



**HAP SENG
PLANTATIONS**

Creating
Value
Together



**ANNUAL
REPORT 2025**

HAP SENG PLANTATIONS
HOLDINGS BERHAD



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Mohammed Bin Haji Che Hussein
Independent Non-Executive Chairman

Datuk Simon Shim Kong Yip, JP
Non-Independent Non-Executive Deputy Chairman

Datuk Edward Lee Ming Foo, JP
Group Managing Director

Cheah Yee Leng
Executive Director

Au Yong Siew Fah
Executive Director

Chong Kwea Seng
Independent Non-Executive Director

Choy Khai Choon
Independent Non-Executive Director

Tan Sri Amirsham Bin A Aziz
Independent Non-Executive Director

Datuk Hamisa Binti Samat
Independent Non-Executive Director

COMPANY SECRETARIES

Cheah Yee Leng (LS 0009398)
SSM Practising Certificate No. 202008000771

Lim Guan Nee (MAICSA 7009321)
SSM Practising Certificate No. 202008003410

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Lot 3A.01, Level 3A
Plaza Shell, 29 Jalan Tunku Abdul Rahman
88000 Kota Kinabalu, Sabah

REGISTERED OFFICE

21st Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur
Tel : 603-2172 5228
Fax : 603-2172 5286
E-mail : inquiry@hapseng.com
Website: www.hapsengplantations.com.my

PLACE OF INCORPORATION

Malaysia

PRINCIPAL BANKER

Malayan Banking Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Email: is.enquiry@vistra.com

GROUP

Hap Seng Plantations Holdings Berhad together with its subsidiaries

GROUP FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED 31 DECEMBER				
	2025	2024	2023	2022	2021
INCOME (RM'000)					
Revenue	702,399	752,448	667,835	814,554	670,851
Profit before interest and tax	161,801	266,857	119,516	264,902	291,458
Profit before tax	162,319	267,777	120,248	263,973	290,260
Profit attributable to owners of the Company	124,863	204,638	91,369	210,315	224,023
FINANCIAL POSITION (RM'000)					
Assets					
Total assets	2,636,888	2,595,691	2,427,046	2,420,529	2,369,302
Net assets	2,127,808	2,102,906	1,952,647	1,929,251	1,882,871
Current assets	889,799	873,634	693,042	688,296	658,732
Liabilities					
Current liabilities	81,165	67,764	54,534	71,374	64,357
Equity					
Paid-up share capital	1,475,578	1,475,578	1,475,578	1,475,578	1,475,578
Shareholders' equity	2,127,808	2,102,906	1,952,647	1,929,251	1,882,871
Number of shares ('000)*					
Weighted average shares in issue	799,685	799,685	799,685	799,685	799,685
Shares in issue	799,685	799,685	799,685	799,685	799,685
FINANCIAL RATIOS					
Return on total assets (%)	4.74	7.88	3.76	8.69	9.46
Return on shareholders' equity (%)	5.87	9.73	4.68	10.90	11.90
Current ratio (times)	10.96	12.89	12.71	9.64	10.24
SHARE INFORMATION					
Per share					
Basic earnings (sen)#	15.61	25.59	11.43	26.30	28.01
Net assets (RM)@	2.66	2.63	2.44	2.41	2.35
Dividend (sen)	7.60	12.50	6.80	12.00	17.00
Share price (RM)					
Year high	2.27	2.30	2.16	3.50	2.28
Year low	1.70	1.63	1.68	1.80	1.69
As at 31 December	2.17	1.99	1.72	1.94	1.97
Market capitalisation (RM'000)	1,735,317	1,591,374	1,375,459	1,551,389	1,575,379
Trading volume ('000)	111,025	4,409	89,556	289,350	23,169

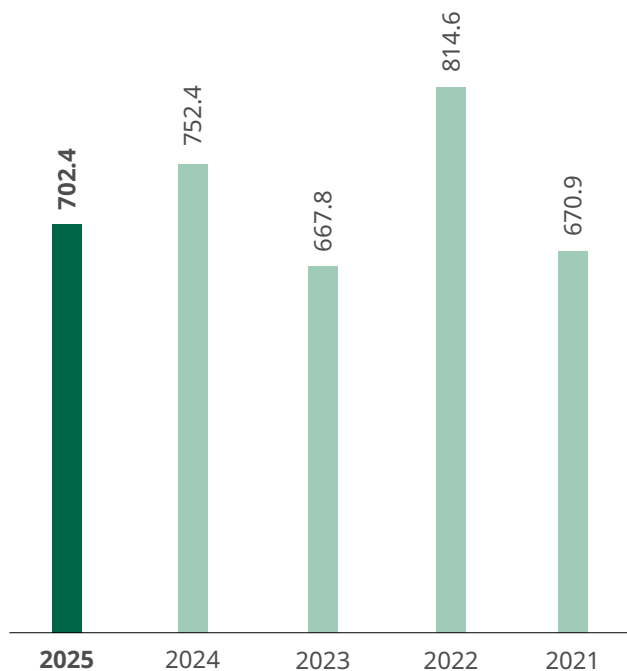
* Net of treasury shares

Based on weighted average number of shares in issue net of treasury shares

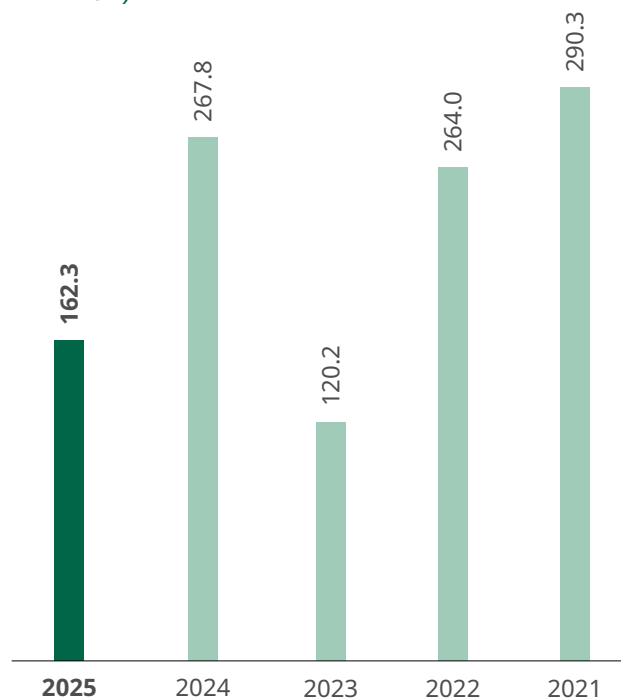
@ Based on number of shares in issue net of treasury shares

GROUP FINANCIAL HIGHLIGHTS

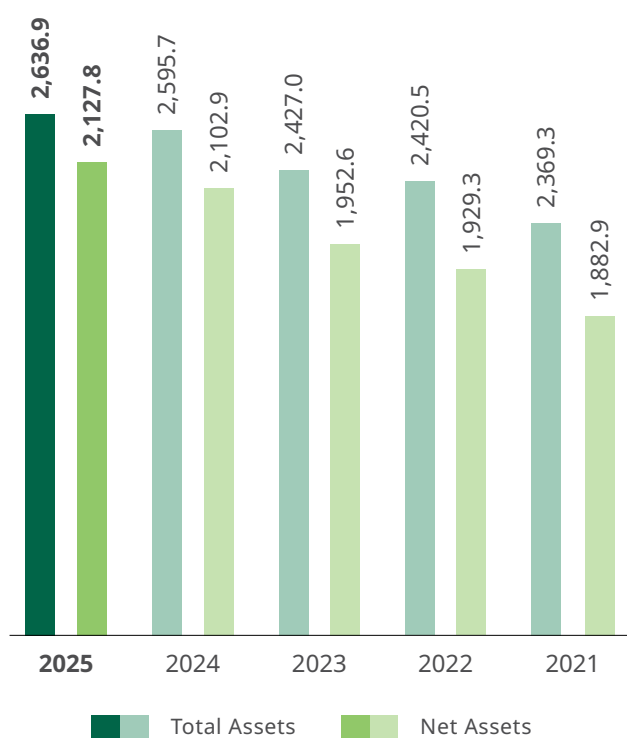
REVENUE (RM'million)



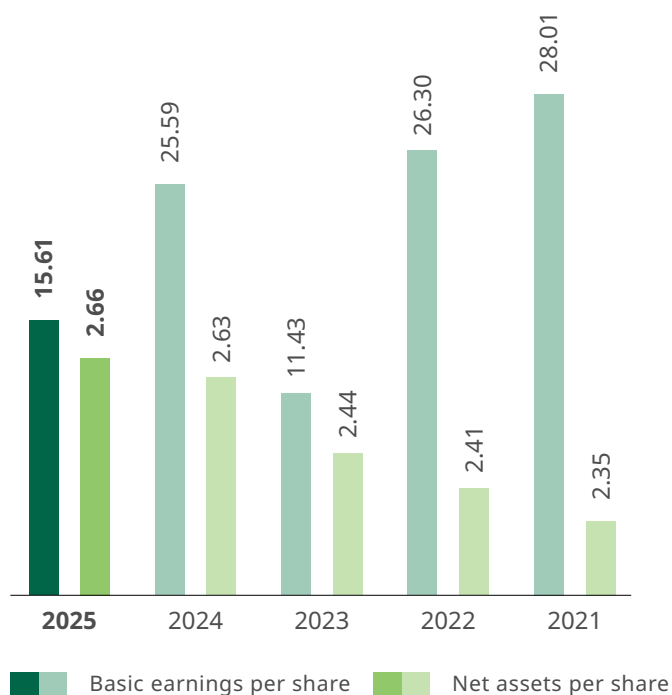
PROFIT BEFORE TAX (RM'million)



TOTAL ASSETS/NET ASSETS (RM'million)



BASIC EARNINGS PER SHARE/ NET ASSETS PER SHARE (sen)/(RM)



MANAGEMENT DISCUSSION & ANALYSIS



Bukit Mas Palm Oil Mill

INTRODUCTION

The Group is an oil palm plantation company listed on Bursa Malaysia. The Group is one of the largest producers of sustainable palm oil in Sabah, holding a total landbank of 39,655 hectares across five estates. These comprises the Jeroco Group of Estates (JGOE), Tomanggong Group of Estates (TMGOE), Sungai Segama Group of Estates (SSGOE), Ladang Kawa Estate, Pelipikan and Kota Marudu Estates, with JGOE, TMGOE and SSGOE being contiguous to each other in Lahad Datu. The Group also owns and operates four Roundtable on Sustainable Palm Oil (RSPO) certified palm oil mills.

MARKET CONDITION

In 2025, national Crude Palm Oil (CPO) production rose modestly to 20.3 million tonnes, an increase of 4.9% from 2024's 19.3 million tonnes. Total palm oil exports in 2025 were 15.3 million tonnes, down 9.5% from 16.9 million tonnes in 2024, with competition from alternative vegetable oils contributing to the decline. Average CPO price for the year was RM4,293 per tonne (2024: RM4,180 per tonne), with Sabah averaging at RM4,158 per tonne (2024: RM4,234 per tonne).



REVENUE

RM702.4 million



OPERATING PROFIT

RM165.4 million



AVERAGE CPO SELLING PRICE

RM4,445/tonne

MANAGEMENT DISCUSSION & ANALYSIS



MANAGEMENT STRATEGIES



VISION

Our vision is to optimise productivity and to be the most cost-efficient producer in Malaysia.



KEY MARKET

The Group sells its palm products through spot sales and forward contracts. All sales were delivered to refiners within Malaysia.

STRATEGIES IN CREATING VALUE

As a member of the RSPO, the Group is fully committed to sustainability initiatives which are enshrined in the RSPO Principles and Criteria. RSPO has the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

Benefits of certification amongst others are as follow:

- Better access to international markets, especially Europe
- Price premium for certified sustainable palm oil (CSPO)
- Improved compliance with regulatory requirements



2025 FINANCIAL REVIEW

The Group's results for the financial year under review were adversely affected by wet weather, higher labour cost and lower FFB yield. Accordingly, the Group revenue for 2025 declined by 6.6% to RM702.4 million (2024: RM752.4 million).

Operating profit also declined 38.9% to RM165.4 million (2024: RM270.9 million), resulting in a 39.0% decline in earnings per share attributable to owners of 15.61 sen (2024: 25.59 sen).

