On-Site at Paddy Fields: Celebrating a Successful Harvest

Dear Shareholders,

1. INTRODUCTION

2025 was a year defined by exceptional weather volatility, softer commodity markets, and heightened global economic uncertainty. Despite these challenges, the Group delivered a satisfactory performance, supported by strong operational execution, vigilant cost management, and decisive strategic responses across all divisions.

Our timber operations faced a difficult start due to prolonged rainfall in the early months of the year, resulting in operational disruptions and logistical constraints. Demand for timber products also remained subdued, particularly in Japan, our primary plywood export market.

From mid-February onwards, operational momentum improved. Better weather conditions, relocation to nearer logging coupes, reduced hauling distances, and enhanced trucking efficiency collectively lifted productivity. The sawmilling division further achieved a notable milestone with its first export shipment to the Middle East.

The oil palm division continued to anchor Group profitability, supported by favourable Crude Palm Oil (CPO) prices and well-managed estates and mills. Clear operational discipline, strengthened agronomic programs, and improved manpower availability contributed to solid yield growth. Together, these factors supported a resilient Group performance in 2025.

2. PERFORMANCE REVIEW BY DIVISION

A. OIL PALM DIVISION

i. Oil Palm Plantation

The Group manages 13 estates covering 72,499 hectares, supported by three strategically located CPO mills. All estates and mills are fully certified under the Malaysian Sustainable Palm Oil (MSPO) standard, reaffirming our commitment to sustainability and responsible agricultural practices.

LOCATION OF THE GROUP'S OIL PALM PLANTATIONS AND CPO MILLS

1. **Agrogreen Estate** (5,280 ha)
2. **Naman Estate** (13,280 ha)
3. **Durin Estate** (6,200 ha)
4. **Assan Estate** (5,410 ha)
5. **Ngemah Estate** (3,499 ha)
6. **Katibas Estate** (7,540 ha)
7. **Baleh Estate** (3,087 ha)
8. **Zumida Estate** (1,214 ha)
9. **Daro Estate** (5,640 ha)
10. **Igan Estate** (8,679 ha)
11. **Seredeng Estate** (3,623 ha)
12. **Terus Estate** (2,670 ha)
13. **Silas Estate** (6,377 ha)

- A **TBS Palm Oil Mill**
- B **Manis Palm Oil Mill**
- C **Igan (TP) Palm Oil Mill**

In 2025, estates performance reflected steady operational improvement. Fresh Fruit Bunch (FFB) yield increased by 6%, rising from 15.98 mt/ha in 2024 to 16.97 mt/ha, driven by effective agronomic practices, strengthened manuring programs, and improved labour availability. Production and sales volumes also recorded stable year-on-year growth.

Palm Condition at Baleh, the Youngest Estate

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

A. OIL PALM DIVISION (cont'd)

i. Oil Palm Plantation (cont'd)

Tree Planting at Naman Estate Shows Impressive Results

We continue to maintain a balanced age profile to ensure long-term production sustainability. Replanting activities in older and less productive areas reduced the proportion of prime mature palms by 8%, while young mature palms increased by 21%, positioning the estates for yield uplift from late 2026 onward. Immature areas expanded by 12%, securing the next generation of productive palms.

Operational efficiency improved significantly through strict adherence to SOPs and MOPs, resulting in stronger harvesting discipline and higher field productivity. While new plantings remain restricted by government policy, the Group remains open to acquiring strategic existing estates to support long-term growth.

Estates Performance	Year 2025	Year 2024	Change
FFB Production (mt)	**686,538**	**666,005**	↑ 3%
FFB Sales (mt)	**678,258**	**651,507**	↑ 4%
FFB Yield (mt/ha)	**16.97**	**15.98**	↑ 6%
Sarawak's Average Yield (mt/ha)	**15.98**	**14.89**	↑ 7%

Oil Palm Age Profile as at 31 December	Year 2025 (ha)	Year 2024 (ha)	Change
Mature (> 20 years)	1,301	0	-
Mature - Prime (8 - 20 years)	35,664	38,864	↓ 8%
Mature - Young (4 - 7 years)	5,930	4,920	↑ 21%
Immature (1 - 3 years)	5,361	4,804	↑ 12%
Total Planted Area	**48,256**	**48,588**	**↓ 1%**

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

A. OIL PALM DIVISION (cont'd)

ii. Palm Oil Mills

Our palm oil mills delivered strong output growth, with CPO production rising 13% to 309,984 mt in 2025. Palm kernel production grew in tandem, supported by improved extraction efficiencies, especially at TBS Mill, which recorded a 20% increase.

Operational excellence remained a key priority. All mills achieved positive Oil Extraction Rate (OER) margins, supported by preventive maintenance programmes, optimised scheduling, and enhanced manpower allocation. CPO prices-ranging between RM3,800/mt and RM4,800/mt-contributed to healthy profitability.

Ongoing focus on efficiency, preventive maintenance, and manpower optimisation positions the mills to support future growth and profitability. This is further strengthened by the Group's investment in establishing a new CPO mill with a processing capacity of 45 tonnes of FFB per hour, as well as the joint-venture CPO bulking facility, which together will enhance processing capacity, improve logistics efficiency, and expand market reach in the coming years.

CPO Mills Performance:

CPO Production (mt)	Year 2025	Year 2024	Change
Manis Palm Oil Mill	124,414	107,434	↑ 16%
TP Palm Oil Mill	83,170	78,177	↑ 6%
TBS Palm Oil Mill	102,400	87,650	↑ 17%
Total	**309,984**	**273,261**	**↑ 13%**

Palm Kernel Production (mt)	Year 2025	Year 2024	Change
Manis Palm Oil Mill	27,119	24,368	↑ 11%
TP Palm Oil Mill	18,479	17,272	↑ 7%
TBS Palm Oil Mill	22,262	18,599	↑ 20%
Total	**67,860**	**60,239**	**↑ 13%**

Monitoring and Managing FFB Intake at Manis Oil Mill

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

B. LOGGING DIVISION

Aerial View of Pasin FMU with Sustainable Forest Management

Our timber division operates three active Forest Management Units (FMUs) in the Rejang region of Sarawak, Kapit, Raplex, and Pasin, covering 346,021 ha. All FMUs strictly adhere to Programme for the Endorsement of Forest Certification (PEFC) standards, and we successfully maintained this certification through annual surveillance audits under the Malaysian Criteria and Indicators (MC&I) for Natural Forest. This demonstrates our unwavering commitment to sustainable forest management and responsible forestry practices.

Reduced Impact Logging (RIL) remains the foundation of our operational philosophy and a core pillar of our environmental, social, and governance (ESG) commitment. By emphasising selective harvesting, minimising soil disturbance, safeguarding sensitive habitats, and protecting biodiversity, RIL practices significantly reduce our environmental footprint and help maintain the integrity of surrounding forest ecosystems.

Despite early-year weather disruptions, the division achieved a 13% increase in total log production, rising from 185,736 m^3 in 2024 to 210,458 m^3 in 2025. This growth was largely driven by improved weather later in the year, which reduced operational disruptions, and by the strategic relocation of harvesting to coupes situated closer to logponds, enhancing hauling efficiency. Natural forest production grew by 35% to 191,246 m^3, while planted forest output declined due to resource availability and a deliberate shift in operational focus.

India remained our main export market for natural forest logs in 2025, with demand staying stable.

Logs Production Volume	Year 2025 (m^3)	Year 2024 (m^3)	Change
Natural Forest	191,246	141,320	↑ 35%
Planted Forest	19,212	44,416	↓ 57%
Total	**210,458**	**185,736**	**↑ 13%**

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

B. LOGGING DIVISION (cont'd)

Logs Sales Volume	Year 2025 (m^3)	Year 2024 (m^3)	Change
Natural Forest			
Export Logs	55,774	50,540	↑ 10%
Milling Logs	118,403	96,821	↑ 22%
Planted Forest - Milling Logs	23,872	39,196	↓ 39%
Total	**198,049**	**186,557**	**↑ 6%**

C. PLYWOOD DIVISION

i. Malaysian Operations

Our plywood division has continued to face challenging market conditions. Demand from Japan, our primary export market, remains passive due to prolonged economic softness and demographic pressures, particularly negative population growth.

In response, the Group has adjusted production levels to match prevailing demand while intensifying our operational adaptability. Key measures include:

- Enhancing productivity through process optimisation and strict quality assurance.
- Maintaining close engagement with Japanese buyers to anticipate market shifts and respond proactively.
- Diversifying our export footprint, with successful market penetration into the Middle East, reducing reliance on a single geographic market.

To further enhance cost efficiency, the division has stepped up its cost-saving initiatives by operating turbine-based power generation using mill and palm oil mill waste as feedstock, alongside implementing structured scheduling to minimise downtime and improve production consistency.

Our strong commitment to sustainable forest management continues to differentiate our flagship product, Coated Concrete Plywood (CCP), which is fully PEFC-certified. This certification reinforces our competitive positioning among environmentally conscious buyers and supports long-term market relevance.

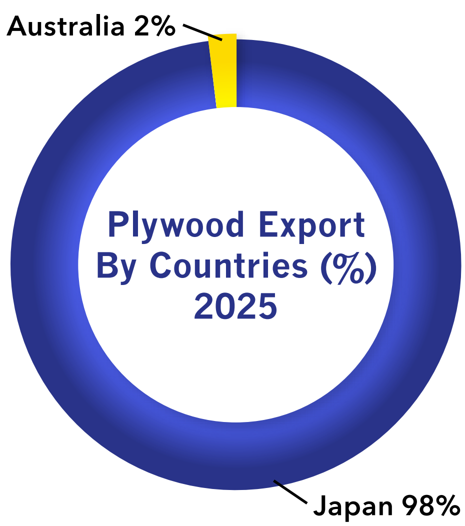
Looking ahead, we remain cautiously optimistic that demand from Japan will improve as the recently concluded election ushers in a more stable and effective government. Coupled with planned infrastructure development and broader economic stabilisation efforts, these developments are expected to support a recovery in plywood consumption.

