>			
Plantation size			
>24 years (very old palms)	Hectares	647	354
20-24 years (old palms)	Hectares	2,744	2,318
7-19 years (prime palms)	Hectares	13,571	14,021
4-6 years (young palms)	Hectares	710	1,211
1-3 years (immature)	Hectares	1,123	904
Total	Hectares	18,795	18,808
FFB production			
FFB production	MT	384,597	382,156
CPO Production			
CPO Production	MT	73,608	73,005
FFB Yield			
FFB Yield	MT/ha	22	21
CPO Yield			
CPO Yield	MT/ha	4	4
Average OER for CPO			
Average OER for CPO	%	19	19
Average CPO Price			
Average CPO Price	RM/MT	4,279	4,208
Average PK Price			
Average PK Price	RM/MT	3,429	2,682
Mature Area			
Mature Area	Hectare	17,672	17,904
Total Planted Area			
Total Planted Area	Hectare	18,795	18,808

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA (CONT'D)

Indicator	Unit	2025	2024
<b>Environment</b>			
<b>Energy</b>			
Diesel	Litres	1,443,883	1,326,401
Petrol	Litres	0	92,537
Diesel	TJ	51	47
Petrol	TJ	0	3
Total direct energy	TJ	51	50
Grid electricity	kWh	1,592,085	2,009,604
Total indirect energy	TJ	8	7
Total energy consumption	TJ	59	57
<b>GHG Emissions</b>			
<u>Total Scope 1</u>			
CO2	tCO2e	3,710	3,688
CH4	tCO2e	14	14
N2O	tCO2e	8	8
CO2e	tCO2e	3,821	3,710
Total Scope 2	tCO2e	1,555	1,555
<u>Scope 3: Business Travel</u>			
CO2	tCO2e	246.38	225
CH4	tCO2e	1.54	1
N2O	tCO2e	1.44	7
CO2e	tCO2e	233	233
<u>Scope 3: Employee Commuting</u>			
CO2	tCO2e	1,143	1,163
CH4	tCO2e	12	8
N2O	tCO2e	4	5
CO2e	tCO2e	1,176	1,176
<b>Water</b>			
Total municipal water	m3	223,272	245,434
Surface water from rivers, lakes, natural ponds	m3	599,841	425,086
Groundwater from wells, boreholes	m3	14,426	17,293
Total water consumption	m3	837,539	687,813
<b>Waste</b>			
Total solid waste disposed	Tonnes	5,103	1,748
Total scheduled waste disposed	Tonnes	3	1.3
Total waste disposed	Tonnes	NA	1,749.30
Non-recyclable waste (diverted to disposal)	Tonnes	5,106	1,749.30
Total recycled waste (diverted from disposal)	Tonnes	NA	NA
Total waste disposed	Tonnes	5,106	1,749.30

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA (CONT'D)

Indicator	Unit	2025	2024
<b>Biodiversity</b>			
Replanting	Hectare	337.68	295.26
Size and location of all habitat areas protected or restored	Hectare	121.41	315.87
Percentage of certified palm oil as a percentage of total palm oil produced, used or processed, relative to MSPO recommendations	%	100 %	100%
<b>Social</b>			
<b>Diversity, Equity &amp; Inclusion</b>			
Total employees	No.	1,769	1,737
<u>By contract</u>			
Number of full-time employees	No. (%)	1,765 (99.77%)	1,736 (99.94%)
Number of contractors/temporary staff	No. (%)	4 (0.23%)	1 (0.06%)
<u>By nationality</u>			
Total Malaysian Staff	No. (%)	485 (27.42%)	309 (17.79%)
Total Non-Malaysian Staff	No. (%)	1,284 (72.58%)	1,428 (82.21%)
<u>By gender</u>			
Male	No. (%)	1,679 (94.91%)	1,630 (93.84%)
Female	No. (%)	90 (5.09%)	107 (6.16%)
<u>By age group</u>			
<30	No. (%)	747 (42.22%)	616 (35.46%)
30-50	No. (%)	900 (50.88%)	1,031 (59.36%)
>50	No. (%)	122 (6.90%)	90 (5.18%)
<u>By ethnicity</u>			
Malay	No. (%)	465 (26.29%)	616 (35.46%)
Chinese	No. (%)	10 (0.57%)	11 (0.63%)
Indian	No. (%)	5 (0.28%)	3 (0.17%)
Others	No. (%)	5 (0.28%)	3 (0.17%)
Foreigners	No. (%)	1,284 (72.58%)	1,104 (63.56%)
<u>By employee category</u>			
Management	No. (%)	25 (1.41%)	53 (3.05%)
Executive	No. (%)	63 (3.56%)	32 (1.84%)
Non-Executive	No. (%)	193 (10.91%)	148 (8.52%)
General Workers	No. (%)	1,488 (84.12%)	1,504 (86.59%)

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA (CONT'D)

Indicator	Unit	2025	2024
<b>Gender by Category</b>			
Management : Male	No. (%)	19 (76.00%)	41 (77.36%)
Management : Female	No. (%)	6 (24.00%)	12 (22.64%)
Executive : Male	No. (%)	50 (79.37%)	23 (71.88%)
Executive : Female	No. (%)	13 (20.63%)	9 (28.13%)
Non-Executive : Male	No. (%)	153 (79.27%)	116 (78.38%)
Non-Executive : Female	No. (%)	40 (20.73%)	32 (21.62%)
General Workers : Male	No. (%)	1,457 (97.92%)	1,450 (96.41%)
General Workers : Female	No. (%)	31 (2.08%)	54 (3.59%)
<b>Age by Category</b>			
Management : <30	No. (%)	0 (0.00%)	6 (11.32%)
Management : 30-50	No. (%)	14 (56.00%)	31 (58.49%)
Management : >50	No. (%)	11 (44.00%)	16 (30.19%)
Executive : <30	No. (%)	17 (26.98%)	10 (31.25%)
Executive : 30-50	No. (%)	33 (52.38%)	17 (53.13%)
Executive : >50	No. (%)	13 (20.63%)	5 (15.63%)
Non-Executive : <30	No. (%)	31 (16.06%)	29 (19.59%)
Non-Executive : 30-50	No. (%)	131 (67.88%)	97 (65.54%)
Non-Executive : >50	No. (%)	31 (16.06%)	22 (14.86%)
General Workers : <30	No. (%)	699 (46.98%)	571 (37.97%)
General Workers : 30-50	No. (%)	722 (48.52%)	886 (58.91%)
General Workers : >50	No. (%)	67 (4.50%)	47 (3.13%)
<b>Women in Management</b>			
Female employees in management	%	24.00%	22.64%
Female employees in top management	%	50.00%	25.00%
<b>New hires</b>			
Number of new hire employees	No.	24	7
<b>Employee Turnover Rates</b>			
Total Turnover	No. (%)	14 (0.79%)	32 (1.84%)
<b>By gender</b>			
Male	No. (%)	10 (0.60%)	29 (1.78%)
Female	No. (%)	4 (4.44%)	3 (2.80%)

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA (CONT'D)

Indicator	Unit	2025	2024
<b>By age group</b>			
<30	No. (%)	3 (0.40%)	NA
30-50	No. (%)	5 (0.56%)	NA
>50	No. (%)	6 (4.92%)	NA
<b>By employment category</b>			
Management	No. (%)	4 (16.00%)	0 (0.00%)
Executive	No. (%)	1 (1.59%)	7 (21.88%)
Non-Executive	No. (%)	9 (4.66%)	21 (14.19%)
General Workers	No. (%)	0 (0.00%)	4 (0.27%)
<b>Voluntary/involuntary</b>			
Total Turnover full time staff voluntary	No. (%)	14 (100.00%)	30 (93.75%)
Total Turnover full time staff involuntary	No. (%)	0 (0.00%)	2 (6.25%)
<b>Director Diversity</b>			
Total directors	No.	9	10
<b>Directors by gender</b>			
Male	No. (%)	6 (66.67%)	7 (70.00%)
Female	No. (%)	3 (33.33%)	3 (30.00%)
<b>Directors by age group</b>			
<30	No. (%)	0 (0.00%)	0 (0.00%)
30-50	No. (%)	1 (11.11%)	2 (20.00%)
>50	No. (%)	8 (88.89%)	8 (80.00%)
<b>Directors by ethnicity</b>			
Malay	No. (%)	5 (55.56%)	NA
Chinese	No. (%)	4 (44.44%)	NA
Indian	No. (%)	0 (0.00%)	NA
Others	No. (%)	0 (0.00%)	NA
Foreigners	No. (%)	0 (0.00%)	NA
<b>Directors by dependence</b>			
Dependent	No. (%)	6 (66.67%)	NA
Independent	No. (%)	3 (33.33%)	NA

## Corporate Sustainability Statement (Cont'd)

### SUSTAINABILITY PERFORMANCE DATA (CONT'D)

Indicator	Unit	2025	2024
<b>Training &amp; Development</b>			
Total number of employees attending training	No.	231	202
Total number of hours spent on employee development training to enhance knowledge or individual skills	Hr.	6,800	6,616
- Management	Hrs	740	1,102
- Executive	Hrs	2,186	3,219
- Non-Executive	Hrs	3,754	2,245
- General Workers	Hrs	120	50
Types of employee development training to enhance knowledge or individual skills			
Average training hours per employee	Hrs	29	33
Average training days per employee	Days	3.3	1.4
<b>Community</b>			
Total amount of corporate or group donations/community investments made to registered not-for-profit organisations	RM	66,955	26,400
Total number of beneficiaries of the investment in communities	No.	25	42
<b>Health and safety</b>			
Fatalities (employees)	No.	0	0
Fatalities (third-party contractors)	No.	0	0
Lost time incident rate (employees)	Rate	0.05	0.06
Employees trained on health and safety standards	No.	42	32
Employees receiving general training which includes safety	No.	1,607	1,949
<b>Human Rights</b>			
Number of substantiated complaints concerning human rights violations	No.	0	0
<b>Data privacy and security</b>			
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0

# Corporate Sustainability Statement (Cont'd)

Date & Time: 2026-04-21 16:58:43  
FYE 31/12/2025

Far East Holdings Berhad  
BMLR Transition Period

Sustainability Issue	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	a) Employees who have received training on anti-corruption	Percentage	30 (100%) Executive - 30 (100%) Non-Executive - 70 (100%) Board Member - 4 (100%) N/A (0%)	100% Complete	Material
	b) BMLR CSO Percentage of operations assessed for corruption-related risks	Percentage	0 (0%)	100% Complete	Material
	c) BMLR CSO confirmed incidents of corruption after action taken	Number	0	0	Material
Community / Society	a) BMLR CSO Total amount invested in the community where the target beneficiaries are external to the listed group	RM	RM 25,000	100% Complete	Material
	b) BMLR CSO Total number of beneficiaries of the investment in community	Number	23	100% Complete	Material
Product Management	D1000 BMLR CSO Total energy consumption	kWh's	1,443,283	100% Complete	Material
	BMLR CSO Number of eco-rated facilities	Number	0	100% Complete	Material
Health and Safety	BMLR CSO Local time lost due to injury (% TIR)	Hour	Local time lost rate (0.1%) - 0.05%	100% Complete	Material
	BMLR CSO Number of employees trained on health and safety standards	Number	Employees receiving general training which includes safety - 1,837 per	100% Complete	Material

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# Corporate Sustainability Statement (Cont'd)

Date & Time: 2026-04-21 16:59:43  
FYE 31/12/2025

Far East Holdings Berhad  
BMLR Transition Period

Sustainability Issue	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Gender equality trainings or training by employees category	Hours	340	Disclosed	Material
	TUO Managements	Hours	2,394	Disclosed	Material
	Media Management	Hours	3,704	Disclosed	Material
	Procedures	Hours	100	Disclosed	Material
	Gender equality percentage of employees that are contractors or temporary staff	Percentage	0.25%	Disclosed	Material
Supply chain management	Gender GRI4 Total number of employee turnover or employee category	Number	4 (TUO)	Disclosed	Material
	Media Management	Number	1 (TUO)	Disclosed	Material
	Procedures	Number	8 (TUO)	Disclosed	Material
	Gender GRI4 Number of substantiated complaints concerning human rights violations	Number	0	Disclosed	Material
	Gender GRI4 Proportion of spending on local supplier	Percentage	99.52%	Disclosed	Material
Data privacy and security	Gender GRI4 Number of substantiated complaints concerning breaches of customer privacy or loss of customer data	Number	0	Disclosed	Material
	Water	Volume	03,2300	Disclosed	Material
Waste Management	Gender GRI4 Total volume of water used	m <sup>3</sup>	9,106	Disclosed	Material
	Gender GRI4 Total waste generated	Tonnes	0.00	Disclosed	Material
	Gender GRI4 (a) Total waste diverted from disposal	Tonnes	9,106	Disclosed	Material

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## Corporate Sustainability Statement (Cont'd)

Date & Time: 2026-04-22\_16:30:19  
FYE 31/12/2025

Far East Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category			Disclosed Complete	Internal	
	Age Group by Employee Category					
	Management Under 30	Percentage	0 (0.00%)			
	Management Between 30-50	Percentage	14 (56.00%)			
	Management Above 50	Percentage	11 (44.00%)			
	Executive Under 30	Percentage	17 (26.98%)			
	Executive Between 30-50	Percentage	33 (52.38%)			
	Executive Above 50	Percentage	13 (20.63%)			
	Non-Executive Under 30	Percentage	31 (16.06%)			
	Non-Executive Between 30-50	Percentage	131 (67.88%)			
	Non-Executive Above 50	Percentage	31 (16.06%)			
	General Workers Under 30	Percentage	699 (46.89%)			
	General Workers Between 30-50	Percentage	722 (48.52%)			
	General Workers Above 50	Percentage	67 (4.50%)			
	Gender Group by Employee Category					
	Management Male	Percentage	19 (76.00%)			
	Management Female	Percentage	6 (24.00%)			
	Executive Male	Percentage	50 (79.37%)			
	Executive Female	Percentage	13 (20.63%)			
	Non-Executive Male	Percentage	153 (79.27%)			
Non-Executive Female	Percentage	40 (20.73%)				
General Workers Female	Percentage	1,457 (97.92%)				
General Workers Male	Percentage	31 (2.08%)				
Diversity (cont.)	Bursa C3(b) Percentage of directors by gender and age group			Disclosed Complete	Internal	
	Male	Percentage	6 (66.67%)			
	Female	Percentage	3 (33.33%)			
	Under 30	Percentage	0 (0.00%)			
	Between 30-50	Percentage	1 (11.11%)			
Above 50	Percentage	8 (88.89%)				

# Corporate Sustainability Statement (Cont'd)

Date & Time: 2026-04-22\_16:30:19  
FYE 31/12/2025

Far East Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Emissions management	Bursa C1(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	3,821	In progress of setting benchmark and targets.	Internal
	Bursa C1(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	1,750		
	Bursa C1(c) Scope 3 Business Travel emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	(Business Travelling) 233		
	Bursa C1(c) Scope 3 employee commuting emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	(Employee Commuting) 1,176		

## Corporate Sustainability Statement (Cont'd)

Far East Holdings Berhad  
IFRS S1

Date & Time: 2026-04-22\_16:30:19  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Board Charter	—	The Board Charter is subject to the provisions of the Companies Act 2016 ("Companies Act"), the Constitution of the Company ("Constitution"), the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa"), the Malaysian Code on Corporate Governance ("MCCG") and any other applicable law or regulatory requirements.  The role of the Board is to promote and protect the interest of the Company and all its shareholders. The Board shoulders the ultimate responsibility of determining the direction of the Company thereby ensuring the long term success of the Company and the delivery of sustainable value to its shareholders.	Disclosed in FEHB website	Completed	Internal
Anti-Bribery & Anti-Corruption Policy	—	The Group have taken reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. This Anti-Bribery and Anti-Corruption Policy ("Policy") sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. This Policy is supplemental to and shall be read in conjunction with Whistleblower Policy of FEHB.	Disclosed in FEHB website	Completed	Internal

# Corporate Sustainability Statement (Cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Directors' Fit & Proper Policy	—	This Policy has been prepared- to ensure compliance with- the relevant provisions of- the Main Market Listing- Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code of Corporate Governance 2021- ("MCCG").  This Policy set out the fit- and proper criteria for the- appointment and re-appointment- of Directors on the Boards of Far- East Holdings Berhad and its- subsidiaries.	Disclosed in FEHB website	Completed	Internal
Whistleblower Policy	—	The purpose of this Policy is to:- (a) promote the importance of detecting Improper Conduct; (b) encourage the reporting of- Improper Conduct and any other- matters that may cause financial- or non-financial loss to FEHB or- damage to FEHB reputation; and (c) help to protect people- who report Improper Conduct- in good faith, from discrimination, harassment and retaliation.  Whistleblowing is not about highlighting grievances. It is about reporting real or perceived- Improper Conduct.	Disclosed in FEHB website	Completed	Internal

## Corporate Sustainability Statement (Cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Code of Business Conducts	—	This Code provides guidance- in resolving any business, legal- and ethical issues that one- may encounter in conducting- business and standards of behavior expected of the- Board of Directors, Management- employees and all business partners of FEHB Group. The standards of behavior are derived from the Group's Core Values and Business Principles.  FEHB Core Values:- a) Integrity b) Respect & Responsibility c) Excellence  FEHB Business Principles:- a) Health, Safety and Environment b) Compliance c) Working with Local Communities d) Fair Business Practices	Disclosed in FEHB website	Completed	Internal
Corporate Gift Policy	—	The Group have taken reasonable- and appropriate measures to- ensure that its businesses do not participate in corrupt activities- for its advantage or benefit. This Corporate Gift Policy ("Policy") sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group.  The Policy is established in tandem with the Anti-Bribery and Anti-Corruption Policy of the Group and is approved by the Board.	Disclosed in FEHB website	Completed	Internal

# Corporate Sustainability Statement (Cont'd)

Date & Time: 2026-04-22\_16:30:19  
FYE 31/12/2025

Far East Holdings Berhad  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Terms of Reference of Nomination and Remuneration Committee	—	The Nomination and Remuneration Committee ("NRC" or "the Committee") is established as a committee of the Far East Holdings Berhad ("FEHB") Board of Directors ("the Board") with the following primary objectives:- a) Nomination Function b) Remuneration Function	Disclosed in FEHB website	Completed	Internal
Terms of Reference of Audit Committee	—	Audit Committee has a specific role which is to provide objective oversight in the area of financial reporting, related party transactions and conflicts of interest, internal-control environment, internal-audit and external audit processes.  To assist the Board discharge its responsibilities by reviewing the adequacy and integrity of the Company's and the Group's internal control systems and management-information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.  To reinforce the independence of the external auditors and facilitate in the audit process.	Disclosed in FEHB website	Completed	Internal

# Corporate Sustainability Statement (Cont'd)

Far East Holdings Berhad

IFRS S1

Date & Time: 2026-04-22\_16:30:19

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Terms of Reference of Risk and Governance Committee	—	<p>To assist the Board in overseeing the risk management and governance process as well as resolve matters relating to Sustainability Practices:-</p> <p>a) Risk Management Proper risk management and internal control are important aspects of a Far East Holdings Berhad ("FEHB" or "the Group")'s governance, management and operations</p> <p>b) Governance Practices To oversee the Group's governance practices in terms of Environmental, Social and Governance ("ESG")</p>	Disclosed in FEHB website	Completed	Internal

# Corporate Sustainability Statement (Cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO <sub>2</sub> e)	3821	In progress of setting benchmark and targets	Internal
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO <sub>2</sub> e)	1750	In progress of setting benchmark and targets	Internal

# MANAGEMENT DISCUSSION AND ANALYSIS

Far East Holdings Berhad ("FEHB" or "the Group") is pleased to present its Management Discussion and Analysis for the financial year ended 31 December 2025 ("FY2025"). This analysis outlines the Group's operational and financial performance and highlights its continued commitment to economic, environmental and social sustainability amid an increasingly complex and regulated palm oil landscape.



## Overview of Business and Operations

FEHB remains focused on its core activities: cultivating oil palms and producing and selling fresh fruit bunches ("FFB"), crude palm oil ("CPO") and palm kernel ("PK"), as well as its investment holdings. The Group operates thirteen (13) estates across Pahang, namely Bukit Jin Estate, Chengal Estate, Sungai Rasau Estate, Sungai Seraya Estate, Sungai Batu Estate, DSK Estate, Cenderawasih Estate, Sungai Sawak Estate, Bukit Serok Estate, Dawn Estate, Cempaka Estate, Delima Estate and Rangkaian Estate.

In FY2025, FEHB strengthened its plantation operations against a dynamic market backdrop characterised by commodity price volatility, heightened sustainability expectations and evolving trade regulations. All estates continued to maintain Malaysian Sustainable Palm Oil ("MSPO") certification, reinforcing compliance with national sustainability standards and supporting access to premium markets for CPO and PK.

The Group operates three (3) palm oil mills in Pahang: Kilang Kosfarm Sdn. Bhd., Wujud Wawasan Sdn. Bhd. and Merchong Palm Oil Mill Sdn. Bhd.

## Sustainability Expectations, Regulatory Developments and Financial Implications

Sustainability expectations within the palm oil industry continue to intensify. Regulatory developments at both domestic and international levels are reshaping disclosure standards, traceability requirements and market access conditions.

Bursa Malaysia has introduced sustainability reporting requirements aligned with the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards for annual reporting periods beginning on or after 1 January 2025, on a phased basis. These standards require issuers to disclose material sustainability-related risks and opportunities, governance oversight, strategic integration, risk management processes and the financial effects of sustainability matters on performance and prospects.

FEHB is applying the available transition reliefs to focus on climate-related risks and opportunities while strengthening its systems to align with the National Sustainability Reporting Framework ("NSRF") and the IFRS Sustainability Disclosure Standards. During this period, the Group is enhancing data governance, improving traceability, formalising climate risk identification and strengthening the link between sustainability performance and financial outcomes.

## Management Discussion and Analysis (Cont'd)

### Sustainability Expectations, Regulatory Developments and Financial Implications (Cont'd)

At the international level, sustainability-linked trade measures continue to evolve. The European Union Deforestation Regulation ("EUDR"), which will apply to large and medium operators from December 2026, requires proof that relevant commodities are deforestation-free and traceable to land plots of origin. The regulation reinforces the importance of land monitoring, certification integrity and documentation controls. These developments are shaping the Group's sustainability agenda through:

- Strengthening traceability and certification frameworks
- Enhancing climate resilience and land management practices
- Improving transparency of sustainability-related risks and mitigation actions
- Reinforcing the linkage between sustainability performance, operational resilience and long-term financial value

### Area Statement

As at 31 December 2025, approximately 94% of the Group's planted oil palm area was classified as mature. The age profile of the Group's oil palm trees for FY2025 is as follows:

Particulars	2025		2024		2023	
	Hectare	%	Hectare	%	Hectare	%
>24 years (very old palms)	647	3	354	2	532	3
20-24 years (old palms)	2,744	15	2,318	12	2,179	12
7-19 years (prime palms)	13,571	72	14,021	75	13,091	69
4-6 years (young palms)	710	4	1,211	6	2,137	11
1-3 years (immature)	1,123	6	904	5	959	5
<b>Total Planted Area</b>	<b>18,795</b>	<b>100</b>	<b>18,808</b>	<b>100</b>	<b>18,898</b>	<b>100</b>

The weighted-average palm age was 14.59 years, indicating a balanced crop profile across productive age bands.

The Group places strong emphasis on best agricultural practices across all estates. During the financial year, five (5) estates and one (1) mill obtained International Sustainability and Carbon Certification ("ISCC"), enhancing market credibility and strengthening customer confidence in the sustainability and traceability of the Group's production.

### FFB Production

FFB production totalled 384,597 MT in FY2025, up from 382,156 MT in FY2024. Production in the second half of 2025 rebounded following lower output in the first half due to the natural resting phase of the palms. The improvement in yield production was also supported by favourable weather conditions and rainfall patterns, which promoted better fruit development and contributed to higher FFB yield. The second half accounted for 59% of total FFB production, up from 55% in FY2024.

The Group's FFB yield stood at 21.76 MT per hectare, exceeding the regional averages for Pahang State at 19.90 MT per hectare and Peninsular Malaysia at 19.49 MT per hectare. This performance reflects disciplined agronomic management and improved harvesting efficiency.

The average CPO price realised in FY2025 was RM4,279 per MT compared to RM4,208 per MT in FY2024. The average PK price increased to RM3,429 per MT from RM2,682 per MT in the previous year.

The upward price trend reflected resilient global demand, tight supply of alternative vegetable oils, sustained biodiesel demand and currency movements. Although output expanded in certain producing countries, continued buying interest from key importers and reduced availability of soybean and sunflower oils supported palm oil prices. Geopolitical tensions and volatility in energy markets also contributed to overall uncertainty in global commodity markets.

## Management Discussion and Analysis (Cont'd)

### Group Financial Review

Revenue increased by 27% to RM1,097.13 million in FY2025 from RM863.59 million in 2024. Profit before tax rose by 24% to RM313.87 million compared to RM252.76 million in the previous year.

### Revenue

Revenue growth was driven primarily by:

- Higher average CPO and PK prices, which increased by 2% and 28%, respectively.
- Higher FFB processed, with milling volumes increasing by 35%, reflecting the full-year effect of the acquisition of Merchong Palm Oil Mill Sdn. Bhd.

### Profit Before Tax

The improved profitability was mainly attributable to:

- Higher average CPO and PK prices, which increased by 2% and 28%, respectively.
- Higher share of profit after tax from associates amounting to RM27.60 million, representing a 43% increase from the previous year.
- Higher FFB processed from milling operations by 236,250 MT, reflecting a 35% increase.

This steady performance reflects the Group's resilience and disciplined cost management amid ongoing market volatility. Higher production volumes and improved operational efficiencies across both the plantation and milling segments drove growth.

In recognition of its strong financial position and sustained earnings performance, the Board declared an interim single-tier dividend of six (6) sen per share in August 2025.

Overall, favourable market conditions, increased production and strategic operational enhancements significantly strengthened FEHB's financial performance in FY2025.

Breakdown of the profit before tax is shown below:-

	2025 RM'000	2024 RM'000	2023 RM'000
Profit from the plantation operation	187,011	169,189	69,194
Profit from the milling operation	25,263	19,927	9,449
Other income	3,498	2,019	2,491
Fair value gain/(loss) on biological assets	3,368	1,418	(742)
Fair value gain on investment property	-	-	2,000
Finance income	6,942	5,995	5,845
Finance cost	(4,135)	(4,941)	(5,252)
Share of profit after tax of associates	91,925	64,323	47,028
Loss on dilution of an associate	-	(168)	(556)
Goodwill written off	-	(4,998)	-
<b>Profit Before Tax</b>	<b>313,872</b>	<b>252,764</b>	<b>129,457</b>

## Management Discussion and Analysis (Cont'd)

### Plantation Operations

In FY2025, FEHB achieved notable improvements in its plantation operations, addressing prior challenges including labour shortages and other factors affecting yields. The plantation sector continues to face structural labour constraints and weather variability, which have affected harvesting cycles and productivity across the industry. Against this backdrop, the Group benefited from improved market conditions, disciplined cost management and targeted operational enhancements, which collectively contributed to higher productivity and improved profitability.

Plantation remains the Group's core business, encompassing oil palm cultivation and palm oil processing, including nursery management, cultivation and crop oil extraction. Key performance indicators are as follows:

	Unit	2025	2024	2023
FFB Production	MT	384,597	382,156	292,663
CPO Production	MT	73,608	73,005	55,670
FFB Yield	MT/ha	21.76	21.34	16.31
CPO Yield	MT/ha	4.17	4.08	3.10
Average OER for CPO	%	19.14	19.10	19.02
Average CPO Price	RM/MT	4,279	4,208	3,802
Average PK Price	RM/MT	3,429	2,682	2,018
Mature Area	Hectare	17,672	17,904	17,939
Total Planted Area	Hectare	18,795	18,808	18,898

The Group recorded an average FFB cost of RM254 per MT, 2% higher than RM248 per MT in the previous year. The increase reflects broader cost pressures across the sector, fertiliser costs and other input costs. The Group continues to closely monitor estate-level operating expenses as part of its ongoing cost control initiatives.

Operational efficiency remained a priority. The Group achieved an average OER for CPO of 19.14%, reflecting stable extraction performance despite fluctuations in fruit quality and weather conditions experienced during the year.

FEHB remains steadfast in enhancing operational efficiency by leveraging mechanisation and automation to optimise harvesting and crop evacuation processes. To enhance productivity in the plantation sector, mechanised solutions are increasingly important to maintain timely harvesting and fruit quality. The adoption of precision agriculture techniques, including drone-assisted monitoring and data-driven agronomic decisions, improved resource allocation and yield optimisation. Enhanced recruitment strategies and comprehensive training programmes further strengthened workforce stability and productivity.

Sustainability remained a key priority, with an intensified focus on integrating environmentally responsible practices across all estates. The Group reinforced its zero-burning replanting policy, consistent with industry best practice and national environmental standards. Maintaining biodiversity conservation initiatives helps preserve ecological balance within plantation boundaries.

The Group also strengthened its waste management framework, including the utilisation of palm biomass as a renewable energy source within operations, supporting resource efficiency and reducing reliance on fossil fuels. Qualified agronomists and planting advisors conducted structured assessments covering nutrient balance, soil health, pest and disease management and water control. These measures enhanced fertiliser efficiency, supported soil productivity and improved overall palm oil quality.

Collectively, these initiatives reaffirm FEHB's commitment to responsible, sustainable palm oil production while safeguarding operational resilience in a challenging, evolving industry.

## Management Discussion and Analysis (Cont'd)

### Replanting

FEHB remains committed to disciplined and sustainable replanting practices to safeguard long-term agronomic productivity. The Group continues to implement structured replanting programmes to maintain an optimal crop age profile and support sustained yield performance.

In FY2025, FEHB replanted 337.68 hectares (834.41 acres) and plans to replant a further 2,784.70 hectares (6,880.99 acres) between 2026 and 2030. Maintaining a structured replanting cycle mitigates yield decline associated with ageing palms and supports long-term productivity.

Year	Area (Hectares)
2022	210.51
2023	179.30
2024	295.30
2025	337.68

### Milling Operations

Milling remains a vital component of the Group's operations, contributing 86% of total revenue in FY2025. The Group operates three (3) palm oil mills in Pahang, namely Kilang Kosfarm Sdn. Bhd. ("KKSB"), Wujud Wawasan Sdn. Bhd. ("WWSB") and Merchong Palm Oil Mill Sdn. Bhd. ("MPOM"), each with a processing capacity of 60 MT per hour. KKSB and MPOM have obtained ISCC, reinforcing FEHB's commitment to sustainable palm oil production and enhancing access to markets that increasingly require traceability and certification.

Revenue from milling operations increased to RM945.40 million in FY2025, representing a 35% increase from RM698.22 million in FY2024. Higher CPO and PK prices, increased sales volumes and improved operational efficiency drove the growth. Nevertheless, ongoing fluctuations in global CPO and PK prices continued to influence revenue realisation, reflecting the cyclical nature of commodity markets.

During FY2025, KKSB, WWSB, and MPOM processed 916,290 MT of FFB. The higher throughput was supported by favourable weather conditions and optimised agricultural practices implemented across the Group's estates, resulting in improved fruit supply to the mills. Stable, efficient milling operations are critical to preserving fruit quality and maximising extraction performance.

The mills achieved an average Oil Extraction Rate ("OER") of 19.70% for CPO and 4.97% for PK. Although slightly lower than FY2024 levels of 20.08% for CPO and 5.04% for PK, the OER remained within a competitive industry range. Fruit quality, crop maturity profile and weather conditions drive variations in OER by influencing oil content and processing efficiency. Continuous monitoring of milling parameters, maintenance scheduling and process optimisation remain priorities to sustain extraction performance.

The Group's mills continue to supply CPO to Future Prelude Sdn. Bhd. ("FPSB"), an associate company specialising in palm oil refining, oleochemicals and biodiesel production. FPSB utilises sustainably produced palm oil as feedstock to manufacture Refined Bleached and Deodorised Palm Oil ("RBD PO"), Refined Bleached and Deodorised Palm Kernel Oil ("RBD PKO"), Palm Methyl Ester ("PME" or biodiesel), Glycerine (technical grade and pharmaceutical grade) and Palm Fatty Acid Distillate ("PFAD").