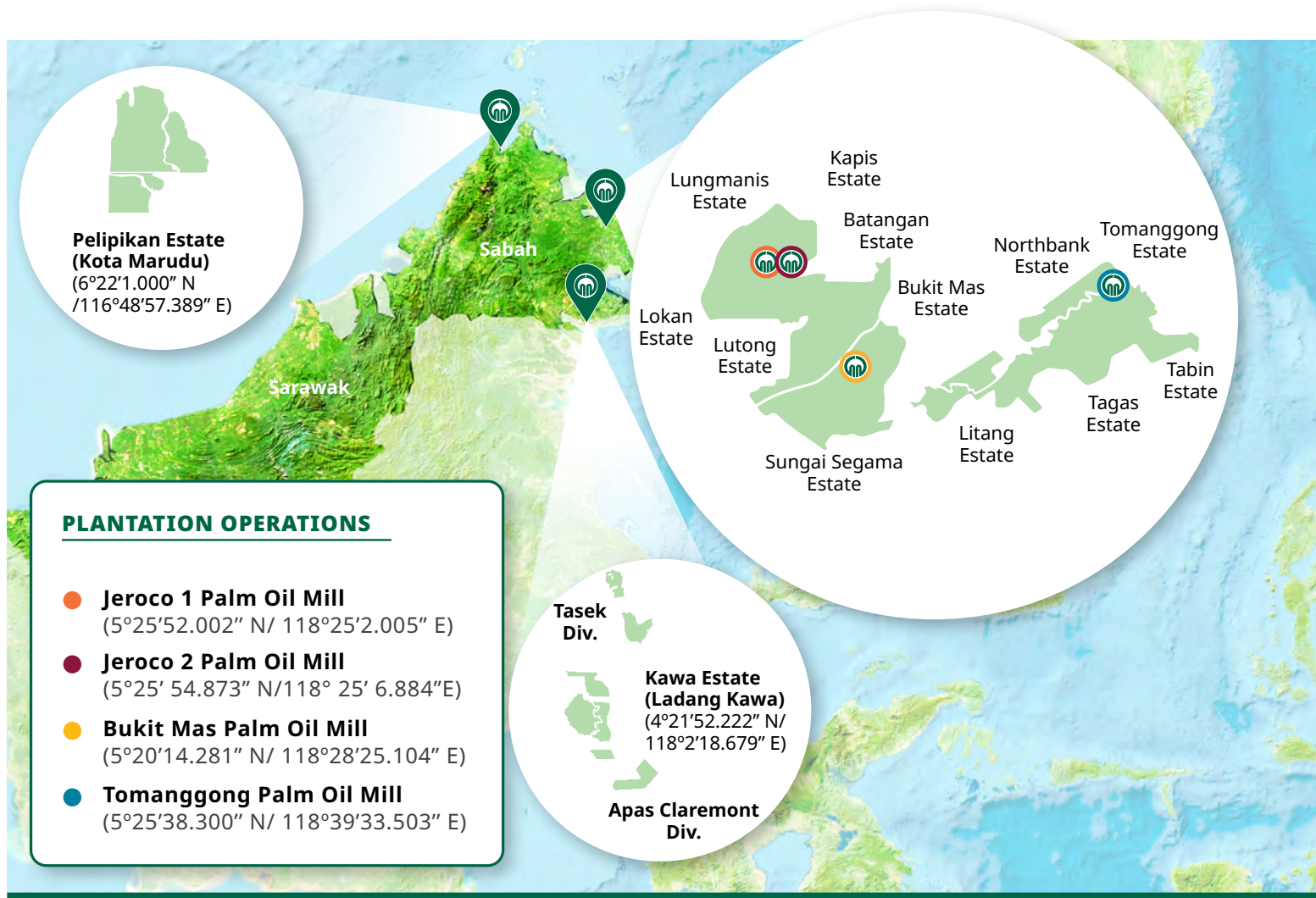
The Group's average realised prices were RM4,445 per tonne for CPO (2024: RM4,309 per tonne) and RM3,534 per tonne for palm kernel (PK) (2024: RM2,810 per tonne). These averages were above Sabah benchmarks - CPO was 6.9% higher than the Sabah average of RM4,158 per tonne, and PK was 6.7% above the Sabah average of RM3,313 per tonne.

CPO production cost (excluding amortisation of bearer plants and fair value surplus, and after taking into account PK credits) was RM2,477 per tonne (2024: RM2,305 per tonne).

Dividend Policy

The Group has a dividend policy of distributing approximately 60% of the total Group's profit after tax to shareholders annually. The Board declared a total dividend of 7.6 sen per share for FY2025 (2024: 12.5 sen) representing a pay-out ratio of approximately 50%.

MANAGEMENT DISCUSSION & ANALYSIS



OPERATIONAL PERFORMANCE

Planting Operations

As at 31 December 2025, the Group's planted area stood at 35,379 hectares (2024: 34,856 hectares) out of a total landbank of 39,655 hectares. Of the total planted area, approximately 92% or 32,597 hectares (2024: 32,276 hectares) were mature areas, with the average age of 17.3 years (2024: 17.1 years)

	Hectares
Immature	2,782
30 months to 7 years	3,826
> 7 years to 17 years	12,603
> 17 years	16,168
Total planted – oil palm	35,379
Immature – other crops	146
Total planted area	35,525
Reserve plantable	113
Building, road, reserves, etc	4,017
Total Area	39,655



MANAGEMENT DISCUSSION & ANALYSIS

During FY2025, the Group had 2,782 hectares of immature oil palm, of which 816 hectares are expected to reach maturity in 2026. The Group replanted 1,030 hectares during the 2025 financial year.

Area Statement of the Group as of 31 December 2025 was as follows:

	Total Area (hectares)	Planted Area (hectares)	Mature Area (hectares)	Percentage of Mature Area
JGOE ⁽ⁱ⁾	14,117	*12,808	12,722	99.3%
TMGOE ⁽ⁱⁱ⁾	12,806	**11,863	11,423	96.3%
SSGOE ⁽ⁱⁱⁱ⁾	9,907	8,743	6,465	73.9%
Ladang Kawa	652	623	499	80.1%
Pelipikan	1,365	903	903	100.0%
Kota Marudu	***808	585	585	100.0%
Total	39,655	35,525	32,597	91.8%

(i) JGOE refers to Jeroco group of estates

(ii) TMGOE refers to Tomanggong group of estates

(iii) SSGOE refers to Sungai Segama group of estates

* Including 86 hectares planted with Jelutong trees

** Including 60 hectares planted with Sepat trees

*** Including 81 hectares of land adjoining to the existing land of which the land title is currently under application



Milling Operations

The Group's milling operations are undertaken by four mills with a combined milling capacity of 180 FFB tonnes per hour. The Group's mills, which include Jeroco Palm Oil Mill 1, Jeroco Palm Oil Mill 2, Tomanggong Palm Oil Mill and Bukit Mas Palm Oil Mill, recorded an average utilization rate of 63.8% in 2025 (2024: 67.9%).

Sustainability and Food Safety Certification

The Group is committed to utilising certified sustainable FFB in its production processes, regardless of whether they are sourced internally or externally, and targets for 100% RSPO certification by 2028. A revised plan for achieving 100% RSPO-certified sustainable palm oil from 2023 to 2028 was submitted by the RSPO Certification Unit on 28 May 2025 and currently awaiting approval from RSPO.

The Group has obtained Malaysian Sustainable Palm Oil (MSPO) certification for all its 14 estates and four palm oil mills since 2018. In addition, the Group holds RSPO and International Sustainability and Carbon Certification EU (ISCC EU) certifications for all its palm oil mills and RSPO certification for 81% of its estates.

The Group continues to engage with independent local outgrowers and smallholders to raise sustainability awareness and the benefits associated therewith. In 2025, 11 out of the 13 independent local outgrowers and smallholders (85%) have committed to obtaining the RSPO and MSPO certification. As at 31 December 2025, seven independent local outgrowers and smallholders have obtained both RSPO and MSPO certifications with another four independent local outgrowers and smallholders achieved MSPO certification.



MANAGEMENT DISCUSSION & ANALYSIS

In March 2025, the Group's four palm oil mills attained ISO 45001:2018 certification. This internationally recognized standard is designed to improve employee safety, mitigate workplace risks, and foster safer working environments. Compliance with ISO 45001:2018 will not only strengthen the Group's current safety protocols under Malaysia's Occupational Safety and Health Act (OSHA) 1994 but also ensure alignment with the evolving requirements of the global market.

As part of the Group's effort to improve the palm products' marketability, safety, and quality for food application, all the Group's mills continue to maintain its Hazard Analysis Critical Control Points (HACCP), MeSTI (Makanan Selamat Tanggungjawab Industri) and HALAL certifications.

The commissioning of a fibre mat plant in 2025 marks a significant milestone in the Group's commitment to sustainable waste management and regulatory compliance.

The fibre mat plant delivers clear environmental gains by transforming Jeroco Palm Oil Mill's empty fruit bunch (EFB) waste, which were previously incinerated, into fibre mats. This shift removes the air-emission impact associated with incinerator operations, keeping the mill fully aligned with the Environment Quality (Clean Air) Regulations 2014.

Application of the fibre mats in the field provides environmental protection by stabilising soil and reducing erosion, preventing landslides in vulnerable areas. When used during replanting, the mats retain moisture around young palms, easing water stress and supporting healthier early growth. The mats also act as a natural barrier that suppresses weed growth, reducing the need for chemical or manual weeding. In addition, as fibre mats are lighter than raw EFB, transportation requires less fuel, lowering both cost and carbon emissions.



SHORT & LONG-TERM GOALS

The Group's short-term goal is to achieve higher FFB yield and cost efficiency through best management practices within our plantation operation.

The Group is committed to being a responsible and sustainable palm oil producer, in full compliance with internationally recognised agricultural sustainability standards. It aims to expand market access by delivering premium quality palm oil that consistently meets buyer specifications and regulatory requirements. The Group's RSPO, HACCP, MSPO, ISCC EU, HALAL and MeSTI certifications are a testament to this commitment.



ANTICIPATED OR KNOWN RISKS

CPO and PK prices are important factors in determining the Group's profitability. The Group monitors CPO and PK price movements and contracts to sell at the right opportunity time, with most sale contracts being spot sales.

The plantation industry is regularly confronted with escalating production costs, including higher input material expenses and increased minimum wage requirements. This cost pressure is heightened with the current geopolitical conflict in the Middle East, particularly for fertilizer and diesel. To address these challenges, the Group consistently pursues operational efficiency improvements. These includes mechanizing certain works, such as the use of drones for fertiliser application and chemical spraying, which enhances accuracy, reduces labour dependency, and improves

MANAGEMENT DISCUSSION & ANALYSIS



field coverage. The Group's two biogas plant reduces the dependency on diesel to generate electricity. The upcoming biogas plant in Tomanggong Palm Oil Mill in 2026 will further reduce diesel consumption for the Group.

The Group is also adopting fibre mats during replanting to lower transportation cost and introducing lighter harvesting poles to improve harvester productivity and reduce fatigue. In addition, major input materials are procured through competitive tenders to secure the best pricing and ensure disciplined cost control across all centres.

Adverse weather conditions continue to pose a threat to the production of palm oil by potentially affecting the oil palm and disrupting field operations. The Group remains vigilant to such conditions and implements measures to mitigate potential impacts on both the trees and overall operations.

Occupational safety and health of all its employees remain a central priority for the Group. It regularly seeks to strengthen its health and safety procedures and protocol with guidance from the Department of Occupational Safety and Health. The Group has also strengthened its safety protocols in all its mills with the attainment of the ISO 45001:2018 certification.

Highlights of Group Financial information for the past 5 financial years

Financial Year	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue (RM'000)	670,851	814,554	667,835	752,448	702,399
Profit before tax (RM'000)	290,260	263,973	120,248	267,777	162,319
Profit attributable to owners of the Company (RM'000)	224,023	210,315	91,369	204,638	124,863
Earnings per share (sen)	28.01	26.30	11.43	25.59	15.61

OUTLOOK FOR 2026

The Group's prospect mostly depends on the domestic and global macroeconomic factors that affect the palm oil market, weather conditions in major countries producing oil seeds, government policy on biodiesel and the seasonal cropping pattern of FFB.

National palm oil production for 2026 is likely to ease to between 19.6 million to 19.8 million tonnes, from a historic high of 20.3 million tonnes in 2025, due to a tree-resting cycle following a period of high yield. In 2026, palm oil exports for 2026 are projected to rise to between 15.8 million and 16.8 million tonnes from 15.3 million tonnes in 2025 on the back of lower export of palm oil from Indonesia due to their biodiesel mandate. Nevertheless, Malaysia producers will likely continue to face competition from competing vegetable oils.

The ongoing geopolitical conflict in the Middle East, which has the potential to disrupt trade flows and drive up global fertilizer and energy prices, introduces additional uncertainties into the palm oil market and may influence the direction of CPO prices.

ACKNOWLEDGMENT

The Company would like to express its gratitude and thanks to its Board of Directors and shareholders for their guidance and continuing support. The Company would like to extend its gratitude to Mr. Chong Kwea Seng, who will retire as an independent non-executive director of the Company at the conclusion of 19th annual general meeting to be held on 25 May 2026, having served on the board for a cumulative term of almost nine years. The Company would also like to thank the management and all staff for their significant contributions over the years. The Company further acknowledges the support given to the Group from the authorities, its bankers, business partners, clients, customers and suppliers.



BOARD OF DIRECTORS



▶ Front row - Standing from left to right

1 Cheah Yee Leng
Executive Director

2 Datuk Simon Shim Kong Yip, JP
Non-Independent
Non-Executive
Deputy Chairman

3 Dato' Mohammed Bin Haji Che Hussein
Independent Non-Executive
Chairman

4 Datuk Edward Lee Ming Foo, JP
Group Managing Director

5 Au Yong Siew Fah
Executive Director

▶ Back row - Standing from left to right

6 Datuk Hamisa Binti Samat
Independent Non-Executive
Director

7 Choy Khai Choon
Independent Non-Executive
Director

8 Chong Kwea Seng
Independent Non-Executive
Director

9 Tan Sri Amirsham Bin A Aziz
Independent Non-Executive
Director

DIRECTORS' PROFILE



Dato' Mohammed Bin Haji Che Hussein, male, a Malaysian, aged 75, is an independent non-executive chairman of Hap Seng Plantations Holdings Berhad and was appointed to this position on 31 May 2019. He is also a member of the Audit Committee, Remuneration Committee and Nominating Committee.