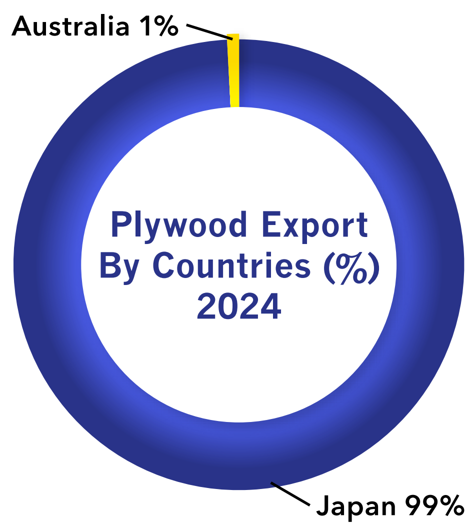
2. PERFORMANCE REVIEW BY DIVISION (cont'd)

C. PLYWOOD DIVISION (cont'd)

i. Malaysian Operations (cont'd)

Plywood Performance	Year 2025 (m³)	Year 2024 (m³)	Change
Production	59,975	49,891	↑ 20%
Sales	51,150	52,138	↓ 2%





ii. Tasmanian Operations

This segment constitutes a small component of our Group, yet we continue to prioritise resource optimisation, stringent cost control, and adherence to environmental governance.

In 2025, plywood production in Tasmania declined following management's decision to reallocate veneer output to our plywood mill in Sibu. This strategy reflects a more favourable product mix and the advantage of significantly lower freight costs compared with pandemic-period levels. This enables the Group to capture greater value through integrated downstream processing.

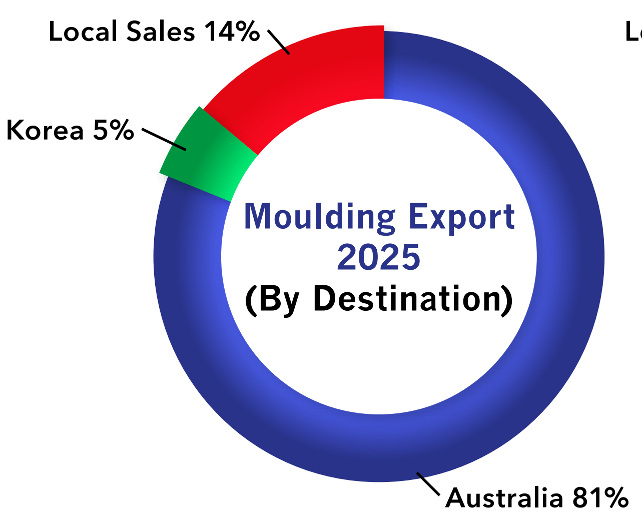
Plywood Line	Year 2025 (m³)	Year 2024 (m³)	Change
Production Volume	4,953	6,023	↓ 18%
Sales Volume	3,641	3,834	↓ 5%

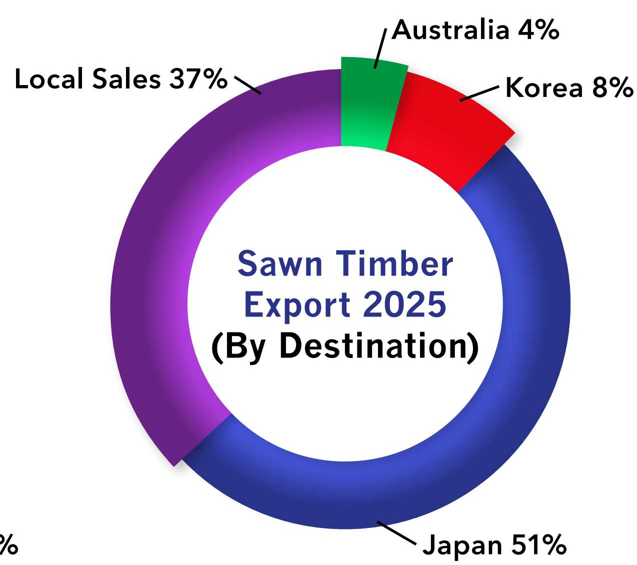
2. PERFORMANCE REVIEW BY DIVISION (cont'd)

D. SAWMILLING DIVISION

Although operating on a small scale, our sawmilling division remains a steady contributor to the Group's profitability. During the year, the division also made progress in penetrating the Middle East market for our rough sawn products, broadening our customer base and strengthening export diversification.

Production Volume	Year 2025 (m^3)	Year 2024 (m^3)	Change
Green Mill			
Sawn Timber	6,922	7,091	↓ 2%
Dry Mill			
Dress Sawn and Sangi	3,123	3,119	↑ 0.1%
Moulding Products	635	886	↓ 28%
Total	**10,680**	**11,096**	**↓ 4%**





2. PERFORMANCE REVIEW BY DIVISION (cont'd)

E. REFORESTATION DIVISION

The Group's roots lie in the timber business, and over the decades we have consistently upheld responsible and sustainable forest management practices. As a pioneer in forest plantation development in Sarawak, we remain committed to strengthening our plantation and nursery operations, supported by ongoing R&D to enhance planting efficiency and seedling survival rates.

We continue to restore harvested areas with fast-growing indigenous species. In 2025, a total of 44,561 Kelampayan seedlings were planted across our Forest Management Units as part of our landscape restoration programme.

Our dedication to sustainable forestry remains unwavering. We will continue to enhance our plantation ecosystem, drive productivity through R&D, and contribute to the long-term sustainability and resilience of both the forest sector and the environment on which we depend.

Aerial View of Acacia Mangium Superbulk Stand - 3 Years, 3rd Rotation

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

E. REFORESTATION DIVISION (cont'd)

Reforestation Unit	Area Planted To-date 31 December 2025 (ha)			Total Area Planted (ha)
	Acacia	Other Species (Kelampayan/ Sawi/ Benuang/ Engkabang)	Zebra Planting Kelampayan	
First rotation*				
Woodley	4,676	397	-	**5,073**
Pasin	8,724	463	71	**9,258**
Rejang	3,604	-	-	**3,604**
Raplex	5,008	138	-	**5,146**
Melekun	330	-	15	**345**
BTSSS	-	-	-	**-**
Zumida	-	-	-	**-**
Total	**22,342**	**998**	**86**	**23,426**
Second rotation				
Woodley	532	-	-	**532**
Pasin	1,023	-	-	**1,023**
Rejang	2,178	-	7	**2,185**
BTSSS**	-	-	-	**-**
Zumida**	3,361	73	-	**3,434**
Total	**7,094**	**73**	**7**	**7,174**
Third rotation				
BTSSS	538	77	-	**615**
Zumida	304	23	-	**327**
Total	**842**	**100**	**-**	**942**
Combined Total	**30,278**	**1,171**	**93**	**31,542**

**After offsetting harvested 1st rotation areas.* ***After offsetting harvested 2nd rotation areas.*

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

E. REFORESTATION DIVISION (cont'd)

Acacia mangium 2nd rotation planting and 3rd rotation planting were carried out after harvesting of 1st and 2nd rotation planted stands. In the year under review, 577.90 hectares of Acacia species and 4 ha of Kelampayan replanting were completed in three LPFs.

Age Profile of Planted Tree at LPF/0002, LPF/0010 & LPF/0040 as at 31 December 2025

	(ha)*	%
Mature Area (≥ 10 years)	24,392	77
Immature Area (4 - 9 years)	4,081	13
Young Area (1 - 3 years)	3,069	10
Total Planted	**31,542**	**100**

** 1st, 2nd and 3rd rotations combined.*

Post-Logging Forest Landscape Restoration

Forest Management Unit	No. of Trees Planted in 2025	No. of Trees Planted to date
Raplex	26,780	195,481
Kapit	19,350	223,045
Pasin	1,727	126,875
Total	**47,857**	**545,401**

Kelampayan Nursery and Field Planting

2. PERFORMANCE REVIEW BY DIVISION (cont'd)

E. REFORESTATION DIVISION (cont'd)

Kelampayan Mixed Planting in Oil Palm Estates	
Estate	**Number of Trees Planted as at 31.12.2025**
Naman Estate	305,611
Assan Estate	33,111
Durin Estate	29,015
Zumida Estate	2,682
Terus Estate	7,250
Igan Estate	33,677
Daro Estate	7,577
Total	**418,923**

Kelampayan Planted in Naman Estate

Paddy Field

3. DIVERSIFICATION INTO AGRICULTURAL ACTIVITIES

The Group continued to expand its agricultural diversification strategy, focusing on paddy and pineapple to strengthen food security for workers and explore new commercial opportunities.

Our paddy programme now meets approximately 70% of workers' monthly rice needs, with yield improvements supported by sustained agronomic practices. Pineapple cultivation programmes recorded stronger yields and improved pest management, and products such as fresh pineapples and premium pineapple tarts have gained encouraging market response. These developments validate the potential of agriculture as an emerging growth pillar for the Group.

Pineapple Field

4. ANTICIPATED OR KNOWN RISK OF THE GROUP

The Group faces several operational and business risks, including adverse weather conditions, fluctuations in commodity prices, manpower availability, and potential supply chain disruptions. These risks may affect both upstream and downstream operations across our timber, oil palm, and agricultural businesses.