Most of its refined and fractioned palm oil products are sold to local buyers in the food, speciality fats and oleochemical industries, while biodiesel is supplied to major petroleum companies such as Petrolia Nasional Bhd (Petronas) and Shell for Malaysia's biodiesel. FPSB also exports refined glycerine, mainly to the Middle East and Africa.

FPSB is now preparing to move further downstream into higher-value activities, including special fats production (such as cocoa butter equivalents) and cooking oil packaging, to capture better margins through differentiated and branded products. FPSB remains open to exploring strategic opportunities that can enhance value creation, diversify revenue streams and stabilise margins. Any move downstream will be carefully evaluated in line with FEHB's long-term growth strategy, considering market conditions, investment requirements and operational synergies.



## Management Discussion and Analysis (Cont'd)

### Capital Structure

FEHB maintains a conservative financial policy, with minimal reliance on external borrowings to fund capital expenditure and operational expansion. As at 31 December 2025, the Group's cash and cash equivalents stood at RM261.91 million, up from RM190.55 million in FY2024, reflecting a strengthened liquidity position and a stable financial footing.

This prudent capital management approach enhances financial flexibility, allowing the Group to reinvest in replanting programmes, operational upgrades and strategic improvements while continuing to reward shareholders through dividend distributions. Maintaining a strong cash position also provides resilience against commodity price volatility, input cost fluctuations and broader macroeconomic uncertainties.

### Capital Expenditure

In FY2025, the Group invested RM20.19 million in capital expenditure, increased by 50% compared to RM13.45 million invested in FY2024. The disciplined level of capital spending reflects a balanced approach between sustaining asset quality and preserving financial strength.

Key investments during the year included:

- Replanting activities to enhance long-term yield sustainability.
- Upgrading milling facilities to improve operational efficiency and ensure continued compliance with MSPO and ISCC standards.
- Construction of new staff and labour quarters to improve workforce welfare and living standards.
- Purchase of agricultural machinery and vehicles to support mechanisation and estate productivity.

These investments support operational efficiency, sustainability compliance and workforce stability, all of which are critical to maintaining competitive performance in a tightening regulatory and labour environment.

All capital expenditures were financed through internally generated funds, reinforcing the Group's commitment to maintaining a debt-light structure and prudent balance sheet management.

### Human Capital

The Group places strong emphasis on career development, workforce capability and organisational resilience. Human capital remains central to operational performance, particularly within a labour-intensive industry such as plantation and milling.

FEHB continues to reinforce its commitment to employee development by equipping its workforce with skills that enhance productivity, operational efficiency and sustainability performance. Targeted training programmes, leadership development initiatives and structured career advancement pathways support the development of a capable, high-performing workforce. During the year, FEHB invested RM201,500 in training and development programmes.

Internal training initiatives included the "Kursus Menerajui Kecemerlangan FEHB", designed to strengthen leadership capabilities and drive performance excellence. The Group also collaborates with higher education institutions nationwide. It forms strategic partnerships to attract and nurture emerging talent, strengthening its talent pipeline and reinforcing its position as a preferred employer.

These initiatives reflect the Group's commitment to continuous talent development, succession planning and fair recognition of employee contributions. Competitive remuneration structures are performance-aligned and designed to retain critical skills across operations.

As of FY2025, the Group employed 485 local employees, with estate employees accounting for 32% of the total workforce (155 personnel). Foreign workers amounted to 1,284 in FY2025, reflecting stability in the Group's labour base.

The Group's human capital policies promote fairness and equal opportunity. FEHB complies with national minimum wage requirements and continues to enhance its employee value proposition to attract, develop and retain talent in a competitive labour environment.

## Management Discussion and Analysis (Cont'd)

### Sustainability and Community Engagement

Sustainability remains central to the Group's operations. In addition to maintaining MSPO certification across its estates, FEHB implemented environmental conservation initiatives to preserve biodiversity, strengthen land stewardship and reduce its carbon footprint. These measures support regulatory compliance, operational resilience and long-term resource sustainability.

The Group also continued its community engagement through educational support programmes, health initiatives and infrastructure contributions in surrounding communities. These initiatives strengthen local relationships, support social development and reinforce FEHB's role as a responsible corporate citizen.

### Creating Value for Shareholders

Despite the challenges encountered during the year, the Group remains committed to delivering consistent returns to shareholders while maintaining sufficient reserves to support future growth and operational resilience.

In assessing dividend distribution, the Board carefully considered capital expenditure requirements, planned replanting programmes, future growth initiatives and working capital needs. In August 2025, the Board declared an interim dividend of six sen (6) per ordinary share for the financial year ended 31 December 2025, which was paid in September 2025.

The Directors have also recommended the payment of a special single tier dividend of three (3) sen per share and a final single tier dividend of twelve (12) sen per share and the proposed payment date is on 16 July 2026, subject to shareholders' approval at the forthcoming Annual General Meeting.

The total dividend declared in respect of the financial year ended 31 December 2025, if approved, amounts to twenty-one (21) sen per ordinary share.

This balanced approach reflects the Group's strong financial position, disciplined capital management and commitment to sustainable value creation for shareholders.



## Management Discussion and Analysis (Cont'd)

### Prospect for 2026 and Beyond

As FEHB enters 2026, it operates in a complex environment shaped by geopolitical tensions, economic uncertainty and climate-related risks. Volatile crude palm oil prices, rising operating costs and evolving trade policies remain key challenges. Financial discipline and operational efficiency will be critical.

Global supply and demand conditions, policy shifts in major importing countries and currency movements continue to impact CPO prices. In FY2025, FEHB realised an average CPO price of RM4,279 per MT, a 2% increase from RM4,208 per MT in FY2024. However, price volatility remains a material revenue risk.

Climate variability continues to affect plantation performance. Prolonged dry spells and erratic rainfall patterns influence crop cycles and yields. FEHB is strengthening soil management, regenerative practices and water control systems to improve resilience. Investments in digital agronomy, including precision monitoring and data-driven yield forecasting, support more consistent production outcomes.

Labour availability remains a structural industry issue, particularly amid tighter regulations on foreign workers. The Group is responding through workforce development, increased mechanisation and gradual automation in harvesting and milling. While these initiatives require upfront capital, they improve long-term productivity and reduce the risk of operational disruption.

Regulatory developments, particularly sustainability-linked trade measures, will increasingly influence market access. Sustainability expectations across the palm oil value chain continue to intensify. Buyers, financiers and regulators increasingly require robust traceability, clearer climate-related disclosures and demonstrable compliance with recognised international standards. In response, FEHB is strengthening its internal foundations for enhanced sustainability reporting, including developing more comprehensive greenhouse gas emissions calculations across plantation and milling operations and building capability for climate scenario analysis. These developments necessitate stronger internal controls, structured risk assessments and more rigorous reporting of sustainability-related financial impact.

Macroeconomic conditions, including interest rate movements and currency fluctuations, will continue to affect operating costs and revenue realisation. A stronger Ringgit may temper export revenue when benchmark prices are denominated in international currencies, although it may ease certain input cost pressures. Maintaining a strong balance sheet and liquidity position remains central to navigating these external variables.

The Group will continue to focus on disciplined capital allocation, structured replanting, milling efficiency and sustainability readiness. These priorities position FEHB to manage volatility, preserve margins and sustain long-term value creation in 2026 and beyond.

Escalating tensions between Iran and the United States have disrupted global energy markets and critical maritime routes, particularly the Strait of Hormuz, which facilitates approximately 20% of global oil supply. This situation has contributed to higher crude oil prices and increased volatility across global commodity markets.

## Management Discussion and Analysis (Cont'd)

### Potential Opportunities

Rising crude oil prices can increase the demand for palm oil because it can be used as an alternative to biodiesel. Since energy prices and vegetable oil prices are closely linked, higher oil prices often push palm oil prices up as well. This may lead to higher CPO prices and could improve revenue for plantation companies.

### Potential Risks

Despite these opportunities, several risks may arise from the ongoing conflict:-

- **Rising Fertiliser Costs**  
Disruptions to the supply of natural gas and other key important materials for fertiliser production may lead to higher global fertiliser prices, increasing operating costs for plantation companies.
- **Higher Logistics and Transportation Costs**  
Elevated fuel prices may increase the Group's logistics and transportation expenses, particularly for the delivery of FFB, CPO and PK products.
- **Export Market Uncertainty**  
Prolonged geopolitical tensions could weaken global economic activity or disrupt purchasing patterns in certain importing countries. This may reduce demand for palm oil products and increase volatility in global edible oil markets.
- **Domestic Supply Fluctuations**  
Stronger biodiesel demand may tighten domestic palm oil supply, leading to fluctuations in availability and potential instability in market prices.

Overall, the Group is cautiously positioned to navigate the evolving operating environment, supported by sound operational fundamentals, prudent financial management, and an ongoing focus on sustainability and efficiency.



## AUDIT COMMITTEE REPORT

The Board of Directors of Far East Holdings Berhad (“FEHB”) is pleased to present the Audit Committee Report for the financial year ended 31 December 2025 under Paragraph 15.15 of the Bursa Malaysia Securities Berhad’s Listing Requirements.

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its Terms of Reference and held discussions with the external auditors, Chief Internal Auditor and members of the management. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties were identified, based on the reviews made and discussions held.

### COMPOSITION AND ATTENDANCE OF THE AUDIT COMMITTEE AT MEETINGS

The Audit Committee was appointed by the Board of Directors comprising of not less than three (3) members who are solely of Independent Non-Executive Directors.

The profile of each member of the Audit Committee is set out in the Directors’ Profile section. Listed below is the composition of the Audit Committee Members:-

Members	Membership	Appointment	Tenure on the Audit Committee (Years)
YH Datuk Mohd Afrizan bin Husain	Chairman, Independent Non-Executive Director	01.11.2018	7
Ms Ng Yee Kim	Member, Independent Non-Executive Director	20.07.2020	5
Puan Adzlina Junita binti Abd.Jalil	Member, Independent Non-Executive Director	15.07.2024	1

The Chairman of the Audit Committee is not the Chairman of the Board. None of the Audit Committee members is an alternate director or former partner of the external auditors of the Company.

The composition of the Audit Committee adheres to the requirements of Paragraph 15.09 (1) (c) of Bursa Securities Listing Requirements which stipulate that at least one (1) member of the Audit Committee must be a qualified accountant. All members of Audit Committee are financially literate, able to analyse and interpret Financial Statements, understand the financial reporting processes and matters under the purview of the Committee.

The Committee operates under the Terms and Reference of Audit Committee containing provisions that address requirements imposed by Bursa Malaysia and the Terms of Reference is published under the Governance & Policies section on the Company’s website at [www.fehb.com.my](http://www.fehb.com.my) or can be obtained from the Company Secretary.

During the financial year ended 31 December 2025, the Audit Committee held a total of five (5) meetings as tabulated below:-

No.	1	2	3	4	5
Date	26 February 2025	25 March 2025	28 May 2025	18 August 2025	26 November 2025

The details of attendance of the Audit Committee members are as follows:-

Name of Audit Committee Members	Total Number of Meetings	Number of Meetings Attended
YH Datuk Mohd Afrizan bin Husain	5	5
Ms Ng Yee Kim	5	5
Puan Adzlina Junita binti Abd.Jalil	5	5

The representatives of the external auditors, the Chief Internal Auditor and members of the management attended the meetings upon the invitation of the Committee.

## Audit Committee Report (Cont'd)

### COMPOSITION AND ATTENDANCE OF THE AUDIT COMMITTEE AT MEETINGS (CONT'D)

There was a private session held on 26 February 2026 with the external auditors without the presence of the Executive Directors and management to discuss on audit issues, key audit matters (KAM) and significant matters relating to the audit engagement.

The Company Secretary act as Secretary of the Committee. Minutes of each meeting are kept and circulated to the Audit Committee members and each Board member. The Chairman of the Committee reports on principal matters deliberated at each meeting to the Board.

### DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The duties and responsibilities of the Committee are as follows:-

#### 1. Financial Reporting

- To review the quarterly results and year-end financial statements of the Company and the Group, and to recommend the same to the Board for approval, focusing particularly on the following:-
  - (a) any changes in accounting policies and practices;
  - (b) significant adjustments arising from the audit;
  - (c) the going concern assumption;
  - (d) significant and unusual events;
  - (e) compliance with accounting standards, Bursa Malaysia Securities Berhad and other legal requirements; and
  - (f) public announcement of results and dividend payments.
- To obtain explanations from management regarding any unusual variances in the Company's annual financial statements from year to year, and review annually the independent auditors' letter of recommendations to management and management's response.
- To review with the external and internal auditors whether the employees of the Group have given them appropriate assistance in discharging their duties.
- To review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- To consider and examine such other matters as the Board consider appropriate and beneficial.

#### 2. External Audit

- Review the competency and performance of the external auditors.
- Consider and recommend the appointment, re-appointment, resignation, dismissal and remuneration of external auditors.
- To discuss and review with the external auditors any proposal from them to resign as auditors.
- To recommend to the Board on the appointment and the annual re-appointment of the external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.
- To monitor the engagement of the external auditors in performing such audit services, considering the types of services rendered and its related fees, such that the position as auditor is not deemed to be compromised.
- Review the external auditors' proposed audit plan before the audit commences and discuss the nature, scope and approach of the audit and to consider the transparency report with respect to external auditors' audit engagement quality management.
- To review with the external auditors, the nature and scope of their audit plan, their evaluation of the system of internal controls and their management letter and discuss any matter that the external auditors may wish to raise in the absence of management, where necessary.

## Audit Committee Report (Cont'd)

### DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE (CONT'D)

#### 2. External Audit (cont'd)

- Review and confirm the independence and objectivity of the external auditors, taking into consideration the local professional and regulatory requirements.
- To review and assess the suitability, objectivity and independence of the external auditor, the Audit Committee establishes policies and procedures that consider among others:-
  - (a) the competence, audit quality and resource capacity of the external auditor in relation to the audit;
  - (b) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
  - (c) obtaining written assurance from the external auditors confirming that they are, have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- To review the coordination of the audit approaches where more than one audit firm of external auditors are involved and the coordination between the external auditors.
- Identify any matters raised by the external auditors in respect of which it considers that action or improvement is needed and reviewing recommendations as to the steps to be taken.

#### 3. Internal Audit

- To review the adequacy of the scope, functions, competency and resources of the internal audit function.
- To decide on among others the appointment and removal, scope of work, performance evaluation and budget for the internal audit function.
- To approve the internal audit plan and review the results of the internal audit plan or investigation undertaken and whether or not appropriate action is taken by management on the recommendations of the internal auditors.
- Have final authority to review and approve the Annual Audit Plan, Annual Internal Audit Budget and all major changes to the plan.
- Internal Audit should be carried out objectively and is independent from the management of the Company and the functions under audit. Thus, it is essential that the person responsible for internal audit reports directly to the Audit Committee.
- To appraise the performance of the Chief Internal Auditor and to review the appraisals of senior staff members of the internal audit function.

#### 4. Compliance

- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations and the result of management's investigation and follow-up (including disciplinary action) of any major instances of non-compliance.
- Review procedures established to address allegations raised by whistleblowers, to ensure proportionate and independent investigation is conducted and follow-up action is taken and highlighted to the Committee.
- Review the findings of any examination by regulatory agencies and any auditor's observations.
- Review the effectiveness of measures put in place to combat corruption in the Company.
- Review the Content of Annual Report, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control.

## Audit Committee Report (Cont'd)

### PERFORMANCE OF THE AUDIT COMMITTEE

The composition of the Audit Committee during the period under review had been made in accordance to the Listing Requirements.

The Committee members were informed at the beginning of the year of the number of meetings scheduled during the year.

The Audit Committee members were given the agenda and relevant papers for the meetings at least five (5) days prior to the scheduled meetings.

The Board on a biennial basis had reviewed the terms of office and assessed the performance of each member of the Audit Committee appointed for the year based on the recommendation of the Nomination and Remuneration Committee.

The Board is satisfied that the Audit Committee has discharged its duties in accordance with the Terms of Reference.

### SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the year, the Audit Committee has continued to assist the Board in fulfilling its oversight responsibilities in line with the Terms of Reference. The summary of work and the main matters that the Audit Committee considered during the year under review are described below:-

- Reviewed the Company's Financial and General Performance Report in order to ensure that the Board had been provided with sufficient information for announcements to Bursa Malaysia Securities Berhad.
- Reviewed the annual financial statements and quarterly results of the Group for the Board's approval.
- Reviewed the solvency assessment by the Management in relation to the declaration of dividends.
- Reviewed the Recurrent Related Party Transactions ("RRPT") entered to ensure that such transactions were carried out on normal commercial terms and were not prejudicial to the Company's interest or its minority shareholders.
- Reviewed the policy on RRPT of a revenue or trading nature and recommended to the Board for approval, adoption and inclusion in the circular to shareholders in relation to the proposed renewal of shareholders' mandate for RRPT pursuant to the Bursa Malaysia Listing Requirements.
- Reviewed the external auditors' audit plan, scope and areas of audits, evaluated the system of internal controls, audit findings and the audit report.
- Reviewed the suitability of the external auditors and recommended to the Board for re-appointment of existing external auditors and the audit fee thereof. The Audit Committee also considered the feedback from management on their evaluation of the external auditors based on the services provided on the external audits.
- Obtained written assurance from external auditors that they had been independent throughout the audit engagement for FY2025.
- Reviewed the adequacy of internal audit's resources and access to information to ensure the audit works were carried out effectively.
- Reviewed and approved the 2025 Internal Audit Plan.
- Reviewed the results of the Group's internal audit reports and the adequacy of remedial actions taken by the management as recommended in the reports.
- Reviewed follow-up actions by the management on any weaknesses in internal controls and accounting procedures as highlighted by the external and internal auditors.
- Reviewed the Company's Delegated Approving Authority Limit Manual, Treasury Manual & Internal Audit Manual.

## Audit Committee Report (Cont'd)

### SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

- Reviewed and evaluated the proposal regarding the acquisition of potential Oil Palm Plantation Land for strategic investment.
- Reviewed the Content of Annual Report, Audit Committee Report, Corporate Governance Overview Statement, Corporate Sustainability Statement and Statement on Risk Management and Internal Control before submitting for Board's approval and inclusion in the Group's Annual Report 2024.
- In line with Bursa Malaysia's Guidance on Conflict of Interest ("COI"), the Audit Committee had reviewed on the possible situations involving Directors and key senior management that may give rise to COI, together with the measures taken to resolve, eliminate or mitigate such COI. Based on such review, the Audit Committee viewed that the situations which give rise to such actual or potential COI had been adequately managed in accordance with the Bursa Malaysia's requirements.

Details on the actual or potential COI situations involving certain Directors for FY2025, together with the measures taken to address the COIs, are disclosed below:-

No.	Nature of COI	Nature and Extent of Interest of Conflicted Director	Measures Taken to Address COI
1.	Interested Directors.	<ol style="list-style-type: none"> <li>YH Dato' Sri Kamaruddin bin Mohammed is deemed interested party by virtue of his directorship and indirect shareholdings in FEHB, indirect interest in PGC and directorship in PKPP, MPOM, KKSB, WWSB, KSMB and PTSB.</li> <li>YH Dato' Suhaimi bin Mohd Yunus and YH Dato' Asmin binti Yahya are deemed interested parties by virtue of their positions as Directors representing PKPP in FEHB's Board. Both of them sit in the Board of LKPP Corp. YH Dato' Asmin binti Yahya is also a Director in KKSB, FPSB, MPOM and PARAS.</li> <li>Mr Tee Kim Tee @ Tee Ching Tee is deemed interested party by virtue of his directorship and shareholding in FEHB and his directorship in KKSB, PTSB, PCHSB and WWSB. He is the elder brother of Mr Tee Cheng Hua, the uncle of Mr Tee Lip Teng and father to Mr Tee Lip Jen (his alternate Director).</li> <li>Mr Tee Cheng Hua is deemed interested party by virtue of his directorship and shareholding in FEHB and his directorship in KKSB, PTSB, PCHSB, WWSB, PGC, RPOM, KSMB, EPOM, FPSB and MPOM. He is the younger brother of Mr Tee Kim Tee @ Tee Ching Tee, father of Mr Tee Lip Teng and uncle to Mr Tee Lip Jen.</li> </ol>	<p>YH Dato' Sri Kamaruddin bin Mohammed, YH Dato' Suhaimi bin Mohd Yunus, YH Dato' Asmin binti Yahya, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Cheng Hua, Mr Tee Lip Teng and Mr Tee Lip Jen had abstained from board deliberation and voting in respect of their direct and/or indirect shareholdings in the interested companies.</p> <p>YH Dato' Suhaimi bin Mohd Yunus, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Lip Teng and Mr Tee Lip Jen are not involved in the day-to-day operation of FEHB. In certain business transactions that may trigger potential COI, they do not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group.</p>

## Audit Committee Report (Cont'd)

### SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

Details on the actual or potential COI situations involving certain Directors for FY2025, together with the measures taken to address the COIs, are disclosed below:- (cont'd)

No.	Nature of COI	Nature and Extent of Interest of Conflicted Director	Measures Taken to Address COI
1.	Interested Directors.	<p>5. Mr Tee Lip Teng is deemed interested party by virtue of his directorship and shareholding in FEHB and his directorship in FPSB and PPOPM. He is also an alternate Director to Mr Tee Cheng Hua in PTSB, PCHSB, PGC, RPOM, KSMB and EPOM. He is the son of Mr Tee Cheng Hua, the nephew of Mr Tee Kim Tee @ Tee Ching Tee and cousin to Mr Tee Lip Jen.</p> <p>6. Mr Tee Lip Jen is deemed interested party by virtue of his directorship and shareholdings in FEHB and his directorship in MPOM, KKSB, FPSB, PCHSB, KSMB, RPOM, EPOM, PTSB and PARAS. He is also an alternate Director to Mr Tee Kim Tee @ Tee Ching Tee. He is the son of Mr Tee Kim Tee @ Tee Ching Tee, the nephew of Mr Tee Cheng Hua and cousin to Mr Tee Lip Teng.</p>	Mr Tee Lip Teng and Mr Tee Lip Jen are not involved in the day-to-day operation of FEHB. In certain business transactions that may trigger potential COI, they do not participate in or influence any Board or management decisions related to the palm oil industry services provided or to be provided to the FEHB Group.

**Legend:-**

EPOM	Endau Palm Oil Mill Sdn. Bhd.
FPSB	Future Prelude Sdn. Bhd.
KKSB	Kilang Kosfarm Sdn. Bhd.
KSMB	Kilang Sawira Makmur Sdn. Bhd.
LKPP Corp.	LKPP Corporation Sdn. Bhd.
MPOM	Merchong Palm Oil Mill Sdn. Bhd.
PCHSB	Prosper Capital Holdings Sdn. Bhd.
PGC	PGC Management Services Sdn. Bhd.
PKPP	Perbadanan Kemajuan Pertanian Negeri Pahang
PPOPM	Prosper Palm Oil Products Marketing Sdn. Bhd.
PTSB	Prosper Trading Sdn. Bhd.
RPOM	Rompin Palm Oil Mill Sdn. Bhd.
WWSB	Wujud Wawasan Sdn. Bhd.
PARAS	PARAS (Progressive Agricultural Research and Services) Sdn. Bhd.

Besides the two (2) Executive Directors (i.e.: Mr Tee Cheng Hua and YH Dato' Asmin binti Yahya), there is no COI involving key senior management.

## Audit Committee Report (Cont'd)

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTIONS

The Audit Committee is assisted by the in-house Internal Audit Division to carry out the internal audit functions for the purpose of maintaining a sound system of internal controls.

The Internal Audit function is independent and reports directly to the Audit Committee and administratively to the Chief Executive Officer/Executive Director.

The Internal Audit Division is headed by Encik Norfadli bin Mahrom. The profile of Chief Internal Auditor is set out in the Management's Profile section.

During the year under review, Internal Audit Division was supported by six (6) executives and one (1) senior clerk. The staff are graduates with Bachelor degrees or diploma in various fields including accountancy and business administration. Continuous development training is undertaken to enhance and align the internal auditors' competencies and knowledge to the emerging risks and audit requirements.

The Internal Audit Division undertakes internal audit functions based on the audit plan that is reviewed and approved by the Audit Committee. The audit plan covers areas such as the adequacy of financial and operational controls, risk management, compliance with laws and regulations, policies and procedures and management efficiency, amongst others.

The Internal Audit Division had carried out the scheduled audit for ten (10) estates and also conducted a special review on specific area as directed by the management. The audit exercises also performed on the procurement process for major contracts awarded by Head Office and specific areas on a newly acquired mill, Merchong Palm Oil Mill Sdn. Bhd.. All significant observations were highlighted during the audit exit meeting and follow-up on the observations were communicated and highlighted to the auditees, management and Audit Committee.

The reviews on application and payments of workers' incentive and allowance were performed during the year 2025. The Internal Audit Division assisted the management to ensure that the deduction of penalty on the contractors and collection of workers' guarantee money and loan recovery from contractors were done by the estates as per established policy and procedures/instructions given by the Head Office.

The Internal Audit Division participated with Management in establishing the Company's Delegated Approving Authority Limit Manual.

The Internal Audit Division had established the FEHB's Internal Audit Manual and approved by the Board of Directors on 26 February 2025.

The Internal Audit Division had independently reviewed all RRPTs since financial year ended 2024 in order to ensure that the transactions are fair, transacted at arms' length and reasonable terms and not detrimental to the interest of the minority shareholders.

The Internal Audit Division had adequate resources to carry out its duties during the year 2025. The total cost incurred in managing the internal audit function in respect of the financial year was RM588,800 (2024: RM561,493). Increase in the cost of Internal Audit Division is due to increase in staff cost, travelling and medical expenses.

This report is made in accordance with a resolution of the Board of Directors dated 2 April 2026.

# CORPORATE GOVERNANCE STATEMENT AND ADDITIONAL COMPLIANCE STATEMENT

The Board of Directors (“Board”) of Far East Holdings Berhad (“FEHB”) continues to commit and fully support the Malaysian Code on Corporate Governance (“MCCG”) and is committed to maintaining a high standard of corporate governance statement practices within the Group. Hence, we devote considerable effort to identify and formalise best practices.

The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of the Group and its ability to attract investment, protect the rights of shareholders and stakeholders and enhance shareholders’ value.

The Board is pleased to report on the application of the Recommended Practices of the MCCG as required under the MCCG and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) during the financial year under review.

The Board affirms that the Group will continuously apply the said principles and practices and where deemed appropriate, enhance the application thereof in pursuit of its commitment to the highest standards of corporate governance.

## THE BOARD OF DIRECTORS

### The Board

The Board is responsible for the overall corporate governance of the Group and is also entrusted with the responsibility of exercising reasonable care of the Company as well as the Group’s resources in enhancing the shareholders long-term value while taking into the interest of other stakeholders. The Board understands that upholding corporate governance value is not merely achieving the desired financial performance, but also promoting an ethical, professional and sustainable culture.

### Terms of Reference (Board Charter)

The Board is mindful to protect the interests of its shareholders and stakeholders. In discharging its duties effectively, the Board is guided by its Terms of Reference (Board Charter) which sets out the roles and responsibilities of the Board. The Board Charter serves as a source of reference and primary induction literature to provide insights to prospective Board Members and Senior Management. The Board Charter is reviewed periodically or on as and when necessary to keep it up to date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board’s objectives. The most recent review and update of the Board Charter took place on 25 March 2025. The Board Charter is accessible on our website [www.fehb.com.my](http://www.fehb.com.my).

### Principal Roles

The principal roles of the Board is to protect and enhance long-term shareholders value. It sets the overall strategy for the Group and management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care in the best interests of the Company and its shareholders.

The Board is aware that an effective Board essentially comprises Directors who are fully committed, well informed and who possess diverse skills and experience relevant to the business that could contribute effectively to the growth of the Company.

As stipulated in the Board Charter, the Board has targeted to meet at least five (5) times a year, with additional meetings convened as and when necessary.

# Corporate Governance Statement and Additional Compliance Statement (Cont'd)

## THE BOARD OF DIRECTORS (CONT'D)

### Board Balance

The current Board consists of eight (8) Non-Executive Directors inclusive of one (1) Director being an alternate Director and two (2) Executive Directors i.e. Chief Executive Officer/Executive Director and Senior Executive Director, Plantations & Milling with three (3) of the ten (10) Directors being Independent, Non-Executive Directors with a synergistic mixture of businessmen, planters and professionals with the required technical expertise. This mix of skills and experience is vital for the successful direction of the Group.

All Directors, both executives and non-executives, independent and non-independent are aware of their legal obligations to exercise independence, unfettered judgment and to act in good faith with due care and skills.

The role of the Chief Executive Officer/Executive Director as well as Senior Executive Director, Plantations & Milling are separated and clearly defined, as stipulated in the Board Charter so as to ensure that there is a balance of power and authority. The Chief Executive Officer/Executive Director is responsible for the corporate matters of the Company covering amongst others financial, operation, governance, secretarial and human resources. The Senior Executive Director, Plantations & Milling has overall responsibility for the plantation and milling operating units, organisational effectiveness and implementation of Board policies and decisions.

Each of the Board members is allowed to express opinion or views which is debated openly until a collective decision is made. The Chairman of the Board has played his role effectively to ensure that all resolutions are made after careful deliberation and discussion. All the while the presence of three (3) Independent, Non-Executive Directors fulfills a pivotal role in corporate accountability. Although all the Directors have equal responsibility for the Group's operations, the role of these Independent, Non-Executive Directors are particularly important as they provide an unbiased and independent views, advices and judgments.

The Board acknowledges the importance of boardroom diversity and the establishment of a gender diversity policy. Three (3) female Directors sit in the Board whom are well versed with the corporate matters and the plantation industry.

### Supply of Information

All Directors are furnished with an agenda and a set of Board meetings papers at least five (5) days prior to the meetings. This would give sufficient time to the Directors to obtain further explanation or clarification, where necessary, in order to be properly briefed before the meeting. The Board papers include, amongst others, the following:-

- Quarterly financial report;
- A current review of the operations of the Group;
- Minutes of meetings of all Board Committees;
- Minutes of previous Board meetings;
- Major capital expenditure to be incurred; and
- Agreements transacted with other parties.

All proceedings of Board meetings are minuted and filed in the statutory records of the Company, which is accessible by the Directors at all times. Notices on the closed period for dealings in the shares of the Company are circulated to all Directors and Principal Officers of the Company in order to prevent insider trading by Directors and Principal Officers while ensuring fair and equitable access to information for all investors prior to potentially price-sensitive announcements.

In recognising the importance of sound and timely information flow to the Board effectively, all announcements made to Bursa Securities will be circulated to all Directors after the announcements are released.

Senior Management is invited to be present at the Board Meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

In furtherance of their duties and responsibilities, Directors may obtain independent professional advice, where necessary at the Company's expense. The external advisers are sometimes sought by the Company to enhance both Board's and management's understanding of a particular emerging issue. The Board has direct access to the advice and services of the Company Secretary.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### THE BOARD OF DIRECTORS (CONT'D)

#### Board Meetings

Board meetings are scheduled in advance at the beginning of the calendar year with additional meetings convened when necessary. All Directors have complied with the Listing Requirements on attendance for Board meetings held during the financial year under review. Eight (8) Board meetings via physical meeting and hybrid (if so required) were held during the financial year under review with details of meetings attendance of each Director are as follows:-

No.	Directors	Appointment Date	Attendance	Percentage
1	YH Dato' Sri Kamaruddin bin Mohammed	16.08.2002	8/8	100
2	YH Dato' Suhaimi bin Mohd Yunus	05.07.2019	8/8	100
3	YH Datuk Mohd Afrizan bin Husain	01.11.2018	8/8	100
4	YH Dato' Asmin binti Yahya	20.07.2020	8/8	100
5	Mr Tee Kim Tee @ Tee Ching Tee	16.08.2002	6/7*	86
6	Mr Tee Cheng Hua	16.08.2002	7/7*	100
7	Mr Tee Lip Teng	23.07.2012	7/7*	100
8	Ms Ng Yee Kim	20.07.2020	8/8	100
9	Puan Adzlina Junita binti Abd.Jalil	15.07.2024	8/8	100
10	Mr Tee Lip Jen (alternate Director to Mr Tee Kim Tee @ Tee Ching Tee)	09.05.2024	1/7**	14

Note:-

\* Due to the nature of the meeting agenda, which is related party transaction, the Directors were not called for the Special Board of Directors' Meeting 5/2025 held on 11 July 2025.