Dato' Mohammed Hussein is also the independent non-executive chairman of Credit Guarantee Corporation Malaysia Berhad.

Dato' Mohammed Hussein obtained a Bachelor of Commerce degree majoring in Accounting from the University of Newcastle, New South Wales, Australia. He is an alumnus of the Advanced Management Program, Harvard Business School, Boston, USA and attended several management programmes in Wharton Business School (Philadelphia, USA), IMD (Lausanne, Switzerland) and INSEAD (Fontainebleau, France). He is also a Fellow of the Asian Institute of Chartered Bankers and a Professor of Practice at The International Center for Education in Islamic Finance (INCEIF) University, Kuala Lumpur.

During his 31-year career in the Malayan Banking Berhad (Maybank) Group, Dato' Mohammed Hussein held various senior management positions including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (currently known as Maybank Investment Bank Berhad) and Executive Director (Business Group). The last position held prior to his retirement on 30 January 2008 was Deputy President/Executive Director/Chief Financial Officer of Maybank Group.

Dato' Mohammed Hussein does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE



Datuk Simon Shim Kong Yip, JP

Non-Independent Non-Executive Deputy Chairman

Datuk Simon Shim Kong Yip, JP, male, a Malaysian, aged 69, is a non-independent non-executive deputy chairman of Hap Seng Plantations Holdings Berhad. He was first appointed as a non-independent non-executive director on 9 August 2007 and became the deputy chairman on 23 February 2015. He is also a member of the Nominating Committee and Remuneration Committee.

In addition, Datuk Simon Shim is a non-independent non-executive director of Hap Seng Consolidated Berhad. He is also a non-independent non-executive director of Lam Soon (Thailand) Public Company Limited, a company listed on the Stock Exchange of Thailand.

Datuk Simon Shim is a director of Lei Shing Hong Securities Limited, a company registered with the Securities and Futures Commission Hong Kong, is a wholly-owned subsidiary of Lei Shing Hong Limited, a company incorporated in Hong Kong. He was also appointed as the business advisor of Lei Shing Hong Group on 1 September 2022.

Datuk Simon Shim is the managing partner of Messrs Shim Pang & Co. He holds a Master Degree in law from University College London, London University and is a Barrister-at-law of the Lincoln's Inn, London, an Advocate and Solicitor of the High Court in Sabah and Sarawak, a Notary Public and a Justice of the Peace in Sabah. He is a Chartered Arbitrator and a Fellow of both the Chartered Institute of Arbitrators, United Kingdom and the Malaysian Institute of Arbitrators. He was a member of the Malaysian Corporate Law Reform Committee and its working group on Corporate Governance and Shareholders' Rights.

Datuk Simon Shim does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries save for the recurrent related party transactions disclosed in Note 23 to the Financial Statements. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended three out of five board meetings held during the financial year ended 31 December 2025.



Datuk Edward Lee Ming Foo, JP

Group Managing Director

Datuk Edward Lee Ming Foo, JP, male, a Malaysian, aged 71, is the group managing director of Hap Seng Plantations Holdings Berhad. He was first appointed to the board on 15 May 2007 as an executive director and assumed the current position since 18 September 2007.

In addition, Datuk Edward Lee is the managing director of Gek Poh (Holdings) Sdn Bhd and group managing director of Hap Seng Consolidated Berhad (HSCB), the former being the Company's ultimate holding company and the latter being the Company's immediate holding company which is listed on the Main Market of Bursa Malaysia Securities Berhad. Datuk Edward Lee is also a non-independent non-executive director of Hafary Holdings Limited, a company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

Datuk Edward Lee graduated with a degree in Bachelor of Arts from the McMaster University in Canada in 1977. He joined the Malaysian Mosaics Sdn Bhd (formerly Malaysian Mosaics Berhad) group of companies in 1980, became the group chief operating officer in 1995 and was the managing director from 31 March 2005 to 31 January 2007.

Datuk Edward Lee does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries save for the recurrent related party transactions disclosed in Note 23 to the Financial Statements. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE



Cheah Yee Leng

Executive Director

Cheah Yee Leng, female, a Malaysian, aged 57, is an executive director of Hap Seng Plantations Holdings Berhad (HSP) and was appointed to this position on 1 March 2016. She is also the Group Company Secretary of HSP.

In addition, Ms. Cheah is a non-independent non-executive director of Paos Holdings Berhad and Hafary Holdings Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

Ms. Cheah joined Hap Seng Consolidated Berhad (HSCB) group of companies in 1997 and was appointed as an executive director on 1 June 2014. She is presently the Director of Corporate Affairs and the Legal Counsel of HSCB Group.

Ms. Cheah holds a Bachelor of Laws Degree and Bachelor of Economics Degree from Monash University in Australia.

Ms. Cheah does not have any family relationship with any director and/or major shareholder nor does she have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. She has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on her by the relevant regulatory bodies during the financial year ended 31 December 2025.

She attended all five board meetings held during the financial year ended 31 December 2025.



Au Yong Siew Fah

Executive Director

Au Yong Siew Fah, male, a Malaysian, aged 75, is an executive director of Hap Seng Plantations Holdings Berhad and was appointed to this position on 31 July 2007.

Mr. Au Yong has more than 56 years of extensive experience in all aspects of management of large plantations for major crops. He started his career as a cadet planter with Yule Catto Plantations Sdn Bhd in Kluang, Johor in 1969 after attending the Royal Military College.

Mr. Au Yong obtained the Diploma of the Associate of Incorporated Society of Planters in 1974. He is one of the founding members of the Malaysian Palm Oil Association (MPOA) and is presently the vice-chairman. He served as a member of the Malaysian Palm Oil Board (MPOB) during the years from 2008 to 2018.

Mr. Au Yong does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE



Chong Kwea Seng, male, a Malaysian, aged 71, is an independent non-executive director of Hap Seng Plantations Holdings Berhad and was appointed to this position on 1 June 2017. He is also the chairman of the Nominating Committee.

In addition, Mr. Chong is an independent non-executive director of MeGroup Ltd, a company incorporated in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited.

Mr. Chong had held various senior management positions since he commenced employment in 1978. In 2002, he was promoted to sales director before his appointment as Managing Director of Sime Darby Industrial Sdn Bhd (SDI) (previously known as Tractors Malaysia (1982) Sdn Bhd) in July 2006. In July 2006, he was also appointed as the Managing Director of China Engineers Ltd, Sime Darby's Caterpillar Dealer in Hong Kong and China. His global experience gave him an outstanding opportunity to interact with world class principals from USA, Japan and Europe as he was involved in chairing many of these successful joint venture companies with SDI. The two stints as the chief executive officer in China also gave him a unique opportunity to witness the business growth of unprecedented proportions and dealt with the associated challenges. During the span of his career, he had won numerous recognitions and awards including Caterpillar's inaugural Global Excellence Award in 2015.

Mr. Chong holds a Bachelor of Science in Mechanical Engineering with First Class Honours from Heriott-Watt University, United Kingdom and Diploma in Mechanical Engineering with First Class Honours from University Teknologi Malaysia.

Mr. Chong does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.



Choy Khai Choon, male, a Malaysian, aged 68, is an independent non-executive director of Hap Seng Plantations Holdings Berhad and was appointed to this position on 20 November 2017. He is also the chairman of the Remuneration Committee and a member of the Audit Committee.

Mr. Choy is the non-independent non-executive chairman of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad and Kenanga Investors Berhad, a wholly-owned subsidiary of Kenanga Investment Bank Berhad (Kenanga Investment). He is also a non-independent non-executive director of Kenanga Investment. In addition, Mr. Choy is also a board member of Asian Banking School Sdn Bhd and Bond and Sukuk Information Platform Sdn Bhd, a non-profit information platform established to provide free public access to information on bonds and sukuk issued in Malaysia, as well as the chairman of Labuan IBFC Incorporated Sdn Bhd and a member of the Labuan Financial Services Authority (Labuan FSA).

Mr. Choy has extensive experience in the financial sector and had served as the president/chief executive officer of Cagamas Berhad for six years before retiring in March 2012. Prior to that, he was the senior general manager, Head of Group Business Engineering of RHB Banking Group and held various senior positions with Aviva Insurance Group and Credit Corporation Malaysia Berhad.

Mr. Choy holds a Master in Business Administration from Oklahoma City University, USA and Bachelor of Commerce from University of New South Wales, Australia. He also attended general management programme at INSEAD, France. In addition, he is a Fellow of the Certified Practising Accountants Australia and member of the Malaysian Institute of Accountants.

Mr. Choy does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE



Tan Sri Amirsham Bin A Aziz

Independent Non-Executive Director

Tan Sri Amirsham Bin A Aziz, male, a Malaysian, aged 75, is an independent non-executive director of Hap Seng Plantations Holdings Berhad (HSP) and was appointed to this position on 5 July 2019. He is also the chairman of the Audit Committee.

Tan Sri Amirsham is a non-executive director of Wearnes-StarChase Limited, a company incorporated in Singapore. In addition, he is an independent non-executive chairman of Sunway REIT Management Sdn Bhd which manages Sunway Real Estate Investment Trust, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad.

Tan Sri Amirsham holds degree in Bachelor of Economics (Hons) from University of Malaya. He is a member of the Malaysian Institute of Certified Public Accountants.

Tan Sri Amirsham was the president and chief executive officer of Malayan Banking Berhad from 1994 to 2008 before assuming the position as a minister in Prime Minister's Department in charge of the Economic Planning Unit and Department of Statistics from March 2008 to April 2009. On 1 June 2009, he was appointed as the chairman of the National Economic Advisory Council which he served until 31 May 2011. In addition, he served as the independent non-executive chairman of Bursa Malaysia Berhad from 1 March 2015 to 1 March 2019.

Tan Sri Amirsham does not have any family relationship with any director and/or major shareholder. Tan Sri Amirsham is a director of Glenealy Plantation Sdn Bhd, a plantation company having competing business with HSP and its subsidiaries. In addition, he is also the chairman of Alliance Bank Malaysia Berhad. He has abstained from all deliberations and/or voting on banking facilities relating to HSP Group and Hap Seng Consolidated Berhad Group, the Company's immediate holding company. Save as disclosed above, Tan Sri Amirsham does not have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five board meetings held during the financial year ended 31 December 2025.



Datuk Hamisa Binti Samat

Independent Non-Executive Director

Datuk Hamisa Binti Samat, female, a Malaysian, aged 76, is an independent non-executive director of Hap Seng Plantations Holdings Berhad (HSP) and was appointed to this position on 26 August 2024. Prior to this, she was a non-independent non-executive director of HSP from 1 June 2021 to 25 August 2024.

Datuk Hamisa started her career as a teacher and was later involved in politics when she was elected as member for Tanjong Batu's Sabah State Legislative from March 2004 until September 2020. She is an active member of several charitable women interest non-governmental organizations and is presently, the Patron of Kelab Kesihatan UMAS FELDA, chairlady of Wanita Usia Bandar Tawau and Persatuan Wanita Islam Sabah. Datuk Hamisa was the chairlady of Supernesa Sdn Bhd from 2008 to 2013.

Datuk Hamisa does not have any family relationship with any director and/or major shareholder nor does she have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. She has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on her by the relevant regulatory bodies during the financial year ended 31 December 2025.

She attended all five board meetings held during the financial year ended 31 December 2025.

SENIOR MANAGEMENT TEAM'S PROFILE

Mak Wai Ming

General Manager – Commodity Trading

Mak Wai Ming, male, a Malaysian, aged 62, is the general manager of commodity trading of Hap Seng Plantations Holdings Berhad (HSP) and was redesignated to this position on 1 January 2026.

Mr. Mak joined HSP on 1 November 2007 as general manager of corporate development and was later redesignated as general manager of commodities trading of HSP Group from 1 April 2009 to 31 December 2014. He subsequently served as general manager of finance division from 1 January 2015 to 31 December 2025 before assuming present position.

Mr. Mak is a member of the Chartered Institute of Management Accountants and the Malaysian Institute of Accountants.

Mr. Mak does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

Peter Liew Chi Kiaw

General Manager – Plantation Advisory

Peter Liew Chi Kiaw, male, a Malaysian, aged 74, is the general manager of plantation advisory of Hap Seng Plantations Holdings Berhad (HSP) and was appointed to this position on 1 January 2018. Mr. Peter Liew joined the Company in August 2013 as senior planting advisor before assuming the present position.

Mr. Peter Liew has more than 50 years of work experience in the plantation industry. Prior to him joining HSP, he was with several major plantation companies in Sabah. He has also worked in West Africa and Indonesia as a general manager - planting advisor.

Mr. Peter Liew obtained a Diploma from the Associate of Incorporated Society of Planters.

Mr. Peter Liew does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

SENIOR MANAGEMENT TEAM'S PROFILE

Anselmius @ Robert Kimon

General Manager – Processing

Anselmius @ Robert Kimon, male, a Malaysian, aged 58, is the general manager of the mill processing division of Hap Seng Plantations Holdings Berhad (HSP) and was appointed to this position on 1 January 2015.

Mr. Anselmius joined HSP in August 2003 and was promoted to chief engineer in May 2010. He has more than 30 years of work experience in the palm oil mill industry.

Mr. Anselmius holds a Bachelor of Mechanical Engineering (Hons) degree from University of Technology Malaysia.