To mitigate these risks, the Group maintain a robust risk management framework and internal control environment. Further details are provided in the Statement of Risk Management and Internal Control on pages 112 to 116 of this Annual Report.

5. PROSPECT FOR 2026

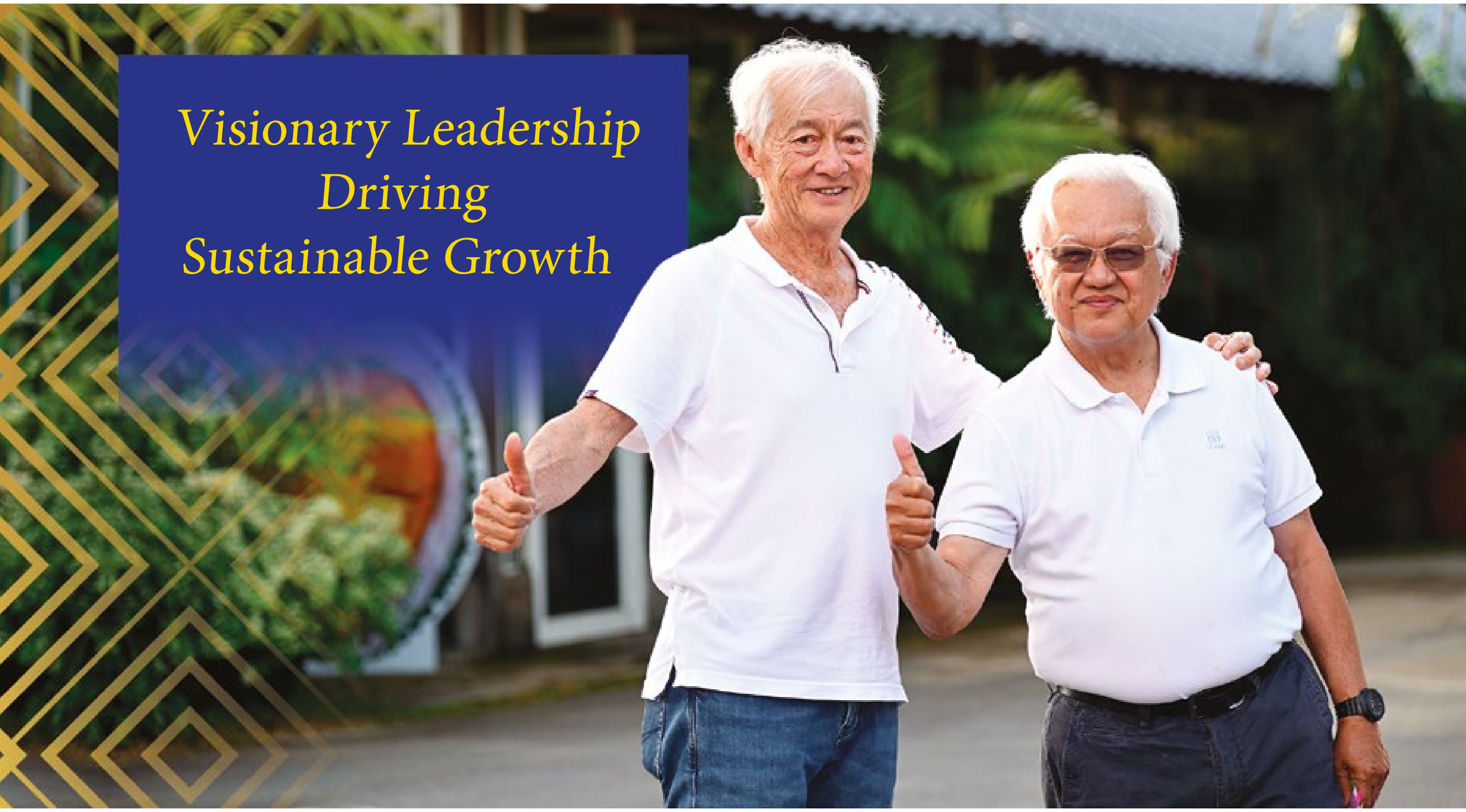
The operating landscape in 2026 is expected to remain volatile, due to persistent geopolitical tensions in Ukraine and the Middle East, global trade uncertainties, and the risk of further supply chain disruptions. Commodity price volatility and unpredictable weather patterns will continue to exert pressure on industries worldwide.

While these external forces remain beyond our control, the Group's focus is firmly on the areas we can manage. With scheduled operational controls, prudent cost management, we will continue to safeguard performance, strengthen resilience, and drive towards a stronger overall result in 2026.

6. CONCLUSION

The Group remains well prepared to navigate uncertainty, capitalise on emerging opportunities, and sustain long-term value creation for our shareholders.

Supported by solid foundations in timber, oil palm, and agriculture, accountable management, and a firm commitment to sustainability, we are confident in our ability to maintain satisfactory performance and continue delivering consistent returns, as reflected in our dividend distribution.



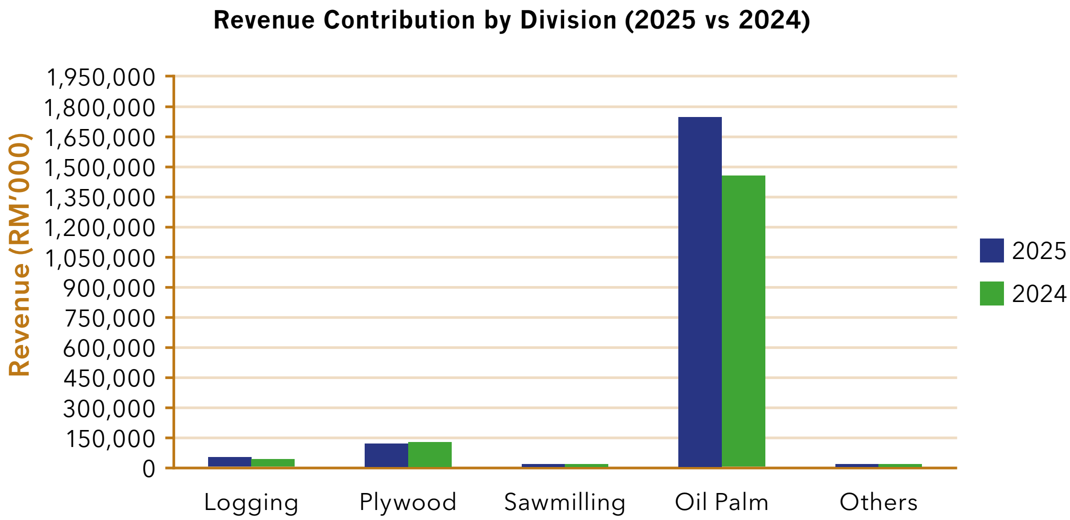
1. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FINANCIAL YEAR 2025

Particular	Note	2025 RM'000	2024 RM'000	Change %
Revenue	1.1	1,932,011	1,649,809	17
Cost of sales		(1,420,581)	(1,248,830)	14
Gross profit		511,430	400,979	28
Other operating income		11,817	13,679	-14
Distribution expenses	1.2	(120,229)	(106,295)	13
Administrative expenses		(62,933)	(51,469)	22
Other operating expenses	1.3	(17,520)	(38,068)	-54
Profit from operation		322,565	218,826	47
Finance income		13,297	12,022	11
Finance costs		(5,131)	(5,719)	-10
Share of profit of equity-accounted associate, net of tax		38,606	34,453	12
Profit before tax	1.4	369,337	259,582	42
Taxation		(100,552)	(69,466)	45
Profit after tax (before fair value adjustment)		268,785	190,116	41
Net change in fair value less costs to sell of biological assets		8,187	41,021	-80
Profit for the year (after fair value adjustment)		276,972	231,137	20
Profit attributable to owner of the Company		218,645	180,584	21
Gross profit margin		26%	24%	8
Profit before tax margin		19%	16%	19
Net profit margin		14%	14%	-

1. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FINANCIAL YEAR 2025 (cont'd)

NOTE:

1.1 Revenue Contribution by Division



	2025 RM'000	Percentage Contribution %	2024 RM'000	Change %
a) Logging Division	56,996	3	50,732	12
b) Plywood Division	119,815	6	133,341	-10
c) Sawmilling Division	13,573	1	12,656	7
d) Oil Palm Division	1,737,866	90	1,449,584	20
e) Others	3,761	-	3,496	8
Total	**1,932,011**	**100**	**1,649,809**	**17**

Revenue growth was primarily driven by the Oil Palm division, reflecting higher sales volume for crude palm oil (CPO) and fresh fruit bunches (FFB) by 13% and 4% respectively, alongside the increased in average selling price for CPO and FFB of 4% and 6% respectively.

1.2 Distribution Expenses

Increase in sales volume for CPO has resulted in higher distribution costs for 2025.