\*\* Attended meeting in the absence of Principal Directors.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of FEHB evidenced by the attendance record of the Directors at Board meetings, as set out in the above table. Most of the Directors attended all meetings during the financial year under review. A Director who is unable to attend any Board or Board Committee's meeting will notify the Chairman and/or the Company Secretary immediately prior to the meeting date. None of the Directors hold more than five (5) Directorships each in other listed corporations.

#### Appointments to the Board

Pursuant to the best practices promulgated by the MCGG, the Board has established a Nomination & Remuneration Committee ("NRC"), consisting of three (3) Directors. The duties and responsibilities of the NRC are to propose new nominees to the Board and to assess the contribution of each individual Director and overall effectiveness of the Board on an on-going basis. The NRC is guided by the specific Terms of Reference that is set by the Board. The primary objectives of the NRC amongst others are as follows:-

#### Nomination Functions

- To assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, including appropriateness of non-executive participation;
- To review the required mix of skills, experience, knowledge and responsibilities of the Directors of the Board;
- To recommend members for appointments to the Board and Board Committees and to ensure appropriate assessment of Directors on an on-going basis as per Directors' Fit & Proper Policy; and
- To ensure there is sufficient succession planning and human capital and development focus in the Group.

# Corporate Governance Statement and Additional Compliance Statement (Cont'd)

## THE BOARD OF DIRECTORS (CONT'D)

### Remuneration Functions

- (a) To recommend to the Board the remuneration framework for the Directors;
- (b) To set the policies and procedures on the remuneration framework, including reviewing and making recommendations to the Board on all elements relating to remuneration, terms of employment, reward structure and fringe benefits for the Chief Executive Officer, Executive Directors as well as key pivotal positions; and
- (c) To set out the policy and remuneration framework for employees of the Group.

The Terms of Reference of the NRC is posted at [www.fehb.com.my](http://www.fehb.com.my).

### Board Committees

The Board delegates specific responsibilities to the Board Committees, all of which have their written Terms of Reference. These Committees have the authority to examine particular issues and report to the Board with their recommendations.

The Board delegates authority not responsibility to the Committee. During the financial year ended 31 December 2025, the four (4) principal Board Committees are:-

- (a) Audit Committee;
- (b) Nomination & Remuneration Committee;
- (c) Risk & Governance Committee; and
- (d) Tender Committee.

### Re-Election of Directors

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("AGM") immediately after their appointments.

Clause 76 of the Constitution of Company expressly state that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

In accordance with Clause 77 of the Constitution, one-third of the remaining Directors, including the Executive Directors, are required to submit themselves for re-election by rotation at the AGM.

To assist shareholders in their decision, sufficient information of the retiring Directors, such as personal profiles, meeting attendance and shareholdings in the Company are furnished in the Annual Report.

The Company had made a policy that an Independent Director should not serve the Company for more than nine (9) years. This could be evidenced by previous retirements of our Independent Directors namely Cik Sharina binti Bahrin, Encik Khairul Azahar bin Ariffin, Mr Ng Say Pin, YH Dato' Dr Ahmad bin Aman, Encik Hashim Naina Merican bin Yahaya Merican, YH Dato' Tan Bing Hua and Encik Nik Mohamed Zaki bin Nik Yusoff. In fact, it is the Company's practice to evaluate the Independent Directors as set by Paragraph 1.0 of the Listing Requirements.

### Directors' Code of Ethics

The Directors are guided by the Code of Ethics as stipulated in the Code of Business Conducts and partly in the Board Charter as published in the website [www.fehb.com.my](http://www.fehb.com.my).

### Directors' Training

Every Director of the Company undergoes continuous training to equip himself/herself to effectively discharge his/her duties as a Director and for that purpose he/she ensures that he/she attends such training programmes as prescribed by the Bursa Securities from time to time. All Directors attended the full series of Mandatory Accreditation Programmes ("MAPs") prescribed by the Bursa Securities. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skill and knowledge. For the financial year ended 31 December 2025, all Directors had participated and attended seminar/course/conference/webinar as recommended and approved by the Board.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### THE BOARD OF DIRECTORS (CONT'D)

#### Directors' Training (cont'd)

A summary of training programme, conferences/webinar and seminar attended by Directors during the financial year under review is set out below:-

No.	Name	Courses	Date
1.	YH Dato' Sri Kamaruddin bin Mohammed	E-Invoicing Directors Programme	17.02.2025
		In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025
		Conflict of Interest and Disclosure Obligations	12.08.2025
2.	YH Dato' Suhaimi bin Mohd Yunus	Kursus Penguasaan Pembentangan Korporat Berimpak Tinggi	07.07.2025 - 08.07.2025
		17 <sup>th</sup> National Seminar from Plantation to Preservation: The Role of Oil Palm in Sustainable Vegetable Oil Production	14.07.2025 - 16.07.2025
		Persidangan S-GLC Negeri Pahang 2025	25.09.2025 - 29.09.2025
		Seminar Perkhidmatan Awam Madani	18.11.2025
		Anti-Bribery and Anti-Corruption Training	01.12.2025
3.	YH Datuk Mohd Afrizan bin Husain	Malaysian Tax Conference 2025	14.04.2025 - 15.04.2025
		MIA Conference 2025	26.05.2025 - 27.05.2025
		In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025
		Persidangan Cukai Kebangsaan 2025	11.11.2025 - 12.11.2025
		Seminar Belanjawan 2026	13.11.2025
		International Standard on Auditing - ISA 570 Going Concerns	17.12.2025
		Valuation of Specialised Industry - Agriculture, Horticulture and Aquaculture	22.12.2025
4.	YH Dato' Asmin binti Yahya	MFRS Updates 2024	07.01.2025
		ICDM E-Invoicing	17.02.2025
		Incorporated Society of Planters 17 <sup>th</sup> National Seminar	14.07.2025 - 16.07.2025
		In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025
5.	Mr Tee Kim Tee @ Tee Ching Tee	MIA Webinar Series: E-Invoicing and Self-Billed E-Invoice: Are You Fully Compliant?	09.07.2025
		In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025
6.	Mr Tee Cheng Hua	MIA Webinar Series: E-Invoicing and Self-Billed E-Invoice: Are You Fully Compliant?	09.07.2025
		In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### THE BOARD OF DIRECTORS (CONT'D)

#### Directors' Training (cont'd)

No.	Name	Courses	Date
7.	Mr Tee Lip Teng	MPOB Economic Review & Outlook Seminar 2025 Palm & Lauric Oils Price Outlook Conference & Exhibition 2025 5 <sup>th</sup> Palm Biodiesel Conference 2025 MyAERO Sustainable Aviation Symposium 2025 In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights S&P Global Platts APPEC 2025 - Biofuel Conference International Palm Oil Congress & Exhibition (PIPOC) 2025	14.01.2025 24.02.2025 - 26.02.2025 23.06.2025 - 24.06.2025 01.07.2025 - 03.07.2025 11.07.2025 08.09.2025 - 10.09.2025 18.11.2025 - 20.11.2025
8.	Ms Ng Yee Kim	Forum Ekonomi Malaysia 2025 - Seizing Malaysia's Moment, The Ministry of Economy BlackRock: 2025 Global Outlook - Building The Transformation Market Outlook 2025 - Merger and Acquisition for Private Businesses Global Leadership Summit 2025, GLS TBN Asia on Impact Investing In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights ICDM: Board Risk Management Committee - Governance in an Era of Trade Uncertainty   Navigating Tariff Risk and Opportunities Scaling Up: Funding for Growth for Businesses ICDM: The People Lab - A Taste of High-Performance Teams   Unlock The Hidden Science of Teamwork Investing for Impact - Aligning Capital with ESG	09.01.2025 09.01.2025 21.01.2025 10.02.2025 - 11.02.2025 12.02.2025 11.07.2025 25.07.2025 07.08.2025 05.11.2025 28.11.2025
9.	Puan Adzlina Junita binti Abd.Jalil	Mandatory Accreditation Programme Part III: Leading for Impact (LIP) Overview of the 3rd Edition of the IFRS for SMEs Accounting Standards In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights Audit Committee Conference 2025 MIA Webinar Series: ESG Audit for External Audit Analysis of New MPERS - A Comprehensive Brief on all the Sections in MPERS MIA Blended Learning Series: MPERS: Preparation of MPERS Financial Statements	15.01.2025 - 16.01.2025 30.06.2025 11.07.2025 29.09.2025 02.12.2025 - 03.12.2025 09.12.2025 - 10.12.2025 12.12.2025
10.	Mr Tee Lip Jen	In-House Training on E-Invoicing Implementation in Malaysia: Strategic, Operational & Compliance Insights	11.07.2025

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### DIRECTORS' REMUNERATION

The details of the Directors' remuneration for the financial year ended 31 December 2025 are as follows:-

Group	Fees RM'000	Salaries and Bonus RM'000	Other Emoluments* RM'000
<b>Group Chairman</b>			
YH Dato' Sri Kamaruddin bin Mohammed	755	1,330	233
<b>Senior Executive Director, Plantations &amp; Milling</b>			
Mr Tee Cheng Hua	550	1,104	193
<b>Chief Executive Officer/Executive Director</b>			
YH Dato' Asmin binti Yahya	387	543	147
<b>Non-Executive Directors</b>			
YH Dato' Suhaimi bin Mohd Yunus	110	-	58
YH Datuk Mohd Afrizan bin Husain	110	-	90
Mr Tee Kim Tee @ Tee Ching Tee	450	440	142
Mr Tee Lip Teng	110	-	49
Ms Ng Yee Kim	110	-	82
Puan Adzlina Junita binti Abd.Jalil	51	-	60
Mr Tee Lip Jen	160	200	35

Company	Fees RM'000	Salaries and Bonus RM'000	Other Emoluments* RM'000
<b>Group Chairman</b>			
YH Dato' Sri Kamaruddin bin Mohammed	190	1,330	81
<b>Senior Executive Director, Plantations &amp; Milling</b>			
Mr Tee Cheng Hua	110	704	67
<b>Chief Executive Officer/Executive Director</b>			
YH Dato' Asmin binti Yahya	110	543	50
<b>Non-Executive Directors</b>			
YH Dato' Suhaimi bin Mohd Yunus	110	-	58
YH Datuk Mohd Afrizan bin Husain	110	-	90
Mr Tee Kim Tee @ Tee Ching Tee	110	-	50
Mr Tee Lip Teng	110	-	49
Ms Ng Yee Kim	110	-	82
Puan Adzlina Junita binti Abd.Jalil	51	-	60
Mr Tee Lip Jen	-	-	3

Note:-

\* Other emoluments include meeting allowance and benefit-in-kind for the purpose of enabling the Directors to perform their duties.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### DIRECTORS' REMUNERATION (CONT'D)

The details of the remuneration for the Senior Management for the financial year ended 31 December 2025 are as follows:-

Company	Salaries and Bonus RM'000	Other Emoluments* RM'000
Encik Nazaruddin bin Hasim	381	20
Puan Noor Anisah binti Sabarudin	278	22
Encik Musa bin Abdul Halim	270	20
Puan Rosliha binti Husin	235	19
Encik Norfadli bin Mahrom	165	10
Encik Mohd Hafidz bin Shamsudin	146	10

Note:-

\* Other emoluments include meeting allowance and benefit in-kind for the purpose of performing their duties.

### Development of Human Capital

The Board is also of the view that human capital development and management is one of the major concerns in ensuring continuous growth and sustainability of the Company. The Company has set a benchmark to promote internal candidates for succession planning. Core functions of the management operation had been identified and the supporting talents of individual functions are nurtured and developed in order to be prepared for advancement. The Board has delegated the authority for identifying key talent to the Senior Management of the Company.

The staff are given adequate training with the record hours of training attended is 3,522.25 hours for 231 staff.

### Whistleblower Policy

The Company has established a Whistleblower Policy in response to Whistleblower Protection Act, 2010 which could be reviewed in detail at our website [www.fehb.com.my](http://www.fehb.com.my). The Group's Whistleblowing Policy established in 2016 and was further revised in 2019 provides an avenue for employees and stakeholders dealing with the Group with proper procedure to disclose or raise genuine concerns on possible improprieties, improper conduct or other malpractices within the Group. It gives an appropriate communication and feedback channel which facilitates whistleblowing in a transparent and confidential manner.

The purpose of this Policy is to:-

- promote the importance of detecting improper conduct;
- encourage the reporting of improper conduct and any other matters that may cause financial or non-financial loss to FEHB or tarnish the reputation of FEHB; and
- protect people who report improper conduct in good faith from discrimination, harassment and retaliation.

### Anti-Bribery and Anti-Corruption Policy

The Company has established an Anti-Bribery and Anti-Corruption Policy ("Policy") in compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("the Act"), which could be reviewed in detail at our website [www.fehb.com.my](http://www.fehb.com.my). The Group has taken reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities for its advantage or benefit. The Policy which was approved by the Board on 24 November 2022 sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### DIRECTORS' REMUNERATION (CONT'D)

#### Anti-Bribery and Anti-Corruption Policy (cont'd)

The Policy is supplemental to and shall be read in conjunction with the Group's Whistleblower Policy. With the introduction of Section 17A of the Act, the corrupt act of an associated person such as an employee, contractor, supplier, agent, business and other partner will now be attributed to the commercial organisation, unlike before. Where a commercial organisation is charged with this new corporate offence, the Board Members must demonstrate absolute defense by proving that the organisation had adequate procedures in place in addition to the establishment of the Policy to prevent such associated persons from carrying out any corrupt activities.

The purpose of this Policy is to:-

- (a) provide information and guidance to the Directors and employees on standard of behavior to which they must adhere to and how to recognise as well as to deal with bribery and corruption; and
- (b) ensure observance and compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of the Directors and employees' duties.

#### Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy ("Policy") is established pursuant to the implementation of newly amended Paragraph 15.01A of the Listing Requirements by Bursa Securities.

The purpose of this Policy is to:-

- (a) set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of FEHB and its subsidiaries; and
- (b) serve as a guide to the Nomination & Remuneration Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

#### Code of Business Conducts

This Code of Business Conducts ("the Code") provides guidance in resolving any business, legal and ethical issues that one may encounter in conducting business and standards of behaviour expected of the Board of Directors, Management, employees and all business partners of FEHB Group. The standards of behaviour are derived from the Group's Core Values and Business Principles.

Far East Holdings Berhad's Core Values and Business Principles:-

- **Integrity**  
Uphold high levels of personal and professional values in all our business interactions and decisions.
- **Respect & Responsibility**  
Respect for the individuals we interact with and the environment that we operate in (internally and externally) and committing to being responsible in all our actions.
- **Excellence**  
Stretch the horizons of growth for ourselves and our business through our unwavering ambition to achieve outstanding personal and business results.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### DIRECTORS' REMUNERATION (CONT'D)

#### Code of Business Conducts (cont'd)

- **Health, Safety and Environment**  
Health and safety are important to our employees and the communities where we operate. We ensure our business operations are sustainable, by proactively addressing environmental challenges and respecting fundamental human rights, without sacrificing long-term economic value and creation.
- **Compliance**  
Complying with all laws and regulations in the country that we operate.
- **Working with Local Communities**  
Engaging with and contributing to local communities in a socially responsible manner wherever we operate, without compromising the benefits of any particular stakeholder.
- **Fair Business Practices**  
Ensuring that we promote fair business practices and compete in an ethical manner.

The Code applies to the Board of Directors, Management and employees of FEHB Group. This includes employees on secondment to Joint Ventures, affiliates or associates (where necessary). Counterparties are also expected to comply with this Code. Business partners are encouraged to adopt similar principles and standards of behaviour.

#### Corporate Gift Policy

The Corporate Gift Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The Policy is established in tandem with the Anti-Bribery and Anti-Corruption Policy of the Group and is approved by the Board.

Gifting is a widespread aspect as a customary practice in the country and that refusal of gift can sometimes be considered offensive. However, gifts can be seen as bribes and they may be intended to influence decisions of an organisation or create reciprocal obligations. While it is discouraged to accept or offer (directly or indirectly) gifts or entertainment from customers, suppliers, distributors, dealers or any other business associates of the Group, in some situations it may be considered customary to accept or offer gifts. The Corporate Gift Policy defines guidelines and acceptable norms for accepting and offering of gifts.

The objective of this policy is to provide information and guidance to the Directors and employees on standards of behaviour to which they must adhere to and how to recognise as well as deal with corporate gifting. The Policy is not intended to be exhaustive and there may be additional obligations that Directors and employees are expected to adhere to or comply with when performing their duties. For all intents and purposes, the Directors and employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

### AUDIT COMMITTEE

<b>Chairman</b>	<b>YH Datuk Mohd Afrizan bin Husain</b>	Independent, Non-Executive Director
<b>Members</b>	<b>Ms Ng Yee Kim</b>	Independent, Non-Executive Director
	<b>Puan Adzlina Junita binti Abd.Jalil</b>	Independent, Non-Executive Director

The Audit Committee reviews issues of governance and compliance of accounting policies, presentation for external financial reporting, monitors the work of the Internal Audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors both internally and externally who, in turn, have access at all times to the Chairman of the Audit Committee. The Audit Committee meets at least once a year with the external auditors without the presence of management of the Company.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### AUDIT COMMITTEE (CONT'D)

The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report and published at [www.fehb.com.my](http://www.fehb.com.my). The charter that is approved by the Board governs the activities of the Audit Committee. The Audit Committee meets at least quarterly. Additional meetings are held as and when required. During the financial year ended 31 December 2025 a total of five (5) Audit Committee meetings were held.

The Head of Departments in Head Office are invited to attend the Audit Committee meetings when deemed necessary by the Audit Committee for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities.

The Audit Committee meets with the Group's external auditors annually to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. The Audit Committee also meets with the external auditors whenever it deems necessary. There was a private session held on 26 February 2026 with the external auditors without the presence of management to discuss on issues and significant matters highlighted by the external auditors.

The Audit Committee Report is presented on pages 113 to 119.

### NOMINATION & REMUNERATION COMMITTEE

<b>Chairman</b>	<b>Mr Tee Kim Tee @ Tee Ching Tee</b>	Non-Independent, Non-Executive Director
<b>Members</b>	<b>Ms Ng Yee Kim</b>	Independent, Non-Executive Director
	<b>Puan Adzlina Junita binti Abd.Jalil</b>	Independent, Non-Executive Director

The Nomination & Remuneration Committee ("NRC") comprises three (3) Non-Executive members, a majority of whom are Independent Directors. The NRC is governed by written Terms of Reference which ensures it deals clearly within its authority and duties, which is available on the Company's website at [www.fehb.com.my](http://www.fehb.com.my).

### Board Appointment Process

The NRC is responsible for recommending new nominees to fill vacancies on the Board as well as Board Committees. All nominees are initially considered by the NRC taking into consideration the required mix of skills, competencies and experience as well as other required qualities such as commitment of time, integrity and professionalism before they are recommended to the Board for consideration and approval. The Board would consider recommendation from independent sources should the candidate fit the necessary skill sets and experience.

### Board Evaluation Assessment

The NRC assists the Board in assessing the effectiveness of the Board as a whole, the Board Committees as well as the performance of each Director.

The results of the assessment and areas which required improvement were compiled and reviewed by the NRC which is then submitted together with its recommendation to the Board for consideration and approval. Overall, the Board is satisfied with the performance, roles and responsibilities of the Directors. The Board identified key areas that required enhancement and other areas where the Board could further solidify its strength. The Board would consider engaging independent experts periodically to facilitate the objective and candid board evaluations, as stipulated within the Board Charter if needed.

### Re-Election of Directors

The NRC is also responsible for recommending to the Board such Directors for re-election at the AGM of the Group.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### NOMINATION & REMUNERATION COMMITTEE (CONT'D)

#### Independence of Independent Directors

In accordance with the Company's Constitution, all new Directors appointed by the Board to fill vacancies during the year are subject to re-election by the shareholders at the forthcoming AGM following their appointments. Additionally, at least one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the numbers nearest to one-third, shall be subject to retirement by rotation at least once every three (3) years. They will, however, still be eligible for re-election at the AGM. The retiring Directors would be those who have been longest in office since their last election. This provides shareholders with the opportunity to evaluate the performance of the Directors and with the view to promote Board's effectiveness.

Directors subject to retirement by rotation pursuant to the Company's Constitution are initially considered by the NRC, taking into consideration their required mix of skills, competencies, experience and other qualities required before they are recommended for re-election by shareholders. The Board has a set of criteria in assessing the independence and performance of Directors.

The NRC reviews and assesses the level of independence of the Independent Directors of the Board in line with the Code. The NRC will also consider the individual Director's ability to exercise independent judgment and to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all shareholders' interests.

FEHB abides to the policy that the Independent Director will not serve after more than nine (9) years. The NRC has assessed and concluded that all the Independent Directors continue to demonstrate independence in their conduct and behavior, and that each of them is independent of the Company's management and free from any business or other relationship which could materially interfere with the exercise of independent judgment, objectivity or the ability to act in the best interest of the Company.

Activities undertaken by the NRC during FY2025 were as follows:-

- Assessed the competencies, commitments and contributions of the Directors standing for re-election at the AGM prior to tabling the same for the Board's recommendation to the shareholders;
- Reviewed the training and development programmes for Directors to address any deficiencies and to enhance the necessary skills required;
- Reviewed and made recommendations on the composition of Board Committees;
- Conducted assessment of the Board of Directors including the Board's Committees (for its size and composition) as well as contribution of each individual Director; and
- Reviewed the assessment of pivotal positions in tandem with the Group's strategy in managing critical talent on succession planning.

### RISK & GOVERNANCE COMMITTEE

<b>Chairman</b>	<b>YH Dato' Suhaimi bin Mohd Yunus</b>	Non-Independent, Non-Executive Director
<b>Members</b>	<b>YH Datuk Mohd Afrizan bin Husain</b>	Independent, Non-Executive Director
	<b>Mr Tee Lip Teng</b>	Non-Independent, Non-Executive Director
	<b>Mr Tan Keh Feng</b>	Independent Member
	<b>Encik Nik Mohamed Zaki bin Nik Yusoff</b>	Independent Member

The Risk & Governance Committee ("R&G Committee") members which comprises three (3) Non-Executive Directors and two (2) Independent Members assist the Board in overseeing the risk management process within the Group, ensure risks which may have a significant impact upon the Group are identified in a manner which would result in its expeditious treatment and to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks. The R&G Committee is governed by written Terms of Reference which ensures it deals clearly within its authority and duties, which is available on the Company's website at [www.fehb.com.my](http://www.fehb.com.my). The most recent review and update of the Terms of Reference of R&G Committee took place on 25 March 2025.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### TENDER COMMITTEE

<b>Chairman</b>	<b>Mr Tee Cheng Hua</b>	Senior Executive Director, Plantations & Milling
<b>Members</b>	<b>YH Dato' Asmin binti Yahya</b> <b>Puan Noor Anisah binti Sabarudin</b> <b>Encik Nazaruddin bin Hasim</b>	Chief Executive Officer/Executive Director General Manager, Services Plantation Controller/Deputy Chief Operating Officer
<b>Secretary</b>	<b>Cik Nur Fatin Amalina binti Nor Hasmi</b>	Assistant Manager (Legal & Secretarial), Services

The Tender Committee ("TC") is established to assist the Board in fulfilling its statutory and fiduciary responsibilities in overseeing the process of awarding significant contracts by FEHB's Group. Amongst the responsibilities of the TC (subject to the direction and counsel of the Board) are as follows:-

- (a) Oversee that the tender process is carried out in accordance with the Group's procurement policies including general evaluation criteria, anti-corruption policy and codes of conduct and thereafter recommend the said procurement policies and procedures to the Board for approval.
- (b) Appoint sub-committees for technical and commercial evaluations, if necessary.
- (c) Approve qualified tenderers or any tender and quotation subject to requirements as, in its opinion; it is most advantageous of the Company, although such tender may not be the lowest received, provided that if a tender other than the lowest be accepted, the reasons for accepting such tender, shall be recorded in the minutes.
- (d) Not be bound to accept any tender or quotation and when it considers it advisable, may call fresh tenders or quotations.
- (e) Has the right to refuse the release of any details of any tenderer, tender or quotation where confidentiality is a condition of the tender or, where it is deemed not to be in the Company's interests.
- (f) Participate in the negotiations and/or site visits if such actions will assist in the decision making.
- (g) The TC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board:-
  - Have full and unrestricted access to any employee and information pertaining to the Group; and
  - Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers necessary at the Company's expense.

During the financial year ended 31 December 2025 a total of eight (8) Tender Committee meetings were held.

### OPENING TENDER COMMITTEE

<b>Chairman</b>	<b>Encik Norfadli bin Mahrom</b>	Chief Internal Auditor
<b>Members</b>	<b>Encik Mohd Fairuz bin Abdul Karim</b> <b>Encik Mohd Rusdi bin Rosli</b> <b>Encik Mohd Abd Rahman bin Mohd Sapiee</b>	Assistant Manager, Services Assistant Manager, Risk & Governance Senior Executive, Finance
<b>Secretary</b>	<b>Cik Nur Fatin Amalina binti Nor Hasmi</b>	Assistant Manager (Legal & Secretarial), Services

Note: Representative of respective division will be present on behalf of any absence members.

The Opening Tender Committee ("OTC") is authorised to open tender for purchase of fertilisers, replanting or new development areas projects, infrastructure projects and purchase of fixed assets for an amount of more than RM100,000. The OTC is responsible for overseeing the opening tender process carried out in accordance with the Group's procurement policies including general evaluation criteria, Anti-Bribery and Anti-Corruption Policy and Code of Business Conducts. The OTC also must ensure that all tender forms and quotations are safely received and maintain fairness to all bidders by opening the tender in a timely and professional manner.

During the financial year ended 31 December 2025 a total of seventeen (17) Opening Tender Committee meetings were held.

# Corporate Governance Statement and Additional Compliance Statement (Cont'd)

## RELATIONS WITH SHAREHOLDERS AND INVESTORS

### Corporate Communication

The AGM is the principal forum for dialogue with individual shareholders and investors. It is a crucial mechanism in shareholder communication for the Company. At the Company's AGM, which is generally well attended, shareholders have direct access to the Board and are given the opportunities to ask questions during open question and answer session prior to the motion moving for tabling of the Company's Audited Financial Statements and Directors' Report for the financial year. The shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide the questions with immediate answer to a significant question, the Chairman will undertake to provide him/her with a written answer after the AGM.

The Company's e-mail address [fareast@fareh.po.my](mailto:fareast@fareh.po.my) is one of the means to communicate with the Company. The Board has appointed Ms Ng Yee Kim, Independent, Non-Executive Director as a Director responsible for Investor Relationship. Any queries with regard to the Group may be communicated to her. Her e-mail address is [ngyeekim@fareh.po.my](mailto:ngyeekim@fareh.po.my). Shareholders may also contact the Company Secretary or visit our website [www.fehb.com.my](http://www.fehb.com.my) for further information.

The Company always welcomes whistleblowers of any suspected wrongdoing and ensures that matters highlighted by the whistleblowers are scrutinised and appropriate action taken. Actions taken are guided by the Company's Whistleblowing Policy that is in place.

### Financial Reporting

The Directors recognise the responsibility for ensuring that accounting records are properly kept and the financial statements are prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

The quarterly results announcements to Bursa Securities reflect the Board's commitment to give regular updated assessments on the Group's performance and prospects. The statement by the Board pursuant to Section 251(2) of the Companies Act 2016 is presented on page 158.

### Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company at the end of the financial years and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2025, the Group has used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016 and Malaysian Financial Reporting Standards in Malaysia.

### Internal Controls

The Group has established internal controls that cover all levels of personnel and business processes to ensure the Group's operations are effective and efficient as well as safeguarding the Group's assets and shareholders' interests. The Statement on Risk Management and Internal Control furnished on pages 139 to 151 of the Annual Report provides an overview of the state of internal controls within the Group.

## Corporate Governance Statement and Additional Compliance Statement (Cont'd)

### RELATIONS WITH SHAREHOLDERS AND INVESTORS (CONT'D)

#### Internal Audit

The Group has established an Internal Audit Division to assist the Audit Committee in the discharge of their duties and responsibilities. Its role is to provide independent and objective reports on the organisation's management, records, accounting policies and controls to the Board. The Internal Audit function includes evaluation of the processes by which significant risks are identified, assessed and managed. Such audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable risk exposures consistent with the Group's risk management policy. The Internal Audit Division reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

#### External Audit

The Group independent external auditors fills an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

At the commencement of the audit, the external auditors present the Audit Planning Memorandum to the Audit Committee to detail out the statutory audit strategy in order to ensure smooth completion of the audit to meet the Company's and the Group's financial reporting requirements.

The external auditors have an obligation to report to those charged with governance key audit matters, issues affecting the financial statements and any weakness in the Group's system of internal controls and compliance discovered in the course of the audit. This includes the communication of any fraud detected.

### ADDITIONAL COMPLIANCE STATEMENT

#### Group Audit Fees

The amount of audit fees paid/payable to the external auditors by the Group for the financial year ended 31 December 2025 was RM443,000 (2024: RM443,000).

#### Group Non-Audit Fees

The amount of non-audit fees paid/payable to the external auditors by the Group for the financial year ended 31 December 2025 was RM10,000 (2024: RM10,000).

#### Internal Audit

The Company's In-House Internal Audit Division had incurred expenses amounting to RM588,800 for the financial year ended 31 December 2025 (2024: RM561,493).

#### Material Contracts

Notwithstanding the transactions disclosed in Recurrent Related Party Transactions, none of the directors and major shareholders had any material contracts with the Company during the financial year ended 31 December 2025.

#### Utilisation of Proceeds

No utilisation of proceeds undertaken during the financial year ended 31 December 2025.

#### Deviation

There was no material variation between the audited results for the financial year ended 31 December 2025 and the unaudited results previously announced for the similar period.

#### Disclosure

The disclosure of practices set out in MCCG tabulated in Corporate Governance Report for the financial year year ended 31 December 2025 is accessible and can be downloaded on our website [www.fehb.com.my](http://www.fehb.com.my).

## RECURRENT RELATED PARTY TRANSACTIONS

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company will be seeking the renewal from the shareholders for recurrent related party transactions of a revenue or trading nature, entered into between Far East Holdings Berhad (“FEHB”) or its subsidiary companies and related parties, at the forthcoming Annual General Meeting of FEHB scheduled to be held on 24 June 2026. The related party transactions for the Group are as follows:-

Name	Nature of Relationship	Date and Place of Incorporation	Principal Activities
KKSB	FEHB directly holds 51%* equity interest in KKSB	13.11.1989 Malaysia	Operating of palm oil mill
WWSB	KKSB directly holds 51%* equity interest in WWSB	29.11.2005 Malaysia	Operating of palm oil mill
PTSB	PTSB is a major shareholder of FEHB that holds 23.73%* equity interest in FEHB	09.09.1985 Malaysia	Trading of palm oil and palm kernel
PCHSB	FEHB directly holds 40%* equity interest in PCHSB	13.01.1978 Malaysia	Operating of palm oil mill and cultivation of oil palm
RPOM	PCHSB directly holds 30%* equity interest in RPOM	28.01.1994 Malaysia	Operating of palm oil mill
EPOM	PTSB directly holds 32%* equity interest in EPOM	23.10.1997 Malaysia	Operating of palm oil mill
PGC	KKSB directly holds 30%* equity interest in PGC	10.04.2004 Malaysia	Management services in oil palm plantations and marketing of sales and purchases of CPO
PPOPM	PCHSB directly holds 30%* equity interest in PPOPM	18.08.1994 Malaysia	Trading and marketing agent
KOSMA	KOSMA is a shareholder of WWSB that holds 49%* equity interest in WWSB	04.12.1967 (Incorporated under Co-operative Societies Act 1993) Malaysia	Operating of palm oil mill and cultivation of oil palm
LKPP Corp.	LKPP Corp. holds 5.96%* equity interest in FEHB. LKPP Corp. is a wholly owned subsidiary of PKPP. PKPP is a major shareholder of FEHB that holds 25.18%* equity interest in FEHB	21.06.1990 Malaysia	Operating of palm oil mill and cultivation of oil palm
KSMB	KKSB indirectly holds 31.50%* stake in KSMB via its associated company i.e. Jaspurna Holdings Sdn. Bhd.	18.11.1993 Malaysia	Operating of palm oil mill
FPSB	FEHB and PCHSB directly hold 46.05%* and 42.70%* equity interest in FPSB respectively	24.10.2005 Malaysia	Manufacturing and exporting palm oil, fatty acids and chemicals compounds or derivatives
MPOM	FEHB directly holds 100%* equity interest in MPOM	09.04.2014 Malaysia	Operating of palm oil mill
PARAS	FEHB and PCHSB directly hold 35%* and 35%* equity interest in PARAS respectively	11.01.2024 Malaysia	Providing plantation consultancy and advisory services

\* as at 31 March 2026

## Recurrent Related Party Transactions (Cont'd)

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

Legend:

KKSB	Kilang Kosfarm Sdn. Bhd.
WWSB	Wujud Wawasan Sdn. Bhd.
PTSB	Prosper Trading Sdn. Bhd.
PCHSB	Prosper Capital Holdings Sdn. Bhd.
RPOM	Rompin Palm Oil Mill Sdn. Bhd.
EPOM	Endau Palm Oil Mill Sdn. Bhd.
PGC	PGC Management Services Sdn. Bhd.
PPOPM	Prosper Palm Oil Products Marketing Sdn. Bhd.
KOSMA	Koperasi Serbausaha Makmur Berhad
PKPP	Perbadanan Kemajuan Pertanian Negeri Pahang
LKPP Corp.	LKPP Corporation Sdn. Bhd.
KSMB	Kilang Sawira Makmur Sdn. Bhd.
FPSB	Future Prelude Sdn. Bhd.
MPOM	Merchong Palm Oil Mill Sdn. Bhd.
PARAS	PARAS (Progressive Agricultural Research and Services) Sdn. Bhd.