Currently, Mr. Anselmius holds 10,000 HSP shares.

Mr. Anselmius does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

Kee Keow Chong

General Manager - Agronomy

Kee Keow Chong, male, a Malaysian, aged 51, is the general manager, agronomy department of Hap Seng Plantations Holdings Berhad and was promoted to this position on 1 January 2018. Mr. Kee joined the Company in April 2014 as chief agronomist before assuming the present position.

Mr. Kee started his career as a research executive with Asiatic Development Berhad in 1999. Thereafter, he joined the plantation division of IOI Corporation Berhad as an estate assistant manager from 2002 to 2004 and Genting Plantations Berhad as an agronomist from 2004 to 2014.

Mr. Kee holds a Bachelor of Science (Bioindustry) degree from University Putra Malaysia.

Mr. Kee does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

SENIOR MANAGEMENT TEAM'S PROFILE

Gan Lu Yee

Financial Controller - Plantations

Gan Lu Yee, male, a Malaysian, aged 49, is the financial controller of Hap Seng Plantations Holdings Berhad and was appointed to this position on 1 April 2011.

Mr. Gan joined Hap Seng Plantations (River Estates) Sdn Bhd, the wholly-owned subsidiary of the Company in 2004 as account manager before assuming the present position.

Mr. Gan is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

Mr. Gan does not have any family relationship with any director and/or major shareholder nor does he have any conflict of interests or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries. He has not been convicted of any offence, other than traffic offences, in the past five years and no public sanction or penalty was imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This corporate governance overview statement (“CG Statement”) of Hap Seng Plantations Holdings Berhad (“HSP” or the “Company” and “Group” refers to HSP’s group of companies) is prepared pursuant to paragraph 15.25(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“LRs” and “Bursa Securities”), with guidance being drawn from Practice Note 9 of LRs and the Corporate Governance Guide (4th Edition) issued by Bursa Securities.

The CG Statement is supplemented by a corporate governance report (“CG Report”) prepared in accordance with the prescribed format of paragraph 15.25(2) of the LRs. The CG Report is to provide a detailed articulation on the extent to which the Company has complied with the corporate governance practices set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”). The CG Report is available on the Company’s website, www.hapsengplantations.com.my as well as the website of Bursa Securities.

This CG Statement should also be read in conjunction with the other statements in this annual report (e.g. Statement on Risk Management and Internal Control, Reports on Audit, Nominating and Remuneration Committees and Sustainability Statement) as the application of certain corporate governance enumerations may be more succinctly explained in the context of the respective statements.

CORPORATE GOVERNANCE APPROACH

The board of HSP (“Board”) is committed to ensure that the Company remains strong, viable and sustainable to deliver value to both its shareholders and stakeholders. The Board believes that a robust and dynamic corporate governance framework is essential for effective and responsible decision-making at the Company.

The Company’s overall approach to corporate governance is to:

- have the appropriate people, processes and structures to direct and manage the business and affairs of the Company;
- drive the application of good corporate governance practices through the alignment of the interests of shareholders, the stakeholders and the Company; and
- embed sound corporate governance practices into the Company’s broader responsibility to shareholders, customers and the communities in which it operates.

For this purpose, the Board strives to promote meaningful and thoughtful application of good corporate governance practices. Recognizing that improving corporate governance practices is a dynamic and evolving process, the Company will continue to enhance accountability, objectivity and transparency in its operations.

A summary of the Company’s corporate governance practices with reference to the MCCG is described below.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for overseeing the management of the business and affairs of the Group, including the commitment to sustainability, in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has established three board committees, namely the Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) (collectively the “Board Committees”), with clear terms of reference. By engaging closely and actively with the Board, the Board Committees are able to effectively assist the Board in the discharging of its oversight function.

AC	NC	RC
<p>The AC is responsible to support the Board with its oversight role in the areas of financial reporting, related party transactions and conflict of interests, internal control environment, internal audit and external audit as well as the Group’s overall risk management system.</p>	<p>The NC is responsible to recommend candidates to be appointed to the Board, Board Committees and senior management team (“SMT”). The NC will conduct an annual evaluation performance of the Board and the Board Committees as well as to develop succession plans for Board and SMT.</p>	<p>The RC is to set out the Group’s remuneration policy, and to make remuneration recommendations for executive directors, non-executive directors and SMT.</p>

The Board and Board Committees meet regularly to deliberate on matters under their respective purview. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, financial results, risk management status report and sustainability report. Meeting attendance of Board members and members of the various Board Committees during the financial year ended 31 December 2025 is as follows:

Directors	Board	AC	RC	NC
Dato' Mohammed Bin Haji Che Hussein	5/5	5/5	1/1	2/2
Datuk Simon Shim Kong Yip, JP	3/5		1/1	0/2
Datuk Edward Lee Ming Foo, JP	5/5			
Cheah Yee Leng	5/5			
Au Yong Siew Fah	5/5			
Chong Kwea Seng	5/5			2/2
Choy Khai Choon	5/5	5/5	1/1	
Tan Sri Amirsham Bin A Aziz	5/5	5/5		
Datuk Hamisa Binti Samat	5/5			

■ Board/Board Committee Chairman ■ Member

There is a clear demarcation of responsibilities between Board and management of the Group (“Management”). While the Board directs and governs the Management, it does not unduly usurp the operational and implementation role of Management. The chairman is responsible to spearhead the Board (“Chairman”) while the group managing director is responsible for the efficient and effective management and day-to-day operations of the Group (“Group Managing Director”), in accordance with the strategic direction of the Board. The positions of Chairman and Group Managing Director are held by different individuals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has formalised a board charter which delineates the responsibilities of the Board, Board Committees, and their members, including matters that are solely reserved for the Board's decision ("Board Charter"). The Board Charter is periodically reviewed by the Board to ensure it reflects Group's evolving needs. The Board Charter is available on the Company's website.

The fit and proper policy is in place to guide the NC and Board in their review and assessment of suitable candidates that are to be appointed to the Board or its subsidiaries as well as directors who are seeking for re-election.

Mr. Chong Kwea Seng, the senior independent director was appointed to act as a sounding board for the Chairman, address concerns that may be raised by shareholders of the Company and as an intermediary for other directors when necessary.

In discharging its responsibilities, the Board is assisted by two qualified and competent company secretaries who act as counsels on corporate governance matters. The Management always provides directors with adequate and timely information prior to meetings to enable them to make informed decisions.

BOARD COMPOSITION

The Board ensures that it has an appropriate mix of skills, experience and diversity to discharge its role and responsibilities effectively. The Board undertakes a periodic review of its composition to ensure that all skill gaps are filled and to identify areas of weakness for improvement.

The directors strive to harness their knowledge and professional experience to provide diverse perspectives on the Company's business operations and strategies. The expertise possessed by the Management as well as access of directors to external professional experts complement the effective functioning of the Board. The collective skill-set and experience of the Board are illustrated in the following matrix:



The Board is currently made up of five independent non-executive directors, one non-independent non-executive director and three executive directors including a group managing director. The presence of a majority of independent directors allows the Board to apply heightened professional vigilance and challenge the Management in an unbiased manner and prevent dominance and complacency in the boardroom.

The NC assesses the independence of the independent directors annually to ascertain if they display a strong element of impartiality. In conducting this assessment, the dimension of tenure of service is also considered to ensure that the same has not reduced impartiality or resulted in lack of fresh insights. Currently, all the independent non-executive directors have served the Board for less than nine years. During the financial year ending 31 December 2026, Mr. Chong Kwea Seng, having served on the board as an independent non-executive director of the Company for a cumulative term of almost nine years, had expressed his intention to retire as a director at the conclusion of the forthcoming annual general meeting ("AGM").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Presently, the Chairman is a member of the Board Committees. Although the Board acknowledges the perceived or potential risk of self-review by the Chairman assuming membership of the various Board Committees, there is no basis to conclude that such risk has been actualised.

Board appointments are made via a formal, rigorous and transparent process, premised on meritocracy and after taking into account the skills, experience, tenure and diversity needed on the Board in the context of the Company's strategic direction. NC will assess and evaluate whether the candidate fulfills the fit and proper criteria as stated in the fit & proper policy.

In terms of gender diversity, the Board currently comprises two female directors, namely, Ms. Cheah Yee Leng and Datuk Hamisa Binti Samat. The Company continues to encourage mentoring of female employees within the Group. This will eventually expand the female talent pool for potential female candidates to be appointed onto the Board.

The Board, facilitated by the company secretaries, undertake an annual assessment of the effectiveness of both the Board and the Board Committees as well as the individual directors in a formal process. Every director is required to complete the requisite questionnaires and submit the same directly to the company secretaries who will collate the responses and produce a summary report to the NC. The NC will then analyse the report and submit its findings and recommendation to the Board. Such findings would be utilized as the bases for the Board's development needs and in making governance changes.

NC has conducted the fit and proper assessment on the directors who were proposed for re-election in accordance with clause 116 of the Company's constitution at the forthcoming AGM. The retiring directors had also submitted to the Company their fit and proper declaration forms.

REMUNERATION

The Board ensures that a fair level of remuneration is imperative to attract, retain and motivate directors and SMT to manage the Company successfully. The component remuneration packages for executive directors and SMT have been structured to link rewards to corporate and individual performance whilst non-executive directors' remuneration reflects the experience and level of responsibilities undertaken by individual non-executive directors. The remuneration policy and procedures for executive directors, non-executive directors and SMT are available on the Company's website.

AUDIT COMMITTEE

None of the AC members are the former audit partners of the Company. The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions, conflict of interests situations that arises, persists or may arise as well as risk management framework. The AC seeks to benefit from the possession of financial literacy amongst its members complemented with a sound understanding of the business for it to discharge its responsibilities effectively.

The AC has established formal and transparent arrangements to maintain an appropriate relationship with the Company's external auditors. These include policies and procedures to review the suitability and independence of the external auditors. During the year under review, the AC has received written assurance from external auditors confirming that it is and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The external auditors confirmed that throughout the course of audit, they had not discovered any suspected or actual fraud cases. The AC also confirmed that to the best of their knowledge, they had no knowledge of any suspected or actual fraud cases involving the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the year, the AC held two separate independent meetings with the external auditors in the absence of the executive Board members and management representatives during which the external auditors informed the AC that they had received full co-operation from the Management as well as unrestricted access to all information required for purpose of their audit and there were no special audit concerns to be highlighted to the AC.

REVIEW OF BOARD AND BOARD COMMITTEES' POLICIES AND PROCEDURES

The Board reviewed its Board Charter alongside the terms of reference for each of the Board Committees. The information was up-to-date with the revised regulatory expectations as well as the expectations of stakeholders for directors to exercise greater vigilance and skepticism in understanding and shaping the direction of the Company. These authoritative documents serve to guide the governance and conduct of the Board and Board Committees.

The Board reviewed and amended the Company's anti-bribery and corruption policy and whistle-blowing policy, with the view to improve the same.

The Board was satisfied with the evaluation conducted by NC that all members of the Board and Board Committees were suitably qualified to hold their positions having considered amongst their respective academic and professional qualifications, skills, competencies, tenure, experiences, commitment and contribution to the Board and Board Committees.

PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the year under review, directors have continued to attend various training and courses relevant to the discharging of their function as directors of the Company. In-house talks were also organised if required, on topical areas to keep directors updated with the latest developments or changes in the regulatory framework and the like.

Training programmes attended by the Board members during the financial year ended 31 December 2025 are outlined below:

Programme Title	Date
Dato' Mohammed Bin Haji Che Hussein	
Bank Negara Malaysia's Engagement Session with Chairpersons and CEOs of Banking Institutions and Associations in conjunction with the release of AR	24 March 2025
48 th Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Annual Meetings, Muscat	23-24 April 2025
8 th Dubai World Insurance Congress (DWIC) 2025	28-29 April 2025
Ransomware Negotiation Process and Cybersecurity Claims	11 June 2025
37 th Asian Credit Supplementation Institution Confederation (ACSIC) Conference	11-12 November 2025
AI is Reshaping Leadership Conference	2 December 2025
Datuk Simon Shim Kong Yip, JP	
The 42 nd International Symposium on Economic Crime of which Datuk Simon was one of the speakers	31 August-7 September 2025
Datuk Edward Lee Ming Foo, JP	
Tariff and FX Talk	29 July 2025
Budget Update Session – Malaysia Budget 2026 and Finance Bill 2025	25 November 2025
Outlook 2026 Agri Commodities and Energy	26 November 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Programme Title	Date
Cheah Yee Leng	
Training on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2)	16-17 June 2025
Navigating the Impact of Tariff on China-Malaysia Trade	20 June 2025
The Impact of Global Political and Legal Shifts on Doing Business in the Asia-Pacific	10 July 2025
Strategic Oversight in Strategy Implementation – Getting Execution Right at the Board Level	28 July 2025
Au Yong Siew Fah	
Climate Reporting: Implications for Palm Oil Industry by Deloitte Malaysia	11 September 2025
Chong Kwea Seng	
Transfer Pricing 2024 – Evolution or revolution?	18 February 2025
Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now	18 April 2025
Climate First....or Last?	8 September 2025
Choy Khai Choon	
Briefing on e-invoicing	14 March 2025
ASEAN Investment Conference 2025	8-9 April 2025
Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now	18 April 2025
BNM Sasana Symposium 2025	17-18 June 2025
Walkthrough a Climate Risk Stress Testing & Scenario Malaysia	17 June 2025
MyFintech Week 2025	5-7 August 2025
Just Transition for Board Leadership	8 August 2025
Cyber Security Training	3 October 2025
Singapore Fintech Festival	12-14 November 2025
Tan Sri Amirsham Bin A Aziz	
Climate Change and Impact to Our Net Zero Journey	14 May 2025
Stay Ahead of IRB's Evolving Tax Enforcement Strategies	23 May 2025
FIDE Core Program Module A - Bank	30 June-3 July 2025
FIDE Core Program Module B - Bank	14-17 July 2025
Climate First....or Last?	8 September 2025
AI related topic	11 November 2025
Maximising the Value of Advanced Technology for Governance: AI, Blockchain, Crypto & Quantum Computing	10 December 2025
Datuk Hamisa Binti Samat	
Kursus Menembak	25 October 2025
Etiket Pergaulan Wanita Dalam Kehidupan Sosial	9 November 2025
Kursus Jentera	11 November 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUSTAINABILITY

The Board oversees the sustainability strategy of the Group. The Environmental & Sustainability Committee chaired by the Chief Executive-Group Plantations is to assist the Board to achieve the overall effectiveness and adequacy in the management of sustainability and climate-related matters in accordance to the Group Sustainability Framework. Environmental & Sustainability Committee is responsible to oversee the progress on delivering the sustainability commitments and identify future sustainability and climate-related risks and opportunities to the Group. The Environmental & Sustainability Committee is also responsible to align the Group's expectation and business strategy to the sustainability focus areas.