1.3 Other Operating Expenses

Other Operating expenses were lower in 2025, following the non-recurrence of the AUD5.70 million (RM17.19 million) asset impairment recognised for Smithton Mill in Tasmania, Australia, in FY2024

1. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FINANCIAL YEAR 2025 (cont'd)

NOTE:

1.4 Profits Before Tax Contribution by Division (exclude fair value adjustment)

	2025 RM'000	Percentage Contribution %	2024 RM'000	Change %
a) Logging Division	14,353	4	(2,193)	>100%
b) Plywood Division	(28,052)	-8	(41,810)	-33%
c) Sawmilling Division	(784)	-	245	>-100%
d) Oil Palm Division	383,296	104	302,268	27%
e) Others	524	-	1,072	-51%
Total	**369,337**	**100**	**259,582**	**42%**

2. STATEMENTS OF FINANCIAL POSITION

Analysis of Major Items

2.1 Total Assets

Asset Type	Note	2025 RM'000	2024 RM'000	Change %
Property, plant and equipment	2.1.1	631,947	651,197	-3
Right of use assets	2.1.2	192,744	193,124	0
Bearer plants		521,845	534,874	-2
Biological assets	2.1.3	302,444	287,360	5
Investment in associates	2.1.4	332,167	307,226	8
Deferred tax assets		5,699	8,259	-31
Other intangible assets		4,089	4,739	-14
Goodwill		79,664	79,664	0
Inventories	2.1.5	128,068	111,849	15
Trade and other receivables		82,090	40,939	>100
Prepayments and other assets		14,828	18,545	-20
Other investments		36,499	61,628	-41
Cash and cash equivalents		498,272	372,674	34
Others		1,188	1,094	9
Total		**2,831,544**	**2,673,172**	**6**

2. STATEMENTS OF FINANCIAL POSITION (cont'd)

NOTE:

2.1.1 Property, plant and equipment

Net movement of property, plant and equipment ('PPE') were mainly in respect of the followings:

	RM'million
Oil palm division	25
Logging division	1
Plywood division	8
Total fixed assets additions for the year	**34**
LESS: Annual depreciation	(50)
LESS: Disposals/ write offs / impairment	(2)
LESS: Exchange rate translation difference	(1)
Net movement	**(19)**

2.1.2 Right of use assets

Net movement of right of use assets were mainly in respect of the following:

	RM'million
Additions for the year	5
LESS: Annual depreciation	(6)
Net movement	**(1)**

2.1.3 Biological assets

Net movement of biological assets (BA) were mainly in respect of the following:

	RM'million
Oil palm fresh fruit bunches	-
Standing timber	5
Cattle	1
Others	2
Total additions of BA during the year	**8**
LESS: Harvest and sales of BA	(4)
ADD: Change in Fair value	11
Net Movement	**15**

2. STATEMENTS OF FINANCIAL POSITION (cont'd)

NOTE: (cont'd)

2.1.4 Investment in associates

	Associate investment			
	Sarawak Plantation Berhad RM'000	Kuching Palm Oil Industries Sdn. Bhd. RM'000	Tanjung Manis Bulkers Sdn. Bhd. RM'000	Total RM'000
Investment cost	171,091	12,925	-	184,016
Gain on bargain purchase	27,192	-	-	27,192
Group' share of result b/f	142,694	46,807	-	189,501
Acquisition of shares	288	-	-	288
Dilution of interest in associate	(4,313)	-	-	(4,313)
Disposal of quoted investment	(7,879)	-	-	(7,879)
Dividend received by the group	(70,843)	(7,455)	-	(78,298)
Recovery of cost of investment	-	(3,281)	-	(3,281)
At 1 January 2025	**258,230**	**48,996**	-	**307,226**
Addition of investment	-	-	10,200	10,200
Group' share of results for the year	31,380	7,226	-	38,606
Profit for the year	*106,700*	*25,778*	-	*132,478*
TAH's shareholding %	*29.41%*	*28.03%*		
Dividend received by the group	(16,410)	(7,455)	-	(23,865)
At 31 December 2025	**273,200**	**48,767**	**10,200**	**332,167**

The associates recorded a profit of RM132.48 million in 2025 (2024: RM118.34 million), resulting in a share of profit from associates' investments of RM38.61 million for the year.

2.1.5 Inventories

Inventories breakdown by division is shown as follows:

	2025 RM'000	2024 RM'000	Change %
a) Logging Division	6,492	4,622	40
b) Plywood Division	83,323	66,662	25
c) Sawmilling Division	5,245	5,805	-10
d) Oil Palm Division	32,742	34,219	-4
e) Others	266	541	-51
Total	**128,068**	**111,849**	**+15**

2. STATEMENTS OF FINANCIAL POSITION (cont'd)

Analysis of Major Items (cont'd)

2.2 Equity

	2025 RM'000	2024 RM'000	Change %
Share capital	444,844	444,844	-
Forex translation reserve	14,724	14,220	4
Retained earnings	1,473,360	1,390,878	6
Non-controlling interests	199,773	197,416	1
Treasury shares	(10,417)	(10,417)	-
Total	**2,122,284**	**2,036,941**	**+4**

2.3 Borrowings

	2025 RM'000	2024 RM'000	Change %
Hire purchases financing	17,763	13,894	28
Conventional	11,097	9,050	23
Islamic	6,666	4,844	38
Term loans	9,751	18,272	-47
Conventional	9,751	17,522	-44
Islamic	-	750	-100
Bankers' acceptance	9,178	-	100
Export credit refinancing	13,409	8,618	56
Revolving credits	90,000	90,000	-
Total	**140,101**	**130,784**	**+7**

3. RATIO ANALYSIS

	2025	2024
Liquidity		
• Current Ratio	2.51	2.46
Leverage		
• Net Gearing	N/A	N/A
Profitability		
• ROA	7.7%	6.8%
• ROE	11.4%	9.8%
• EPS	49.64 sen	41.00 sen
Dividend		
• Net Dividend	40 sen *	35 sen ^
• Dividend yield	9.62%	8.18%
• Share price as at 31 Dec	RM4.16	RM4.28
Net assets per share	RM4.32	RM4.14

* *a first interim single-tier dividend of 10 sen per ordinary share was declared on 22 May 2025 and paid on 30 June 2025*
a second interim single-tier dividend of 10 sen per ordinary share was declared on 26 August 2025 and paid on 30 September 2025
a third interim single-tier dividend of 10 sen per ordinary share was declared on 25 November 2025 and paid on 31 December 2025
a fourth interim single-tier dividend of 10 sen per ordinary share was declared on 26 February 2026 and paid on 10 April 2026

^ *a first interim single-tier dividend of 15 sen per ordinary share was declared on 27 May 2024 and paid on 02 July 2024*
a second interim single-tier dividend of 20 sen per ordinary share was declared on 25 November 2024 and paid on 27 December 2024

4. CONCLUSION

KPMG PLT issued an unqualified opinion on the Group's audited financial statements for the year ended 31 December 2025.

The Group remains financially strong, with free cash flow of RM266 million, total assets of RM2.83 billion, and equity of RM1.92 billion.

Dividends of 40 sen per share, totaling RM176 million, were declared, representing a payout ratio of 81%, and marking a second consecutive year of maintaining a payout above 80%.

The Group will continue to prioritise on sustainable resource management, operational efficiency, and cost discipline to enhance resilience and deliver long term value to shareholders.

Barring any unforeseen circumstances, the group is well positioned to continue making appropriate dividend distributions in line with shareholders' expectation.

OVERVIEW OF SUSTAINABILITY

Ta Ann Holdings Berhad and its subsidiaries ("Ta Ann Group" or "The Group") have upheld the values of corporate responsibility and sustainable management principles from the outset of operations. Our corporate mission, core values, policy statements and work practices across our operations have reflected these values to enhance our shared economic, environmental and social ("EES") well-being.

Our organisational priorities go beyond maximising shareholder returns. We also emphasise human capital development and expansion of business activities that focus on delivering the greatest and most sustainable returns for all our stakeholders - our shareholders, customers, partners, employees, and surrounding communities. We continue to establish roadmaps in addressing sustainability matters specifically material to our organisation, prioritising a balance of economic, environmental and social factors to create positive impacts for our stakeholders and the communities in which we operate.

Reporting Scope

This Sustainability Statement outlines our sustainability practices and performance for the financial year ended 31st December 2025. The scope of this sustainability statement includes all of our operations in the Timber and Oil Palm sectors in Sarawak, Malaysia. Inactive entities have been excluded from the scope, as no business activities were conducted during the financial year.

Reporting Guidelines

This Statement has been prepared in accordance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, guided by Bursa Malaysia's Enhanced Sustainability Reporting Framework and United Nations Sustainable Development Goals (UN SDGs).

In line with regulatory requirements, we are preparing for the adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2, and are progressively aligning our disclosures accordingly.

Statement of Assurance

This Sustainability Statement has not been subjected to an assurance process. We are cognisant of the importance of this process and are committed to complying with the applicable requirements accordingly.

OUR SUSTAINABILITY APPROACH

Sustainability Governance Framework

We believe a strong governance structure and a clear line of accountability enable the Group to deliver its commitment to sustainability.