Pursuant to Paragraph 10.02 of the Listing Requirements, the parties related to the FEHB Group, which have recurrent transactions of a revenue or trading nature with the Group are as follows:-

#### Sales of Fresh Fruit Bunches

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of FFB by FEHB to KKSB and WWSB	Based on MPOB pricing and forward sales
WWSB	Sales of FFB between KKSB and WWSB	Based on MPOB pricing and forward sales
PCHSB	Sales of FFB by FEHB and KKSB to PCHSB	Based on MPOB pricing and forward sales
RPOM	Sales of FFB by FEHB to RPOM	Based on MPOB pricing and forward sales
EPOM	Sales of FFB by FEHB to EPOM	Based on MPOB pricing and forward sales
KSMB	Sales of FFB by FEHB to KSMB	Based on MPOB pricing and forward sales
LKPP Corp.	Sales of FFB by FEHB to LKPP Corp.	Based on MPOB pricing
MPOM	Sales of FFB by FEHB to MPOM	Based on MPOB pricing and forward sales

#### Purchases of Fresh Fruit Bunches

Related Party	Nature of Transaction	Method of Pricing
FEHB	Purchases of FFB by MPOM and KKSB from FEHB	Based on MPOB pricing and forward sales
KKSB	Purchases of FFB between KKSB and WWSB	Based on MPOB pricing and forward sales
PCHSB	Purchases of FFB by KKSB from PCHSB	Based on MPOB pricing and forward sales
RPOM	Purchases of FFB by KKSB from RPOM	Based on MPOB pricing and forward sales
KOSMA	Purchases of FFB by WWSB from KOSMA	Based on MPOB pricing
KSMB	Purchases of FFB by KKSB from KSMB	Based on MPOB pricing and forward sales
LKPP Corp.	Purchases of FFB by MPOM from LKPP Corp.	Based on MPOB pricing

## Recurrent Related Party Transactions (Cont'd)

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

#### Sales of CPO

Related Party	Nature of Transaction	Method of Pricing
WWSB	Sales of CPO by KKSB and MPOM to WWSB	Based on the MPOB/contract price
KKSB	Sales of CPO by WWSB and MPOM to KKSB	Based on the MPOB/contract price
PCHSB	Sales of CPO by MPOM, KKSB and WWSB to PCHSB	Based on the MPOB/contract price
RPOM	Sales of CPO by MPOM, KKSB and WWSB to RPOM	Based on the MPOB/contract price
EPOM	Sales of CPO by MPOM, KKSB and WWSB to EPOM	Based on the MPOB/contract price
PGC	Sales of CPO by MPOM, KKSB and WWSB to PGC	Based on the MPOB/contract price
PPOPM	Sales of CPO by MPOM, KKSB and WWSB to PPOPM	Based on the MPOB/contract price
KSMB	Sales of CPO by MPOM, KKSB and WWSB to KSMB	Based on the MPOB/contract price
FPSB	Sales of CPO by MPOM, KKSB, WWSB and MPOM to FPSB	Based on the MPOB/contract price
MPOM	Sales of CPO by KKSB and WWSB to MPOM	Based on the MPOB/contract price

#### Purchases of CPO

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of CPO by MPOM and WWSB from KKSB	Based on the MPOB/contract price
WWSB	Purchases of CPO by MPOM and KKSB from WWSB	Based on the MPOB/contract price
PCHSB	Purchases of CPO by MPOM, KKSB and WWSB from PCHSB	Based on the MPOB/contract price
RPOM	Purchases of CPO by MPOM, KKSB and WWSB from RPOM	Based on the MPOB/contract price
EPOM	Purchases of CPO by MPOM, KKSB and WWSB from EPOM	Based on the MPOB/contract price
PPOPM	Purchases of CPO by MPOM, KKSB and WWSB from PPOPM	Based on the MPOB/contract price
KSMB	Purchases of CPO by MPOM, KKSB and WWSB from KSMB	Based on the MPOB/contract price
FPSB	Purchases of CPO by KKSB and WWSB from FPSB	Based on the MPOB/contract price
MPOM	Purchases of CPO by KKSB and WWSB from MPOM	Based on the MPOB/contract price

#### Sales of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of kernel by KKSB to WWSB	Based on the MPOB/contract price
WWSB	Sales of kernel by WWSB to KKSB	Based on the MPOB/contract price
PCHSB	Sales of kernel by MPOM, KKSB and WWSB to PCHSB	Based on the MPOB/contract price
PTSB	Sales of kernel by MPOM, KKSB and WWSB to PTSB	Based on the MPOB/contract price
EPOM	Sales of kernel by MPOM, KKSB and WWSB to EPOM	Based on the MPOB/contract price
RPOM	Sales of kernel by MPOM, KKSB and WWSB to RPOM	Based on the MPOB/contract price
KSMB	Sales of kernel by MPOM, KKSB and WWSB to KSMB	Based on the MPOB/contract price

## Recurrent Related Party Transactions (Cont'd)

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

#### Purchases of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of kernel by WWSB from KKSB	Based on the MPOB/contract price
WWSB	Purchases of kernel by KKSB from WWSB	Based on the MPOB/contract price
EPOM	Purchases of kernel by MPOM, KKSB and WWSB from EPOM	Based on the MPOB/contract price
KSMB	Purchases of kernel by MPOM, KKSB and WWSB from KSMB	Based on the MPOB/contract price
RPOM	Purchases of kernel by MPOM, KKSB and WWSB from RPOM	Based on the MPOB/contract price
PCHSB	Purchases of kernel by MPOM, KKSB and WWSB from PCHSB	Based on the MPOB/contract price
PTSB	Purchases of kernel by MPOM, KKSB and WWSB from PTSB	Based on the MPOB/contract price

#### Management Fee

The management fee charged includes the management services for technical services, marketing services, administrations and accounting services.

Related Party	Nature of Transaction	Method of Pricing
PGC	Management fee charged by PGC to MPOM, KKSB, WWSB and KSMB	Based on agreed contract agreement for the management services

#### Consultancy and Advisory Fee

Related Party	Nature of Transaction	Method of Pricing
PARAS	Consultancy and advisory fee charged by PARAS to FEHB, MPOM, KKSB and WWSB	Based on agreed rate for the consultancy and advisory services

#### Aggregate Value During the Financial Year

The aggregate value of the Recurrent Related Party Transactions made during the financial year ended 31 December 2025 is shown below:-

Related Party	RM'000
FEHB	237,076
KKSB	126,618
WWSB	2,378
PCHSB	87,665
RPOM	45,603
EPOM	36,402
KSMB	45,045
LKPP Corp.	24,576
KOSMA	272,904
PGC	3,903
PTSB	147,131
FPSB	249,207
MPOM	69,989
PARAS	443
<b>Total</b>	<b>1,348,940</b>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

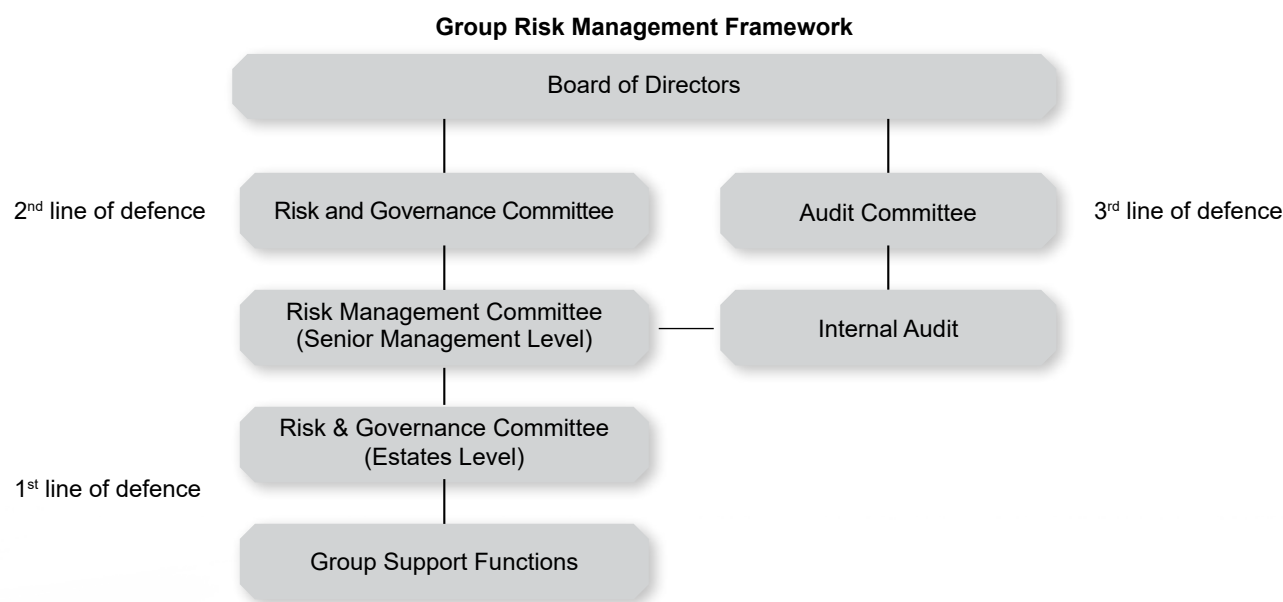
## INTRODUCTION

The Board of Directors (“Board”) is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal controls within the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 31 December 2025.

This statement has been prepared in compliance of Bursa Malaysia Guidelines for Listed Issuers. It outlines the key elements needed in maintaining a sound system of risk management and internal controls, in line with the Best Practices relating to Risk Management and Internal Control as stipulated in the Malaysian Code on Corporate Governance (“MCCG”).

The Board takes cognisance of a robust Audit Committee, as well as strong risk management and internal control frameworks that can inculcate a healthy development of corporate governance culture within the Group.

Risk Management and Internal Controls are integrated into the management processes and embedded in business activities of the Group.



## RESPONSIBILITIES AND ACCOUNTABILITIES

### Board of Directors

The Group is led by the Board. The Board affirms its overall responsibility for the Group’s system of internal controls, including the assurance of its adequacy and integrity, and its alignment with business objectives. The Board is committed to maintaining a sound system of internal control to safeguard shareholders’ investment and the Group’s assets and to review its adequacy and integrity periodically. The system of internal control covers a broad spectrum of end to end business processes encompassing both the financial and non-financial risks.

The Board also recognises that a sound system of internal controls can only mitigate risks, but acknowledges its limitations in eliminating the possibility of poor judgement in decision making, human error, control process being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances. Accordingly, the system could provide only reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

Board Committees such as the Audit Committee, Risk and Governance Committee, Nomination and Remuneration Committee and Tender Committee are established by the Board, and are governed by clearly defined Terms of Reference and authority for areas within their respective scope.

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's financial risk management processes. The Audit Committee is also responsible for reviewing the Group's business process, the quality of the Group's accounting function, financial reporting and the system of internal controls and enhancing the independence of both the external and internal auditors.

The composition of Audit Committee comprise solely of Independent Non-Executive Directors. The independence and financial literacy of its members are paramount in a well-functioning Audit Committee to ensure its members in exercise an informed and impartial judgement in the fulfilment of the Audit Committee's mandate.

The Internal Audit Function adopts a risk-based approach and is independent of the activities they audit. Their work is based on an annual audit plan approved by the Audit Committee. In order to ensure independence, the Chief Internal Auditor reports directly to the Audit Committee and administratively to the Chief Executive Officer/Executive Director. Audit Committee meetings are convened once every quarter or as and when required.

#### Risk and Governance Committee

Risk and Governance Committee has been separately formed as Board Committee. The primary objective of the Risk and Governance Committee is to assist the Board in discharging its statutory and fiduciary responsibilities by identifying significant risks and opportunities and ensuring that the Group Risk Management Framework incorporates the necessary policies and mechanisms to manage the overall risk exposures of the Group. The Committee is also responsible to oversee the Group's Sustainability or interchangeably, environmental, social and governance related framework, strategy, external commitments, policies and practices as well as performances against relevant benchmarks such as external Environmental, Social and Governance ("ESG") rating or assessments.

The Risk and Governance Committee comprises majority Non-Executive Directors. The composition of the Committee during the period under review was made in accordance with the Terms of Reference. The members profile of the Risk and Governance Committee from the Board is set out in the Directors' Profile section. During the financial year ended 31 December 2025, the Risk and Governance Committee held a total of four (4) meetings.

#### Risk Management Framework and Internal Controls

The Board with the assistance of the Risk and Governance Committee and management undertook to identify the principal business risks in the critical areas of the Group. This involved assessing the likelihood of material exposures and identifying the appropriate safeguards to be taken and the required time frame to mitigate and minimise the impact of these risks. This was done through discussion and meetings at estates and senior management levels. The results of updated risks profiles were further deliberated by the Risk and Governance Committee prior to escalation to the Board.

The top five (5) business risks that were rated as Medium are as follows:-

No.	Risk	Risk Level	Impact
1.	Unfavorable Weather Condition	Medium	Moderate
2.	Environment, Social & Governance	Medium	Moderate
3.	Pest and Disease	Medium	Moderate
4.	Over-dependence on Foreign Workers	Medium	Extreme
5.	Oil Losses in Crude Palm Oil	Medium	Minor

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Risk Management Framework and Internal Control (cont'd)

The details of business risks reviewed and strategies adopted by the Board to mitigate the impact of the risks are as follows:-

##### (1) Unfavourable Weather Condition

Weather conditions play a crucial role in the growth and productivity of the oil palm trees. The high frequency of prolonged rainy seasons has directly affected yield performance and harvesting efficiency. Unfavourable climatic conditions, particularly anomalies such as El Niño (drought condition) and La Niña (excessive rainfall) have significant adverse impacts on oil palm plantations. These phenomena disrupt flowering and fruiting cycles, constraint field accessibility and ultimately reduce both the quality and quantity of Fresh Fruit Bunches ("FFB") produced.

Consistent and excessive rainfall may result in waterlogging which imposes physiological stress on oil palm trees and adversely affects root development and nutrient uptake. Excessive and frequent rainfall also can lead to the leaching of fertilisers, diminishing soil nutrient availability and negatively impacting long-term plantation productivity. The heavy rainfall and high humidity will create favourable conditions for the outbreak of diseases such as *Ganoderma Boninense* (stem rot) and other fungal pathogens. These diseases are more prevalent in overly moist environments and can significantly compromise palm health, reduce yields and increase management and remediation costs. The heavy rainfall and floods also can disrupt harvesting, in-field collection and transportation of FFB. Prolonged flooding restricts field accessibility and delays evacuation of harvested bunches, increasing the risk of deterioration and rotting.

Conversely, the prolonged dry periods can negatively impact yield performance such as reducing photosynthetic rates and survival and activity of pollinating weevils. Impaired pollination directly affects fruit set formation and ultimately reduces the yield of FFB. The oil extraction rates could be affected by prolonged dry periods due to smaller, lighter and lower-quality of FFB. Such conditions adversely affect both productivity and the economic returns of the plantation. The drought also increases the abortion rate of female inflorescences and increases the production of male flowers, leading to fewer fruit bunches.

Although oil palm is considered as a resilient crop, it requires specific climatic conditions to achieve optimal growth including an average rainfall of approximately 100 mm per month. Oil palm trees are highly sensitive to water deficits, prolonged high temperatures and extreme or erratic rainfall patterns. Such adverse conditions potentially result in yield declines of up to 41%.

To mitigate the impacts, the Group has carried out initiatives by desilting drains and construction of new drains, maintaining the culverts, installed drainage blocks, construction of bunds in low lying or flood prone areas and construction of bridges for better access routes. The roads have been maintained in good condition to ensure that all roads are passable and there is no disruption on transportation of FFB. The Group also has carried out an initiative by ensuring timely application of fertilisers as well as utilisation of Empty Fruit Bunch ("EFB") to reduce moisture loss. The pollination boxes were placed at surrounding areas to improve the fruit set formation.

##### (2) Environment, Social & Governance

ESG criteria are reshaping the oil palm plantation industry by requiring the adoption of sustainable practices, including zero-deforestation commitments, stringent labour standards and enhanced governance frameworks. These measures aim to mitigate climate change, protect biodiversity, strengthen social safeguards and improve access to international markets. Compliance with ESG expectations has become increasingly critical to maintaining stakeholders confidence, securing financing, and preserving long-term business sustainability.

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Risk Management Framework and Internal Controls (cont'd)

#### (2) Environment, Social & Governance (cont'd)

Key initiatives to promote sustainability in the oil palm plantation industry include restricting further land expansion, providing support for smallholders and complying with internationally and nationally recognised certification standards such as Malaysian Sustainable Palm Oil ("MSPO"), International Sustainability and Carbon Certification ("ISCC") and Roundtable on Sustainable Palm Oil ("RSPO").

The certifications are designed to ensure that the production of palm oil in Malaysia adheres to strict environmental, social and economic standards. It addresses various aspects of sustainability including reducing the environmental impact of production, enhancing biodiversity and promoting safe and fair labour practices. With the increasing global focus on climate action, integrating carbon credit mechanisms within the certification's framework could further strengthen its environmental initiatives.

A carbon credit represents the right to emit one tonne of carbon dioxide or an equivalent amount of greenhouse gases. They serve as a market-based tool to encourage companies to reduce their carbon emissions by enabling them to purchase or sell excess credits. Companies that reduce their emissions below a set cap can sell their unused credits to those struggling to meet their targets.

While certifications already emphasise sustainable practices such as reduced deforestation, better waste management, and efficient use of resources, adding carbon credit initiatives could provide additional incentives for certified entities to lower their carbon footprint. For instance, oil palm plantations and mills that implement energy-efficient practices or adopt reforestation projects may generate carbon credits. These credits can be sold in carbon markets, providing a financial return while also contributing to Malaysia's climate goals.

Being certified with MSPO and ISCC shows the Group commitment towards ESG compliance. In addition, the Group is also moving towards certification of RSPO to improve their operational efficiency, enhanced environmental and social sustainability and access to premium markets. High Conservation Value ("HCV") and Land Use Change Analysis ("LUCA") assessments had been conducted as FEHB's initial preparation towards RSPO certification.

#### (3) Pest and Disease

Bagworms impact palm oil production by causing substantial leaf defoliation on oil palms, leading to reduce photosynthesis and ultimately a significant drop in the yield of oil palm. With infestations resulting in up to 40% crop losses, this is considered a major pest in oil palm plantations due to their rapid breeding and ability to heavily damage foliage when population outbreak. As at 31 December 2025, 1,208.03 hectares were treated for bagworms disease:-

Estate	Hectares Treated
Bukit Serok	253.32
Bukit Jin	684.21
Sungai Batu	163.70
Chengal	106.80
<b>Total</b>	<b>1,208.03</b>

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Risk Management Framework and Internal Controls (cont'd)

##### (3) Pest and Disease (cont'd)

Rats impacts oil palm production by feeding on the ripe and unripe bunches causing substantial damage to the fruit bunches and leading to a significant decrease in oil yield. In severe infestation, rat populations can reduce oil palm production by up to 10% due to their consumption of the fleshy part of fruit and potentially accessing the kernel as well as impacting the overall harvest quality. The Group conducted census promptly to ensure early detection and performed a rat baiting program covering 73% of total hectares:-

Estate	Total Hectares	Hectares Treated	%	No. of Campaign
Bukit Jin	2,072	718	35	2
Sungai Seraya	871	709	81	1
Sungai Rasau	111	111	100	1
Sungai Batu	887	35	4	1
Chengal	1,814	362	20	1
DSK	1,320	1,320	100	1
Sungai Sawak	664	640	96	2
Cenderawasih	2,087	2,087	100	1
Bukit Serok	2,059	1,990	97	1
Dawn	1,762	1,143	65	2
Cempaka	451	451	100	2
Delima	2,793	2,589	93	2
Rangkaian	1,393	1,393	100	2
FEHB Estate (Division)	511	211	41	1
<b>Total</b>	<b>18,795</b>	<b>13,759</b>	<b>73</b>	

*Ganoderma Boninense* impacts oil palm production by causing a disease called Basal Stem Rot ("BSR") which can drastically reduce the yield of oil palms up to 50% - 80% decrease in production due to infected trees producing fewer and smaller fruit bunches. This will ultimately cause substantial economic losses to oil palm plantations. Early detection and management strategies are crucial to mitigate this impact. The mounding method has been expanded to affected areas at Chengal and Rangkaian estates covering 51.30 hectares and 53.00 hectares respectively:-

Estate	Total Hectares	Total Palms Treated	Block Affected
Chengal	51.30	6,982	06B, 08E & 10G
Rangkaian	53.00	7,211	12A & 13C
<b>Total</b>	<b>104.30</b>	<b>14,193</b>	

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Risk Management Framework and Internal Controls (cont'd)

##### (4) Over-dependence on Foreign Workers

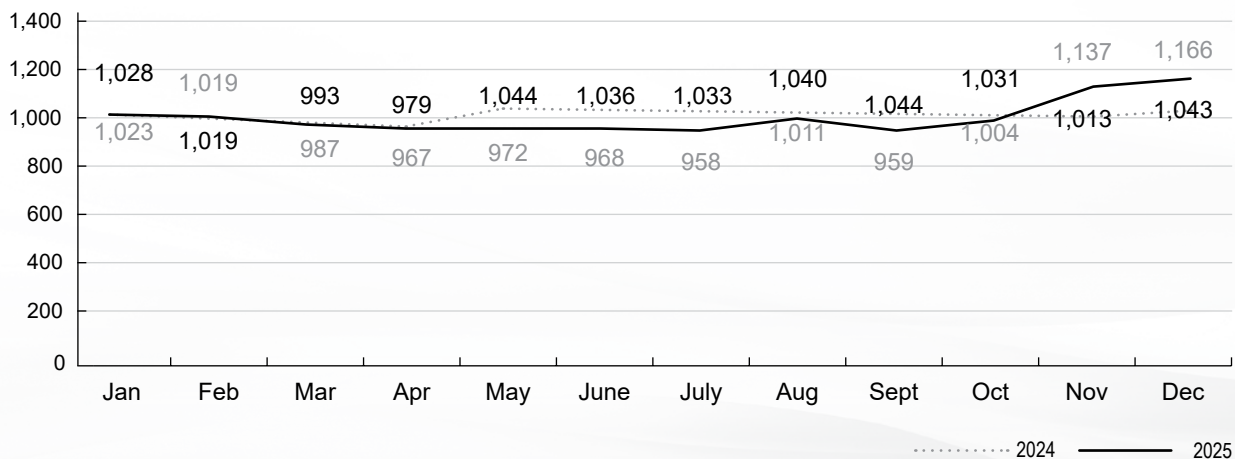
The oil palm plantation sector in Malaysia remains heavily dependent on foreign labour, comprising nearly 80% of the workforce which primarily from Indonesia, Bangladesh, India and Pakistan. Despite the reopening of borders for foreign workers, the sector still grapples with a persistent shortage of workers. The Malaysian government is actively managing labour needs with a special application window for 2025 foreign worker quotas running until 31 March 2026 which aimed to stabilising the sector.

To address labour dependency, the industry has accelerated mechanisation efforts, particularly in harvesting and in-field collection activities, with the objective of enhancing labour productivity from 1 tonne to 2.24 tonnes per worker per day. While foreign workers continue to play a significant role in supporting the Malaysian economy, future policy direction is expected to focus on gradual reduction and tighter regulatory controls. This approach aims to lessen the country's reliance on foreign labour while strengthening the capabilities of local workforce through structured skills development and training initiatives and improving the capabilities of the local workforce through skills and training initiatives.

The industry is slowly recovering. However, significant challenges remain in maintaining a consistent, compliant and productive workforce. Emphasis continues to be placed on the adoption of technology and mechanisation to reduce reliance on manual labour and enhance operational efficiency. Furthermore, the industry is subject to ongoing international scrutiny concerning alleged "forced labour" practices including issues related to passport retention, debt bondage and unethical recruitment processes. These concerns necessitate strengthened governance. Stricter compliance monitoring and greater transparency across the supply chain to safeguard the industry's reputation and market access.

Wage levels are expected to increase in line with the nation's high-income aspirations, thereby acting as a push factor for companies to accelerate the adoption of more capital-intensive technologies. In response, the Group has initiated measures to reduce reliance on foreign labour by maximising the utilisation of mechanisation and strengthening local workforce participation through targeted recruitment and skill development initiatives. The statistics of harvesters for the Group are shown below:-

**Harvesters 2025**

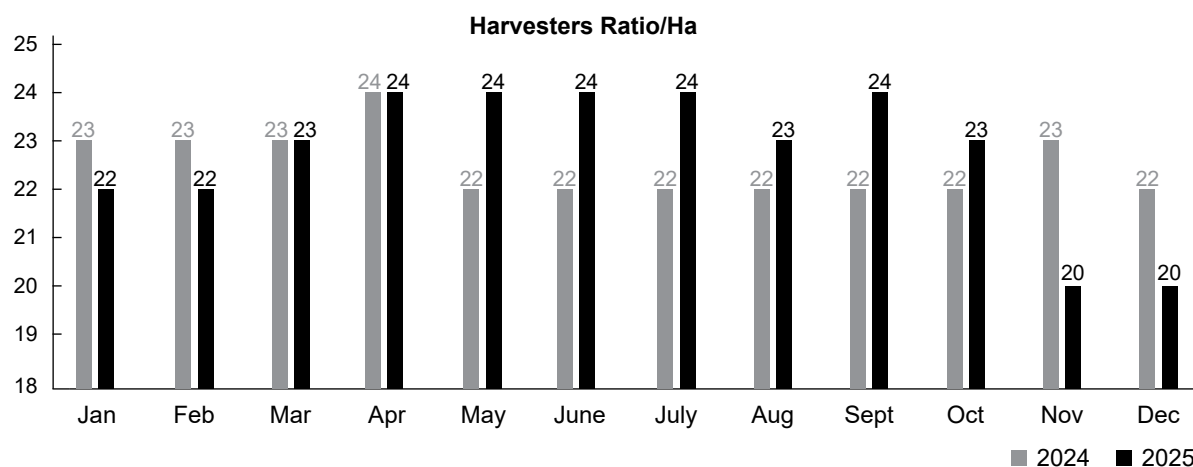


# Statement on Risk Management and Internal Control (Cont'd)

## RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

### Risk Management Framework and Internal Controls (cont'd)

#### (4) Over-dependence on Foreign Workers (cont'd)



FEHB has initiated the following strategies to optimise the productivity as well as to retain the workers:-

- (a) Maximise the utilisation of semi-mechanisation in-fields fruits collection and manuring;
- (b) Gradually replacing all the non-critical jobs or tasks to local workers such as loose fruit collectors, line sweeper and cleaner;
- (c) To bear the cost of extending the work permit for workers in Year 10 and for two additional years (Year 11 and Year 12);
- (d) Creating incentive scheme to reward workers based upon operation-oriented performances and renewal of their permit with Immigration Department of Malaysia;
- (e) Improve estates' infrastructure and facilities; and
- (f) Compliance to the Malaysia Labour Act (Employment Act 1955).

#### (5) Oil Losses in Crude Palm Oil

Inefficient harvesting practices contribute significantly to oil losses in oil palm plantations. Failure to collect all loose fruits in the field is one of major factors of wastage. Additionally, harvesting unripe or overripe bunches results in lower oil content during extraction, reducing overall yield and economic returns. Other contributing factors to oil losses in Crude Palm Oil ("CPO") include:-

- **Labor Shortage and Quality**

A shortage of experienced workers has led to increased reliance on untrained or less-skilled labour, which may affect harvesting efficiency and quality control. Inadequate manpower further contributes to delays in harvesting activities, resulting in overripe fruit bunches and loose fruits left on the ground. Such delays increase the risk of fruit deterioration and oil losses.

- **Logistics and Transportation**

Delays in transporting FFB to the mill causing increased Free Fatty Acids ("FFA") and oil degradation during transit. Usage of mechanisation in the oil palm industry reduces oil losses in CPO by enabling faster and more efficient harvesting and processing. It also minimises the time between fruit harvesting and processing, thus preventing oil degradation and maximising oil extraction.

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Risk Management Framework and Internal Controls (cont'd)

##### (5) Oil Losses in Crude Palm Oil (cont'd)

- **Fields Maintenance**

Fields maintenance is a critical determinant of the overall Oil Extraction Rate ("OER") in oil palm plantations, as poor fields management directly contributes to oil losses and reduced productivity. Suboptimal maintenance practices, particularly in weed control, pruning, pests and disease, drainage and road management may impair the yield and lower overall plantation performance. Some studies indicate that poor management leads to a national average yield of CPO that is less than half of what is achievable with proper practices.

- **Palm Age and Height**

Older and taller palms increase harvesting complexity and operational difficulty. The height of mature palms results in more challenging to collect bunches which lead to inefficiencies if not properly managed. Tall palms typically require skilled and experienced harvesters to ensure complete bunch recovery and to minimise the risk of unharvested fruits. Failure to do so may contribute to yield losses and reduced operational efficiency.

- **Environmental and Climatic Factors**

Prolonged dry spells or drought such as those associated with El Niño, adversely affect fruit development and overall yield performance. Sustained rainfall levels below 100 mm for more than two (2) consecutive months can severely impact oil yield, as moisture stress disrupts physiological processes, impairs flowering and fruit set and reduces FFB production.

- **Planting Material**

The use of inferior or low-yielding planting materials such as Dura or mixed-stock varieties instead of high-yielding Tenera hybrids can significantly increase potential palm oil losses. Such planting materials may reduce yield potential by more than 50% thus materially affecting long-term productivity and profitability. Selecting high-quality and genetically superior planting materials is therefore critical to ensuring optimal yield performance throughout the economic lifespan of the palm, typically ranging from 25 to 30 years.

To mitigate these risks, FEHB has initiated the following strategies:-

- (a) Maximise the utilisation of semi-mechanisation;
- (b) Establish a special task force team to inspect the loose fruits collection;
- (c) Use high-quality and genetically superior planting material;
- (d) Proper schedule on replanting program; and
- (e) Comply with the Good Agricultural Practice ("GAP").

The Group has evaluated the potential impacts of the geopolitical tensions between Iran and the United States on the Malaysian palm oil industry. The conflict may present both opportunities and risks to the industry due to its influence on global energy markets, logistics and commodity prices.

The escalation of tensions between Iran and the United States has disrupted global energy markets and key shipping routes, particularly through the Strait of Hormuz, which handles approximately 20% of the world's oil supply. These developments have contributed to rising crude oil prices and increased volatility in global commodity markets.