The Board reviewed and approved the sustainability-related key performance indicators ("Sustainability KPIs") of the Group and the 2026 work plan for compliance with regulatory and disclosure requirements. Sustainability KPIs are formulated to enhance accountability and to encourage continuous improvements. The Sustainability KPIs are linked to the remuneration of SMT as recommended by the MCCG.

PROMOTING GOOD BUSINESS CONDUCT

A code of conduct has been put in place to foster an ethical culture and allow legitimate concerns to be raised in confidence without the risk of reprisal ("said Code"). The said Code is reviewed periodically by the Board and published on the Company's website.

The Company has undertaken a group-wide integrity program with the view to instill the value and culture of good corporate behavior among its employees. As part of the said program, the Group has implemented its anti-bribery and corruption policy ("ABC Policy") with which various adequate procedures were introduced pursuant to section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Amendment Act 2018"). This ABC policy, which is available on the Company's website, is to deter and prevent acts of bribery and corruption among employees of and third parties dealing with the Group.

The Company has in place the standalone whistle-blowing policy to promote and maintain high transparency and accountability at the workplace, manage reports of improper conduct in an objective and timely manner, provide protection to the whistle-blower from unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions, provide a transparent and confidential process in dealing with any such whistle-blowing of improper conduct, protect the reputation of the Group and improve and maintain a healthy and productive culture ("Whistle-Blowing Policy"). Any party who believes or has reasonable grounds to believe that improper conduct has occurred or is occurring should report their concerns using the available reporting channels as stated in the Whistle-Blowing Policy. The whistle-blowers and/or their interests will not in any way be implicated or impaired whatever the outcome of the investigation is, so long as the reports have been made in good faith. The Whistle-Blowing Policy is published on the Company's website.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group's strategies and decision-making. The Group's risk management and internal control framework covers not only financial controls but also operational, environmental and compliance controls as well as corporate liability as set out under section 17A of the MACC Amendment Act 2018. The risk management committee of the Group ("RMC") assumes the risk management responsibility, building upon already established structures and mechanisms to implement the processes for identifying, evaluating, monitoring and reporting of risks as well as to take appropriate and timely corrective actions as required. The group managing director assumes the role of chairman of the RMC while the chief executive leads the risk management function of the Group. An annual comprehensive risk management report and a half yearly update on salient changes to the key risk profile are tabled to the AC to facilitate timely assessment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group has an in-house internal audit department (“IA”) which is independent of the activities. The IA provides the AC and the Board with assurance regarding the adequacy and integrity of the system of internal control. The IA adopts a risk-based approach and prepares its audit strategy and plan based on the respective risk profile of the Group. To discharge its functions independently and effectively, the IA has unfettered access to the Group’s records, properties and personnel and most importantly, a direct reporting line to the AC.

COMMUNICATION WITH STAKEHOLDERS

The Board believes in apprising the Company’s stakeholders of all material business events in a timely manner. In this connection, the Board ensures timely announcements of all material transactions to Bursa Securities, which are also made available on the Company’s website. The Company’s website contains recent announcements, past and current reports to shareholders, including summaries of key financial data as well as copies of recent notices and minutes of general meetings. While the Company endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information, as well as the commercial sensitivity of certain information.

CONDUCT OF GENERAL MEETING

The Board recognises the significance of the AGM as a platform for direct and meaningful communication between the Board and the Company’s shareholders. As such, the Board strives to ensure that shareholders are accorded sufficient time to consider the proposed resolutions that will be discussed and decided upon at the AGM.

The notice convening the AGM in 2025 was issued 28 days prior to AGM (“2025 AGM”). This went above and beyond section 316(2) of Companies Act 2016 and paragraph 7.15 of LRs of Bursa Securities which call for a 21-days notice period.

The notice for the 2025 AGM outlined the proposed resolutions to be tabled during the meeting and was accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the 2025 AGM.

The chairs of all the Board Committees were present to facilitate discussion on matters such as audit, nomination and remuneration.

The external auditors, Messrs KPMG PLT, were also present at the 2025 AGM to address queries from shareholders relating to the conduct of the audit and the preparation and content of the auditor’s report.

Before the proposed resolutions were put to a vote, the Chairman opened the floor for questions, all of which were appropriately addressed. All resolutions were voted via electronic poll voting. The poll results were verified by the scrutineer, GovernAce Advisory & Solutions Sdn Bhd and the Chairman declared the resolutions duly passed. The poll results were also announced by the Company to Bursa Securities on the same day after the close of business.

Minutes of the 2025 AGM as well as questions and answers posted by the shareholders and proxies have been made available on the Company’s website at www.hapsengplantations.com.my.

AUDIT COMMITTEE REPORT

Members of the Audit Committee

Tan Sri Amirsham Bin A Aziz	Independent Non-Executive Director – Chairman
Dato' Mohammed Bin Haji Che Hussein	Independent Non-Executive Director
Mr. Choy Khai Choon	Independent Non-Executive Director

Terms of Reference of the Audit Committee

Duties and responsibilities of the Audit Committee are set out in its terms of reference which is published on the Company's website at www.hapsengplantations.com.my.

Meetings

During the financial year ended 31 December 2025, five meetings were held during which all the Audit Committee members were present.

The executive directors and senior executives were invited to all Audit Committee meetings to facilitate direct communication and to provide clarification on financial and audit issues as well as updates on business or operations. The head of the internal audit attended all the quarterly Audit Committee meetings to table and brief the committee members on the internal audit reports.

Summary of Works of the Audit Committee

The works of the Audit Committee during the financial year ended 31 December 2025 are summarised below:

- Reviewed internal audit plan for the financial year to ensure adequate scope and comprehensive coverage which includes review of operational compliance with established control procedures, management efficiency, risk assessment and reliability of financial records.
- Received and reviewed a total of 12 internal audit reports presented by the internal auditors at the quarterly Audit Committee meetings covering the business processes of the Group and was satisfied with the recommendations and actions taken by the management in addressing the issues highlighted.
- Reviewed annual audit plans outlining audit materiality, audit scope, methodology and timing of audit, audit focus areas and proposed fees for the statutory audit services rendered by the external auditors and recommendation of their audit fees to the Board for approval.
- Discussed the annual audited financial statements of the Group with the external auditors and noted the salient features and key findings from the external auditors as well as to ensure that the audited financial statement was drawn up in accordance with the provisions of the Companies Act 2016 and the applicable accounting standards approved by the Malaysian Accounting Standards Board and International Accounting Standards Board.
- Reviewed the annual audited financial statements for recommendation to the Board for approval.
- Noted the key audit matters highlighted by the external auditors as disclosed in the independent auditors' report.
- The Audit Committee held two meetings with the external auditors in the absence of the executive Board members and management representatives. During the meetings, the external auditors informed that they had received full co-operation from the management as well as unrestricted access to all information required for purpose of their audit and there were no special audit concerns to be highlighted to the Audit Committee.

AUDIT COMMITTEE REPORT

- The external auditors also confirmed that during the audit process, they were not aware of any relationships or matters that, in their professional judgment, would impact their independence.
- Reviewed the independence of the external auditors and have received written assurance from the external auditors confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements as well as the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants.
- Reviewed the suitability of the external auditors and was satisfied with the suitability of the external auditors, Messrs KPMG PLT in terms of the quality of audit, performance, competency and sufficiency of resources and recommended to the Board for the reappointment of Messrs KPMG PLT as the external auditors of the Company for the next financial year.
- Reviewed the Group's quarterly unaudited financial results prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting" and chapter 9 of Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements") prior to submission to the Board for consideration and approval where the chairman of the Audit Committee briefed the Board on the pertinent points and the recommendations of the Audit Committee.
- Reviewed and considered the disclosure of related party transactions in the financial statements and the recurrent related party transactions in the circular to shareholders to ensure that such transactions were undertaken on arm's length basis, in the ordinary course of business and on terms not more favourable to the related party than those generally available to the public.
- Reviewed and monitored all the conflict of interests situations ("COI") involving Board and senior management team. This included assessing any transactions that raised concerns regarding management integrity as well as the measures taken to resolve, eliminate or mitigate such conflicts. The potential COI disclosures reported by Tan Sri Amirsham Bin A Aziz is disclosed on page 18 of this annual report. Tan Sri Amirsham Bin A Aziz has undertaken to abstain from deliberation and voting on matters related to this potential COI should it arise.
- Received and reviewed the comprehensive risk management report from the risk management committee of the Group and is satisfied with the assessment thereof.
- Reviewed and recommended to the Board the statement on risk management and internal control for approval and inclusion in the annual report.
- Reviewed assurance statement by internal auditors in relation to sustainability statement.

Summary of Works of the Internal Audit Function

Summary of works of the internal audit function for the financial year ended 31 December 2025 is set out in the Statement on Risk Management and Internal Control on page 39 of this annual report.

NOMINATING COMMITTEE REPORT

Members of the Nominating Committee	
Mr. Chong Kwea Seng	Independent Non-Executive Director – Chairman
Dato’ Mohammed Bin Haji Che Hussein	Independent Non-Executive Director
Datuk Simon Shim Kong Yip, JP	Non- Independent Non-Executive Director

Terms of Reference of the Nominating Committee

Duties and responsibilities of the Nominating Committee are set out in its terms of reference which is published on the Company’s website at www.hapsengplantations.com.my.

Meetings

During the financial year ended 31 December 2025, two meetings were held. Attendance details of each member of Nominating Committee are set out in the Corporate Governance Overview Statement on page 24 of this annual report.

Summary of Activities of the Nominating Committee

During the meeting held on 27 May 2025, members of the Nominating Committee undertook the following for the financial year ended 31 December 2025:

- Reviewed the terms of reference of nominating committees and fit and proper policy to include the review and recommendation of appointment of senior management and renewal of senior management team members’ service contract, in addition to the executive directors.
- Reviewed and recommended the renewal of service contract of the senior management team members for Board’s approval.

During the meeting held on 25 February 2026, members of the Nominating Committee undertook the following for the financial year ending 31 December 2026:

- Evaluated the performance and effectiveness of Board and Board Committees collectively, performance of each member through the self and peer-assessment, independence assessment of each independent director and reviewed the nature and extent of conflict of interests or potential conflict of interests of directors. Fit and proper assessment was also conducted for the retiring directors. Based on the results of board effectiveness evaluation, all the directors met the performance criteria required of an effective board.
- Evaluated the independence of each independent director taking into account both the quantitative and qualitative criteria and satisfied that all the independent directors meet the independence criteria prescribed by the Listing Requirements.
- Based on the fit and proper assessment of the following retiring directors, the Nominating Committee has recommended the following to the Board for approval. The Board (except for the retiring directors who have abstained) has recommended for the directors who are to retire in accordance with clause 116 of the Company’s constitution to stand for re-election at the forthcoming annual general meeting (“AGM”):-
 - (i) Datuk Simon Shim Kong Yip, JP (Non-Independent Non-Executive Deputy Chairman);
 - (ii) Ms. Cheah Yee Leng (Executive Director); and
 - (iii) Mr. Au Yong Siew Fah (Executive Director).

NOMINATING COMMITTEE REPORT

- Mr. Chong Kwea Seng, having served on the board as an independent non-executive director of the Company for a cumulative term of almost nine years, had expressed his intention to retire as a director at the conclusion of the forthcoming AGM.
- Reviewed the term of office and performance of the Audit Committee and each of its members in compliance with Listing Requirements. The Nominating Committee was satisfied that the Audit Committee and its members had carried out their duties in accordance with their terms of reference.
- Reviewed the board charter and terms of reference of the board committees adopted by the Board.
- Reviewed the training needs of the directors in order to keep abreast with developments in the relevant industry to enhance their skills in a dynamic and complex business environment and with changes in the relevant statutory and regulatory requirements.
- Reviewed and amended the Company's anti-bribery and corruption policy and whistle-blowing policy.