The Board of Directors of Ta Ann Holdings Berhad ("the Board") led by the Executive Chairman and assisted by a dedicated sustainability working group, is responsible to promote and embed sustainability in the Group, including overseeing the following:

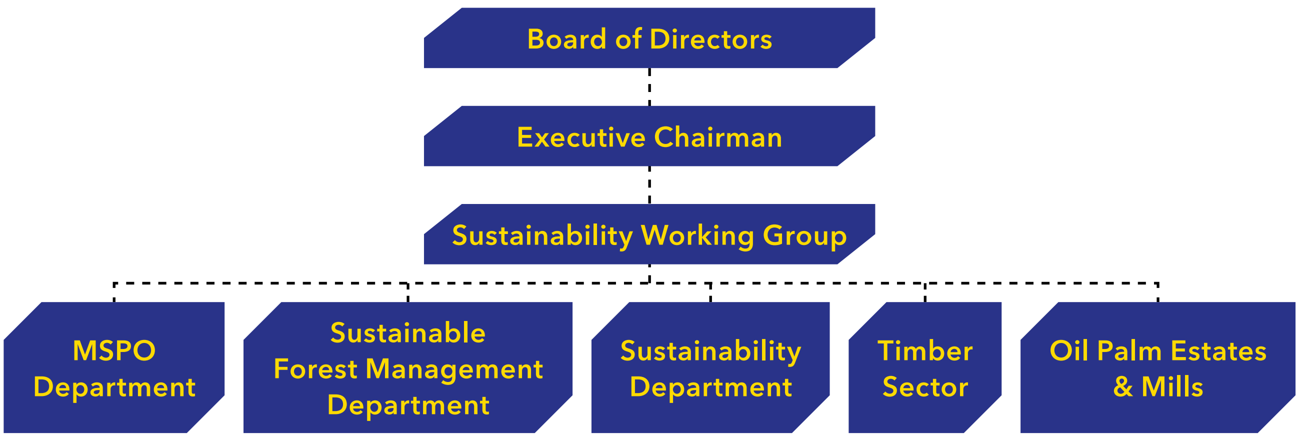
a. Stakeholders' engagement
b. Materiality assessment and identification of sustainability risks and opportunities relevant to the Group

OUR SUSTAINABILITY APPROACH (cont'd)

Sustainability Governance Framework (cont'd)

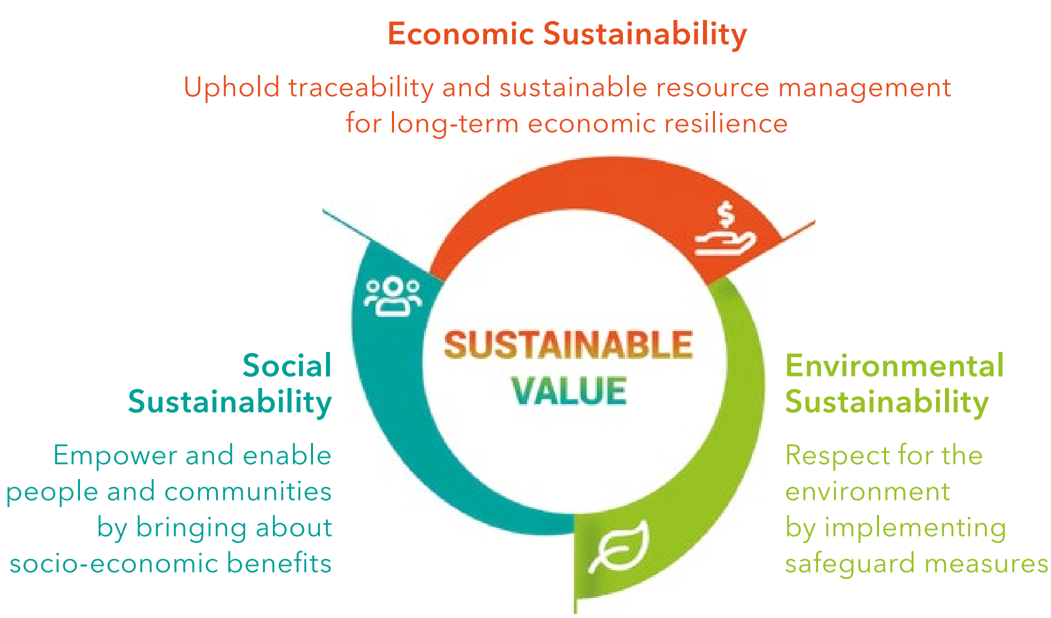
c. Management of material sustainability risks and opportunities
d. Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Board also cascades sustainability matters to the respective divisional units in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("SOPs"), if necessary, to continue embedding sustainability in every aspect of the Group's daily operation.



Sustainability Pillars

Our sustainability practices are structured to benefit not only local stakeholders but also to align with broader global objectives. These guiding principles propel our efforts towards achieving sustainability goals and paving the way for a better future.



OUR SUSTAINABILITY APPROACH (cont'd)

Stakeholder Engagement

With stakeholder engagement as one of Ta Ann Group's cornerstones of the sustainability approach, scheduled timelines were set to actively meet, communicate, consult, and work with various stakeholders to address areas of shared interests and concerns.

Engagements with key stakeholder groups in 2025 are as follows:

Stakeholders	Engagement Methods	Outcomes
Investors, Bankers & Analysts	• Formal and informal briefings and meetings • AGMs • Corporate website • Bursa Malaysia	• Provided insight into our sustainable and business progress and performance • Maintained a good relationship with shareholders
Local Communities & Smallholders	• Meetings, engagements and dialogues • Consultation & Social awareness programmes • Joint exercises and trainings • Employment opportunities • Corporate social responsibility activities	• Free Prior And Informed Consent (FPIC) • Maintaining a beneficial relationship • Amicable solutions to conflicts and grievances • Communities are aware of our commitment to sustainability and operational progress/performance • Communities are updated on the latest forest management activities • Activities such as "gotong-royong" and festive celebrations • Employment for qualified and eligible locals • Education fund for underprivileged children
Certification Bodies	• Engagement, consultation and dialogues • Visitation and inspection • Surveillance audits, recertification audits and certification	• Continual certification • Compliance with policies and latest changes in standards
Government (Ministries, Agencies, Regulators, Industry Associations)	• Meetings, engagement and dialogues • Compliance with regulatory and statutory requirements • Support government transformation policies and initiatives	• Development and implementation of shared initiatives • Compliance with regulations and the latest changes in rulings

OUR SUSTAINABILITY APPROACH (cont'd)

Stakeholder Engagement (cont'd)

Stakeholders	Engagement Methods	Outcomes
Customers	• Formal and informal briefings and meetings • Site visits • Product quality assurance • Compliance with sustainability standards • Corporate website	• Increased market share • Customer retention • Heightened awareness of Ta Ann's policies and commitments to sustainable business
Suppliers & Contractors	• Formal and informal briefings and meetings • Corporate website	• Awareness of company policies and commitments to sustainable forest resources management and sustainable palm oil production and their role in the processes
Employees	• Office memo • Employee Representative Committee • Remuneration package • Communication of company policies and practices • Training programmes • Performance appraisal • Corporate website	• Awareness of company policy, culture and core values • Enhanced team spirit, resulting in an improved working environment and work performance • Improved awareness of our commitment to sustainable practices • Free communication between employees and employers

Social Awareness Programme to Disseminate Awareness of FMU Operational Update and Sustainable Forest Management Practices at Raplex FMU Community Stakeholders Settlements

OUR SUSTAINABILITY APPROACH (cont'd)

Stakeholder Engagement (cont'd)

Pasin FMU - Community Representative Committee (CRC) Meeting Involving Various Representatives of The Local Communities

Material Matters

Material matters are the Economic, Environmental, and Social (EES) factors that influence our sustainability strategic planning process to create value for our stakeholders. By understanding our stakeholders' needs and concerns, we can prioritise the matters important for both our stakeholders and our business.

We conducted a preliminary materiality assessment to identify material matters by evaluating EES factors most pertinent to our business and prioritising them through engagement with stakeholders, regular meetings or personal conversations. Below, we outline the three-step process of our materiality assessment:

1. Identification

We reviewed our operations through internal and external sources to identify the potential material matters.

OUR SUSTAINABILITY APPROACH (cont'd)

Material Matters (cont'd)

1. Identification (cont'd)

Internal Sources	External Sources
• Management reports • Meeting minutes • Biodiversity Assessment records • Site visits and operation meetings • Internal audit findings and reports • Field audit findings and reports • Shareholders' feedback during Annual General Meetings (AGM)	• Various certifications surveillance audit reports • Engagement with local communities & Area Development Committee (ADC) • Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) • Bursa Malaysia's Enhanced Sustainability Reporting Framework • United Nations Sustainable Development Goals (UN SDGs) • Department of Occupational Safety and Health (DOSH) and other legal regulations

2. Prioritisation

We sharpened our focus by assessing their importance concerning the Group's EES impacts and their influence on key stakeholders. We compiled feedback obtained from employees in relevant departments responsible for engaging with stakeholder groups throughout the year, enabling us to review and refine the list of material matters.

3. Validation

The results of the priorisation process were gathered and presented to the Board for approval. A total of 9 material matters were identified and correlated with the relevant sustainability pillars to facilitate a more focused approach in addressing these issues.

Material Topics	Why Is It Important?	Impacted Stakeholder	Relevant SDGs
Sustainability Pillar 1: Economic			
Anti-Corruption & Bribery	We are committed to transparent, and ethical decision-making, ensuring compliance with regulations. This commitment fosters trust with our stakeholders and is essential for our long-term prosperity.	• Shareholders • Employees • Local Communities • Government Agencies • Customers • Suppliers and Contractors • Certification Bodies and Consultants	4 8 12 15 16
Traceability and Sustainable Management		• Customers • Suppliers and Contractors • Certification Bodies and Consultants • Local Communities	

OUR SUSTAINABILITY APPROACH (cont'd)

Material Matters (cont'd)

3. Validation (cont'd)

Material Topics	Why Is It Important?	Impacted Stakeholder	Relevant SDGs
Sustainability Pillar 2: Environmental			
Energy and Water Management	We uphold responsible resource management practices which surpass mere legal obligation, showcasing our unwavering dedication to environmental responsibility.	• Employees • Local Communities • Government Agencies • Customers	6 13 14 15
Waste Management		• Employees • Customers • Local Communities • Government Agencies	
Emissions Management		• Local Communities • Government Agencies • Customers • Suppliers and Contractors	
Sustainability Pillar 3: Social			
Occupational Safety and Health (OSH)	Our people are vital to us. We are dedicated to fostering a safe and inclusive workplace, retaining talent and developing our employees. We also uphold human rights, including for indigenous communities.	• Employees • Government Agencies • Suppliers and Contractors	1 3 4 5 10 16
Respect for Human Rights		• Employees • Government Agencies • Local Communities	
Talent Management and Development		• Employees	
Community Enrichment and Development	We actively engage in social responsibility efforts by maintaining positive relationships with communities and striving to make positive impact on society.	• Employees • Local Communities	

OUR SUSTAINABILITY APPROACH (cont'd)

Sustainability Targets and Progress

Our targets, which focus on the three main sustainability pillars and their corresponding progress in 2025, are set out in the table below. Nevertheless, certain sustainable targets may encounter challenges from external factors, including climate-related risks. For instance, the sustainable production volumes could be impacted by unavoidable natural and climatic conditions, notably during periods of prolonged wet weather.