## Statement on Risk Management and Internal Control (Cont'd)

### RESPONSIBILITIES AND ACCOUNTABILITIES (CONT'D)

#### Potential Opportunities

Higher crude oil prices may increase the demand for palm oil as an alternative feedstock for biodiesel production. This is due to the close relationship between energy prices and vegetable oil markets. As a result, CPO prices may strengthen in the global market, which could potentially improve revenue for plantation companies. CPO prices have risen 9.5% since 27 February 2026 (one day before the conflict) to RM4,428 per tonne, supported by stronger energy and US soybean oil prices (*Source: The Edge Malaysia*).

#### Potential Risks

Despite the potential upside, several risks may arise from the ongoing conflict:-

- **Increase in Fertiliser Costs**

The conflict may disrupt shipments of natural gas and other raw materials used in fertiliser production. This could lead to higher global fertiliser prices, which may increase plantation operating costs. We anticipate that cost pressures could emerge in the second half 2026, particularly for upstream planters from higher fertiliser costs following the spike in urea prices and elevated diesel-linked logistic costs. The fertiliser expenses are expected to escalate for about 20% to 30% of total oil palm production costs.

- **Higher Logistics and Transportation Costs**

Rising fuel prices may increase the Group's logistics and transportation expenses, particularly for the delivery of FFB, CPO and Palm Kernel ("PK") products. The transportation cost is expected to be increased between 5% and 10%.

- **Export Market Uncertainty**

Prolonged geopolitical tensions could weaken global economic activity or disrupt purchasing patterns in certain importing countries. This may reduce demand for palm oil products and increase volatility in global edible oil markets. Energy prices also could raise input costs.

According to the Malaysian Palm Oil Board ("MPOB"), Malaysia's palm oil stocks fell 3.9% in February 2026 from the previous month to 2.7 million tonnes, the lowest level since October 2025. CPO production declined 16.6% from January 2026 to 1.28 million tonnes, while palm oil exports fell 22.5% to 1.13 million tonnes.

- **Domestic Supply Fluctuations**

Higher biodiesel demand may lead to fluctuations in the domestic supply of palm oil, which could affect market stability and price movements.

Among the mitigation measures had been considered are as follows:-

- Strengthen the procurement process by awarding contracts to the fertiliser suppliers with good track records only to minimise supply disruptions;
- Secure supply of fertiliser through forward purchasing where feasible;
- Optimise fertiliser application program based on agronomic recommendations to improve cost efficiency;
- Continuous implementation of Empty Fresh Bunches ("EFB") mulching to reduce the usage of non-organic fertilisers;
- Improve routes planning and logistics scheduling to enhance fuel efficiency;
- Increase productivity in the Group's operational activities to reduce the operational cost;
- Optimise transportation arrangements with the contractors; and
- Diversify export markets and strengthen relationships with existing buyers to maintain stable demand.

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROL SYSTEM

The Internal Audit Function reviews the operational procedures and processes to ensure the effectiveness and integrity of the Group's internal control system.

#### Key Elements of Internal Control System

The key elements of the Group's internal control system which has been reviewed by the Board are as follows:-

- **Board Meetings**

The Board meets at least quarterly and has a formal agenda on matters for discussion.

The Group Chairman, together with the Senior Executive Director, Plantations & Milling and Chief Executive Officer/ Executive Director lead the presentation of Board papers and provide comprehensive explanation of pertinent issues.

It is a prerequisite for every decision recommended by management to undergo thorough deliberation and discussion by the Board. 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**

The Board is headed by the Group Chairman who ensures the Group operates within its mission and established policies to enable the Group to meet its objectives in enhancing shareholders' wealth.

The monitoring and managing of the Group operations are delegated to the Senior Executive Director, Plantations & Milling and Chief Executive Officer/Executive Director, both actively involved in day-to-day operations of the Group.

There is a clearly defined organisation structure which outlines the responsibilities lines and authorities to ensure proper and clear delegation of responsibilities to Committees of the Board and to the management.

- **Performance Management Framework**

Comprehensive management reports covering the Group and Company's performance are presented to the Board at its regular meetings. The reports are consistently generated to update the Board and the management on the performance of various operating units. The Internal Audit Division presented their results on scheduled audit exercises, special review as directed by management, procurement process for major contracts awarded by Head Office and specific areas on a newly acquired mill, Merchong Palm Oil Mill Sdn. Bhd.

The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

The Group also has a detailed budgeting process with an annual budget approved by the Board. Actual results are reported monthly against budget and major variances are reviewed and corrective actions are taken, where necessary.

Internal Audit visits are systematically organised over a period, to monitor compliance with policies, procedures and assess the integrity of financial and operational information provided.

- **Operational Policies and Procedures**

The Group operates in accordance with a set of established operational policies and procedures. The operational policies and procedures are reviewed periodically to ensure that they remain effective and relevant to support the Group's business activities at all times as it grows. The policies also facilitate compliance to regulations, listing and governance requirements. Management is responsible for the periodic review of operational policies and procedures.

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROL SYSTEM (CONT'D)

#### Key Elements of Internal Control System (cont'd)

- **Review of Recurrent Related Party Transactions**

All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad. The Board and the Audit Committee review the recurrent related party transactions annually.

- **Financial and Operating Manuals**

The Financial and Operating Manuals set out the policies and procedures for day-to-day operations and act as a guideline as to proper measures to be undertaken in a given set of circumstances. The manuals enable tasks to be carried out within a set of flexible rules with minimal supervision.

The management took a proactive action by distributing circulars to all estates in order to update on any changes of standard operating procedures.

- **Delegated Approving Authority Limit Manual**

The Delegated Approving Authority Limit Manual defines in a systematic manner the level and scope of responsibilities and authorities of the various authority levels in FEHB and its group of companies, acts as fundamental communications and to prevent fraud and misappropriation of funds. This internal control acts as a check and balance before any financial expenditure is actually incurred.

- **Tender Committee**

The Tender Committee ("TC") is established to assist the Board in fulfilling its statutory and fiduciary responsibilities in overseeing the process of awarding significant contracts by FEHB Group. The Committee will oversee that the tender process is carried out in accordance with the Group's procurement policies including general evaluation criteria, anti-corruption policy and codes of conduct and thereafter recommend the said procurement policies and procedures to the Board for approval. The proper delegation of authority was given by the Board to the TC. In order to ensure transparency within FEHB Group, the TC's appointment, composition, duties and responsibilities and management are clearly stated in its Terms of Reference.

The TC is assisted by Opening Tender Committee and is authorised to open tender for purchase of fertilisers, replanting or new development projects, infrastructure projects and purchase of fixed assets for an amount of RM100,001 and above.

- **Plantation Advisory & Agronomy Services**

The Group appointed PARAS (Progressive Agriculture Research and Services) Sdn. Bhd. as plantation advisory & agronomy services provider to monitor performance achievement and ensuring that Key Performance Indicator ("KPI") benchmarks for plantation sector are maintained.

Any deviation from the agreed standards and poor performance in the estates is reported to Senior Executive Director, Plantations & Milling and the management. From the report, corrective measures and remedial actions are identified to be taken to improve performance.

- **Plantation Coordination Meeting**

As a proactive measure to achieve greater cooperation and coordination to enhance productivity and quality, the Group has established plantation operations and management coordination meetings, which meet regularly throughout the year.

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROL SYSTEM (CONT'D)

#### Key Elements of Internal Control System (cont'd)

- **Security Unit**

Security for the Group is enforced by an in-house security unit which oversees all security issues faced by the business units within the Group and security guards personnel.

Continuous surveillance and improvement in security control complemented the internal control system to safeguard the Group's assets against material loss.

The scheduled and random narcotic urine examinations were performed by the Security Unit in order to ensure a healthy environment within the Group's business units and to safeguard the security of FEHB's property and personnel.

The Security Unit conducted surprise visits to check on manuring application by estates.

The inspection on labour quarters is also performed by the Security Unit on quarterly basis covering cleanliness and amenities.

- **International Sustainability and Carbon Certification and Malaysian Sustainable Palm Oil Certification**

The Group advocates sustainable oil palm cultivation. The Group obtained ISCC for five (5) estates and one (1) mill. The Group also obtained the MSPO certification for thirteen (13) estates.

In order to ensure compliance of our Sustainable Palm Oil Policy, proper channels are established and report on any grievance can be lodged by all stakeholders under Sustainability section on the Company's website at [www.fehb.com.my](http://www.fehb.com.my) or e-mail to [sustainability@fareh.po.my](mailto:sustainability@fareh.po.my) or through phone call at Company's registered lines. All grievance reports are published into the Company's website.

- **Code of Business Conducts**

As a responsible corporation, FEHB has always been committed to encouraging transparent and good ethical conduct and upholding a good image of integrity, transparency and accountability in all aspects of its business. In affirming the Group's full commitment to combat bribery and corruption, the Group has adopted an "Anti-Bribery and Anti-Corruption Policy". The policy is applicable to all Directors and employees of the Group.

The Directors' Fit and Proper Policy was established pursuant to the implementation of newly amended Paragraph 15.01A of the Main Market Listing Requirement by Bursa Malaysia Securities Berhad.

The Board also had established and approved the Corporate Gift Policy and Code of Business Conducts.

All related policies are published under Governance & Policies section on the Company's website at [www.fehb.com.my](http://www.fehb.com.my).

- **Whistleblowing Channel**

The Group's Whistleblower Policy provides an avenue for employees and stakeholders dealing with the Group with proper procedure to disclose or raise genuine concerns on possible improprieties, improper conducts or other malpractices within the Group. It gives an appropriate communication and feedback channel which facilitates whistleblowing in a transparent and confidential manner. The Whistleblower Policy is published under Governance & Policies section on the Company's website at [www.fehb.com.my](http://www.fehb.com.my).

## Statement on Risk Management and Internal Control (Cont'd)

### REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

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 (“AAPG”) 3 (Revised: March 2026), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the Annual Report of the Group for the year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respect:-

- (a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control (“SORMIC”): Guidelines for Directors of Listed Companies;; or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problem.

### CONCLUSIONS

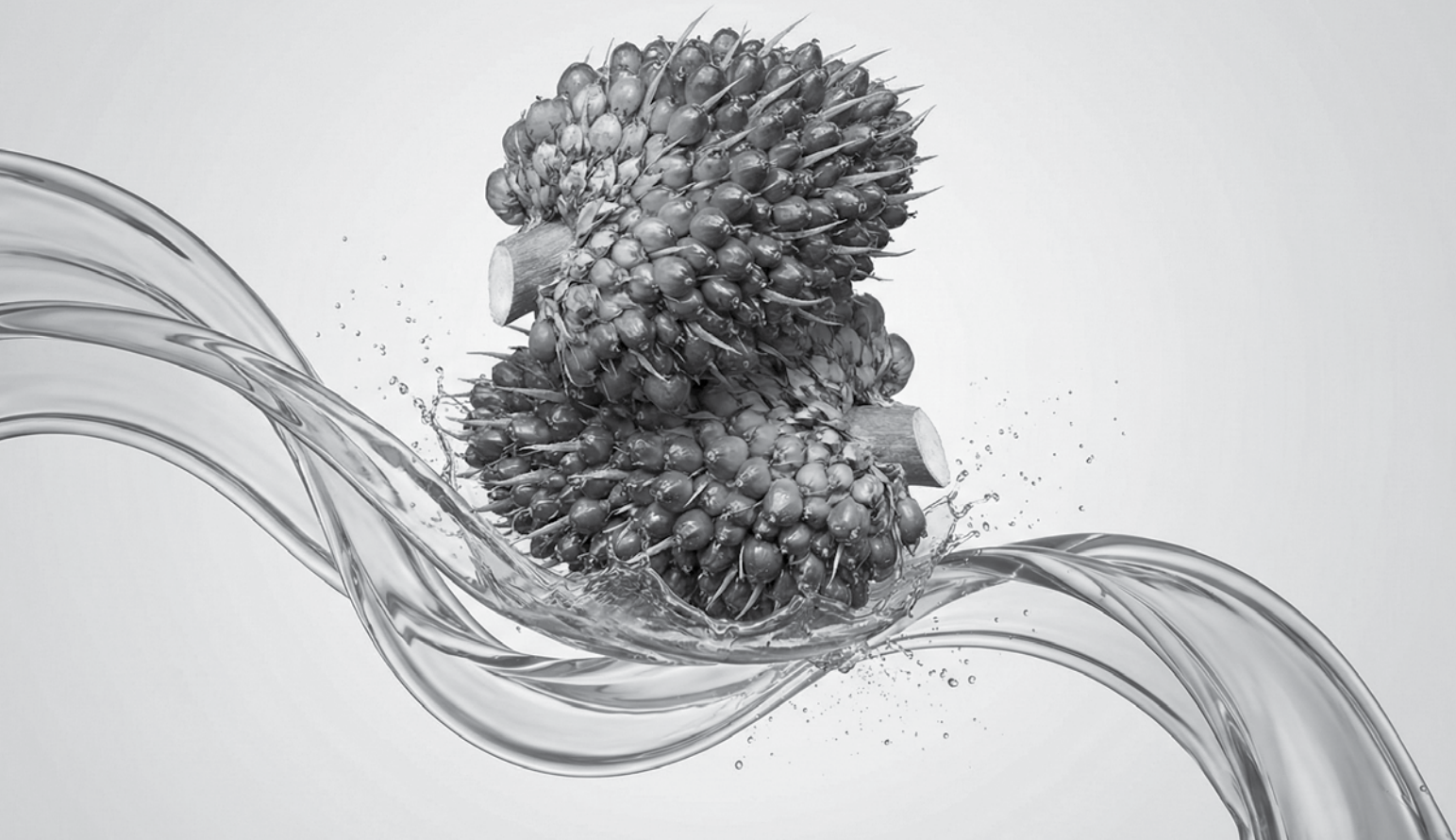
The Board is satisfied with the adequacy and effectiveness of the Group’s risk management and internal control system to safeguard the interests of the Group’s stakeholders, their investments and the Group’s assets. The Board has received assurance from the Chief Executive Officer/Executive Director and Senior Executive Director, Plantations & Milling that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The management has taken the necessary measures to improve the risk management and internal control system by continuously reviewing, monitoring and considering all risks faced by the Group to ensure that the risks are within acceptable levels within the Group’s business objectives.

For the financial year under review, there were no material internal control failures or adverse compliance events that have directly resulted in any material loss to the Group. This Statement on Risk Management and Internal Control does not cover associates and jointly controlled entities where the internal control systems of these companies are managed by the respective management teams.

This statement has been reviewed and approved by the Board of Directors on 2 April 2026.

# Financial Statements

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## DIRECTORS' REPORT

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

### PRINCIPAL ACTIVITIES

The Company is principally involved in cultivation of oil palms, production and sales of fresh fruit bunches, crude palm oil and palm kernel and investment holding. The principal activities of its subsidiaries are disclosed in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

### RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year, net of tax	255,451	162,013
Attributable to:		
Owners of the Company	239,374	162,013
Non-controlling interests	16,077	-
	<u>255,451</u>	<u>162,013</u>

### DIVIDENDS

As disclosed in the prior year's report, on 25 March 2025, the Directors had declared a final single-tier dividend of 9 sen per ordinary share amounting to RM53,445,419 for the financial year ended 31 December 2024, which was approved by the shareholders on 18 June 2025 and paid on 10 July 2025.

On 19 August 2025, the Directors had declared an interim single-tier dividend of 6 sen per ordinary share for the financial year ended 31 December 2025 amounting to RM35,630,279, which was paid on 18 September 2025.

The Directors recommend the payment of a special single-tier dividend of 3 sen per ordinary share and a final single-tier dividend of 12 sen per ordinary share amounting to RM17,815,140 and RM71,260,558 respectively for the financial year ended 31 December 2025. The proposed dividends are subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

### RESERVES AND PROVISIONS

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

### ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

## Directors' Report (Cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

### DIRECTORS OF THE COMPANY

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

YH Dato' Sri Kamaruddin bin Mohammed \*  
 YH Dato' Suhaimi bin Mohd Yunus  
 YH Datuk Mohd Afrizan bin Husain  
 YH Dato' Asmin binti Yahya \*  
 Mr Tee Kim Tee @ Tee Ching Tee \*  
 Mr Tee Cheng Hua \*  
 Mr Tee Lip Teng  
 Ms Ng Yee Kim  
 Puan Adzlina Junita binti Abd.Jalil  
 Tee Lip Jen \* (*Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee*)

\* These Directors are also directors of subsidiaries included in the financial statements of the Group for the financial year.

In accordance with Clause 77 of the Company's Constitution, Mr Tee Cheng Hua, YH Datuk Mohd Afrizan bin Husain and YH Dato' Asmin binti Yahya retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

### DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (excluding those who are Directors of the Company) since the beginning of the financial year to the date of this report are:

YAB Dato' Sri Diraja Haji Wan Rosdy bin Wan Ismail  
 YB Dato' Abd Aziz bin Haji Mat Kiram  
 YB Dato' Mohd Sharim bin Md Zain  
 YB Tuan Khaizulnizam bin Mohamad Zuldin  
 YH Dato' Haji Zamri bin Mohamed  
 Tuan Dr Wan Muhammad 'Aiman bin Wan Rosdy  
 Tuan Haji Hashim Naina Merican bin Yahaya Merican  
 Mr Tan Keh Feng  
 Madam Tee Chain Yee  
 Mr Man Foh @ Chan Man Foh  
 Encik Nazaruddin bin Hasim  
 YH Dato' Haji Mohamed Arifin bin Awang Ismail (Appointed on 14 August 2025)  
 Puan Hajah Zuraida bt Aw Said (*Alternate Director to YH Dato' Haji Mohamed Arifin bin Awang Ismail*) (Appointed on 14 August 2025)  
 YH Dato' Sri Tee Lip Sin (*Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee*)  
 YH Dato' Haji Mohd Sabri bin Haji Abdullah (*Alternate Director to YH Dato' Haji Zamri bin Mohamed*)  
 Tuan Haji Ismail bin Abd Rahman (Resigned on 29 July 2025)  
 Puan Hajah Zuraida bt Aw Said (*Alternate Director to Tuan Haji Ismail bin Abd Rahman*) (Ceased on 29 July 2025)

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, the interests of Directors in office at the end of financial year in shares or in debentures of the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	At 01.01.2025 Unit	Addition Unit	Sold Unit	At 31.12.2025 Unit
<b>Direct interest</b>				
YH Dato' Suhaimi bin Mohd Yunus	100,000	-	-	100,000
YH Datuk Mohd Afrizan bin Husain	205,000	45,000	-	250,000
YH Dato' Asmin binti Yahya	357,200	23,800	-	381,000
Mr Tee Kim Tee @ Tee Ching Tee	12,459,620	-	(300,000)	12,159,620
Mr Tee Cheng Hua	8,762,200	-	-	8,762,200
Mr Tee Lip Teng	1,760,000	230,000	-	1,990,000
Mr Tee Lip Jen (Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee)	4,283,580	-	-	4,283,580
<b>Indirect interest</b>				
YH Dato' Sri Kamaruddin bin Mohammed ^	16,920,000	574,900	-	17,494,900
Miss Ng Yee Kim *	402,900	25,000	-	427,900

^ Indirect interest by virtue of shares held by his spouse/children and family owned-company pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

\* Indirect interest by virtue of shares held by Eternal Budi Sdn. Bhd. pursuant to Section 59(11)(c) of the Companies Act, 2016 in Malaysia

Other than as disclosed above, according to the Register of Directors' shareholdings, the other Directors in office at the end of the year did not hold any interest in shares in the Company and its related corporations during the year.

The above mentioned Directors, by virtue of their interests in shares of the Company, are also deemed to have interest in shares of the Company's subsidiaries to the extent that the Company has an interest.

### DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM'000	Subsidiaries RM'000
Directors' fees	1,260	1,831
Salaries and other emoluments	1,847	2,280
Defined contribution plans	77	99
	3,184	4,210

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest, other than as disclosed in Note 26 to the financial statements.

There were no arrangements during or 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.

## Directors' Report (Cont'd)

### EMPLOYEE SHARE OPTION SCHEME (“ESOS”) OF AN ASSOCIATE

At the end of the financial year, certain Directors of the Company are entitled to the ESOS of Future Prelude Sdn. Bhd. (“FPSB”).

On 29 September 2022, FPSB, an associate of the Company, approved the ESOS to eligible employees with more than 2 years of service on the date of offer. The options are exercisable over a period of 4 years at an exercise price of RM1.11 per share.

During the financial year, no options were exercised under the scheme.

The table below shows the options exercised as at the reporting date:

Director of the Company	Number of Options Granted Unit	← Number of Options Exercised →		
		At 01.01.2025 Unit	Exercised Unit	At 31.12.2025 Unit
<b>Direct interest</b>				
YH Dato' Asmin binti Yahya	600,000	600,000	-	600,000
Mr Tee Cheng Hua	600,000	600,000	-	600,000
Mr Tee Lip Teng	1,500,000	1,500,000	-	1,500,000
Mr Tee Lip Jen (Alternate Director to Mr Tee Kim Tee @ Tee Ching Tee)	1,300,000	1,300,000	-	1,300,000

### OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or the provision for doubtful debts;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
  - (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 the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

## Directors' Report (Cont'd)

### OTHER STATUTORY INFORMATION (cont'd)

- (d) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.
- (e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are disclosed in Note 4 to the financial statements.
- (f) There was no amount paid to or receivable by any third party in respect of the services provided to the Group and the Company by any Director or past Director of the Group and the Company.
- (g) The indemnity given to or other insurance effected for the Directors and the officers of the Group and of the Company has a total premium of RM21,559 and coverage amount of RM20,000,000 for the period effective 1 January 2025 until 31 December 2025.

### AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 2 April 2026.



**Dato Sri Kamaruddin bin Mohammed**  
Group Chairman



**Tee Cheng Hua**  
Senior Executive Director

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 163 to 220 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 2 April 2026.



**Dato' Sri Kamaruddin bin Mohammed**  
Group Chairman



**Tee Cheng Hua**  
Senior Executive Director

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

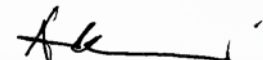
I, Dato' Asmin binti Yahya (MIA No: 10161), being the Director primarily responsible for the financial management of the Group and of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 163 to 220 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed  
at Kuantan  
on 2 April 2026



Before me,

Peguam Bela & Peguam Cara  
B-20, 1st & 2nd Floor,  
Jalan Tun Ismail 1, Sri Dagangan,  
25000 Kuantan, Pahang.



**Dato' Asmin binti Yahya**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAR EAST HOLDINGS BERHAD  
REGISTRATION NO.: 197301001753 (14809-W)  
(INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Far East Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 163 to 220.

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of the 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 this matter.

We have determined that there is no key audit matter to communicate for the Company. The key audit matter for the Group is as follows:

#### Equity accounting for associates

As disclosed in Note 12 to the financial statements, the Group has significant interests in associates, including, Prosper Capital Holdings Sdn. Bhd. ("PCH"), which has significant associates of its own and with the existence of substantial cross shareholdings in the Group.

Given the highly complex group structure which involves cross shareholdings, we identified the accounting for equity accounted associates as a key audit matter in view of the risk that the associates may not have been properly accounted for and disclosed appropriately due to the following reasons:

- (i) The magnitude of the balances; and
- (ii) The complexity of the group structure where significant time and effort was spent to navigate and examine the group structures of the associates (including its various sub-groups and the financial implications) during our review of the consolidation procedures impacting the Group. The process is further complicated by the varied locations and different management teams involved in the associates.

## Independent Auditors' Report (Cont'd)

To the Members of Far East Holdings Berhad  
Registration No.: 197301001753 (14809-W)  
(Incorporated in Malaysia)

### Key Audit Matters (cont'd)

*Our audit performed and responses thereon*

We have performed the following procedures:

- Obtained the larger corporate structure of which the Group is a component and performed reviews on the navigation of the various entities involved and the manner in which the financial results of these various entities are consolidated and/or equity accounted and/or both;
- Considered the competency, capabilities and relevant industry experience and independence of the component auditors performing the audit work;
- Communicated with various component auditors including the reviews of consolidation and audit files;
- Issued group audit instructions to component auditors on the scope and nature of their work, including significant areas to be covered, relevant risk of material misstatement and the information to be reported;
- Performed reviews with regards to the cross shareholdings and the adjustments involving the elimination of the Group's own results as the Group equity accounts for its share of profits of PCH, which has an indirect equity interest in the Group; and
- Performed recomputation of the post-acquisition results in the Group's share of net assets of PCH to ensure that the consolidation adjustments been properly effected.

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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 other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 also responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditors' Report (Cont'd)

To the Members of Far East Holdings Berhad  
Registration No.: 197301001753 (14809-W)  
(Incorporated in Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

## Independent Auditors' Report (Cont'd)

To the Members of Far East Holdings Berhad  
Registration No.: 197301001753 (14809-W)  
(Incorporated in Malaysia)

### 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 11 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 contents of this report.



**MOORE STEPHENS ASSOCIATES PLT**  
201304000972 (LLP0000963-LCA)  
Chartered Accountants (AF002096)

Petaling Jaya, Selangor  
Date: 2 April 2026



**TAN KEI HUI**  
03429/04/2027 J  
Chartered Accountant

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	3	1,097,131	863,587	274,128	238,509
Other operating income		3,498	2,019	3,197	305
Fair value gain on biological assets	17	3,368	1,418	1,940	735
Employee benefits expense	5	(41,935)	(40,104)	(11,220)	(12,636)
Changes in inventories		35,807	558	-	-
Finished goods purchased		(46,726)	(18,901)	-	-
Raw material purchased		(658,432)	(458,473)	-	-
Production cess		(2,204)	(2,185)	-	-
Carriage outwards		(12,941)	(9,655)	-	-
Upkeep, repair and maintenance of assets		(11,307)	(8,282)	-	-
Utilities and fuel		(1,773)	(2,394)	-	-
Depreciation of:					
- property, plant and equipment	9	(31,018)	(28,284)	(15,301)	(15,211)
- right-of-use assets	15	(7,302)	(7,355)	(5,287)	(5,279)
Upkeep and cultivation expenses		(38,519)	(35,715)	(21,788)	(19,749)
Harvesting expenses		(31,523)	(30,350)	(19,300)	(17,876)
Estate general charges		(16,210)	(14,926)	(9,720)	(8,789)
Goodwill written off	13	-	(4,998)	-	-
Other operating expenses		(20,774)	(18,573)	(4,152)	(3,618)
Finance income	4	6,942	5,995	4,546	4,576
Finance cost	4	(4,135)	(4,941)	(3,468)	(7,552)
Share of profit after tax of associates	12	91,925	64,323	-	-
Profit before tax	4	313,872	252,764	193,575	153,415
Tax expense	6	(58,421)	(50,414)	(31,562)	(27,194)
Profit for the financial year		255,451	202,350	162,013	126,221

## Statements of Comprehensive Income (Cont'd)

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Profit for the financial year attributable to:</b>					
Owners of the Company		239,374	190,174	162,013	126,221
Non-controlling interests		16,077	12,176	-	-
		<u>255,451</u>	<u>202,350</u>	<u>162,013</u>	<u>126,221</u>
<b>Other comprehensive income:</b>					
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
- Share of other comprehensive income of associate	12	(748)	1,089	-	-
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- Net changes in fair value on debt instruments at fair value through other comprehensive income ("FVOCI")	21	57	16	57	16
<b>Other comprehensive income for the financial year, net of tax</b>		<u>(691)</u>	<u>1,105</u>	<u>57</u>	<u>16</u>
<b>Total comprehensive income for the financial year</b>		<u>254,760</u>	<u>203,455</u>	<u>162,070</u>	<u>126,237</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		238,683	191,279	162,070	126,237
Non-controlling interests		16,077	12,176	-	-
		<u>254,760</u>	<u>203,455</u>	<u>162,070</u>	<u>126,237</u>
<b>Earnings per share attributable to Owners of the Company (sen)</b>					
- Basic and diluted	7	<u>40.31</u>	<u>32.02</u>		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	325,134	336,976	161,973	171,155
Investment property	10	63,000	63,000	63,000	63,000
Investments in subsidiaries	11	-	-	28,400	28,400
Investments in associates	12	715,614	650,949	120,469	125,716
Other financial assets	14	7,095	7,038	7,095	7,038
Right-of-use assets	15	424,594	430,003	325,580	328,974
Receivables	16	-	-	28,823	37,124
		1,535,437	1,487,966	735,340	761,407
<b>Current assets</b>					
Biological assets	17	12,519	9,151	7,321	5,381
Inventories	18	47,392	11,419	243	367
Receivables	16	90,732	91,351	38,302	43,377
Tax recoverable		3,515	3,915	-	-
Deposits, cash and bank balances	19	261,912	190,546	178,647	88,872
		416,070	306,382	224,513	137,997
<b>TOTAL ASSETS</b>		1,951,507	1,794,348	959,853	899,404
<b>EQUITY AND LIABILITIES EQUITY</b>					
Share capital	20	197,946	197,946	197,946	197,946
Fair value reserve	21	96	39	96	39
Retained earnings		1,418,796	1,269,245	621,894	548,956
Equity attributable to					
Owners of the Company		1,616,838	1,467,230	819,936	746,941
Non-controlling interests		59,186	51,539	-	-
<b>TOTAL EQUITY</b>		1,676,024	1,518,769	819,936	746,941
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	22	75,032	73,700	41,060	40,888
Lease liabilities	23	15,532	15,728	96	90
Borrowings	24	56,250	71,250	56,250	71,250
		146,814	160,678	97,406	112,228
<b>Current liabilities</b>					
Payables	25	102,601	87,952	19,780	17,824
Tax payable		10,742	11,579	7,612	7,328
Lease liabilities	23	326	370	119	83
Borrowings	24	15,000	15,000	15,000	15,000
		128,669	114,901	42,511	40,235
<b>TOTAL LIABILITIES</b>		275,483	275,579	139,917	152,463
<b>TOTAL EQUITY AND LIABILITIES</b>		1,951,507	1,794,348	959,853	899,404

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	← Attributable to Owners of the Company →			Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Fair Value Reserve RM'000	Distributable Retained Earnings RM'000			
<b>Group</b>							
<b>2024</b>							
<b>At 1 January 2024</b>		197,946	23	1,184,873	1,382,842	47,573	1,430,415
Share of other comprehensive income of associate		-	-	1,089	1,089	-	1,089
Debt instruments measured at FVOCI	21	-	16	-	16	-	16
Profit for the financial year		-	-	190,174	190,174	12,176	202,350
<b>Total comprehensive income for the financial year</b>		-	16	191,263	191,279	12,176	203,455
<b>Transactions with Owners of the Company</b>							
Dividends for the years ended							
- 31 December 2023	8	-	-	(35,630)	(35,630)	(6,281)	(41,911)
- 31 December 2024	8	-	-	(71,261)	(71,261)	(1,929)	(73,190)
		-	-	(106,891)	(106,891)	(8,210)	(115,101)
<b>At 31 December 2024</b>		197,946	39	1,269,245	1,467,230	51,539	1,518,769
<b>2025</b>							
<b>At 1 January 2025</b>		197,946	39	1,269,245	1,467,230	51,539	1,518,769
Share of other comprehensive income of associate		-	-	(748)	(748)	-	(748)
Debt instruments measured at FVOCI	21	-	57	-	57	-	57
Profit for the financial year		-	-	239,374	239,374	16,077	255,451
<b>Total comprehensive income for the financial year</b>		-	57	238,626	238,683	16,077	254,760
<b>Transactions with Owners of the Company</b>							
Dividends for the years ended							
- 31 December 2024	8	-	-	(53,445)	(53,445)	(8,430)	(61,875)
- 31 December 2025	8	-	-	(35,630)	(35,630)	-	(35,630)
		-	-	(89,075)	(89,075)	(8,430)	(97,505)
<b>At 31 December 2025</b>		197,946	96	1,418,796	1,616,838	59,186	1,676,024