REMUNERATION COMMITTEE REPORT

Members of the Remuneration Committee	
Mr. Choy Khai Choon	Independent Non-Executive Director – Chairman
Dato’ Mohammed Bin Haji Che Hussein	Independent Non-Executive Director
Datuk Simon Shim Kong Yip, JP	Non- Independent Non-Executive Director

Terms of Reference of the Remuneration Committee

Duties and responsibilities of the Remuneration Committee are set out in its terms of reference which is published on the Company’s website at www.hapsengplantations.com.my.

Meeting

During the financial year ended 31 December 2025, one meeting was held during which all the Remuneration Committee members were present.

Summary of Activities of the Remuneration Committee

- During the Remuneration Committee meeting held on 19 November 2025, the members of Remuneration Committee had reviewed and recommended to the Board, the executive directors and senior management team emoluments inclusive of benefits for the financial year ending 31 December 2026 and bonus for the financial year ended 31 December 2025. Such review was to ensure that the remuneration package of executive directors and senior management team remain attractive and in line with the remuneration policy industry forecast for 2025/2026 for the average salary increment and bonus.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to ensure a sound system of risk management and internal control in the Group and is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature of internal control of the Group during the financial year ended 31 December 2025 pursuant to paragraph 15.26(b) of the Listing Requirements. In making this statement, the Board is guided by the “Statement on Risk Management and Internal Control (“SORMIC”): Guidelines for Directors of Listed Companies” (“SORMIC Guide 2025”).

Board’s Responsibility

The Board recognises that a sound Enterprise Risk Management Framework and system of internal control are fundamental to good corporate governance and an effective risk management to assist the Group to achieve its optimal performance and profitability targets.

The Board acknowledges its responsibility for oversight the Group’s risk management and system of internal controls covering not only financial controls but also operational, environmental and compliance controls.

The risk management and system of internal control are designed to meet the Group’s needs and to manage the risks to which it is exposed.

The risk management and system of internal control, by their nature, can only provide reasonable but not absolute assurance against material loss, fraud or against the Group failing to achieve its objectives.

Towards this end, the Group has a formal approach towards identifying, evaluating, monitoring and managing the significant risks, including sustainability and climate-related risks, affecting the achievement of its business objectives.

The Audit Committee assists the Board in the reviewing process, however, the Board as a whole remains responsible for all the actions of the Audit Committee with regards to the execution of the delegated role.

Risk Management

The Group Risk Management Committee takes responsibility for Enterprise Risk Management Framework and policies, building upon already established structures and mechanism.

Members of the Group Risk Management Committee comprise the following:

two executive directors, one being the group managing director	head of group internal audit
chief executive of plantation division	chief risk officer / senior manager overseeing the risk management function
group chief financial officer	

The group managing director assumes the role of chairman of the committee while the chief executive leads the risk management function of the business unit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Responsibilities of the Group Risk Management Committee include inter-alia the following:

- To develop Enterprise Risk Management Framework and policies, which includes risk management strategies and risk tolerance level for the Group;
- To develop methodologies to identify, evaluate, prioritise, address and report the various risks, including sustainability and climate-related risks, within the Group;
- To periodically review the effectiveness of the existing risk management policies and methodologies and recommend changes thereto;
- To monitor and ensure the implementation and compliance of the risk management policies and methodologies across the Group;
- To review the key risk profile of the Group and ensure that all significant risks are managed effectively, including the evaluation and treatment of newly identified risk, review and monitor the implementation of action plans to mitigate the significant risks identified;
- To report risk exposures or risk management activities to the Audit Committee on a timely basis; and
- To promote risk awareness and/or facilitate training on risk management.

The Group Risk Management Committee together with the Group's management are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as required. This is designed to be responsive to changes in the business environment and is communicated to the appropriate levels through existing reporting structures and processes of the Group. For areas which require improvement, the Board is satisfied that the necessary action plans have been or are being developed with implementation dates being monitored by the Audit Committee and internal audit function.

Key risks, including sustainability and climate-related risks, that are critical to the Group's strategic objectives are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

A database of strategic risks identified with appropriate controls has been created and the information filtered to produce a detailed risk register/scorecard. The risk profiles are updated every six months to reflect the prevailing operating conditions.

Risk assessment interviews have been conducted by the senior manager overseeing the risk management function with the chief executive and managers in charge as part of its assessment of strategic risks affecting the Group.

The risks profile has been tabled to the Group Risk Management Committee highlighting on the key risks, their causes and management action plans thereon.

The Group Risk Management Committee reports its activities and makes recommendations to both the Audit Committee and the Board. An annual comprehensive risk management report and a half yearly update on salient changes to the key risk profile are tabled to the Audit Committee to facilitate timely assessment.

Any major changes to risks or emerging significant risk in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Board by the chairman of the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

The Board places emphasis on a sound system of internal control to facilitate the effective and efficient operation of the Group's businesses by enabling the Board and the management to respond appropriately to any significant business, operational, environmental, compliance and other risks in achieving the Group's objectives.

Nevertheless, the Board also recognises that the system of internal control can only reduce, but cannot eliminate, the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances. As such, the Board reiterates that the system of internal control, by its nature, can only provide reasonable but not absolute assurance against material loss or against the Group failing to achieve its objectives.

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

- Clearly defined delegation of responsibilities to the Board Committees and to operating units, including authorisation levels for all aspects of the business.
- Documented internal procedures and/or processes set out in Operating Manuals of individual operating units, whenever applicable, which include processes to generate timely, relevant and reliable information and proper record keeping as well as compliances with applicable laws and regulations and internal policies for the conduct of business.
- Regular internal audit visits in accordance with the approved internal audit plan by Audit Committee which monitors compliance with procedures and assess the integrity of financial information.
- Regular and comprehensive information provided to management, covering financial performance and key business indicators.
- A detailed budgeting process where operating units prepare budgets for the coming year to be approved by the Board.
- A monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.
- Regular visits to operating units by senior management whenever appropriate.
- Review of business processes to assess the effectiveness of internal controls by the internal audit department and the highlighting of significant risks impacting the Group by the head of internal audit to the Audit Committee. Annual internal audit plan is reviewed by the Audit Committee.
- In the presence of the executive directors and group chief financial officer for the purpose of ascertaining the state of internal control and to obtain assurance of the internal control system as to its effectiveness and adequacies in all material aspects, the Audit Committee reviews and holds discussion on significant internal control issues identified in reports prepared by the internal audit department.
- Code of Conduct as set out in the Board Charter and the Employees' Handbook.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit Function

The Group has an internal audit function which is outsourced to Hap Seng Management Services Sdn. Bhd., a wholly owned subsidiary of Hap Seng Consolidated Berhad, at a cost of approximately RM0.91 million per annum. The internal audit function is independent of the activities or operations of other operating units in the Group, which provides the Audit Committee and the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control.

The head of internal audit department is a Certified Internal Auditor (“CIA”) and Chartered Member of The Institute of Internal Auditors Malaysia. He is assisted by a team of qualified personnel, including members of the Malaysian Institute of Accountants (“MIA”).

The internal audit functions of the department are carried out using a risk based, systematic and disciplined approach, guided by the standards recognised by these professional bodies.

The head of internal audit has direct access to the chairman of the Audit Committee and whenever deemed necessary, meets with the Audit Committee without the management being present.

The principal responsibility of the internal audit department is to undertake regular and systematic reviews of the system of internal controls, risk management and governance processes so as to provide reasonable assurance that such system operates satisfactorily and effectively within the Company and the Group and reports to the Audit Committee on a quarterly basis.

Internal audit strategy and a detailed annual internal audit plan are presented to the Audit Committee for approval. The internal audit function adopts a risk based approach and prepares its audit strategy and plan based on the risk profiles of the operating units of the Group.

Summary of the works of the internal audit function are as follows:

- Undertook internal audit based on the audit plan that had been reviewed and approved by the Audit Committee which includes the review of operational and environmental compliance with established internal control procedures, management efficiency, risk assessment and reliability of financial records as well as governance processes.
- Attended business review meetings held regularly by the Group’s senior management to keep abreast with the strategic and operational planning and development issues.
- Conducted investigations with regard to various specific areas of concern as directed by the Audit Committee and the management.
- Attended the meetings conducted by the Group Risk Management Committee.
- Assessment of key business risks at each operating units which were identified by risk analysis and continuous monitoring of control compliance through data extraction and analysis techniques.
- Issued internal audit reports to the Audit Committee which encompassed identification and assessment of business risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Other Risks and Control Processes

Apart from risk assessment and internal audit, the Group has in place an organisational structure with defined lines of responsibility, delegation of authority and a process of hierarchical reporting. It has formalised Limits of Authority which provides the authority limits of the employees in the approval of various transactions and an Employees' Handbook which highlights policies on Group's objectives, terms and conditions of employment, remuneration, training and development, performance review, safety and misconduct across the Group's operations.

The Board is also supported by Board Committees with specific delegated responsibilities. These committees have the authority to examine all matters within their scope and responsibilities, as provided in the Board Charter, and report to the Board with their recommendations. (For more details on the various committees, please refer to the pages 31 to 35 in this annual report)

The Audit Committee meets with the independent external auditors at least twice a year, without management being present, to discuss their remit and any issues or observations of the independent external auditors, recognising that such issues or observations will generally be limited to risks and controls related to the financial statements.

The Board is provided with financial information on a quarterly basis which includes key performance and risk indicators and amongst others, the monitoring of results against budget.

Assurance to the Board was given collectively by the executive directors and group chief financial officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

CONCLUSION

Based on the foregoing as well as the inquiries and information provided, the Board is assured that the risk management process, system of internal control and other processes put in place through its Board Committees were operating adequately and effectively in all material aspects to meet the Group's objectives for the year under review and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the annual report.

REVIEW OF THE 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, *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 respects has not been prepared in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025 or is factually inaccurate. The external auditors' report was made solely to the Board of Directors in accordance with the listing requirements of Bursa Malaysia and for no other purpose. As stated in their report, the external auditors do not assume responsibility to any other person other than the Board of Directors for the content of this report.

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 of Directors 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 problems.

SUSTAINABILITY STATEMENT



1 BASIS OF PREPARATION AND PRESENTATION

1.1 Compliance With The IFRS Sustainability Disclosure Standards

The sustainability-related financial disclosures (Sustainability Statement) of Hap Seng Plantations Holdings Berhad (Hap Seng Plantations or the Group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB), in line with the MAIN Market Listing Requirements of Bursa Malaysia Securities Berhad (MAIN LR).

In compliance with the MAIN LR, 3-year data points for metrics (refer page 54), Bursa’s Prescribed Table (refer page 56) and Statement of Assurance (refer page 55) have been disclosed.

Disclosure topics in the Sustainability Accounting Standards Board (SASB) Standards for agricultural products have been referred to and considered when preparing this statement. Please refer to Section 6 for more information.

The Group publishes its standalone Sustainability Report. The report and its full sustainability disclosures can be found at: <https://www.hapsengplantations.com.my/sustainability-report.html>.

1.2 Connectivity With Financial Statements

This Sustainability Statement should be read in conjunction with the Group’s financial statements which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. This report covers the financial year ended 31 December 2025 and is aligned with the reporting period of the Group’s financial statements.

This Sustainability Statement covers the same reporting entities as the Group’s financial statement, which comprise Hap Seng Plantations and its subsidiaries. In preparing this sustainability-related financial disclosures, the Group has considered its own operations and its value chain. Please see Section 5 for more information.

The presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia (RM), which aligns to the presentation currency used in the Group’s financial statements.

In this statement, the Group applies climate-related time horizons of short-term (1 year), medium-term (to 2030), and long-term (2031 to 2050).

SUSTAINABILITY STATEMENT

1.3 First-time Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

The Group is reporting under the IFRS Sustainability Disclosures Standards for the first time for the annual reporting period ended 31 December 2025. It has applied the following standards for its annual reporting period commencing 1 January 2025:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- IFRS S2 Climate-related Disclosures (IFRS S2)

As at 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB.

IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The MAIN LR provides additional transition reliefs for MAIN Market listed issuers. The Group has applied the following transition relief in this Sustainability Statement:

- Permissible to disclose information on only climate-related risks and opportunities (CRO) (in accordance with IFRS S2).
- Permissible not to present comparative IFRS-related disclosures for this initial reporting period. However, comparative information is provided for selected indicators to maintain continuity with prior reporting practices.
- Permissible to not disclose scope 3 emissions.

2 REPORTING BOUNDARY

Reporting Boundary Excluding Greenhouse Gas (GHG) Emissions

The entities, assets and operations included in the Group's Sustainability Statement 2025 are the same as those included in the Group's consolidated financial statements for the year ended 31 December 2025.

Reporting Boundary For GHG Emissions

The Group measures and reports GHG emissions using the GHG Protocol Corporate Accounting and Reporting Standard.

The Group's reporting boundary for GHG emissions comprises both an organisational boundary and an operational boundary, as described below.

Organisational Boundary

The Group applies the operational control approach to establish its organisational boundary for GHG emissions reporting. Under this approach, the Group accounts for emissions from operations and assets over which it has the authority to introduce and implement operating policies and procedures.

Within this boundary, the Group's scope 1 and scope 2 inventory cover operational emissions across the Group's all operating segments and facilities.



Operational Boundary

The Group’s operational boundary categorises emissions as follows:

Scope 1 (Direct emissions)

Direct GHG emissions from sources that are owned or controlled by operations within the Group’s organisational boundary.