Sustainability Pillar	Targets	Progress/Status
Economic	• Maintain 100% recertification for all certifications • Maintain 100% traceability for Crude Palm Oil (CPO), Fresh Fruit Bunch (FFB) suppliers and wood products	• Achieved 100% recertifications for: i. Malaysian Sustainable Palm Oil (MSPO) for oil palm plantations and palm oil mills ii. Malaysian Criteria & Indicators for Sustainable Forest Management (MC&I SFM) iii. ISO14001 - Plywood Division • Certifications newly achieved: i. MSPO for dealers for two FFB collection centres • Maintained 100% traceability for Crude Palm Oil (CPO), Fresh Fruit Bunch (FFB) suppliers and wood products
Environmental	• Maintain chipping / deboling practices for replanting • Extend coverage for segregation and recycling of waste at estates • Replanting planning • Monitoring of conserving High Conservation Value (HCV) areas • Awareness training for no hunting • Maintain air filtration system in all oil mills	• Implemented chipping and deboling practices for replanting activities • Waste segregation and recycling were consistently practiced • Replanting activities adhered to the Environmental Management Plan approved by the Natural Resources and Environment Board (NREB) • Regular inspection and maintenance of air filtration systems • Planting Kelampayan trees of 44,561 pieces

OUR SUSTAINABILITY APPROACH (cont'd)

Sustainability Targets and Progress (cont'd)

Sustainability Pillar	Targets	Progress/Status
Environmental (cont'd)		• Conducted awareness briefing / training on HCV, Rare, Threatened and Endangered (RTE), and Wildlife Conservation • Boundary patrolling and monitoring (ground or aerial) • Honorary Wildlife Rangers patrolling • Fauna species monitoring • Monitoring of protected flora species
Social	• Zero-fatality record • Reduce workplace accidents or injuries to a minimum • Promote work-life balance by streamlining processes and embracing digital tools • Foster healthy lifestyles by organising diverse sports activities • Persists in offering employment opportunities to locals • Maintain positive relationships through regular engagement with local communities	• Fatalities were recorded, however the Group remains committed to achieving its zero-fatality target through continuous safety training and management practices • Safety and Health Committee is assigned to oversee safety matters • Provide safety and health training to staff and workers • Maintained the provision of safety equipment to safeguard employees • Explored and continued using digital tools to enhance operations • Organised a variety of sports activities to promote employee well-being • Provided fresh fruit juice to employees as part of health initiatives • Continued offering employment opportunities to local communities • Held ongoing dialogues with communities to understand their needs and requests • Sponsored gifts, made cash donations and celebrated festive occasions with local communities

OUR SUSTAINABILITY APPROACH (cont'd)

Sustainability Targets and Progress (cont'd)

In 2026, we continue to uphold our refined and precise targets, maintaining a focus on specific and measurable objectives, as outlined in the table below.

Sustainability Pillar	Targets
Economic	• Maintain 100% recertification for all certifications to remain compliant • Maintain 100% traceability for Crude Palm Oil (CPO), Fresh Fruit Bunch (FFB) suppliers and wood products • Comply to any new legal requirements
Environmental	• Maintain chipping / deboling practices for replanting • Replanting and forest restoration • Continue on monitoring of HCV areas • Strengthen environmental governance through signing Memorandum of Understanding (MOU) with the NREB
Social	• Zero-fatality across operation • Continue to provide regular safety trainings for employees • Foster healthy lifestyles by organising diverse sports activities • Persists in offering employment opportunities to locals • Maintain positive relationships through regular engagement with local communities

ECONOMIC

The Group is focused on building sustainable relationships with stakeholders and utilising our resources optimally to contribute to economic growth and bring value to all our stakeholders.

ECONOMIC (cont'd)

To mitigate risks that may impede the Group's goal attainment, we have implemented policies fostering good business conduct to regulate our daily practices. These encompass:

Code of Ethics	Whistle Blowing Policy	Anti-Corruption and Bribery Policy
Remuneration Policy	Independent Director Tenure Policy	Conflict of Interest and Related Party Transaction Policy
Directors' Fit and Proper Policy	Terms of Reference	Board Charter

Shareholders

Our shareholders are the ultimate owners of the Company. We aim to enhance our corporate value by generating profits and good return on investments for our shareholders and investors and fulfilling our commitment to achieve a balance between rewarding dividends and maintaining sustainable reserves for the long-term growth of the Group's business.

Customers Relationship

The Group places great importance to providing quality assurance for our products and services. We strive for product excellence at competitive pricing through continual improvement in our business and operations processes.

Our marketing and sales representatives schedule regular meetings, both formal and informal, with our customers to build a strong and conducive relationships while also providing a platform for soliciting valuable feedback to improve our products and services. We also extend invitations for site visits, fostering a deeper connection and understanding of their specific needs and preferences.

Anti-Corruption & Bribery

Ta Ann Group conducts its business in full compliance with all laws and regulations. Our Anti-Corruption & Bribery Policy, adopted in 2020, has been communicated and cascaded to all (100%) employees and later signed the declaration of compliance. Subsequently, new hires are also given a short training including on the policy and declare their compliance. The policy outlines our responsibility to comply with the anti-corruption laws in which we operate and highlights our zero-tolerance approach towards corruption. We have conducted corruption-related risks for Ta Ann Group under business risk management. Moving forward, we target to cover 100% of our operation units and will look into area within the Group that are vulnerable to corrupt practices.

ECONOMIC (cont'd)

Anti-Corruption & Bribery (cont'd)

Ta Ann Group is committed to ensuring the highest standards of integrity, accountability and professionalism in the conduct of its businesses whereby it does not tolerate any corruption of, or kickbacks to or from, any private person or government official. This is consistent with the Group's core values of INTEGRITY, TEAMWORK and EXCELLENCE. The policy is mandatory and applies to all employees, business associates and third parties who are performing works or services on behalf of the Ta Ann Group. From 2023 to 2025, Ta Ann Group has zero reported cases of corruption.

Traceability and Sustainable Management

Sustainable Palm Oil

Ta Ann Group is committed to maintaining a transparent, traceable and sustainable palm oil supply chain. We source and produce high-quality oil palm products through sustainable practices in managing our oil palm plantations, palm oil mills and Fresh Fruit Bunch (FFB) collection centres. With this in mind, we actively implement the MSPO Principles and Criteria across all of our plantation, mill and FFB collection centre operations.

To ensure our implementation adheres to the stringent standards of MSPO and supply chain integrity requirements, we engage independent third-party certification body to conduct audits across our estates, mills and collection centres. We also strive to pursue external assurance whenever possible to enhance credibility and strengthen trust with our relevant external stakeholders, including investors and buyers.

Ta Ann Group works closely with relevant government agencies in compliance audits and regulatory matters, including the Department of Environment (DOE), Ministry of Human Resources (MOHR), Department of Occupational Safety and Health (DOSH), Natural Resources and Environment Board (NREB) Sarawak, Malaysian Sustainable Palm Oil (MSPO) and Malaysian Palm Oil Board (MPOB).

MSPO Certification External Audit Group Photo at Igan Oil Mill

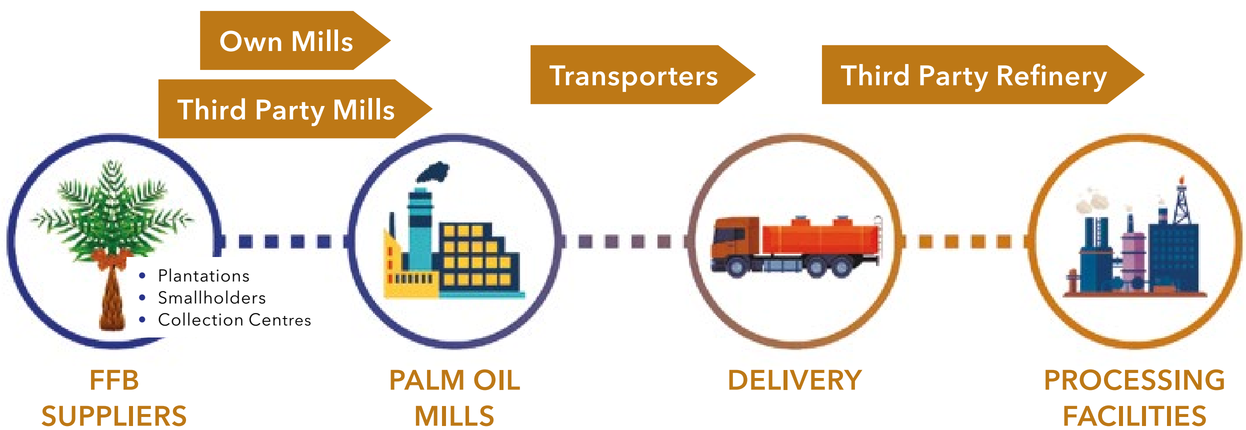
ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Palm Oil (cont'd)

In continuation of full MSPO certification attained in previous years, including 2024, all thirteen of our oil palm plantations and three palm oil mills remain MSPO-certified, reflecting our firm commitment to sustainable palm oil practices. In 2025, we successfully maintained MSPO certification under MS2530-3-2:2022 (oil palm plantations) and MS2530-4-1:2022 (palm oil mills) with zero non-conformances, positioning the Group among the early adopters during the transition to the revised 2022 standards. This continued certification underscores our enduring commitment to responsible palm oil practices and ongoing regulatory compliance. In addition, two FFB collection centres achieved MSPO certification under MS2530-4-3:2022 (Dealers) in 2025, further strengthening traceability controls at the upstream procurement level.