## Statements of Changes in Equity (Cont'd)

For the Financial Year Ended 31 December 2025

	Note	Attributable to Owners of the Company			Total Equity RM'000
		Non-Distributable Share Capital RM'000	Fair Value Reserve RM'000	Distributable Retained Earnings RM'000	
<b>Company</b>					
<b>2024</b>					
<b>At 1 January 2024</b>		197,946	23	529,626	727,595
Profit for the financial year		-	-	126,221	126,221
Debt instruments measured at FVOCI	21	-	16	-	16
Total comprehensive income for the financial year		-	16	126,221	126,237
<b>Transactions with Owners of the Company</b>					
Dividends for the years ended					
- 31 December 2023	8	-	-	(35,630)	(35,630)
- 31 December 2024	8	-	-	(71,261)	(71,261)
		-	-	(106,891)	(106,891)
<b>At 31 December 2024</b>		197,946	39	548,956	746,941
<b>2025</b>					
<b>At 1 January 2025</b>		197,946	39	548,956	746,941
Profit for the financial year		-	-	162,013	162,013
Debt instruments measured at FVOCI	21	-	57	-	57
Total comprehensive income for the financial year		-	57	162,013	162,070
<b>Transactions with Owners of the Company</b>					
Dividends for the years ended					
- 31 December 2024	8	-	-	(53,445)	(53,445)
- 31 December 2025	8	-	-	(35,630)	(35,630)
		-	-	(89,075)	(89,075)
<b>At 31 December 2025</b>		197,946	96	621,894	819,936

The annexed notes form an integral part of, and should be read in conjunction with, 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
<b>Operating activities</b>					
Profit before tax		313,872	252,764	193,575	153,415
Adjustments for:					
Goodwill written off		-	4,998	-	-
Property, plant and equipment					
- depreciation		31,018	28,284	15,301	15,211
- gain on disposal		(1)	(160)	(1)	(89)
- written off		1,000	728	125	86
Right-of-use assets					
- depreciation		7,302	7,355	5,287	5,279
Fair value gain on biological assets		(3,368)	(1,418)	(1,940)	(735)
Gain on disposal of investment in an associate		(1,009)	-	(2,691)	-
Share of profit after tax of associates		(91,925)	(64,323)	-	-
Loss on dilution of an associate		-	168	-	-
Dividend income from					
- subsidiaries		-	-	(55,289)	(32,372)
- associates		-	-	(18,803)	(25,831)
Finance cost	4	4,135	4,941	3,468	7,552
Finance income	4	(6,942)	(5,995)	(4,546)	(4,576)
Operating profit before working capital		254,082	227,342	134,486	117,940
Changes in working capital:					
- inventories		(35,973)	(661)	124	(167)
- receivables		(1,118)	(19,260)	383	(6,253)
- payables		13,456	(32,157)	2,392	6,213
Cash generated from operations		230,447	175,264	137,385	117,733
Finance cost paid		(4,135)	(4,941)	(3,468)	(7,552)
Finance income received		6,942	5,995	4,546	4,576
Tax refunded		485	1	15	-
Tax paid		(58,011)	(37,824)	(31,121)	(19,999)
Net cash flows from operating activities		175,728	138,495	107,357	94,758
<b>Investing activities</b>					
Acquisition of an associate		-	(700)	-	(700)
Acquisition of a subsidiary		-	(1,567)	-	(10,000)
Acquisition of quoted corporate bonds		-	(5,025)	-	(5,025)
Property, plant and equipment					
- purchase		(20,191)	(13,447)	(6,259)	(3,787)
- proceeds from disposals		16	160	16	89
Dividend from					
- subsidiaries		-	-	55,289	32,372
- associates		19,583	26,359	18,803	25,831
Proceeds from disposal of an associate		7,938	-	7,938	-
Net advance from/(repayment to) subsidiaries		-	-	11,256	(43,037)
Net cash flows from/(used in) investing activities		7,346	5,780	87,043	(4,257)

## Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financing activities</b>					
Dividends paid to:					
- Owners of the Company		(89,075)	(136,583)	(89,075)	(136,583)
- Non-controlling interests		(8,430)	(8,210)	-	-
Payment for the principal portion of lease liabilities	(i),(ii)	(396)	(388)	(114)	(117)
Repayment of term loan	(ii)	(15,000)	(15,000)	(15,000)	(15,000)
Net repayment to subsidiaries		-	-	(428)	(2,922)
Net (repayment to)/advance from associates		(21)	36	(8)	(4)
Net advance from related parties		1,214	918	-	1,000
Net cash flows used in financing activities		(111,708)	(159,227)	(104,625)	(153,626)
Net increase/(decrease) in cash and cash equivalents		71,366	(14,952)	89,775	(63,125)
Cash and cash equivalents at beginning of the financial year		190,546	205,498	88,872	151,997
Cash and cash equivalents at end of the financial year	19	261,912	190,546	178,647	88,872

(i) Cash outflows for leases as lessee are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Included in net cash flows from operating activities:</b>				
Finance cost paid in relation to lease liabilities	679	688	12	10
Expenses relating to low-value assets	52	46	44	37
Expenses relating to short-term leases	113	44	-	-
<b>Included in net cash flows used in financing activities:</b>				
Payment for the principal portion of lease liabilities	396	388	114	117
<b>Total cash outflows for lease</b>	<b>1,240</b>	<b>1,166</b>	<b>170</b>	<b>164</b>

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

	Borrowings RM'000	Lease liabilities RM'000
<b>Group</b>		
<b>2025</b>		
At 1 January	86,250	16,098
Additions	-	156
Interest expense	3,456	679
Repayment	(18,456)	(1,075)
<b>Net changes from financing cash flows</b>	<b>(15,000)</b>	<b>(396)</b>
At 31 December	71,250	15,858

## Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 December 2025

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd):

	<b>Borrowings RM'000</b>	<b>Lease liabilities RM'000</b>
<b>Group</b>		
<b>2024</b>		
At 1 January	101,250	16,263
Additions	-	223
Interest expense	4,253	688
Repayment	(19,253)	(1,076)
<b>Net changes from financing cash flows</b>	<b>(15,000)</b>	<b>(388)</b>
At 31 December	86,250	16,098
<b>Company</b>		
<b>2025</b>		
At 1 January	86,250	173
Additions	-	156
Interest expense	3,456	12
Repayment	(18,456)	(126)
<b>Net changes from financing cash flows</b>	<b>(15,000)</b>	<b>(114)</b>
At 31 December	71,250	215
<b>2024</b>		
At 1 January	101,250	290
Interest expense	4,171	10
Repayment	(19,171)	(127)
<b>Net changes from financing cash flows</b>	<b>(15,000)</b>	<b>(117)</b>
At 31 December	86,250	173

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025

### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is at Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur.

The Company is principally involved in cultivation of oil palms, production and sales of fresh fruit bunches, crude palm oil and palm kernel and investment holding. The principal activities of the subsidiaries are disclosed in Note 11. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were approved and authorised for issue by the Board of Directors dated on 2 April 2026.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysia Financial Reporting Standards (“MFRSs”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

#### (i) Accounting pronouncements that are effective and adopted during the financial year

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

The adoption of the above accounting pronouncements did not have any material impact on the financial statements of the Group and the Company.

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

#### ***Effective for financial periods beginning on or after 1 January 2026***

Amendments to MFRS 9 and MFRS 7	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 and MFRS 7	Contract Referencing Nature-dependent Electricity

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 2. BASIS OF PREPARATION (cont'd)

### (a) Statement of compliance (cont'd)

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (cont'd)

##### *Effective for financial periods beginning on or after 1 January 2027*

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19 and Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency

##### *Effective date to be announced*

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect on the financial statements of the Group and the Company upon their initial applications except as mentioned below:

##### **MRFS 18, Presentation and Disclosure in Financial Statements**

MRFS 18 will replace MFRS 101, Presentation of Financial Statements and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating profit cash flows under the indirect method.

The Group and the Company are currently assessing the impact of adopting MFRS 18.

### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to nearest thousands, unless otherwise stated.

### (c) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the respective notes.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 2. BASIS OF PREPARATION (cont'd)

### (d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

There are no significant areas of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 3. REVENUE

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue from contracts with customers</b>					
Sale of fresh fruit bunch ("FFB")	(i)	151,728	165,369	200,036	180,306
Sale of crude palm oil, palm kernel and others	(ii)	945,403	698,218	-	-
		1,097,131	863,587	200,036	180,306
<b>Dividend income</b>					
- Subsidiaries	(iii)	-	-	55,289	32,372
- Associates	(iii)	-	-	18,803	25,831
		-	-	74,092	58,203
		1,097,131	863,587	274,128	238,509

### 3.1 Material accounting policy information

The performance obligations and revenue recognition policies for each revenue stream are presented below:

#### (i) Sale of FFB

The Group and the Company are engaged in the sale of FFB. The Group and the Company entered into contracts with customers to supply FFB. Revenue is recognised upon delivery and issuance of sales invoice to customers.

#### (ii) Sale of crude palm oil, palm kernel and others

The Group is engaged in the manufacturing and trading of crude palm oil, palm kernel, oil palm shell, palm bunch ash and palm fibre. The Group entered into contracts with customers to supply crude palm oil, palm kernel and others. Revenue is recognised upon delivery and issuance of sales invoices to the customers.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 3. REVENUE (cont'd)

#### 3.1 Material accounting policy information (cont'd)

##### (iii) Dividend income

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

##### Performance Obligations ("PO") of (i) and (ii)

PO is satisfied upon delivery of goods to customers and acknowledgement by customers. The credit terms granted to the customers ranged from 7 to 90 days. No allocation of transaction price is required as each contract consists of one PO only.

##### Timing of recognition of (i) and (ii)

Revenue is recognised at the point in time when the Group and the Company had satisfied the PO, i.e. delivery of goods to the customers. At the end of the financial year, there is no unsatisfied PO, i.e. undelivered goods.

### 4. PROFIT BEFORE TAX

Other than those disclosed in the statements of comprehensive income, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
Auditors of the Company				
- current year	340	305	239	210
- under provision in prior year	35	-	29	-
- others	10	10	10	10
Other auditors				
- current year	103	103	-	-
Property, plant and equipment:				
- written off	1,000	728	125	86
- gain on disposal	(1)	(160)	(1)	(89)
Finance cost:				
- bank borrowings	3,456	4,253	3,456	4,171
- lease liabilities	679	688	12	10
- loss on initial recognition of loans to a subsidiary	-	-	-	3,371
Loss on dilution of an associate (Note 12)	-	168	-	-
Expenses relating to low-value assets	52	46	44	37
Expenses relating to short-term leases	113	44	-	-
Finance income:				
- hibah*	(15)	(9)	-	-
- fixed deposits	(6,459)	(5,580)	(4,078)	(4,170)
- repurchase agreements	(164)	(210)	(164)	(210)
- interest on investment in corporate bonds	(304)	(196)	(304)	(196)
Gain on disposal of investment in an associate	(1,009)	-	(2,691)	-
Gain on insurance claim	-	(63)	-	-
Rental income	(264)	(163)	(198)	(96)

\* Finance income from Hibah refers to profit earned under Islamic Financial Instruments

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Staff costs:</b>				
- Salaries, bonus and other benefits	28,243	27,166	6,617	8,073
- Defined contribution plans	2,495	2,374	772	856
	<u>30,738</u>	<u>29,540</u>	<u>7,389</u>	<u>8,929</u>
<b>Key management personnel:</b>				
<b>Directors of the Company:</b>				
- Fees	2,880	2,490	1,170	978
- Fees - under provision in prior year	211	-	90	-
- Salaries and other emoluments	4,127	4,215	1,847	1,928
- Defined contribution plans	176	187	77	87
	<u>7,394</u>	<u>6,892</u>	<u>3,184</u>	<u>2,993</u>
<b>Directors of the subsidiaries:</b>				
- Fees	1,215	1,076	-	-
- Salaries and other emoluments	633	456	-	-
- Defined contribution plans	34	17	-	-
	<u>1,882</u>	<u>1,549</u>	<u>-</u>	<u>-</u>
<b>Other key management personnel:</b>				
- Salaries, bonus and other benefits	1,717	1,902	569	627
- Defined contribution plans	204	221	78	87
	<u>1,921</u>	<u>2,123</u>	<u>647</u>	<u>714</u>
Total employee benefits expense	<u>41,935</u>	<u>40,104</u>	<u>11,220</u>	<u>12,636</u>

## 6. TAX EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current tax</b>				
- Current year	57,048	50,370	31,393	27,624
- Under/(Over) provision in previous financial year	41	377	(3)	(170)
	<u>57,089</u>	<u>50,747</u>	<u>31,390</u>	<u>27,454</u>
<b>Deferred tax (Note 22)</b>				
- Origination/(reversal) of temporary differences	1,789	(524)	680	(280)
- (Over)/Under provision in previous financial year	(457)	191	(508)	20
	<u>1,332</u>	<u>(333)</u>	<u>172</u>	<u>(260)</u>
Tax expense for the financial year	<u>58,421</u>	<u>50,414</u>	<u>31,562</u>	<u>27,194</u>

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

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 6. TAX EXPENSE (cont'd)

The reconciliations from the tax amount at statutory income tax rate to the Group's and to the Company's tax expense are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	313,872	252,764	193,575	153,415
Tax calculated at the statutory tax rate of 24%	75,329	60,663	46,458	36,820
Tax effect on share of results of associates	(22,062)	(15,438)	-	-
Expenses not deductible for tax purposes	6,070	6,381	3,778	4,497
Under/(Over) provision in prior financial years				
- Current tax	41	377	(3)	(170)
- Deferred tax	(457)	191	(508)	20
Income not subject to tax	-	(29)	(18,163)	(13,973)
Utilisation of current year reinvestment allowance	(369)	(817)	-	-
Utilisation of previously unrecognised deferred tax assets	(131)	(914)	-	-
Tax expense for the financial year	58,421	50,414	31,562	27,194

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses	865	865
Unabsorbed capital allowances	40,455	45,512
	41,320	46,377

The comparative figures have been restated to reflect the actual unutilised tax losses carried forward. The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

Pursuant to the Finance Act 2021, unutilised tax losses from a year of assessment can only be carried forward up to 10 consecutive years of assessment as follows:

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses to be carried forward until:		
Year of assessment 2026	86	86
Year of assessment 2027	88	88
Year of assessment 2028	401	401
Year of assessment 2029	290	290
	865	865

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 6. TAX EXPENSE (cont'd)

### 6.1 Material accounting policy information

#### (i) Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

#### (ii) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

## 7. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share of the Group are calculated by dividing the profit after tax attributable to Owners of the Company by the average number of ordinary shares in issue during the financial year.

	2025	2024
Profit attributable to Owners of the Company (RM'000)	239,374	190,174
Average number of ordinary shares in issue (Unit'000)	593,838	593,838
Basic earnings per share (sen)	40.31	32.02

### (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to Owners of the Company by the average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding during the financial year.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 8. DIVIDENDS

	Paid on	Group and Company	
		2025 RM'000	2024 RM'000
<b>Attributable to Owners of the Company</b>			
Final single-tier dividend in respect of financial year ended 31 December 2023 of 6 sen per ordinary share	5 July 2024	-	35,630
Interim single-tier dividend in respect of financial year ended 31 December 2024 of 5 sen per ordinary share"	27 September 2024	-	29,692
Interim single-tier dividend in respect of financial year ended 31 December 2024 of 7 sen per ordinary share	23 December 2024	-	41,569
Final single-tier dividend in respect of financial year ended 31 December 2024 of 9 sen per ordinary share	10 July 2025	53,445	-
Interim single-tier dividend in respect of financial year ended 31 December 2025 of 6 sen per ordinary share	18 September 2025	35,630	-
		<u>89,075</u>	<u>106,891</u>

The Directors recommend the payment of a special single-tier dividend of 3 sen per ordinary share and a final single-tier dividend of 12 sen per ordinary share amounting to RM17,815,140 and RM71,260,558 respectively for the financial year ended 31 December 2025. The proposed dividends are subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

	Paid on	Group	
		2025 RM'000	2024 RM'000
<b>Attributable to non-controlling interests:</b>			
Final single-tier dividend:			
- in respect of financial year ended 31 December 2023 of 70 sen per ordinary share	30 April 2024	-	3,430
- in respect of financial year ended 31 December 2023 of 70 sen per ordinary share	17 May 2024	-	1,801
- in respect of financial year ended 31 December 2023 of 75 sen per ordinary share	27 May 2024	-	150
- in respect of financial year ended 31 December 2023 of 150 sen per ordinary share	27 May 2024	-	900
- in respect of financial year ended 31 December 2024 of 75 sen per ordinary share	19 September 2024	-	1,929
- in respect of financial year ended 31 December 2024 of 85 sen per ordinary share	16 May 2025	4,165	-
- in respect of financial year ended 31 December 2024 of 55 sen per ordinary share	16 May 2025	1,415	-
- in respect of financial year ended 31 December 2024 of 275 sen per ordinary share	26 May 2025	1,650	-
- in respect of financial year ended 31 December 2024 of 600 sen per ordinary share	26 May 2025	1,200	-
		<u>8,430</u>	<u>8,210</u>

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 9. PROPERTY, PLANT AND EQUIPMENT

	Bearer plants		Buildings RM'000	Plant and machinery RM'000	Motor vehicles, furniture, fixtures and equipment RM'000	Assets under construction RM'000	Total RM'000
	Mature RM'000	Immature RM'000					
<b>Group</b>							
<b>2025</b>							
<b>Cost</b>							
At 1 January	444,082	4,498	59,213	141,504	19,621	4,816	673,734
Additions	-	8,523	729	4,008	815	6,116	20,191
Reclassification	3,376	(3,376)	909	3,179	690	(4,778)	-
Written off	(5,838)	-	(12)	(412)	(465)	-	(6,727)
Disposal	-	-	-	-	(28)	-	(28)
Transfer from a related party	-	-	-	-	187	-	187
At 31 December	441,620	9,645	60,839	148,279	20,820	6,154	687,357
<b>Accumulated depreciation</b>							
At 1 January	208,901	-	35,980	75,983	15,894	-	336,758
Charge for the financial year	19,308	-	2,883	7,198	1,629	-	31,018
Written off	(4,845)	-	(12)	(412)	(458)	-	(5,727)
Disposal	-	-	-	-	(13)	-	(13)
Transfer from a related party	-	-	-	-	187	-	187
At 31 December	223,364	-	38,851	82,769	17,239	-	362,223
<b>Carrying amount</b>							
At 31 December	218,256	9,645	21,988	65,510	3,581	6,154	325,134
<b>2024</b>							
<b>Cost</b>							
At 1 January	427,618	26,051	48,604	71,019	18,779	2,363	594,434
Acquisition of a subsidiary (Note 11(a))	-	-	8,857	66,592	1,355	-	76,804
Additions	-	4,316	1,044	3,950	711	3,426	13,447
Reclassification	9,086	(9,086)	726	90	157	(973)	-
Written off	(5,415)	-	(18)	(156)	(331)	-	(5,920)
Disposal	-	-	-	-	(1,265)	-	(1,265)
Adjustments *	12,793	(16,783)	-	1	197	-	(3,792)
Transfer from a related party	-	-	-	8	18	-	26
At 31 December	444,082	4,498	59,213	141,504	19,621	4,816	673,734

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Bearer plants		Buildings RM'000	Plant and machinery RM'000	Motor vehicles, furniture, fixtures and equipment RM'000	Assets under construction RM'000	Total RM'000
	Mature RM'000	Immature RM'000					
<b>Group (cont'd)</b>							
<b>2024</b>							
<b>Accumulated depreciation</b>							
At 1 January	198,274	-	32,708	50,125	14,313	-	295,420
Acquisition of a subsidiary (Note 11(a))	-	-	651	21,572	1,054	-	23,277
Charge for the financial year	19,304	-	2,639	4,341	2,000	-	28,284
Written off	(4,688)	-	(18)	(156)	(330)	-	(5,192)
Disposal	-	-	-	-	(1,265)	-	(1,265)
Adjustments *	(3,989)	-	-	93	104	-	(3,792)
Transfer from a related party	-	-	-	8	18	-	26
At 31 December	208,901	-	35,980	75,983	15,894	-	336,758
<b>Carrying amount</b>							
At 31 December	235,181	4,498	23,233	65,521	3,727	4,816	336,976

\* A review had been performed on the detailed asset classifications and components and arising therefrom, adjustments were made to rectify certain disparities within right-of-use assets with no impact on the aggregate net book values.

	Bearer plants		Buildings RM'000	Plant and machinery RM'000	Motor vehicles, furniture, fixtures and equipment RM'000	Assets under construction RM'000	Total RM'000
	Mature RM'000	Immature RM'000					
<b>Company</b>							
<b>2025</b>							
<b>Cost</b>							
At 1 January	267,894	6,497	25,138	5,334	10,202	503	315,568
Additions	-	4,193	273	230	438	1,125	6,259
Reclassification	1,468	(1,468)	909	29	-	(938)	-
Net transfer from a subsidiary	-	-	-	-	217	-	217
Written off	(3,288)	-	-	(1)	(280)	-	(3,569)
Disposal	-	-	-	-	(28)	-	(28)
At 31 December	266,074	9,222	26,320	5,592	10,549	690	318,447

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Bearer plants		Buildings RM'000	Plant and machinery RM'000	Motor vehicles, furniture, fixtures and equipment RM'000	Assets under construction RM'000	Total RM'000
	Mature RM'000	Immature RM'000					
<b>Company (cont'd)</b>							
<b>2025</b>							
<b>Accumulated depreciation</b>							
At 1 January	114,488	-	17,780	3,938	8,207	-	144,413
Charge for the financial year	11,976	-	1,886	485	954	-	15,301
Net transfer from a subsidiary	-	-	-	-	217	-	217
Written off	(3,165)	-	-	(1)	(278)	-	(3,444)
Disposal	-	-	-	-	(13)	-	(13)
At 31 December	123,299	-	19,666	4,422	9,087	-	156,474
<b>Carrying amount</b>							
At 31 December	142,775	9,222	6,654	1,170	1,462	690	161,973
<b>2024</b>							
<b>Cost</b>							
At 1 January	265,204	10,572	23,780	5,031	10,378	1,049	316,014
Additions	-	2,336	636	396	240	179	3,787
Reclassification	6,411	(6,411)	725	-	-	(725)	-
Net transfer from related company	-	-	-	8	111	-	119
Written off	(3,721)	-	(3)	(101)	(146)	-	(3,971)
Disposal	-	-	-	-	(381)	-	(381)
At 31 December	267,894	6,497	25,138	5,334	10,202	503	315,568
<b>Accumulated depreciation</b>							
At 1 January	106,174	-	16,066	3,566	7,485	-	133,291
Charge for the financial year	11,950	-	1,717	466	1,078	-	15,211
Net transfer from related company	-	-	-	7	170	-	177
Written off	(3,636)	-	(3)	(101)	(145)	-	(3,885)
Disposal	-	-	-	-	(381)	-	(381)
At 31 December	114,488	-	17,780	3,938	8,207	-	144,413
<b>Carrying amount</b>							
At 31 December	153,406	6,497	7,358	1,396	1,995	503	171,155

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Acquisition of property, plant and equipment of the Group and of the Company are satisfied entirely by cash.

#### 9.1 Material accounting policy information

##### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

##### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use, if applicable.

The cost of self-constructed assets includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Plant and machinery are stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction, if any. No depreciation is provided on work-in-progress and upon completion, the cost will be transferred to the respective component of property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and their costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

### 9.1 Material accounting policy information (cont'd)

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its estimated residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following estimated useful lives:

Buildings	10 - 50 years
Plant and machinery	5 - 20 years
Motor vehicles, furniture, fixtures and equipment	3 - 10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

#### (iv) Assets under construction

Assets under construction is stated as cost less any accumulated impairment losses and includes borrowing costs incurred during the period of construction.

No depreciation is provided on assets under construction and upon completion of construction, the cost will be transferred to property, plant and equipment.

#### Bearer plants

Bearer plants are living trees that are the source of supply of agricultural products and where production is expected for more than one period with a remote likelihood of being sold as other than agricultural produce. Bearer plants comprise of pre-cropping cost incurred for new plantings and replanting.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future benefits.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of bearer plants at the following estimated useful lives:

Bearer plants – upon maturity	22 years
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A bearer plant is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in profit or loss in the year the bearer plant is derecognised.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 10. INVESTMENT PROPERTY

	Group and Company	
	2025	2024
	RM'000	RM'000
<b>Leasehold land</b>		
<b>At fair value</b>		
At 1 January/31 December	63,000	63,000

The fair value of the above investment property was estimated based on indicative valuation by an independent registered valuer dated 6 January 2026, which was based on the comparison method. The market comparison approach is a method whereby the property's fair value is estimated based on comparable transactions.

Investment property valued using the comparison method with significant adjustments made for differences such as location, size, time factor and tenure are categorised as Level 3 in the fair value hierarchy of MFRS 13 *Fair Value Measurement*. Changes in fair value are recognised in the statements of comprehensive income during the reporting period in which they are reviewed.

The fair value of the investment property as at 31 December 2025, remained consistent with the prior year. This is primarily due to stable market conditions in the region where the property is located.

There was no income derived from the above investment property. However, there is a quit rent expense of RM44,000 (2024: RM44,000).

#### 10.1 Material accounting policy information

Investment property is property which is owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at its cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss for the period in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the items are derecognised.

### 11. INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2025	2024
		RM'000	RM'000
<b>At Cost</b>			
Unquoted shares			
At 1 January		28,400	18,400
Acquisition of a subsidiary	(a)	-	10,000
At 31 December		28,400	28,400

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of Subsidiaries Held by the Company	Principal activities	Percentage equity held	
		2025	2024
Dawn Oil Palm Plantations Sdn. Bhd.	Oil palm plantations	100.00%	100.00%
B.S. Oil Palm Plantations Sdn. Bhd.	Oil palm plantations	100.00%	100.00%
Spectacular Potential Sdn. Bhd. *	Investment holding	100.00%	100.00%
Inai Prisma Sdn. Bhd. *	Dormant company	100.00%	100.00%
Merchong Palm Oil Mill Sdn. Bhd. *	Palm oil mill	100.00%	100.00%
Far East Delima Plantations Sdn. Bhd. *	Oil palm plantations	80.00%	80.00%
F.E. Rangkaian Sdn. Bhd. *	Oil palm plantations	70.00%	70.00%
Kilang Kosfarm Sdn. Bhd.	Palm oil mill	51.00%	51.00%
<b>Held through Kilang Kosfarm Sdn. Bhd.</b>			
Wujud Wawasan Sdn. Bhd. *	Palm oil mill	51.00%	51.00%

\* Audited by auditors other than Moore Stephens Associates PLT

#### (a) Acquisition of a subsidiary

On 28 February 2024, the Company entered into a Share Sale and Purchase Agreement ("SSPA") to acquire 10,000,000 ordinary shares in Merchong Palm Oil Mill Sdn. Bhd. ("MPOM") representing 100% equity interest for a purchase consideration of RM10,000,000. Subsequent on 14 June 2024, the Company announced that all the condition precedents as stated in the SSPA have been fulfilled and completed on 13 June 2024. Consequently, MPOM became a wholly-owned subsidiary of the Company.

The fair value of identifiable assets was determined to be RM5,002,000, giving rise to a goodwill amounting to RM4,998,000. The net cash outflow of the acquisition was RM1,567,000.

The fair value of the identifiable assets and liabilities arising from the purchase price allocation ("PPA") of MPOM as at the date of acquisition was as follows:

	Note	Fair value RM'000
<b>Net identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	9	53,527
Right-of-use assets	15	1,141
Trade and other receivables		8,869
Cash and bank balances		8,433
Inventories		3,536
Lease liabilities		(1,274)
Trade and other payables		(69,230)
<b>Net identifiable assets acquired</b>		<u>5,002</u>

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

### (a) Acquisition of a subsidiary (cont'd)

The fair value of the identifiable assets and liabilities arising from the purchase price allocation ("PPA") of MPOM as at the date of acquisition was as follows: (cont'd)

	Note	Fair value RM'000
<b>Net cash outflows arising from acquisition of subsidiary</b>		
Fair value consideration		(10,000)
Less: Cash and cash equivalents of subsidiary acquired		8,433
		<u>(1,567)</u>
<b>Goodwill on business combination</b>		
Fair value consideration transferred		10,000
Less: Net identifiable assets acquired		(5,002)
		<u>4,998</u>

In prior financial year, the Group completed the PPA exercise on the acquisition of MPOM and allocated a fair value adjustment on property, plant and equipment of RM14,088,000 as at the acquisition date. Following these adjustments, the net identifiable assets and liabilities have increased to RM5,002,000, resulting in a goodwill on acquisition of RM4,998,000, which was written off in prior financial year.

The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Far East Delima Plantations Sdn. Bhd. RM'000	F.E. Rangkaian Sdn. Bhd. RM'000	Kilang Kosfarm Sdn. Bhd. RM'000	Total RM'000
<b>Group</b>				
<b>2025</b>				
NCI percentage of ownership interest and voting interest	20.00%	30.00%	49.00%	
Carrying amount of NCI	6,250	7,908	45,028	59,186
Profit allocated to NCI	609	2,198	13,270	16,077
<hr/>				
<b>2024</b>				
NCI percentage of ownership interest and voting interest	20.00%	30.00%	49.00%	
Carrying amount of NCI	6,840	7,360	37,339	51,539
Profit allocated to NCI	1,086	2,109	8,981	12,176
<hr/>				

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The summarised financial information (before intra-group eliminations) of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Far East Delima Plantations Sdn. Bhd. RM'000	F.E. Rangkaian Sdn. Bhd. RM'000	Kilang Kosfarm Sdn. Bhd. RM'000
<b>Group</b>			
<b>2025</b>			
<b>Assets and liabilities</b>			
Non-current assets	27,970	22,084	41,794
Current assets	22,674	16,365	98,470
Non-current liabilities	(14,245)	(9,639)	(4,173)
Current liabilities	(5,151)	(2,449)	(60,135)
Net assets	31,248	26,361	75,956
Net assets attributable to:			
Owners of the Company	31,248	26,361	60,642
NCI	-	-	15,314
Total net assets	31,248	26,361	75,956
<b>Results</b>			
Revenue	21,260	21,497	715,517
Profits for the financial year, representing total comprehensive income for the year	3,047	7,327	14,277
Dividend	(6,000)	(5,500)	(8,500)
Dividend to NCI by a subsidiary	-	-	(1,415)
Profits attributable to:			
Owners of the Company	3,047	7,327	14,277
NCI	-	-	6,274
Profits for the financial year, representing total comprehensive income for the year	3,047	7,327	20,551
<b>Cash flows from/(used in):</b>			
- Operating activities	9,957	3,960	5,802
- Investing activities	(3,153)	(383)	(6,728)
- Financing activities	(6,080)	(5,532)	(9,689)

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The summarised financial information (before intra-group eliminations) of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (cont'd)

	Far East Delima Plantations Sdn. Bhd. RM'000	F.E. Rangkaian Sdn. Bhd. RM'000	Kilang Kosfarm Sdn. Bhd. RM'000
<b>Group</b>			
<b>2024</b>			
<b>Assets and liabilities</b>			
Non-current assets	29,033	23,387	35,549
Current assets	22,578	17,296	94,394
Non-current liabilities	(14,464)	(9,870)	(3,469)
Current liabilities	(2,946)	(6,279)	(61,154)
Net assets	34,201	24,534	65,320
Net assets attributable to:			
Owners of the Company	34,201	24,534	54,865
NCI	-	-	10,455
Total net assets	34,201	24,534	65,320
<b>Results</b>			
Revenue	25,154	20,680	599,541
Profits for the financial year, representing total comprehensive income for the year	5,430	7,031	10,475
Dividend	(750)	(3,000)	(7,000)
Dividend to NCI by a subsidiary	-	-	(3,730)
Profits attributable to:			
Owners of the Company	5,430	7,031	10,475
NCI	-	-	3,848
Profits for the financial year, representing total comprehensive income for the year	5,430	7,031	14,323
<b>Cash flows from/(used in):</b>			
- Operating activities	9,965	9,161	5,802
- Investing activities	(280)	(546)	(6,728)
- Financing activities	(827)	(3,030)	(9,689)

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 11.1 Material accounting policy information

#### Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and reserves that relate to the subsidiary is recognised as gain or loss on disposal.

#### Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

### 11.1 Material accounting policy information (cont'd)

#### Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### Non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to Owners of the Company.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 12. INVESTMENTS IN ASSOCIATES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>At cost</b>					
Unquoted shares					
At 1 January		157,462	156,762	126,819	126,119
Acquisition of an associate	(a)	-	700	-	700
Disposal of an associate	(b)	(6,350)	-	(6,350)	-
At 31 December		151,112	157,462	120,469	126,819
<b>Less: Accumulated impairment loss</b>					
At 1 January		-	-	(1,103)	(1,103)
Reversal upon disposal		-	-	1,103	-
At 31 December		-	-	-	(1,103)
		151,112	157,462	120,469	125,716
<b>Add: Share of post-acquisition results</b>					
At 1 January		493,487	454,602	-	-
Profit for the financial year		91,925	64,323	-	-
Other comprehensive income	(c)	(748)	1,089	-	-
Disposal of an associate	(b)	(579)	-	-	-
Loss on dilution of an associate	(d)	-	(168)	-	-
Dividend		(19,583)	(26,359)	-	-
		71,015	38,885	-	-
At 31 December		564,502	493,487	-	-
		715,614	650,949	120,469	125,716

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 12. INVESTMENTS IN ASSOCIATES (cont'd)

The details of the associates, all of which are incorporated in Malaysia, are as follows:

Name of companies	Principal activities	Percentage equity held	
		2025	2024
<b>Held by the Company</b>			
Future Prelude Sdn. Bhd. ("FPSB")	Manufacturing and exporting of palm oil, fatty acids and chemicals compounds or derivatives	46.05%	46.05%
Kampong Aur Oil Palm Company (Sdn.) Berhad ("KAOP")	Oil palm plantations	40.61%	40.61%
Prosper Capital Holdings Sdn. Bhd. ("PCH")	Operating of palm oil mill and oil palm plantation and investment holding	40.00%	40.00%
Business & Budget Hotels (Kuantan) Sdn. Bhd. ("BBHSB")	Hotel and resort operator	-	36.29%
PARAS (Progressive Agricultural Research and Services) Sdn. Bhd. ("PARAS")	Provide plantation consultancy and advisory services	35.00%	35.00%
<b>Held by KAOP</b>			
Madah Perkasa Sdn. Bhd.	Oil palm plantations	100.00%	100.00%
<b>Held through Kilang Kosfarm Sdn. Bhd.</b>			
Jaspurna Holdings Sdn. Bhd.	Investment holding	45.00%	45.00%
PGC Management Services Sdn. Bhd.	Marketing of crude palm oil and management services	30.00%	30.00%

All of the financial statements of these associates were audited by auditors other than Moore Stephens Associates PLT.

(a) Acquisition of an associate

In prior financial year, the Company had subscribed 700,000 ordinary shares, representing 35% equity interest in PARAS for a total consideration of RM700,000.

(b) Disposal of an associate

During the financial year, the Company disposed its entire 36.29% equity interest in BBHSB, for a total consideration of RM7,937,500. As a result, BBHSB ceased to be an associate of the Group. The disposal resulted in gains of RM1,009,000 and RM2,691,000, which have been recognised in the profit or loss under "other operating income" of the Group and the Company, respectively.

(c) Other comprehensive income ("OCI")

OCI relates to the changes in fair value arising from investment held at FVOCI.

(d) Dilution of equity interest

In prior financial year, the Group's equity interest in FPSB was diluted from 46.24% to 46.05% arising from exercise of Employee Share Option Scheme ("ESOS") options granted to its key management personnel in FPSB. As a result, the Group recognised a loss on dilution amounting to RM168,000 in the statements of comprehensive income.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 12. INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amounts of the financial statements of the associates and not the Group's share of those amounts.

2025	PCH RM'000	FPSB RM'000	KAOP RM'000	Others RM'000	Total RM'000
<b>Assets and liabilities</b>					
Non-current assets	1,381,536	90,586	173,205	48,601	1,693,928
Current assets	276,687	221,243	45,793	41,861	585,584
Non-current liabilities	(126,333)	(15,296)	(33,857)	(13,143)	(188,629)
Current liabilities	(94,086)	(40,806)	(8,953)	(27,735)	(171,580)
Net assets	1,437,804	255,727	176,188	49,584	1,919,303
Less: Share of Group's results in associate *	(146,078)	-	-	-	(146,078)
Non-controlling interest	-	-	-	(5,855)	(5,855)
Disposal of an associate	-	-	-	(19,095)	(19,095)
Adjusted net assets attributable to Owners	1,291,726	255,727	176,188	24,634	1,748,275
<b>Results</b>					
Revenue	834,295	1,003,976	90,586	253,989	2,182,846
Profit for the financial year	157,277	33,959	41,898	7,551	240,685
Less: Share of Group's results in associate *	(15,032)	-	-	-	(15,032)
Non-controlling interest	-	-	-	(1,356)	(1,356)
Adjusted profit for the financial year attributable to Owners	142,245	33,959	41,898	6,195	224,297
Other comprehensive income	-	-	-	(2,159)	(2,159)
Total comprehensive income	142,245	33,959	41,898	4,036	222,138
Dividend	(7,500)	(6,312)	(31,758)	(1,900)	(47,470)
<b>2024</b>					
<b>Assets and liabilities</b>					
Non-current assets	1,059,454	93,659	168,643	51,711	1,373,467
Current assets	295,657	212,193	40,988	38,289	587,127
Non-current liabilities	(6,285)	(15,116)	(32,524)	(15,394)	(69,319)
Current liabilities	(60,799)	(62,656)	(11,059)	(27,905)	(162,419)
Net assets	1,288,027	228,080	166,048	46,701	1,728,856
Less: Share of Group's results in associate *	(131,046)	-	-	-	(131,046)
Non-controlling interest	-	-	-	(5,108)	(5,108)
Adjusted net assets attributable to Owners	1,156,981	228,080	166,048	41,593	1,592,702

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 12. INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amounts of the financial statements of the associates and not the Group's share of those amounts. (cont'd)

2024 (cont'd)	PCH RM'000	FPSB RM'000	KAOP RM'000	Others RM'000	Total RM'000
<b>Results</b>					
Revenue	669,511	966,372	91,096	226,052	1,953,031
Profit for the financial year	94,979	22,100	42,504	5,330	164,913
Less: Share of Group's results in associate *	(7,175)	-	-	-	(7,175)
Non-controlling interest	-	-	-	(904)	(904)
Adjusted profit for the financial year attributable to Owners	87,804	22,100	42,504	4,426	156,834
Other comprehensive income	-	-	-	3,000	3,000
Total comprehensive income	87,804	22,100	42,504	7,426	159,834
Employee Share Option Scheme subscription	-	722	-	-	722
Dividend	(5,250)	(28,337)	(26,235)	(1,340)	(61,162)

\* The profit for the financial year and net assets of PCH include an indirect share of the Group's financial results as PCH's 44.68% owned associate, Prosper Trading Sdn. Bhd., has a 23.73% equity interest in the Group. For accounting and disclosure purposes, these amounts have been excluded to arrive at the Group's share of PCH's financial results and net assets.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates:

	PCH RM'000	FPSB RM'000	KAOP RM'000	Others RM'000	Total RM'000
<b>2025</b>					
<b>Reconciliation of net assets to carrying amount at end of the financial year</b>					
Group's share of net assets, representing carrying amount in the statements of financial position	516,690	117,696	71,550	9,678	715,614
<b>Group's share of results for the financial year ended 31 December</b>					
Profit for the financial year	56,898	15,631	17,014	2,382	91,925
Disposal of an associate	-	-	-	(579)	(579)
Other comprehensive income	-	-	-	(748)	(748)
Dividend	(3,000)	(2,907)	(12,896)	(780)	(19,583)
	53,898	12,724	4,118	275	71,015

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 12. INVESTMENTS IN ASSOCIATES (cont'd)

	PCH RM'000	FPSB RM'000	KAOP RM'000	Others RM'000	Total RM'000
<b>2024</b>					
<b>Reconciliation of net assets to carrying amount at end of the financial year</b>					
Group's share of net assets, representing carrying amount in the statements of financial position	462,792	104,972	67,432	15,753	650,949
<b>Group's share of results for the financial year ended 31 December</b>					
Profit for the financial year	35,122	10,214	17,260	1,727	64,323
Other comprehensive income	-	-	-	1,089	1,089
Dividend	(2,100)	(13,078)	(10,654)	(527)	(26,359)
Loss on dilution of an associate	-	(168)	-	-	(168)
	33,022	(3,032)	6,606	2,289	38,885

#### 12.1 Material accounting policy information

##### Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

Goodwill relating to an associated company is included in the carrying amount of the investment. The goodwill is calculated as the difference between the cost of the investment and the investor's share of the net fair value of the investee's identifiable assets and liabilities.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 12. INVESTMENTS IN ASSOCIATES (cont'd)

### 12.1 Material accounting policy information (cont'd)

#### Associates (cont'd)

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Dividend from associates is recognised as a reduction in the carrying amounts of associates.

The associates' financial statements shall be prepared using uniform accounting policies for the transactions and events in similar circumstances.

## 13. GOODWILL

	Group	
	2025	2024
	RM'000	RM'000
<b>At Cost</b>		
At 1 January	-	-
Acquisition through business combination (Note 11(a))	-	4,998
Written off	-	(4,998)
At 31 December	-	-

Goodwill acquired through business combinations arises from and is solely allocated to the Group's newly acquired subsidiary, MPOM, representing the cash-generating unit ("CGU") that operates an oil palm mill.

In prior financial year, the goodwill was deemed immaterial to the financial statements as a whole and was written off, and is included in the line item of "goodwill written off" in the statements of comprehensive income.

## 14. OTHER FINANCIAL ASSETS

		Group and Company	
		2025	2024
	Note	RM'000	RM'000
<b>At fair value through profit or loss:</b>			
Unquoted share	(i)	-	-
<b>At FVOCI:</b>			
Debt instruments:	(ii)		
<u>Quoted corporate bonds</u>			
- Outside Malaysia		1,499	1,490
- In Malaysia		5,596	5,548
		7,095	7,038

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 14. OTHER FINANCIAL ASSETS (cont'd)

#### (i) Unquoted share at fair value through profit or loss

This investment does not have a quoted market price in an active market. The Group and the Company determined the fair value to be nil.

The fair value of the Group's and of the Company's other financial asset were within Level 3 of the fair value hierarchy.

There were no transfers between all three levels of the fair value hierarchy during the financial year.

#### (ii) Debt Instruments at FVOCI

Quoted corporate bonds comprise of strategic investments of the Group and the Company which is not held for trading purpose. These debt instruments are recognised at FVOCI, the changes in fair value are accumulated within the financial assets and fair value reserve within equity as disclosed in Note 21. The accumulated changes in fair value are transferred to profit or loss when the investment is derecognised or disposed.

The fair value of the quoted corporate bonds outside and in Malaysia was categorised at Level 1 of the fair value hierarchy and were determined based on its quoted market value.

The movement of debt instruments at FVOCI was as below:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	7,038	1,997
Addition	-	5,025
Fair value changes	57	16
At 31 December	7,095	7,038

### 15. RIGHT-OF-USE ASSETS

	Office units and warehouses	Leasehold land	Lease of land	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>2025</b>					
<b>Cost</b>					
At 1 January	1,092	463,014	16,246	340	480,692
Additions	156	1,737	-	-	1,893
Expiry of lease	(159)	-	-	-	(159)
At 31 December	1,089	464,751	16,246	340	482,426
<b>Accumulated depreciation</b>					
At 1 January	823	47,847	1,838	181	50,689
Charge for the financial year	162	6,766	306	68	7,302
Expiry of lease	(159)	-	-	-	(159)
At 31 December	826	54,613	2,144	249	57,832
<b>Net carrying amount</b>					
At 31 December	263	410,138	14,102	91	424,594

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 15. RIGHT-OF-USE ASSETS (cont'd)

	Office units and warehouses RM'000	Leasehold land RM'000	Lease of land RM'000	Motor vehicles RM'000	Total RM'000
<b>Group (cont'd)</b>					
<b>2024</b>					
<b>Cost</b>					
At 1 January, as reported previously	875	462,927	16,246	340	480,388
Additions	223	-	-	-	223
Adjustments *	(6)	87	-	-	81
At 31 December	1,092	463,014	16,246	340	480,692
<b>Accumulated depreciation</b>					
At 1 January, as reported previously	606	41,002	1,532	113	43,253
Charge for the financial year	223	6,758	306	68	7,355
Adjustments *	(6)	87	-	-	81
At 31 December	823	47,847	1,838	181	50,689
<b>Net carrying amount</b>					
At 31 December	269	415,167	14,408	159	430,003

\* A review had been performed on the detailed asset classifications and components and arising therefrom, adjustments were made to rectify certain disparities within right-of-use assets with no impact on the aggregate net book values.

	Office units RM'000	Leasehold land RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>				
<b>2025</b>				
<b>Cost</b>				
At 1 January	159	362,125	340	362,624
Additions	156	1,737	-	1,893
Expiry of lease	(159)	-	-	(159)
At 31 December	156	363,862	340	364,358
<b>Accumulated depreciation</b>				
At 1 January	141	33,327	182	33,650
Charge for the financial year	52	5,167	68	5,287
Expiry of lease	(159)	-	-	(159)
At 31 December	34	38,494	250	38,778
<b>Net carrying amount</b>				
At 31 December	122	325,368	90	325,580

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 15. RIGHT-OF-USE ASSETS (cont'd)

	Office units RM'000	Leasehold land RM'000	Motor vehicles RM'000	Total RM'000
<b>Company (cont'd)</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 January/31 December	159	362,125	340	362,624
<b>Accumulated depreciation</b>				
At 1 January	88	28,169	114	28,371
Charge for the financial year	53	5,158	68	5,279
At 31 December	141	33,327	182	33,650
<b>Net carrying amount</b>				
At 31 December	18	328,798	158	328,974

(i) Acquisition of right-of-use assets are satisfied by the following:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease arrangement	156	223	156	-
Deposits paid in prior year	1,737	-	1,738	-
	1,894	223	1,894	-

(ii) Certain leasehold land of the Company with net carrying amount of RM101,923,000 (2024: RM104,055,000) are held as security for term loan facilities as disclosed in Note 24.

The expenses charged to profit or loss during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of right-of-use assets	7,302	7,355	5,287	5,279
Finance cost on lease liabilities	679	688	12	10
Expenses relating to low-value assets	52	46	44	37
Expenses relating to short-term leases	113	44	-	-
	8,146	8,133	5,343	5,326

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 15. RIGHT-OF-USE ASSETS (cont'd)

### 15.1 Extension options

The Group and the Company lease various office units and lease of lands. Rental contracts for office units and warehouses are made for fixed periods of 3 to 5 years but have extension options exercisable by the Group and the Company of 3 years before the end of non-cancellable contract period.

The Group assesses whether it is reasonably certain to exercise the extension options at the lease commencement and the occurrence of significant events or changes in circumstances within its control. Remeasurement during the period/year arose from reassessment of extension options affecting the lease term.

As at the reporting date, the Group and the Company have leases which contain extension options of 3 years that have not been included in the computation of lease liabilities, as the Group and the Company are not reasonably certain they will exercise the extension options. The potential future lease payments not included in the lease liabilities (discounted) are RM162,000.

### 15.2 Material accounting policy information

The Group and the Company recognise right-of-use assets and lease liabilities at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follows:

Lease of land	Over the lease period ranging of 60 years
Leasehold land	Over the lease period ranging from 46 to 98 years
Office units and warehouses	Over the lease period
Motor vehicles	5 years

In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liabilities. The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability includes fixed payment.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group and the Company change its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 16. RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current asset:</b>					
Amount due from a subsidiary	(i)	-	-	28,823	37,124
<b>Current assets:</b>					
Trade receivables	(ii)	20,119	20,629	1,886	1,763
Other receivables		4,681	4,554	3,274	2,713
Deposits	(iii)	1,611	2,392	711	2,100
Prepayments		-	38	-	3
Amounts due from subsidiaries	(i)	-	-	19,566	22,366
Amounts due from associates	(iv)	18,195	29,184	6,908	8,815
Amounts due from related parties	(v)	46,126	34,554	5,957	5,617
		90,732	91,351	38,302	43,377
		90,732	91,351	67,125	80,501

(i) Amounts due from subsidiaries

	Company	
	2025 RM'000	2024 RM'000
<b>Amounts due from subsidiaries</b>		
- Trade	3,453	3,298
- Non-trade	44,936	56,192
	48,389	59,490

The trade balances are unsecured, interest free and are subject to normal credit terms of 30 to 60 days (2024: 30 to 60 days).

The non-trade balances are payment on behalf, which are unsecured which, free of interest and collectible on demand except for an amount due from a subsidiary of RM37,124,000 (2024: RM46,724,000), which is collectible in 4 years (2024: 5 years) bearing interest rate of 3.50% (2024: 3.50%) per annum.

	Company	
	2025 RM'000	2024 RM'000
<b>Non-current</b>		
- later than 1 year and not later than 4 years	32,194	40,495
Current		
- not later than 1 year	19,566	22,366
	51,760	62,861
<b>Less: Accretion of interest</b>		
At 1 January	3,371	-
Initial recognition	-	3,371
At 31 December	3,371	3,371
	48,389	59,490
<b>Present value:</b>		
- not later than 1 year	19,566	22,366
- later than 1 year and not later than 4 years	28,823	37,124
	48,389	59,490

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 16. RECEIVABLES (cont'd)

(ii) Trade receivables

Credit terms of trade receivables granted by the Group and the Company range from 7 to 60 days (2024: 7 to 60 days).

(iii) Deposits

In previous financial year, included in both the Group's and the Company's deposits are RM1,736,000 paid to Pengarah Tanah dan Galian Pahang and Pentadbir Tanah Daerah Pekan for the alienation of 267.09 acres of land.

(iv) Amounts due from associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Amounts due from associates</b>				
- Trade	18,195	29,184	6,908	8,815

The trade balances are unsecured, interest-free and are subject to normal credit terms of 7 to 60 days (2024: 7 to 60 days).

(v) Amounts due from related parties

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Amounts due from related parties</b>				
- Trade	46,126	34,554	5,957	5,617

The trade balances are unsecured, interest free and are subject to normal credit terms of 7 to 90 days (2024: 7 to 90 days).

### 17. BIOLOGICAL ASSETS

Biological assets comprise of unharvested FFB and the movement of biological assets at fair value can be analysed as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Unharvested FFB, at fair value</b>				
At 1 January	9,151	7,733	5,381	4,646
Changes in fair value	3,368	1,418	1,940	735
At 31 December	12,519	9,151	7,321	5,381

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 17. BIOLOGICAL ASSETS (cont'd)

#### FFB prior to harvest (unharvested FFB)

Represents the FFB of up to 15 days prior to harvest for sale or for use in the Group's and the Company's palm product operations. During the current financial year, the Group and the Company harvested 384,597 metric tonnes ("MT") of FFB (2024: 382,156 MT) and 228,394 MT of FFB (2024: 220,088 MT) respectively. The quantity of unharvested FFB of the Group and of the Company as at 31 December 2025 included in the fair valuation of unharvested FFB was 14,799 MT (2024: 9,034 MT) and 8,633 MT (2024: 5,303 MT) respectively.

The Group and the Company attribute a fair value on the unharvested FFB at each statement of financial position date as required under MFRS 141 *Agriculture*. FFB are the produce of oil palm trees and are harvested continuously throughout the financial year. Each FFB take approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting. The value of each FFB at cash point of the FFB production cycle will vary based on the cumulative oil content in each fruit.

In determining the fair value of unharvested FFB, management uses estimates of cash flows using the expected output method and observable market price of FFB. Management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to 2 weeks before harvesting is excluded in the valuation as the fair values are considered to be negligible.

The fair value of the Group's and of the Company's unharvested FFB were within Level 3 of the fair value hierarchy.

There were no transfers between all three levels of the fair value hierarchy during the financial year.

#### Sensitivity analysis

The management are in view that the impact from the change in the Group's and the Company's fair value of FFB, if the key estimates and assumption on selling price and production volume had increased or decreased by 10% at the reporting date, is insignificant to the Group. Therefore, the sensitivity analysis is not presented.

#### 17.1 Material accounting policy information

Biological assets comprised of produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gain or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

Biological assets are classified as current assets for produce that are expected to be harvested and sold on a date not more than 12 months after the reporting date.

### 18. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>At cost</b>				
Finished goods	43,747	7,777	-	-
Raw materials	501	457	-	-
Nursery - oil palm seedlings	2,122	1,963	-	-
Consumables	1,022	1,222	243	367
	<u>47,392</u>	<u>11,419</u>	<u>243</u>	<u>367</u>

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 18. INVENTORIES (CONT'D)

### 18.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 19. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	223,670	134,165	178,000	88,500
Cash and bank balances	38,242	56,381	647	372
	261,912	190,546	178,647	88,872

The interest/profit rates (per annum) of the deposits at the end of the financial year were as follows:

	Group		Company	
	2025	2024	2025	2024
Deposits with licensed banks	1.65% - 3.60%	2.30% - 4.10%	2.05% - 3.60%	2.30% - 4.10%

The Group and of the Company have deposits with maturity periods ranging from 30 to 180 days (2024: 30 to 180 days).

## 20. SHARE CAPITAL

	Group and Company			
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
<b>Ordinary shares</b>				
<b>Issued and fully paid</b>				
At 1 January/31 December	593,838	593,838	197,946	197,946

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 21. FAIR VALUE RESERVE

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	39	23
Debt instruments measured at fair value through other comprehensive income	57	16
At 31 December	96	39

### 22. DEFERRED TAX LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	73,700	74,033	40,888	41,148
Recognised in profit or loss (Note 6)	1,332	(333)	172	(260)
At 31 December	75,032	73,700	41,060	40,888

This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<b>Deferred tax liabilities</b>				
- property, plant and equipment	67,103	75,415	26,262	27,818
- fair value adjustment in respect of acquisition of a subsidiary	-	3,381	-	-
- others	17,846	5,841	14,798	13,070
	84,949	84,637	41,060	40,888
<b>Deferred tax assets</b>				
- unutilised tax losses	(208)	(11)	-	-
- unabsorbed capital allowances	(9,709)	(10,926)	-	-
	(9,917)	(10,937)	-	-
	75,032	73,700	41,060	40,888

The estimated temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	-	544	-	-

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 23. LEASE LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current	326	370	119	83
Non-current	15,532	15,728	96	90
<b>Total lease liabilities</b>	<b>15,858</b>	<b>16,098</b>	<b>215</b>	<b>173</b>
Minimum lease payments				
- not later than 1 year	989	1,037	127	89
- later than 1 year and not later than 5 years	3,179	3,262	100	93
- more than 5 years	31,767	32,536	-	-
	35,935	36,835	227	182
Less: unexpired finance charges	(20,077)	(20,737)	(12)	(9)
	15,858	16,098	215	173
Present value of lease liabilities				
- not later than 1 year	326	370	119	83
- later than 1 year and not later than 5 years	613	671	96	90
- more than 5 years	14,919	15,057	-	-
	15,858	16,098	215	173

Included in lease liabilities are lease liabilities in relation to lease of lands as disclosed in Note 15 which have remaining lease periods ranging from 21 to 52 years with an implied interest rate ranging from 4.17% to 4.20% per annum.

Interest rate per annum as at the reporting date for the lease liabilities for the Group and for the Company are 4.11% to 5.36% (2024: 3.70% to 5.18%) and 4.11% to 4.25% (2024: 3.70% to 4.10%) respectively.

### 24. BORROWINGS

	Group and Company	
	2025 RM'000	2024 RM'000
<b>Term loan (secured)</b>		
Current liabilities	15,000	15,000
Non current liabilities	56,250	71,250
<b>Total borrowings</b>	<b>71,250</b>	<b>86,250</b>
<b>Maturity profile of borrowings:</b>		
On demand or within 1 year	15,000	15,000
More than 1 year and less than 2 years	15,000	15,000
More than 2 years and less than 5 years	41,250	45,000
More than 5 years	-	11,250
	71,250	86,250

The interest rate per annum at the reporting date for borrowings is 4.25% (2024: 4.51%).

The term loan of the Group and of the Company is secured by certain leasehold land of the Group as disclosed in Note 15.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 25. PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables	(i)	40,833	45,482	1,509	1,297
Other payables		7,085	6,216	1,109	1,004
Deposits		921	64	39	10
Accruals		27,103	25,150	16,121	14,075
Amounts due to subsidiaries	(ii)	-	-	-	428
Amounts due to associates	(iii)	9,075	4,123	2	10
Amounts due to related parties	(iv)	17,584	6,917	1,000	1,000
		102,601	87,952	19,780	17,824

(i) Trade payables

The Group's and the Company's normal trade credit terms range from 7 to 90 days (2024: 7 to 90 days). Other credit terms are assessed on a case-by-case basis.

(ii) Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

(iii) Amounts due to associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Amounts due to associates</b>				
- Trade	9,023	4,050	-	-
- Non-trade	52	73	2	10
	9,075	4,123	2	10

The trade balances are unsecured, interest-free and are subject to normal credit terms of 30 to 90 days (2024: 30 to 90 days).

The non-trade balances are advances which are unsecured, interest-free and repayable on demand.

(iv) Amounts due to related parties

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Amounts due to related parties</b>				
- Trade	14,906	5,453	-	-
- Non-trade	2,678	1,464	1,000	1,000
	17,584	6,917	1,000	1,000

The trade balances are unsecured, interest free and are subject to normal credit terms of 30 to 90 days (2024: 30 to 90 days).

The non-trade balances are advances, which are unsecured, interest-free and repayable on demand.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 26. RELATED PARTIES

#### Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its subsidiaries, associates, related parties, Directors and key management personnel. Related parties refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

Other related parties and their relationships are as follows:

#### **Related parties**

- PGC Management Services Sdn. Bhd. ("PGC")
- Kilang Sawira Makmur Sdn. Bhd. ("KSM")
- Rompin Palm Oil Mill Sdn. Bhd. ("RPOM")

- Endau Palm Oil Mill Sdn. Bhd. ("EPOM")

- Prosper Trading Sdn. Bhd. ("PTSB")

- Prosper Palm Oil Products Marketing Sdn. Bhd. ("PPOPM")

- Koperasi Serbausaha Makmur Berhad ("KOSMA")

- LKPP Corporation Sendirian Berhad ("LKPP Corp.")

- Rangkaian Delima Plantation Sdn. Bhd. ("RDPSB")

- Insan Sejagat Sdn. Bhd. ("ISSB")

#### **Relationship**

Associate of Kilang Kosfarm Sdn. Bhd.

Associate of Kilang Kosfarm Sdn. Bhd.

Prosper Capital Holdings Sdn. Bhd. ("PCH") holds 30% equity in RPOM

PTSB holds 32% equity in EPOM

Substantial shareholder of the Company

PCH holds 30% equity interest in PPOPM

Shareholder of Wujud Wawasan Sdn. Bhd.

Substantial shareholder of the Company

Common Director

Common Director

#### Related party transactions

The related party balances are shown in Notes 16 and 25 respectively. The related party transactions of the Group and of the Company are disclosed as follows:

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with subsidiaries:</b>		
<u>Dividend income</u>		
- B.S. Oil Palm Plantations Sdn. Bhd.	23,402	15,301
- Dawn Oil Palm Plantations Sdn. Bhd.	18,902	10,801
- F.E. Rangkaian Sdn. Bhd.	3,850	2,100
- Far East Delima Plantations Sdn. Bhd.	4,800	600
- Kilang Kosfarm Sdn. Bhd.	4,335	3,570
<u>Sale of FFB</u>		
- MPOM	19,192	6,358
- Kilang Kosfarm Sdn. Bhd.	24,973	24,126

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 26. RELATED PARTIES (cont'd)

#### Related party transactions (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Transactions with associates:</b>				
<u>Dividend income</u>				
- PCH	-	-	3,000	2,100
- KAOP	-	-	12,897	10,654
- FPSB	-	-	2,906	13,077
<u>Sale of FFB</u>				
- PCH	68,092	63,714	68,092	63,714
<u>Purchase of FFB</u>				
- PCH	367	240	-	-
- KAOP	53,696	45,916	-	-
<u>Sale of crude palm oil and palm kernel</u>				
- FPSB	249,207	233,279	-	-
- PCH	2,601	5,599	-	-
<u>Purchase of crude palm oil and palm kernel</u>				
- PCH	16,605	1,546	-	-
<u>Management fee payable to</u>				
- PGC	3,903	3,121	-	-
<u>Advisory fee payable to</u>				
- PARAS	443	-	224	-
<b>Transactions with related parties:</b>				
<u>Sale of FFB</u>				
- LKPP Corp.	2,250	2,311	2,250	2,311
- KSM	38,884	36,158	38,884	36,158
- EPOM	1,224	2,893	208	582
- MPOM	-	23,330	-	4,240
<u>Purchase of FFB</u>				
- KOSMA	272,904	239,583	-	-
- LKPP Corp.	22,326	7,719	-	-
<u>Sale of crude palm oil and palm kernel</u>				
- PTSB	147,131	91,489	-	-
- EPOM	18,855	567	-	-
- RPOM	34,159	3,489	-	-
- MPOM	-	1,439	-	-
- KSM	3,696	2,096	-	-
<u>Purchase of crude palm oil and palm kernel</u>				
- EPOM	16,323	6,505	-	-
- RPOM	11,444	7,588	-	-
- MPOM	-	2,313	-	-
- KSM	2,465	-	-	-

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 26. RELATED PARTIES (cont'd)

Related party transactions (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Transactions with related parties: (cont'd)</b>				
<u>Purchase consideration paid for</u>				
<u>acquisition of a subsidiary</u>				
- EPOM	-	6,000	-	6,000
- RDPSB	-	2,500	-	2,500
- ISSB	-	1,500	-	1,500

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors and certain members of senior management of the Group and of the Company.

Remuneration paid by the Group and the Company to key management personnel during the financial year has been disclosed in Note 5.

## 27. SEGMENTAL INFORMATION

No segmental reporting has been prepared as the Group activities are predominantly in plantation related activities, which are carried out in Malaysia.

## 28. CAPITAL COMMITMENTS

Capital expenditures not provided for in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Authorised by the Directors and not contracted for</b>				
<b>Analysed as follows:</b>				
- property, plant and equipment	22,439	12,223	4,479	3,109
- oil palm plantation development	13,824	11,414	7,936	5,743
	<u>36,263</u>	<u>23,637</u>	<u>12,415</u>	<u>8,852</u>
<b>Authorised by the Directors and contracted for</b>				
<b>Analysed as follows:</b>				
- property, plant and equipment	4,059	1,612	2,618	843
- oil palm plantation development	1,319	1,621	785	560
	<u>5,378</u>	<u>3,233</u>	<u>3,403</u>	<u>1,403</u>

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 29. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised at amortised cost except for other financial assets which are categorised as fair value through profit or loss and fair value through other comprehensive income.

#### Material accounting policy information

##### Recognition and measurement of financial instruments

##### *Financial assets*

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Fair value through other comprehensive income ("FVTOCI")

##### Equity instruments

Equity instruments that are not held for trading may be irrevocably designated at FVTOCI. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

##### Debt instruments

Debt instruments are measured at FVTOCI where the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss.

(iii) Fair value through profit or loss ("FVTPL")

All the financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All financial assets, except for those measured at FVTPL and equity instrument measured at FVTOCI, are subject to impairment assessment under Note 29(a).

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 29. FINANCIAL INSTRUMENTS (cont'd)

### Material accounting policy information (cont'd)

#### Recognition and measurement of financial instruments (cont'd)

##### *Financial liabilities*

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that discounts the estimated future cash flows (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

##### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and liability simultaneously.

##### *Regular way purchase or sale of financial assets*

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

##### *Derecognition of financial instruments*

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 29. FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Management Objectives and Policies

The Group's and the Company's activities are exposed to a variety of financial risks which include credit risk, liquidity risk, interest rate risk, agricultural risk and equity price risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is an integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

The following sections provide details regarding the Group's and Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their receivables (which consist of trade and other receivables, amounts due from subsidiaries, amounts due from associates and amounts due from related parties). For other financial assets (including cash and bank balances and fixed deposits with licensed banks), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. There are no significant changes as compared to prior periods.

#### Trade receivables

##### Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

There are no significant changes as compared to previous financial year.

##### Exposure to credit risk, credit quality and collateral

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 29. FINANCIAL INSTRUMENTS (cont'd)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Trade receivables (cont'd)

##### Concentration of credit risk

The Group and the Company determine concentration of credit risk by monitoring the profiles of their receivables on an ongoing basis.

As at 31 December 2025, the Group and the Company have significant concentration of credit risk arising from the amount owing by 4 customers (2024: 3 customers) constituting 75% (2024: 67%) and 1 customer (2024: 1 customer) constituting 100% (2024: 100%) of gross trade receivables of the Group and of the Company respectively.

##### Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

##### Impairment losses

The following table provides information about the exposure to credit risk and ECL for trade receivables as at reporting date which are grouped together as they are expected to have similar risk nature.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Not past due nor impaired	17,616	20,505	1,886	1,763
Past due but not impaired:				
Less than 30 days	-	124	-	-
31 days to 60 days	2,499	-	-	-
	2,499	124	-	-
Credit impaired	4	-	-	-
	20,119	20,629	1,886	1,763

##### *Receivables that are not past due nor impaired*

Trade receivables that are not past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group and the Company.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 29. FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Management Objectives and Policies (cont'd)

##### (a) Credit risk (cont'd)

###### Trade receivables (cont'd)

###### Impairment losses (cont'd)

###### *Receivables that are past due but not impaired*

The Group has not provided for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

###### *Credit impaired*

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments which past due more than 90 days. The Group does not hold any collateral over these balances.

###### Other receivables and deposits

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Other receivables are neither past due nor impaired. The Group and the Company believe that generally no allowance for impairment is necessary as these debtors have good records of payment in the past.

Deposits mainly arising from deposits paid for investment in bonds and utilities. As at the end of the reporting period, no allowance for impairment is necessary in respect of the deposits as these deposits are still in use.

###### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

#### Subsidiaries, Associates and Related Parties

##### Risk management objectives, policies and processes for managing the risk

###### *Trade*

Trade receivables in respect of subsidiaries, associates and related parties represent amounts outstanding arising from sales of goods.

In arriving at loss allowance, the same assumptions as trade receivables have been applied and management is of the view that there is no indication of impairment loss in respect of amounts due from subsidiaries, associates and related parties as at the reporting date.

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 29. FINANCIAL INSTRUMENTS (cont'd)

### Financial Risk Management Objectives and Policies (cont'd)

#### (a) Credit risk (cont'd)

##### Subsidiaries, Associates and Related Parties (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

##### Trade (cont'd)

The following table provides information about the exposure to credit risk and ECL for trade receivables as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Not past due nor impaired	64,132	46,473	16,318	17,730
Past due but not impaired:				
Less than 30 days	-	8,348	-	-
31 days to 60 days	189	8,917	-	-
	189	17,265	-	-
	64,321	63,738	16,318	17,730

##### Non-trade

The Company provides unsecured loans and payment on behalf to its subsidiaries. The Company monitors the ability of these subsidiaries, to repay the loans and payment on behalf on an individual basis.

##### 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 statements of financial position. Loans and payment on behalf provided are not secured by any collateral or supported by any other credit enhancements.

##### Recognition and measurement of impairment loss

Loans and payment on behalf with subsidiaries are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers loans and payment on behalf to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the entity's financial position deteriorates significantly. As the Company is able to determine or influence the timing of payments of the subsidiaries' loans and payment on behalf when they are payable, the Company considers the subsidiaries' loan or payment on behalf to be credit impaired when the respective entities are unlikely to repay its loan or payment on behalf to the Company in full given insufficient highly liquid resources when the payment on behalf are demanded.

The Company determines the probability of default for these loans and payment on behalf individually using internal information available.

As at the year end, there were no indications of impairment loss in respect of these amounts.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 29. FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Management Objectives and Policies (cont'd)

##### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of various payables and lease liabilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met.

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted cash flows:

	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
<b>Group</b>					
<b>2025</b>					
Trade and other payables	47,918	47,918	47,918	-	-
Deposits	921	921	921	-	-
Accruals	27,103	27,103	27,103	-	-
Amounts due to associates	9,075	9,075	9,075	-	-
Amounts due to related parties	17,584	17,584	17,584	-	-
Lease liabilities	15,858	35,935	989	3,179	31,767
Term loan	71,250	78,670	17,774	60,896	-
	189,709	217,206	121,364	64,075	31,767
<b>2024</b>					
Trade and other payables	51,698	51,698	51,698	-	-
Deposits	64	64	64	-	-
Accruals	25,150	25,150	25,150	-	-
Amounts due to associates	4,123	4,123	4,123	-	-
Amounts due to related parties	6,917	6,917	6,917	-	-
Lease liabilities	16,098	36,835	1,037	3,262	32,536
Term loan	86,250	97,091	18,421	67,218	11,452
	190,300	221,878	107,410	70,480	43,988

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 29. FINANCIAL INSTRUMENTS (cont'd)

### Financial Risk Management Objectives and Policies (cont'd)

#### (b) Liquidity risk (cont'd)

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted cash flows: (cont'd)

	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
<b>Company</b>					
<b>2025</b>					
Trade and other payables	2,618	2,618	2,618	-	-
Deposits	39	39	39	-	-
Accruals	16,121	16,121	16,121	-	-
Amounts due to subsidiaries	-	-	-	-	-
Amounts due to associates	2	2	2	-	-
Amounts due to related parties	1,000	1,000	1,000	-	-
Lease liabilities	215	227	127	100	-
Term loan	71,250	78,670	17,774	60,896	-
	91,245	98,677	37,681	60,996	-
<b>2024</b>					
Trade and other payables	2,301	2,301	2,301	-	-
Deposits	10	10	10	-	-
Accruals	14,075	14,075	14,075	-	-
Amounts due to subsidiaries	428	428	428	-	-
Amounts due to associates	10	10	10	-	-
Amounts due to related parties	1,000	1,000	1,000	-	-
Lease liabilities	173	182	89	93	-
Term loan	86,250	97,091	18,421	67,218	11,452
	104,247	115,097	36,334	67,311	11,452

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and financial liabilities.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year was:

	Group and Company	
	2025 RM'000	2024 RM'000
Floating rate instruments:		
<b>Financial liabilities</b>		
- Term loan	71,250	86,250

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 29. FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Management Objectives and Policies (cont'd)

##### (c) Interest rate risk (cont'd)

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating term loan. The interest rate of term loan is disclosed in Note 24. The changes of 100 basis points in interest rates would not have material impact on the profit or loss of the Group and the Company.

##### (d) Agricultural risk on biological assets

The Group and the Company are exposed to risks arising from environmental and climatic changes, commodity prices and production volume arising mainly from the FFB. These risks may impact the Group's and the Company's revenue, cash flows, and financial performance.

As disclosed in Note 17, the sensitivity analysis is not presented as the impact to the financial statements is insignificant to the Group and the Company.

##### (e) Market price risk

Market price risk arises from the Group's investment in debt instruments. The management of the Group and the Company monitor the investment on an individual basis.

The management are in view that the impact from the change in the Group's fair value on other investments, if the fair value of market value had increased or decreased by 10% at the reporting date, is insignificant to the Group and the Company. Therefore, the sensitivity analysis is not presented.

### 30. FAIR VALUE INFORMATION

#### Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial position are disclosed in Notes 10, 14 and 17.

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

#### Financial instrument other than those carried at fair value

*Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values*

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting. As permitted by MFRS 7, the fair value of lease liabilities is not disclosed.

The carrying amount of long-term floating rate loan approximates its fair value as the loans will be re-priced to market interest rate on or near reporting date.

## Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

### 31. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern. The Group and the Company monitor and maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group monitors capital using debt-to-equity ratio which is the debt divided by total equity. Debt includes borrowings and lease liabilities, whilst total capital is equity attributable to Owners of the Company.

The debt-to-equity ratios at end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Borrowings and lease liabilities	87,108	102,348	71,465	86,423
Total equity attributable to the Owners of the Company	1,616,838	1,467,230	819,936	746,941
Debt-to-equity ratio (%)	5%	7%	9%	12%

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The borrowings and lease liabilities of the Group and the Company are not subject to any externally imposed capital requirements.

### 32. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform with the current year's presentation.

	Group		Company	
	As previously reported RM'000	As reclassified RM'000	As previously reported RM'000	As reclassified RM'000
<b>Statements of Comprehensive Income</b>				
Other operating income	2,067	2,019	-	-
Depreciation of:				
- right-of-use assets	(7,381)	(7,355)	-	-
Other operating expense	(18,563)	(18,573)	-	-
Finance cost	(4,973)	(4,941)	-	-
<b>Statements of Financial Position</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right-of-use assets	431,118	430,003	-	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities	16,952	15,728	-	-
<b>Current liabilities</b>				
Lease liabilities	404	370	-	-
Payables	87,809	87,952	-	-

# Notes to the Financial Statements (Cont'd)

31 DECEMBER 2025

## 32. COMPARATIVE FIGURES (cont'd)

	Group		Company	
	As previously reported RM'000	As reclassified RM'000	As previously reported RM'000	As reclassified RM'000
<b>Statements of Cash Flows</b>				
<b>Operating activities</b>				
Adjustment for:				
Right-of-use assets				
- depreciation	7,381	7,355	-	-
Finance cost	4,973	4,941	-	-
Changes in working capital:				
- receivables	(18,729)	(19,260)	(6,271)	(6,253)
- payables	(32,167)	(32,157)	-	-
<b>Investing activities</b>				
Net (repayment to)/advance from associates	(526)	-	22	-
Net advance to related parties	(5)	-	(4)	-
<b>Financing activities</b>				
Payment for the principal portion of lease liabilities	(404)	(388)	-	-

# SHAREHOLDINGS STRUCTURE

AS AT 31 MARCH 2026

NUMBER OF SHARES : 593,837,985 ORDINARY SHARES

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	71	4.537	1,551	0.000
100 - 1,000	160	10.224	109,493	0.018
1,001 - 10,000	696	44.473	4,739,224	0.798
10,001 - 100,000	494	31.565	15,286,397	2.574
100,001 to less than 5% of issued shares	139	8.882	219,633,500	36.986
5% and above of issued shares	5	0.319	354,067,820	59.624
<b>Total</b>	<b>1,565</b>	<b>100.000</b>	<b>593,837,985</b>	<b>100.000</b>

## DISTRIBUTION TABLE ACCORDING TO CATEGORY OF SHAREHOLDERS

No.	Category of Shareholder	No. of Holders			No. of Securities			%		
		Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
		Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
1	Individuals	106	1,231	23	8,595,915	81,195,388	663,686	1.448	13.673	0.112
2	Body Corporate									
	a. Banks/ Finance Companies	1	-	-	17,499	-	-	0.003	0.000	0.000
	b. Investment Trusts/ Foundation/ Charities	-	-	-	-	-	-	0.000	0.000	0.000
	c. Other Types of Companies	11	32	-	98,592,556	235,698,784	-	16.602	39.691	0.000
3	Government Agencies/ Institution	1	-	-	149,523,360	-	-	25.179	0.000	0.000
4	Nominees	81	67	12	10,565,629	8,431,448	553,720	1.779	1.420	0.093
5	Others	-	-	-	-	-	-	0.000	0.000	0.000
<b>Total</b>		<b>200</b>	<b>1,330</b>	<b>35</b>	<b>267,294,959</b>	<b>325,325,620</b>	<b>1,217,406</b>	<b>45.011</b>	<b>54.784</b>	<b>0.205</b>

Note:

\* Bumiputra holdings include shares held through institutions channeling funds of individual bumiputra and trust agencies, such as Lembaga Tabung Haji, Permodalan Nasional Berhad and State Economic Development Corporations. For purposes of this submission, shares held by Khazanah Holdings, Minister of Finance Incorp, Bank Negara Malaysia, Employees Provident Fund Board and Kumpulan Wang Amanah Pencen should be classified under the non - bumiputra column.

## Shareholdings Structure (Cont'd)

AS AT 31 MARCH 2026

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholding (Unit)	%
1	Perbadanan Kemajuan Pertanian Negeri Pahang	149,523,360	25.179
2	Prosper Trading Sdn Berhad	96,828,480	16.306
3	Hikmat Elit Sdn Bhd	39,696,140	6.685
4	LKPP Corporation Sendirian Berhad	34,861,176	5.870
5	Prosper Trading Sdn Berhad	33,158,664	5.584
6	Azimat Pelangi Sdn. Bhd.	21,579,980	3.634
7	Fokas Sehati Sdn. Bhd.	19,612,640	3.303
8	Deluxe Era Sdn Bhd	15,075,920	2.539
9	Insan Sejagat Sdn. Bhd.	15,000,000	2.526
10	Hikmat Elit Sdn Bhd	13,657,820	2.300
11	Mergeboom (M) Sdn Bhd	13,593,500	2.289
12	Prosper Trading Sdn Berhad	10,935,120	1.841
13	Tee Cheng Hua	8,762,200	1.476
14	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tee Kim Tee @ Tee Ching Tee	7,190,000	1.211
15	Mergeboom (M) Sdn Bhd	5,145,400	0.866
16	Han Kee Juan	4,653,040	0.784
17	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Lip Jen (E-KLG)	4,283,580	0.721
18	Budi-JS Plantation Management Sdn. Berhad	4,178,640	0.704
19	Insan Sejagat Sdn. Bhd.	4,000,000	0.674
20	Tee Lip Chuan	3,432,340	0.578
21	Tee Lip Sin	3,331,280	0.561
22	Tee Chain Yee	3,135,000	0.528
23	Lee Bee Chu	3,040,680	0.512
24	Amanah Saham Pahang Berhad	3,002,420	0.506
25	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Lip Hian (E-KLG)	2,883,720	0.486
26	Kalsom Binti Ahmad	1,580,000	0.266
27	Tee Lip Teng	1,570,000	0.264
28	Nowawi Bin Abdul Rahman	1,362,600	0.229
29	Tan Keh Feng	1,219,940	0.205
30	Yiu Swee Ling	1,127,360	0.190
<b>Total</b>		<b>527,421,000</b>	<b>88.816</b>

## Shareholdings Structure (Cont'd)

AS AT 31 MARCH 2026

### INFORMATION OF SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

No.	Name	NRIC/Registration No.	Nationality/ Country of Incorporation	Direct Holdings	
				Unit	%
1	<b>Perbadanan Kemajuan Pertanian Negeri Pahang</b> <i>Shares held through:-</i> Own Account	PKPNPECT142016	Malaysian Incorporated	149,523,360	25.179
				<b>Total shares and %</b>	<b>149,523,360 25.179</b>
2	<b>Prosper Trading Sdn. Berhad</b> <i>Shares held through:-</i> Own Account 1 Own Account 2 Own Account 3	144561U	Malaysian Incorporated	33,158,664	5.584
				10,935,120	1.841
				96,828,480	16.306
				<b>Total shares and %</b>	<b>140,922,264 23.731</b>
3	<b>Hikmat Elit Sdn. Bhd.</b> <i>Shares held through:-</i> Own Account 1 Own Account 2	562277U	Malaysian Incorporated	39,696,140	6.685
				13,657,820	2.300
				<b>Total shares and %</b>	<b>53,353,960 8.985</b>
4	<b>LKPP Corporation Sendirian Berhad</b> <i>Shares held through:-</i> Own Account TA Nominees (Tempatan) Sdn Bhd	199769V	Malaysian Incorporated	34,861,176	5.870
				508,200	0.086
				<b>Total shares and %</b>	<b>35,369,376 5.956</b>
				<b>Total</b>	<b>379,168,960 63.851</b>

### INFORMATION ON DIRECTORS' SHAREHOLDINGS

No.	Names	Direct Holdings		Indirect Holdings	
		Unit	%	Unit	%
1	<b>YH Dato' Sri Kamaruddin bin Mohammed</b> <i>Shares held through:-</i> By Virtue of Ybhg Datin Sri Kalsom binti Ahmad is his spouse By Virtue of Khairatun Amirah binti Kamaruddin is his daughter By Virtue of Khairatul Ilyana binti Kamaruddin is his daughter By Virtue of Khairatul Afiza binti Kamaruddin is his daughter By Virtue of Insan Sejagat Sdn. Bhd. is a family-owned Company	-	-	1,580,000	0.266
				520,000	0.088
				200,000	0.034
				200,000	0.034
				19,000,000	3.200
				-	-

## Shareholdings Structure (Cont'd)

AS AT 31 MARCH 2026

No.	Names	Direct Holdings		Indirect Holdings	
		Unit	%	Unit	%
2	<b>Mr Tee Kim Tee @ Tee Ching Tee</b> <i>Shares held through:-</i> Individual Account Affin Hwang Nominees (Tempatan) Sdn Bhd			-	-
		169,620	0.029		
		7,190,000	1.210		
		7,359,620	1.239		
3	<b>Mr Tee Cheng Hua</b> <i>Shares held through:-</i> Individual Account			-	-
		8,762,200	1.475		
4	<b>Mr Tee Lip Teng</b> <i>Shares held through:-</i> Individual Account 1 Individual Account 2			-	-
		420,000	0.071		
		1,570,000	0.264		
		1,990,000	0.335		
5	<b>YH Dato' Asmin binti Yahya</b> <i>Shares held through:-</i> Individual Account			-	-
		389,000	0.065		
6	<b>YH Datuk Mohd Afrizan bin Husain</b> <i>Shares held through:-</i> Individual Account Kenanga Nominees (Tempatan) Sdn Bhd			-	-
		105,000	0.017		
		155,000	0.026		
		260,000	0.043		
7	<b>YH Dato' Suhaimi bin Mohd Yunus</b> <i>Shares held through:-</i> Affin Hwang Investment Bank Berhad			-	-
		100,000	0.016		
8	<b>Ms Ng Yee Kim</b>	-	-	-	-
9	<b>Puan Adzlina Junita binti Abd.Jalil</b> <i>Shares held through:-</i> Individual Account			-	-
		20,000	0.003		
10	<b>Mr Tee Lip Jen</b> <i>Shares held through:-</i> Public Nominees (Tempatan) Sdn Bhd			-	-
		4,283,580	0.721		
<b>Total</b>		<b>23,164,400</b>	<b>3.897</b>	<b>21,500,000</b>	<b>3.621</b>

## SHARIAH SCREENING

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

This section provides financial information in the prescribed template for Shariah screening disclosures in accordance with the Main Market Listing Requirements of Bursa Malaysia, specifically Paragraphs 9.25A and 9.41 (b).

The data is intended for Shariah-compliance screening by the Shariah Advisory Council (SAC) of the Securities Commission Malaysia (SC). These include financial data on Shariah non-permissible income arising from the Group's business activities and on the Group's interest-based financial position.

The financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia as follows:-

#### (a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Total Income</b>			
Revenue		1,097,131,000	863,587,000
Other income		10,440,000	8,014,000
Share of profit of associates		91,925,000	64,323,000
<b>Total</b>		<b>1,199,496,000</b>	<b>935,924,000</b>
<b>Total Assets</b>		<b>1,951,507,000</b>	<b>1,794,348,000</b>

#### (b) Business Activities

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Shariah Non-Compliant Activities</b>			
Interest income	Conventional	1,387,000	1,104,000
Income from disposal of Shariah non-compliant investments/instruments	Disposal of an associate	1,009,000	-
Liquor/ alcoholic beverages and related products and activities	Share of profit of an associate	272,000	411,000
<b>Total</b>		<b>2,668,000</b>	<b>1,515,000</b>

#### (c) Component of Financial Position

##### (i) Cash Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Islamic Account/Instruments</b>			
Cash and bank balances (exclude cash in hand)		12,636,000	-
Deposits with licensed bank		216,753,000	-
<b>Total Cash</b>		<b>229,389,000</b>	<b>-</b>

## Shariah Screening (Cont'd)

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

#### (c) Component of Financial Position (cont'd)

##### (i) Cash Component (cont'd)

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		25,580,000	-
Deposits with licensed bank		6,917,000	-
<b>Total Cash</b>		<b>32,497,000</b>	<b>-</b>

##### (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Current</b>			-
Term loans		15,000,000	15,000,000
<b>Non-Current</b>			-
Term loans		56,250,000	71,250,000
<b>Total Financing</b>		<b>71,250,000</b>	<b>86,250,000</b>

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		-	-
Non-Current		-	-
<b>Total Debt</b>		<b>-</b>	<b>-</b>

## GROUP PROPERTIES

Location	Title/Address	Tenure (Leasehold Expiry)	Area (Hectare/ Square Meter)	Usage	Net Book Value As At 31.12.2025 RM'000
<b>Far East Holdings Berhad</b>					
<b>Sungai Seraya Estate</b>	H.S(D) 61	2079	161.8744 ha	Oil Palm	
Daerah Rompin	H.S(D) 62	2079	258.9990 ha	Cultivations	
Pahang Darul Makmur	H.S(D) 63	2079	230.6710 ha		
	H.S(D) 64	2079	190.2024 ha		
	PN 16273	2103	60.5700 ha		
	PN 16839	2103	10.2200 ha		
	H.S(D) 5787	2119	4.0650 ha		
	H.S(D) 5788	2119	60.3050 ha		
<b>Bukit Jin Estate</b>	H.S(D) 3171	2079	420.8734 ha	Oil Palm	
Daerah Bera	H.S(D) 3172	2079	420.8724 ha	Cultivations	
Pahang Darul Makmur	H.S(D) 3173	2079	190.2020 ha		
	H.S(D) 3174	2079	230.6705 ha		
	H.S(D) 3177	2079	384.4508 ha		
	H.S(D) 3178	2079	36.4217 ha		
	H.S(D) 3179	2079	68.7965 ha		
	H.S(D) 3180	2079	68.7965 ha		
	H.S(D) 11125	2119	65.1690 ha		
	H.S(D) 11126	2119	90.4440 ha		
	H.S(D) 11130	2120	128.8300 ha		
<b>Sungai Rasau Estate</b>	PN 31436	2091	118.1000 ha	Oil Palm	
Daerah Pekan				Cultivations	
Pahang Darul Makmur					
<b>Sungai Batu Estate</b>	PN 18576	2103	873.6000 ha	Oil Palm	
Daerah Kuantan	PN 24400	2112	33.3000 ha	Cultivations	
Pahang Darul Makmur					
<b>Chengal Estate</b>	H.S(D) 4147	2106	1,103.0100 ha	Oil Palm	
Daerah Rompin	H.S(D) 4148	2106	1,096.9900 ha	Cultivations	
Pahang Darul Makmur					
<b>DSK Estate<sup>a</sup></b>	PN 28633	2112	1,297.0000 ha	Oil Palm	
Daerah Rompin	H.S(D) 5774	2119	121.4060 ha	Cultivations	
Pahang Darul Makmur					
<b>Cenderawasih Estate<sup>a</sup></b>	H.S(D) 3703	2070	222.1721 ha	Oil Palm	
Daerah Rompin	H.S(D) 3710	2070	468.2217 ha	Cultivations	
Pahang Darul Makmur	H.S(D) 3774	2072	394.1632 ha		
	H.S(D) 3850 <sup>b</sup>	2074	628.8805 ha		
	H.S(D) 67	2079	85.3888 ha		
	H.S(D) 68	2079	193.8446 ha		
	H.S(D) 69	2079	141.6401 ha		
<b>Sungai Sawak Estate<sup>a</sup></b>	PN 30333	2117	796.5000 ha	Oil Palm	
Daerah Rompin				Cultivations	
Pahang Darul Makmur					

## Group Properties (Cont'd)

Location	Title/Address	Tenure (Leasehold Expiry)	Area (Hectare/ Square Meter)	Usage	Net Book Value As At 31.12.2025 RM'000
<b>Far East Holdings Berhad (Cont'd)</b>					
<b>Bandar Indera Mahkota</b>	PN 7721	2096	8.82400 ha	Building	
<b>Land Nearby</b>	PN 28616	2114	158.1000 ha	Oil Palm	
<b>Sungai Marung Estate</b>	H.S(M) 7647	2114	1.4890 ha	Cultivations	
	H.S(D) 5087	2115	31.8020 ha		
	H.S(D) 5456	2116	26.5970 ha		
	PN 27916	2117	12.7800 ha		
<b>Land Nearby</b>	H.S(D) 5088	2115	11.5600 ha	Oil Palm	
<b>Sungai Gayung Estate</b>				Cultivations	
<b>Land Nearby</b>	H.S(D) 4850	2113	44.6500 ha	Oil Palm	
<b>Bukit Serok Estate</b>	H.S(D) 4851	2113	145.8900 ha	Cultivations	
<b>Land Nearby</b>	H.S(D) 5005	2114	58.4620 ha	Oil Palm	
<b>Kampong Aur Estate</b>				Cultivations	
<b>Land Nearby</b>	H.S(D) 11009	2116	8.5000 ha	Oil Palm	
<b>Cempaka Estate</b>	H.S(D) 11010	2116	17.0120 ha	Cultivations	
	H.S(D) 11011	2116	17.8220 ha		
<b>Land Nearby</b>	H.S(D) 5004	2114	12.1000 ha	Oil Palm	
<b>Dawn Estate</b>				Cultivations	
<b>Land Nearby</b>	H.S(D) 5330 <sup>c</sup>	2116	40.8200 ha	Oil Palm	
<b>Juasa Estate<sup>c</sup></b>	PN 31438 <sup>c</sup>	2116	221.9000 ha	Cultivations	
	PN 31439 <sup>c</sup>	2116	54.7200 ha		
	PN 31440 <sup>c</sup>	2119	142.1000 ha		
<b>Land Nearby</b>	PN 30508	2121	67.3800 ha	Oil Palm	
<b>Simpai Estate<sup>c</sup></b>	H.S(D) 7767	2124	108.8090 ha	Cultivations	
<b>Land Nearby</b>	H.S(M) 2050	2121	0.279 ha	Commercial	
<b>Chengal Estate</b>					
			<b>11,848.2466 ha</b>		<b>540,366</b>
<b>Far East Holdings Berhad</b> (Head Office)	Level 23 Menara Zenith Jalan Putra Square 6 25200 Kuantan Pahang Darul Makmur	Owned	14,444.40 sq.m	Head Office	
					1,114

## Group Properties (Cont'd)

Location	Title/Address	Tenure (Leasehold Expiry)	Area (Hectare/ Square Meter)	Usage	Net Book Value As At 31.12.2025 RM'000
<b>Dawn Oil Palm Plantations Sdn. Bhd.</b>					
<b>Dawn Estate</b>	H.S(D) 11	2075	297.8482 ha	Oil Palm	
Daerah Rompin	H.S(D) 18	2076	133.1414 ha	Cultivations	
Pahang Darul Makmur	H.S(D) 57	2079	242.8116 ha		
	H.S(D) 58	2079	177.7600 ha		
	H.S(D) 3719	2071	11.3312 ha		
	H.S(D) 3772	2072	236.3360 ha		
	H.S(D) 3773	2072	14.5687 ha		
	H.S(D) 4115	2103	114.1800 ha		
	PN 7815	2103	218.9000 ha		
	PN 19605	2071	138.2000 ha		
	H.S(D) 4852	2113	220.0000 ha		
	PN 17098	2103	23.7700 ha		
<b>Cempaka Estate</b>	H.S(D) 988	2096	452.6000 ha	Oil Palm	
Daerah Bera				Cultivations	
Pahang Darul Makmur					
			<b>2,281.4471 ha</b>		<b>66,537</b>
<b>B.S. Oil Palm Plantations Sdn. Bhd.</b>					
<b>Bukit Serok Estate</b>	H.S(D) 8	2075	350.4572 ha	Oil Palm	
Daerah Rompin	H.S(D) 16	2076	346.8150 ha	Cultivations	
Pahang Darul Makmur	H.S(D) 50	2085	357.8000 ha		
	H.S(D) 59	2079	171.9916 ha		
	H.S(D) 60	2079	248.8819 ha		
	H.S(D) 3716	2071	136.3788 ha		
	H.S(D) 3717	2071	137.1882 ha		
	H.S(D) 3741	2071	290.1591 ha		
	PN 17048	2103	27.7900 ha		
			<b>2,067.4618 ha</b>		<b>56,456</b>
<b>Far East Delima Plantations Sdn. Bhd.</b>					
<b>Delima Estate<sup>d</sup></b>	Bearer plant	d	N/A	Oil Palm	
Daerah Rompin				Cultivations	
Pahang Darul Makmur					
			N/A		<b>17,976</b>

## Group Properties (Cont'd)

Location	Title/Address	Tenure (Leasehold Expiry)	Area (Hectare/ Square Meter)	Usage	Net Book Value As At 31.12.2025 RM'000
<b>F.E. Rangkaian Sdn. Bhd.</b>					
<b>Rangkaian Estate<sup>e</sup></b> Daerah Rompin Pahang Darul Makmur	Bearer plant	e	N/A	Oil Palm Cultivations	
			N/A		<b>14,854</b>
<b>Kilang Kosfarm Sdn. Bhd.<sup>f</sup></b>	Mill building	f	N/A	Palm Oil Mill	
			N/A		<b>2,756</b>
<b>Merchong Palm Oil Mill Sdn. Bhd.<sup>g</sup></b>	Mill building	g	N/A	Palm Oil Mill	
			N/A		<b>1,233</b>
			<b>Grand Total</b>	<b>16,197.1555 ha</b>	<b>701,292</b>

### Notes:

- a The value is based on acquisition price whereby all other properties is based on revaluation carried out in 2015 except for Bandar Indera Mahkota Land which is based on the current value.
- b 10.064 hectares of the land is subleased to Prosper Capital Holdings Sdn. Bhd.
- c The land is managed by Prosper Capital Holdings Sdn. Bhd.
- d The bearer plant and right-of-use are on the land H.S.(D) 4568 with an area of 2,830.8500 hectares, is held under a leasehold tenure expiring in the year 2103 and is leased from Rangkaian Delima Sdn. Bhd.
- e The bearer plant and right-of-use are on the land H.S.(D) 4805 (728.4500 hectares) and H.S.(D) 4806 (687.9800 hectares), are leased from Rangkaian Delima Sdn. Bhd. with a tenure expiring in the year 2112.
- f The building is developed on land H.S.(D) 3869 with an area of 123.8339 hectares, is held under a leasehold tenure expiring in the year 2070 and is leased from Kampong Aur Oil Palm Company (Sdn.) Berhad.
- g 20.2347 hectares of the land H.S.(D) 4568 are sub-leased from F.E. Rangkaian Sdn. Bhd., which leases the land from Rangkaian Delima Sdn. Bhd.



I/We ..... NRIC No./Passport No./Company No.: .....

Tel No.: ..... CDS Account No.: ..... Number of Shares Held: .....

Address: .....

being a member/members of **FAR EAST HOLDINGS BERHAD [Registration No.: 197301001753 (14809-W)]**, hereby appoint:-

Name	Address	NRIC No./ Passport No./ Company No.	Proportion of Shareholdings (%)

or failing him/her, \*the CHAIRMAN OF THE MEETING, as \*my/our proxy(ies) to vote for \*me/us on \*my/our behalf at the **52<sup>nd</sup> ANNUAL GENERAL MEETING** of the Company will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on 24 June 2026, Wednesday at 10.00 a.m. and at any adjournment thereof.

\* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the word "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the person(s) desired:-

Name	Address	NRIC No./ Passport No./ Company No.	Proportion of Shareholdings (%)

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint more than one (1) proxy and wish them to vote differently this should be specified.

My/Our proxy/proxies is/are to vote as indicated below:-

No.	Resolutions		For	Against
1.	To approve the payment of special single tier dividend of three (3) sen per ordinary share and final single tier dividend of twelve (12) sen per ordinary share in respect of the financial year ended 31 December 2025 as recommended by Directors.	Ordinary Resolution 1		
2.	To re-elect the following Directors who retire pursuant to Clause 77 of the Constitution of the Company and being eligible, offer themselves for re-elections:- (a) YH Datuk Mohd Afrizan bin Husain (b) YH Dato' Asmin binti Yahya (c) Mr Tee Cheng Hua	Ordinary Resolution 2 Ordinary Resolution 3 Ordinary Resolution 4		
3.	To approve the payment of fees to the Directors up to an amount of RM1,170,000 for the financial year ended 31 December 2025.	Ordinary Resolution 5		
4.	To approve the payment of benefits to the Directors up to an amount of RM1,749,800 from the 52 <sup>nd</sup> AGM until the next AGM of the Company.	Ordinary Resolution 6		
5.	To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to determine their remuneration.	Ordinary Resolution 7		
6.	Proposed Renewal of Shareholders' Mandate for Existing RRPT.	Ordinary Resolution 8		

Signed this ..... day of ..... 2026

.....  
Signature/Company Seal of Shareholder



Fold here to seal

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STAMP

**COMPANY SECRETARY**  
**FAR EAST HOLDINGS BERHAD**  
Level 23, Menara Zenith  
Jalan Putra Square 6  
25200 Kuantan  
Pahang Darul Makmur

---

Fold here to seal





## Far East Holdings Berhad

[Registration No.: 197301001753 (14809-W)]



Level 23, Menara Zenith, Jalan Putra Square 6,  
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