Scope 2 (Indirect emissions)

Indirect GHG emissions from the generation of purchased electricity consumed by operations within the Group’s organisational boundary.



3 SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

3.1 Significant Judgements

Significant judgement was applied in identifying the climate-related risks and opportunities that could reasonably be expected to affect the Group’s prospects, and in determining the material information to be disclosed in respect of those risks and opportunities. In making these judgements, the Group considered whether the information could reasonably be expected to influence the decisions of primary users of general-purpose financial reports. The process applied in assessing material climate-related information is described in Section 6 of this statement.

Judgement was also exercised in determining the applicability of metrics within the industry-based SASB Standards, taking into account the nature of the Group’s business activities, operating segments, and operating context.

The assessment of climate-related risks and opportunities was based on two Representative Concentration Pathways (RCP) reference scenarios developed by the Intergovernmental Panel on Climate Change (IPCC):

(a) RCP 8.5 – High Emissions Scenario

This scenario assumes limited implementation of climate policies, resulting in continued increase in greenhouse gas emissions and a potential increase in global average temperatures of approximately 4°C or more by 2100.

(b) RCP 2.6 – Low Emissions Scenario

This scenario assumes immediate and aggressive global mitigation actions, with greenhouse gas emissions peaking early and declining thereafter, limiting the increase in global average temperatures to below 2°C by 2100.

SUSTAINABILITY STATEMENT

The assessment of climate-related transition risks and opportunities was further informed by scenarios published by the International Energy Agency (IEA):

(a) Stated Policies Scenario (STEPS)

A business-as-usual scenario reflecting existing and announced policies, under which global average temperatures could increase by approximately 2.4°C.

(b) Net Zero Emissions by 2050 (NZE) Scenario

A scenario assuming rapid and comprehensive policy, technological and behavioral changes aimed at achieving net-zero emissions by 2050 and limiting global warming to approximately 1.5°C.

3.2 Measurement Uncertainty

The following amounts have a high degree of measurement uncertainty:

(a) Quantification of anticipated financial effects for CROs

The measurement of anticipated financial effects is subject to measurement uncertainty over the medium-term and long-term. This includes assumptions on the timing and occurrence or non-occurrence of specific regulations and incidences.

(b) GHG-related metrics

GHG emissions metrics are subject to inherent uncertainties arising from reliance on activity data, and emission factors obtained from third parties. Where activity data and emission factors are unavailable, or are incomplete, estimations are used.

4 STATEMENT OF ASSURANCE

The scope 1 and scope 2 GHG emissions and energy metrics in this sustainability statement has been subjected to internal review by the Group's internal auditors.

Note: please refer to page 55 in the Sustainability Statement for the internal assurance statement.

5 ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD

The Group owns and manages oil palm plantations and palm oil mills located only in Sabah, Malaysia. Its core operations include the cultivation and harvesting of oil palm, management of plantation estates, and the milling of fresh fruit bunches (FFB) into crude palm oil (CPO) and palm kernel (PK) for the refineries and other downstream palm oil processors.

The Group focuses on upstream and midstream activities within the palm oil industry, primarily involving the cultivation of oil palm and the processing of FFB into CPO and PK.

In line with its sustainability commitments, the Group has implemented various initiatives aimed at improving environmental performance and operational efficiency. These include enhancing energy efficiency in milling operations, installing biogas plants to capture methane emissions from palm oil mill effluent, and utilising oil palm biomass such as empty fruit bunches (EFB) and fibre as renewable energy sources. The Group also adopts responsible agricultural practices, including soil and water conservation, integrated pest management, and biodiversity protection within its plantation operations.

6 HOW WE DETERMINED OUR FINANCIALLY MATERIAL CROS

The Group undertook a materiality assessment to identify CROs that could reasonably be expected to affect the Group's prospects.

The identification and assessment of CROs were conducted by the Roundtable on Sustainable Palm Oil (RSPO) Sub-committee, consolidated by the Sustainability Team, reviewed and endorsed by the Environment & Sustainability Committee, and subsequently approved by the Board of Directors.

The objective of this process was to identify climate-related information that could reasonably be expected to influence the decisions of primary users of general-purpose financial reports, including information affecting the Group's cash flows, access to finance, or cost of capital.



The materiality assessment process comprised two key steps:

Step 1: Identification of CROs

a Identification of potential CROs

Potential CROs were identified using a combination of internal and external sources, including but not limited to:

- the Group's existing Enterprise Risk Management (ERM) Framework;
- educational and guidance materials issued by the IFRS Foundation in relation to IFRS S2; and
- relevant disclosure topics under the SASB Standards.
- National Sustainability Reporting Framework (NSRF)

b Financial materiality assessment

In assessing financial materiality, the Group evaluated the nature, likelihood, and magnitude of potential financial impacts associated with each identified CRO. This included consideration of potential impacts on:

- revenue;
- operating and capital expenditure;
- asset values;
- access to financing; and
- cost of capital.

Both downside risks and value-creation opportunities were assessed to provide a balanced view of potential financial implications. The Group also applied climate scenario analysis to assess the resilience of its business model to identified CROs across short-term, medium-term, and long-term time horizons.

SUSTAINABILITY STATEMENT

c Prioritisation of financially material CROs

The determination of financially material CROs involves significant judgement. Consistent with the Group's climate-first approach under IFRS S2, only CROs that could reasonably be expected to affect the Group's prospects, specifically impacts on cash flows, access to finance, or cost of capital, are disclosed in the Group's climate-related disclosures.

d Board oversight and approval

The outcomes of the CRO prioritisation process have been reviewed and endorsed by the Group Sustainability Committee. The Committee reviewed the assessment methodology, key assumptions, and principal findings to ensure their robustness and relevance. Following endorsement, the final list of financially material CROs was submitted and approved by the Board of Directors.

Step 2: Identification of Material Information

For each prioritised CRO, the Group identified the material information required to be disclosed in accordance with IFRS S2, including information relating to:



governance
and oversight
arrangements



strategic
implications for
the business



risk
management
processes



relevant
metrics and
targets

Outcome of Materiality Assessment Process

Please refer to Section 9 for the identified CROs.

Management has undertaken an assessment of climate-related physical and transition risks and opportunities across the Group's business operations. Acute and chronic physical climate risks were identified from the assessment, where acute risks refer to short-term, event-driven extreme weather events such as floods and storms that may cause immediate operational disruption and asset damage, while chronic risks relate to longer-term shifts in climate patterns, such as rising temperatures and changes in rainfall, which may gradually affect operational efficiency and asset performance over time. Based on the assessment, the financial impacts are considered to be not financially material in short term, while in medium and long term, the financial impact cannot be reliably estimated due to measurement uncertainty.

Climate-related transition risks and opportunities, including regulatory, market and technology-related factors, were assessed. Based on the assessment, these transition risks and opportunities cannot be reliably estimated in short, medium and long term due to measurement uncertainty.

SUSTAINABILITY STATEMENT

8 RISK MANAGEMENT

The Group's ERM Framework provides a structured and consistent approach for identifying, assessing, and managing climate-related risks and opportunities. Risk Management Guidelines and Procedures complement the ERM Framework, ensuring a systematic consideration of climate-related matters.

Climate-related risks are identified and assessed as part of the Group's ERM process on biannual basis, prioritised using the same risk assessment criteria as other enterprise risks, and reported to the Group Risk Management Committee and the Board.

The Group has identified climate-related issues relevant to its operations with reference to applicable national sustainability framework and internationally recognised industry standards. Further details on the Group's risk management processes are set out in Section 6.

9 CLIMATE-RELATED RISKS AND OPPORTUNITIES

a. Climate-related risks

i. Climate-related physical risk: Extreme weather events

The Group assessed four acute and chronic climate-related physical risks—flooding, prolonged heatwaves, water stress, and landslides—and evaluated their potential impacts on its operating units.

Effects on business model and value chain

These impacts include reduced agricultural output, lower processing efficiency, operational disruptions and increased exposure to asset damage and repair requirements. Indirect impacts may also arise across downstream logistics and processing activities where harvesting or milling disruptions affect product flows and delivery schedules.

- **Prolonged heatwave:** Extended dry periods and reduced rainfall can lead to water stress in oil palms, which may reduce fruit set as fewer flowers develop into harvestable fruits. This directly lowers FFB output and subsequently reduces CPO production volumes.

- **Flooding:** Periods of intense rainfall and increased high-precipitation days have resulted in flooding across selected plantation estates, disrupting fertiliser application, harvesting activities and restricting access to plantations and mills. Flood conditions can delay or prevent the collection and transport of FFB, leading to harvest losses, reduced milling throughput and higher operating costs associated with recovery and remediation efforts.

- **Water stress:** A condition where water availability is insufficient to meet demand, potentially affecting operational continuity, agricultural productivity, and resource management due to reduced water supply or increased competition for water.

- **Landslide:** The movement of soil, rock, or debris down a slope, often triggered by heavy rainfall or land instability, which can disrupt operations, damage infrastructure, and pose safety risks.

ii. Climate-related transition risk - Climate-related regulations

The Group is exposed to the following climate-related transition risks across its operating units:

- Implementation of carbon-related taxes,
- Tighter regulations governing the use of palm oil as a biofuel feedstock,
- Increase in sustainability compliance cost,
- Stakeholders' sentiments on the Group's climate commitment.

The Group considers these climate-related transition risks in its planning and budgeting process.

b. Climate-related opportunities

In parallel with the assessment of climate-related risks, the Group has considered the following potential climate-related opportunities arising from evolving regulatory requirements, market expectations and stakeholder preferences associated with the transition to a lower-carbon economy: -

- Implementation of renewable energy solutions, including the generation of renewable energy from biomass to reduce reliance on fossil fuel, lower operational energy consumption and mitigate exposure to energy cost volatility over the short to medium term.
- Repurposing of empty fruit bunches (EFB) into fibre mats for field applications have improved waste utilization and reduced fossil fuel consumption through more efficient transportation.

These climate related opportunities are not quantifiable due to data limitation. However, these opportunities will result in lower operating expenses.

c. Financial effects

i) Flooding

During the financial year, flooding incidences affected three plantation estates covering about 9.7% of the estate's planted area.

Flooding incidents disrupted harvesting activities and loose fruits collection, leading to lower yield and a corresponding revenue reduction.

To mitigate the impacts of flooding incidence and enhance operational resilience, the Group has invested on the installation and maintenance of flood mitigation measures across its estates and palm oil mills.

The financial effects from the flooding incidents and mitigation measures are considered not financially material.

ii) Prolonged Heatwave, Water Stress and Landslide

During the financial year, no incidence of prolonged heatwave, water stress or landslide were recorded by the Group.

iii) Climate-related Transition Risks

During the financial year, there were no financial effect related to the assessed transition risks.

Anticipated financial effects

Looking ahead, the Group anticipates that continued exposure to extreme weather conditions may result in lower yields, reduced revenues and margin pressure over the short, medium and long term.

In the short term, the Group does not expect flooding and prolonged heatwave to have a material effect on its prospects, taking into account the limited proportion of assets affected and the mitigation measures currently in place. Water stress and landslides have been assessed as not expected to have any impact to the operations.

The Group also does not expect any financial impact arising from the assessed transition risks in short term.

Over the medium and long term, continued exposure to extreme weather conditions may result in lower yields, reduced revenues and potential increases in operating and capital expenditure. However, the anticipated financial effects over these time horizons cannot be reliably estimated at present due to measurement uncertainty in the underlying assumptions, including the timing, frequency and severity of future climate events, as well as limitations in historical and forward-looking data. As a result, the Group has not quantified these anticipated financial effects as such information would not be useful to the users of this statement.

Transition risks may pose financial effects to the Group over the medium to long term. However, these effects cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.

SUSTAINABILITY STATEMENT

Based on the mitigation and adaptation measures already implemented, the Group does not expect significant increase in investments and operational costs in short term, as existing measures are adequate to address the anticipated impacts of physical and transition risks on plantation operations.

The Group cannot reliably estimate its investments and operational costs in the medium and long term due to uncertainty in the inputs and assumptions as well as lack of data availability.

RM'000	Current financial effects	Short-term financial effects (per annum)	Medium-term financial effects (per annum)	Long-term financial effects (per annum)
Physical and transition risks				
Financial Performance				
- Decrease in revenue	Not financially material	Not financially material	Note	Note
- Flood and heatwave mitigation (increase)	Not financially material	Not financially material	Note	Note

Note - The anticipated financial effect cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.

d. Resilience

A climate-related scenario analysis was conducted for the Group to assess the potential impacts of climate-related risks, particularly extreme weather events and longer-term climate trends, across its operations and locations. The analysis considered a range of plausible future climate outcomes using RCP 2.6 and RCP 8.5, based on publicly available data from relevant climate hazard tools.

The scenario analysis was performed for the financial year ended 31 December 2025 and forms part of the Group's broader assessment of climate-related risks and opportunities under IFRS S2 Climate-related Disclosures. The Group reviews its climate-related scenario analysis annually or as and when significant new climate science, regulatory developments, or data are expected to materially affect the Group's exposure to climate-related risks.

i) Climate-related physical risks

**Scenario 1:
High physical risk (RCP 8.5)**

This scenario represents a future with greenhouse gas emissions remain high, likely leading to warming of 4°C by 2100. This scenario resulting in significant global warming and increasingly severe physical climate impacts.