We strive to maintain 100% MSPO certification across all operations and ensuring full traceability of our FFB and CPO, while continuously enhancing governance, compliance and sustainability performance.



Overview of FFB, CPO & PK Supply Chain for Ta Ann Group

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS")

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS") (cont'd)

Field Verification on Pre-Harvest by SIRIM Auditor at Pasin FMU

Following full certification in 2024, all FMUs maintained their certification status under the MTCS in 2025, which is internationally endorsed by the Programme for the Endorsement of Forest Certification ("PEFC"). All FMUs audited were found to be in compliance with the requirements of the Malaysian Criteria and Indicators for Sustainable Forest Management (MC&I SFM MTCS ST 1002:2021).

Certification audits were conducted by an accredited and independent certification body (CB) - SIRIM QAS International Sdn. Bhd., covering compliance with legal requirements, forest management planning and implementation, environmental protection, conservation of biodiversity, social and worker welfare, occupational health and safety, stakeholder engagement, and continuous improvement measures within the Forest Management Units. Audit conducted covering:

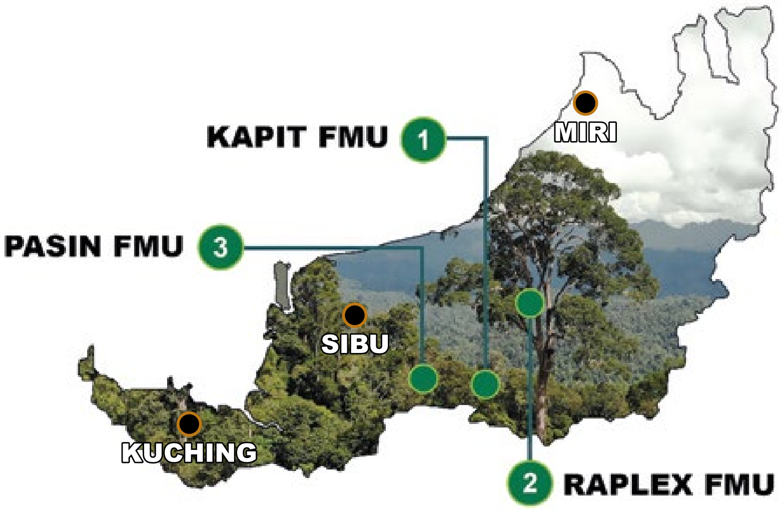
- Forest Timber Licence (FTL) No. T/3491: Tanjong Manis Holdings Sdn. Bhd. - Kapit FMU 4th Surveillance audit (2nd cycle) and Recertification audit.
- FTL No. T/3135: Pasin Sdn. Bhd. - Pasin FMU 1st Surveillance audit (2nd cycle).
- FTL No. T/0560: Raplex Sdn. Bhd. - Raplex FMU 1st Surveillance audit (2nd cycle).

Log CoC Inspection by SIRIM Auditor at Kapit FMU

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS") (cont'd)



FMU licenses: renewed for a period of

30 YEARS

till

2053

The FMUs are also fully committed to protecting their environment through compliance with the requirements set by the NREB through periodic monitoring by our certified internal Environmental Compliance Auditors and NREB appointed Environmental Compliance Auditors against the Environmental Impact Assessment ("EIA") Approval Term and Conditions.

In 2025, two (2) representatives from forestry sector attended Environmental Compliance Audit (ECA) training, successfully passed the examination, and are officially appointed as internal ECA auditors by NREB. In addition, five (5) external ECAs were conducted across The Group's FMUS and License Planted Forest (LPFs), while three (3) internal ECAs were conducted at Pasin FMU, LPF 0010 and LPF 0040 respectively. All FMUs and LPFs achieved the highest level of conformity.

External Environmental Compliance Audit (ECA) at Pasin FMU

As part of the ECA and ongoing environmental monitoring, water quality monitoring was conducted in accordance with the Environmental Impact Assessment (EIA) conditions approved by the NREB. Overall, the water quality in the waterways for all FMUs and LPFs was compliant, with all monitored parameters falling within Class I to IIB of the National Water Quality Standards for Malaysia (NWQSM). This indicates that the water quality is suitable for water supply purposes and recreational activities involving body contact.

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS") (cont'd)

With regard to HCVs, the FMU actively manages and monitors all the identified HCV to ensure that timber harvesting activities do not adversely affect the designated HCV attributes.

The following HCV areas have been identified, along with various conservation and management initiatives implemented by the FMUs:

i. **Species Diversity (HCV 1)**

The FMUs manage and conserve species diversity by demarcating a 1-km buffer zone adjacent to Totally Protected Areas bordering the FMUs. Examples include:

- Lanjak Entimau Wildlife Sanctuary
- Hose Mountain National Park
- The Malaysia-Indonesia International Boundary

In addition, RTE and endemic species, as well as critical sites, are identified and protected during harvesting operations. This includes the management and conservation of critical wildlife habitats such as:

- salt licks
- nesting trees, and
- fruit trees

Identified Salt Lick in Kapit FMU

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS") (cont'd)

ii. Ecosystems and Habitats (HCV 3)

In Kapit FMU, a patch of Kerangas forest has been identified as a RTE ecosystem. This area is demarcated on operational maps and excluded from harvesting, with periodic monitoring conducted to ensure its continued protection.

iii. Ecosystems Services (HCV 4)

In Pasin FMU, the Song public water intake point has been identified as HCV 4 area due to its importance in providing ecosystem services, particularly water catchment protection.

iv. Community Needs and Cultural Values (HCV 5 and HCV 6)

Sites essential for meeting local communities' basic needs (HCV 5) and areas of cultural significance (HCV 6) have been identified through consultation and are protected from harvesting activities. For instance, in Raplex FMU, Pulau Mali is recognised as an important cultural site (HCV 6) and also serves as a community gravity-feed water catchment area (HCV 5). These areas are clearly marked and monitored to ensure ongoing protection.

HCV Safeguards, Management Measures, and Monitoring

The FMUs have established and implemented management and monitoring plans to safeguard these identified HCVs, with the objective of maintaining and, where possible, enhancing HCV attributes. Key measures include mapping and demarcation of HCV areas, community consultation and awareness programmes, monitoring of RTE species, appointment of Honorary Wildlife Rangers, and the application of Reduced Impact Logging (RIL) practices.

- ***Reduced Impact Logging (RIL)*** - One of the core elements of sustainable forest management, is implemented in all Ta Ann certified FMUs. RIL implementation includes comprehensive pre-harvest forest inventories, establishment of protection and conservation zones, identification and marking of protected trees, future crop trees, and harvestable trees, as well as the planning and designation of skid trails. During harvesting operations, operators are required to comply with approved environmental protection measures and standard operating procedures to minimise damage to residual stands, soil, and watercourses.
- ***Widlife and RTE Species Monitoring*** - Our FMUs actively monitor RTE and endemic fauna species as part of the biodiversity conservation programme. Wildlife data are collected using infrared sensor camera traps and systematic transect surveys. For the period spanning 2016 to 2025, a total of 213 wildlife species were recorded across the FMUs, comprising 59 mammals, 119 birds, 12 reptiles, 13 amphibians, 9 fish, and 1 insect species. Of these, 39 species are classified as RTE. Monitoring results are used to make informed management decisions and to ensure that forestry operations do not adversely impact identified RTE species or their habitats.

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Forest Management Certification under the Malaysian Timber Certification Scheme ("MTCS") (cont'd)

HCV Safeguards, Management Measures, and Monitoring (cont'd)

Black Hornbill (Anthracoceros Malayanus) and Pig-tailed Macaque (Macaca Nemestrina) Found During Wildlife Survey in Kapit FMU

- ***Honorary Wildlife Rangers and Enforcement Support*** - The appointment of Honorary Wildlife Rangers (HWLR) contributes to the implementation of measures for the protection of endangered flora and fauna, and supports the prevention of illegal activities within FMUs. In 2025, three (3) candidates from FMUs were proposed for reappointment as Honorary Wildlife Rangers. During the reporting period, a total of three (3) patrols were conducted by HWLRs to verify the effectiveness of controls aimed at preventing hunting, fishing, trapping and the unauthorised collection of forest products.

Briefing to The Security at Kapit FMU Entrance by Honorary Wildlife Ranger

ECONOMIC (cont'd)

Traceability and Sustainable Management (cont'd)

Sustainable Supply Chain Engagement

Ta Ann Group focuses on local sourcing to foster enduring relationships with our local suppliers and lead to stability in the supply chain. This stability is essential, contributing to the economic sustainability of both Ta Ann Group and our valued local suppliers. Our procurement expenditures on local suppliers and vendors in 2023 to 2025 are detailed in the table below.

Sustainable Supply Chain Engagement				
Indicator	**Unit**	**2023**	**2024**	**2025**
Spending on Local Suppliers	%	99	98	99

ENVIRONMENTAL

Ta Ann Group remains committed to environmental sustainability requirements in each of the industries we operate in. As part of the ongoing exercise to develop sustainable value, the following are the environmental initiatives which we have rolled out in both our timber and oil palm divisions.

Energy, Emissions & Water Saving & Management Initiatives

The Board oversees the Group's climate-related risks and opportunities. We have appointed a person-in-charge of environmental at every mill and plantation to make sure our green policies are actually followed on the ground.

As a highlight in 2026, the Group formalised its commitment to high-level accountability by signing a MOU with the NREB. This ceremony signifies a formal collaboration to strengthen environmental governance through structured ECA. This initiative ensures our operations remain proactive, transparent, and fully aligned with Sarawak's environmental laws and evolving ESG expectations.

ENVIRONMENTAL (cont'd)

Energy, Emissions & Water Saving & Management Initiatives (cont'd)

Ta Ann Group identifies climate change as a material factor influencing the long-term viability of our principal business segments. Our strategy focuses on "Cleaner and Sustainable Growth" by evaluating our operations in both oil palm plantations and palm oil mills to optimise energy efficiency, reduce power consumption and lower our carbon footprint. We identify these through two lenses:

- ***Physical Risks*** - Managing water scarcity (rainwater harvesting) and peatland stability (water gates) to prevent wildfires and crop loss.
- ***Transition Risks*** - Adhering to tightening emissions regulations (Methane Gas Trap/ESP) and volatile fossil fuel prices (biofuel transition).

We operate under a zero burning and an environment management practices to comply with the regulations.

Energy Transition and Biofuels - To mitigate the risk of volatile fossil fuel prices, we utilise palm kernel shells as biofuel to generate energy. This is complemented by solar power installations as renewable energy at security posts, production sites, log ponds, stores and housing areas. Regular inspections have been conducted to ensure the solar panels are functioning well. We also constantly monitor renewable energy to help reduce operating costs and minimise GHG emissions.

Emission Abatement - To address tightening regulations, the Group has installed Methane Gas Trap to mitigate the release of methane into the atmosphere in one of our palm oil mills. Additionally, we have made a substantial investment in Electrostatic Precipitator (ESP) in both our plywood mill and palm oil mills. This advanced technology, plays a crucial role in effectively removing fine particulate matter using electrostatic forces, ensuring high-efficiency particulate removal with minimal impact on gas flow. We have adopted the UK Government GHG Conversion Factors for Company Reporting for emissions measurement and reporting.

Energy and Water Consumption				
Indicator	**Unit**	**2023**	**2024**	**2025**
Energy Consumption	Gigajoules (GJ)	210,607	197,500	214,100
Water Used	Megalitres (ML)	12	9	17
Water from Water Treatment Plant	Megalitres (ML)	2,073	2,460	2,411

ENVIRONMENTAL (cont'd)

Energy, Emissions & Water Saving & Management Initiatives (cont'd)

Emissions Management			
Indicator	**Unit**	**2024**	**2025**
i. Scope 1 Emissions	Metric Tonnes of Carbon Dioxide Equivalent (tCO2e)	34,000	27,000
ii. Scope 2 Emissions	Metric Tonnes of Carbon Dioxide Equivalent (tCO2e)	3,800	4,800
iii. Scope 3 Emissions*	Metric Tonnes of Carbon Dioxide Equivalent (tCO2e)	34	49

** Included Business Travel and Employee Commuting of employees in Headquarter Office*
** Excluded site employees, as they reside in on-site quarters. Insignificant in the overall context*

The Group manages climate-related physical and transition risks through and integrated framework of environmental stewardship and external validation:

- ***Environmental Compliance Audits (ECA)*** - Moving into 2026, our risk management will be further bolstered by the NREB MOU, which introduces structured assessments of waste management, emissions handling, and land-use protection. This provides independent verification of our SOPs and permit adherence.

- ***Water and Peatland Resilience*** - We address water scarcity through Rainwater Harvesting and dedicated Water Treatment Plants. Rainwater collection tanks are installed at strategic locations to collect rainwater for domestic use and cleaning purposes. While, water treatment plants are set up in our palm oil mills to supply treated water for boiler consumption.

  In our swampy peat plantations, the use of Water Gates allows us to maintain optimal water table levels, mitigating the physical risk of fires, rain shortfall and the transition risk of carbon emissions from peat oxidation.

- ***Ecosystem Resilience*** - Our Riparian Zones act as natural filters for soil erosion. This is a conservation area whereby no activities shall be conducted or any flora and fauna disturbed. This zone also controls soil erosion and filters water flows from plantations to nearby waterways, ensuring that fertilisers and chemicals used in our operations do not pollute the environment.

- ***Strict Monitoring of Water from the Final Discharge Point*** - Palm Oil Mill Effluent (POME) treatment process in our palm oil mills is well monitored up to the point of final discharge. Water quality from upstream and downstream is also strictly monitored to ensure compliance with the license conditions and avoid negative impacts on natural water resources.

ENVIRONMENTAL (cont'd)

Energy, Emissions & Water Saving & Management Initiatives (cont'd)

Ta Ann Group strives to ensure the stability of the ecosystem of our oil palm plantations and palm oil mills, thus ensuring that the surrounding environment is not affected by our activities. In addition to continuously improving operational efficiency, Ta Ann Group is committed to adopting long-term sustainable practices, with particular emphasis on the following measures to mitigate any adverse impacts to the ecosystem.

- ***Integrated Pest Management*** - A sustainable and integrated system of managing pests involving a combination of cultural, biological and chemical measures. This provides the most cost effective, environmentally sound and socially acceptable method of managing diseases and insects in our oil palm plantations.

- ***Fire & Haze Commitment*** - Enforcement of the zero burning practices at our operational sites. This complies legally with NREB and DOE requirements, ensuring that our operations do not affect or reduce air quality for the communities surrounding us. This also acts as a critical mitigation strategy against the physical risk of wildfires and the reputational risk associated with air quality degradation.

- ***Climate-Resilient Fertiliser Management*** - Utilising cut palm fronds and Empty Fruit Bunches (EFB) for soil mulching. This circular approach returns nutrients to the soil, thus decreasing reliance on the use of inorganic fertilisers. Organic soil conditioners are used to improve soil structure by increasing aeration and water holding capacity. They help to break down compacted soils that lack sufficient space for air and water, both of which are important for microbial reproduction and plant root growth, which help our crops withstand potential rain shortfalls and extreme heat.

- ***Environmental Monitoring Report*** - Appointment of external consultants to monitor environmental impacts resulting from our oil palm plantations' activities on a quarterly basis in line with environmental approval conditions.

Ta Ann's environmental management and protection efforts are empowered through the appointment of an Environmental Person-in-Charge at all sites to ensure standards are met and maintained. An Environmental Committee has also been established to conduct regular inspections, meetings and trainings to instill awareness in our employees. In our efforts to conserve biodiversity, we practise the highest level of compliance with all relevant laws pertaining to the protection, conservation and rehabilitation of the environment.

Waste Management

The Board oversees the Group's waste management and resource recovery strategies as part of our broader climate resilience framework. To ensure full compliance with the DOE requirements, we have established SOPs for waste handling and disposal, including the safe transportation and disposal of Scheduled Waste (SW). This covers palm oil milling and timber operations within the Group where waste and effluent are generated.

ENVIRONMENTAL (cont'd)

Waste Management (cont'd)

Waste Management is identified as a material matter due to its dual nature:

- ***Transition Risk*** - Significant regulatory and legal risks (DOE/NREB compliance) and increasing disposal costs.

- ***Strategic Opportunity*** - Potential for revenue generation through the circular economy and climate change mitigation via renewable energy.

- ***Stakeholder Influence*** - Proper waste and effluent management are critical to maintaining our social license to operate and meeting the environmental expectations of our investors and local communities.

The Group employs rigorous controls to manage the environmental and legal risks associated with waste:

- ***Circular Economy and Revenue Generation*** - We recognise the significant potential in recovering and reusing palm oil milling by-products. By converting biomass and palm kernel shells into marketable products, we not only divert waste from landfills but also generate additional revenue streams for the Group.

- ***Climate Change Mitigation*** - Our green initiatives are fundamental to our efforts to combat climate change. By repurposing organic waste as green energy (biofuel) for our boilers, we reduce our dependency on fossils fuels and lower the Group's overall carbon intensity.

- ***Operational Resilience*** - Our Palm Oil Mill Effluent (POME), undergoes anaerobic and aerobic degradation processes before discharge, forming a critical strategy to mitigate regulatory fines and ensure that our liquid waste discharge meets local environmental standards and minimise adverse environmental impacts.

- ***Scheduled Waste (SW) Integrity*** - We ensure full compliance with our established SOPs for waste handling and disposal. Our sites are equipped with SW storage facilities, and we engage DOE-licensed contractors to transport and dispose of SW safely, ensuring a traceable and compliant supply chain.

- ***Environmental Oversight and Compliance (NREB MOU)*** - In 2026, our waste handling procedures will be subject to structured ECA under our MOU with the NREB. This collaboration enhances our transparency in waste documentation and reporting.

Waste Management			
Indicator	**Unit**	**2024**	**2025**
i. Total Waste Diverted From Disposal	Metric Tonnes (Mt)	80,000	75,000
ii. Total Waste Directed To Disposal	Metric Tonnes (Mt)	172,000	206,000
Total Waste Generated	**Metric Tonnes (Mt)**	**252,000**	**281,000**