**Scenario 2:
Lower physical risk (RCP 2.6)**

This scenario reflects a future in which early, coordinated and stringent climate policies are implemented globally, resulting in rapid emissions reductions and limiting global temperature rise to well below 2°C, consistent with international climate goals.

SUSTAINABILITY STATEMENT

The results of physical risks scenario analysis summarised below:

Physical Risks									
Hazard	RCP 8.5			RCP 2.6			Operational Impact	Financial Impact	Risk Treatment Response
	2030	2050	Result	2030	2050	Result			
Coastal Flooding	L to S	L to S	L: 79% M: 16% S: 5%	L to M	L to M	L: 95% M: 5% S: 0%	<ul style="list-style-type: none"> - Damage to crops (e.g. overripe harvest), inventory, infrastructure, estate roads, tools, and equipment. - Temporary disruption of access to operating sites. - Safety risks to employees and local communities. - Increased costs for repair or replacement of damaged assets. - Increased insurance costs. 	<p>In short term, the financial impacts are considered to be not financially material and are not reasonably expected to materially affect the Group's prospects.</p> <p>In medium to long term, the anticipated financial impact cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.</p>	<ul style="list-style-type: none"> - Elevate flood-prone estate roads to reduce flood impact. - Regular maintenance of roads to ensure smooth crop transportation. - Installing more flood gates to control water flow into estates during rainy season. - Premature harvesting in flood-prone areas to minimize crop loss. - Flood/ peril insurance coverage for assets, tools, and equipment. - Develop and implement a flood adaptation plan.
Prolonged Heatwaves	L to M	L to M	L: 26% M: 74% S: 0%	L	L	L: 100% M: 0% S: 0%	<ul style="list-style-type: none"> - Potential discomfort to employees due to heat stress. - Reduced working efficiency and productivity of employees. - Overheating and potential breakdown of equipment. - Increased medical claims and health-related costs. - Increased utility consumption. - Potential impact on crop yields. 	<p>In short term, the financial impacts are considered to be not financially material and are not reasonably expected to materially affect the Group's prospects.</p> <p>In medium to long term, the anticipated financial impact cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.</p>	<ul style="list-style-type: none"> - Incorporate heatwave management into health and safety standard operating procedures (SOP). - Adjust work shifts for field workers to reduce heat exposure. - Install more fans and air conditioning units in work and office areas.

S = Significant risk; M = Moderate risk; L = Low risk

SUSTAINABILITY STATEMENT

Physical Risks									
Hazard	RCP 8.5			RCP 2.6			Operational Impact	Financial Impact	Risk Treatment Response
	2030	2050	Result	2030	2050	Result			
Water Stress	L to M	L to M	L:79% M:21% S:0%	L	L	L: 100% M: 0% S: 0%	<ul style="list-style-type: none"> - Reduced availability of water may impact operations. - Disruption to domestic water supply for office and operational needs. 	<p>In short term, it is not expected to have any impact.</p> <p>In medium to long term, the anticipated financial impact cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.</p>	<ul style="list-style-type: none"> - Rationalize domestic water consumption during low rainfall periods. - Increase water storage capacity by upgrading existing tanks and procuring additional tanks and storage equipment. - Regularly monitor and maintain water tank condition. - Install rainwater harvesting systems. - Implement water efficiency measures across operations. - Install water treatment plants or processes to produce potable water for emergency use. - Request for external water supply support.
Landslide	L to M	L to M	L: 100% M: 0% S: 0%	L	L	L: 100% M: 0% S: 0%	<ul style="list-style-type: none"> - Temporary disruption of access. - Damage to the road, infrastructure and planted area. - Non-compliance to safety regulation. 		<ul style="list-style-type: none"> - Maintain cover crops on hilly areas to reduce soil erosion. - Maintain planting terraces on slopes to stabilize the land. - Avoid planting oil palm on slopes exceeding 25 degrees. - Conduct monthly visual inspections of “at-risk” slopes and document findings along with planned mitigation measures..

S = Significant risk; M = Moderate risk; L = Low risk

SUSTAINABILITY STATEMENT

ii) Climate-related transition risks

Scenario 1:
Low transition risk (Stated Policies Scenario - STEPS)

This scenario represents a future with limited climate policy intervention, weak regulatory coordination, and continued reliance on carbon-intensive economic growth. Greenhouse gas emissions remain high, leading to an estimated global warming of 2.4°C by 2100 and increasingly severe physical climate impacts.

Scenario 2:
High transition risk (Net Zero Emission by 2050 - NZE2050)

This scenario reflects a future in which early, coordinated and stringent climate policies are implemented globally, resulting in rapid emissions reductions and limiting global temperature rise to approximately 1.5°C, consistent with international climate goals.

The results of transition risks scenario analysis are summarised below:

Transition Risk						
Risk category	Risk Description	Time Horizon	STEPS	NZE2050	Financial Impact	Potential Mitigation Approach
Policy & Legal	Carbon tax	Medium term	M	S	In short term, the Group does not expect any financial impact arising from the assessed transition risks.	- To continue carbon reduction initiatives and utilization of renewable energy sources.
	EU's revised Renewable Energy Directive on biodiesel	Short term	S	S		- Maintaining relevant sustainability certifications for palm oil mills and estates to ensure compliance to new requirements.
	Sustainability Compliance Cost	Short to long term	M	S	In medium to long term, the anticipated financial impact cannot be reliably estimated due to measurement uncertainty in the inputs and assumptions as well as lack of data availability at present, resulting in information not being useful to the users of this statement.	- To continue engaging with stakeholders on ensuring products and services are compliant to the required standards.
Reputation	Stakeholders' Sentiment	Medium to long term	M	S		- To meet stakeholders expectation on sustainability performance disclosures and implement cost-effective initiatives to reduce carbon emissions.

S = Significant risk; M = Moderate risk; L = Low risk

Based on the outcomes of the scenario analysis, the Group considers its current strategy and business model to be resilient to identified climate-related risks in the short term. In the short term, the financial impacts arising from climate-related physical risks are not expected to materially affect the Group's prospects, while no financial impacts are anticipated from the assessed climate-related transition risks.

SUSTAINABILITY STATEMENT

While the anticipated financial impact for climate-related physical and transition risks in the medium and long term cannot be reliably estimated, the assessment indicates that the Group's physical climate risks over the medium and long term are generally low to moderate, with only a small proportion of premises exposed to significant risks. Coastal flooding represents the most notable hazard, particularly under the higher-emission scenario, while other hazards such as extreme heat, water stress and landslides are mostly identified as low to moderate risks. With the implementation of carbon reduction initiatives, compliance to sustainability-related certifications and utilisation of renewable energy sources, the identified transition risks are expected to remain within a manageable level.

The Group will continue to refine its climate scenario analysis and enhance its assessment of climate-related risks and opportunities as methodologies, data availability and regulatory expectations evolve.

10 METRICS AND TARGETS

	2023	2024	2025	Targets
Scope 1 (t CO ₂ -e)	132,948	113,668	102,918	Year-on-year absolute or intensity reduction
Scope 2 (t CO ₂ -e)	110	108	132	-
Fleet fuel consumed (GJ)	204,680	202,503	179,364	-
Operational energy consumed (GJ)	1,650,983	1,704,978	1,595,763	-
Total energy consumed (GJ)	1,855,663	1,907,481	1,775,127	Year-on-year absolute or intensity reduction
Percentage fleet fuel renewable (%)	7.0	7.0	7.0	-
Percentage energy from grid electricity (%)	0.06	0.05	0.06	-
Percentage energy from renewable (%)	94.6	94.6	93.7	-
Total water withdrawn (m ³)	1,969,925	2,586,319	2,212,583	-
Percentage water withdrawn in regions with High or Extremely High Baseline Water Stress (%)	0.0	0.0	0.0	-
Total water consumed (m ³)	1,152,770	1,856,485	1,679,540	Year-on-year absolute or intensity reduction
Percentage water consumed in regions with High or Extremely High Baseline Water Stress (%)	0.0	0.0	0.0	-
Number of incidents of non compliance associated with water quality permits, standards and regulations	0	0	0	-

The reduction in scope 1 emission compared to the previous year was primarily driven by lower operational activity, reflected in a reduced volume of processed FFB and lower application of nitrogen-based fertilisers. The lower volume of FFB processed also resulted in reduced emissions from key emission sources, particularly diesel consumption from company vehicles and palm oil mill effluent (POME). Higher scope 2 emissions were attributable to the revision of the grid electricity emission factor published by the Energy Commission of Malaysia, despite a marginal reduction in grid electricity consumption compared to the previous year.

The lower energy consumption was mainly due to using less biomass and biogas for energy, and reduced fuel for transport and processing, reflecting the lower volume of FFB processed.

The Group also recorded lower water consumption, mainly attributable to lower production volumes.

The disclosed climate-related metrics are monitored by management and used to support decision-making on operational improvements, energy efficiency initiatives and capital investments aimed at reducing emissions and enhancing climate resilience.

The Group has established an initial climate-related target to achieve a year-on-year reduction in certain climate-related metrics. This target is intended to support continuous improvement in operational efficiency across the Group's operations. The Group will progressively refine its targets as its data quality, measurement methodologies and transition planning capabilities mature.

STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Statement in the FY2025 Annual Report, the following indicators were subjected to an internal review by the Company's internal auditors. The review results were approved by the Audit Committee of Hap Seng Plantations Holdings Berhad.

Subject Matter

The subject matters covered by the internal review included the following sustainability matters and indicators:

No	Sustainability Matters	Indicators
1.	Energy	<ul style="list-style-type: none">Total energy consumption.
2.	Emission Management	<ul style="list-style-type: none">Scope 1 emissions in tonnes of CO₂e.Scope 2 emissions in tonnes of CO₂e.

Scope

The scope of the internal review encompassed the operations of the Plantation Central Office, as well as all oil palm plantations and palm oil mill operations in Malaysia.

PRESCRIBED TABLE

Hap Seng Plantations Holdings Berhad
 BMLR Transition Period
 Date & Time: 2026-04-21_09:30:32
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change and Greenhouse Gas Emissions	SASB FB-AG-110a.1 Gross global Scope 1 emissions	Metric tonnes (t) CO ₂ -e	102,918	Year-on-year absolute or intensity reduction	Internal
Climate Change and Greenhouse Gas Emissions	Gross global Scope 2 emissions	Metric tonnes (t) CO ₂ -e	132	Year-on-year absolute or intensity reduction	Internal
Energy Management	SASB FB-AG-110a.3 Fleet fuel consumed	Gigajoules (GJ)	179,364	—	Internal
Energy Management	SASB FB-AG-130a.1 Operational energy consumed	Gigajoules (GJ)	1,595,762	—	Internal
Energy Management	Total energy consumed	Gigajoules (GJ)	1,775,126	Year-on-year absolute or intensity reduction	Internal
Energy Management	SASB FB-AG-110a.3 Percentage fleet fuel renewable	Percentage (%)	7	—	Internal
Energy Management	SASB FB-AG-130a.1 Percentage energy from grid electricity	Percentage (%)	0.06	—	Internal
Energy Management	SASB FB-AG-130a.1 Percentage energy from renewable	Percentage (%)	93.7	—	Internal
Water Management	SASB FB-AG-140a.1 Total water withdrawn	Cubic meters (m3)	2,212,583	—	No assurance
Water Management	SASB FB-AG-140a.1 Percentage water withdrawn in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0	—	No assurance
Water Management	SASB FB-AG-140a.1 Total water consumed	Cubic meters (m3)	1,679,540	Year-on-year absolute or intensity reduction	No assurance
Water Management	SASB FB-AG-140a.1 Percentage water consumed in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-21_09:30:32

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Water Management	SASB FB-AG-140a.3 Number of incidents of non compliance associated with water quality permits, standards and regulations	Number	0	—	No assurance

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company are responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- (a) used appropriate accounting policies and applied them on a consistent basis;
- (b) made judgements and estimates that are reasonable and prudent; and
- (c) prepared the audited financial statements on going concern basis.

The Directors are also responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016 and take reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

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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 engaged in investment holding. There has been no significant change in the nature of this activity during the financial year.

HOLDING COMPANIES

The immediate holding company is Hap Seng Consolidated Berhad and the ultimate holding company is Gek Poh (Holdings) Sdn. Bhd.. Both companies are incorporated in Malaysia.

SUBSIDIARIES

The principal activities and other details of the Company's subsidiaries are disclosed in Note 4 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	124,863	112,567

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- (i) In respect of the financial year ended 31 December 2024 as reported in the Directors' report of that year, a second interim dividend of 11 sen per ordinary share under the single-tier system totalling RM87,965,372 declared on 26 February 2025 and paid on 27 March 2025; and
- (ii) In respect of the financial year ended 31 December 2025, a first interim dividend of 1.5 sen per ordinary share under the single-tier system totalling RM11,995,277 declared on 27 August 2025 and paid on 25 September 2025.

On 25 February 2026, the Board of Directors approved a second interim dividend of 6.1 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2025, amounting to a total of RM48,780,795 which was paid on 25 March 2026. The financial statements for the current financial year do not reflect this dividend and it will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Board of Directors did not recommend any final dividend to be paid for the financial year ended 31 December 2025.

DIRECTORS OF THE COMPANY

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

Dato' Mohammed Bin Haji Che Hussein
Datuk Simon Shim Kong Yip, JP
Datuk Edward Lee Ming Foo, JP **
Cheah Yee Leng **
Au Yong Siew Fah **
Chong Kwea Seng
Choy Khai Choon
Tan Sri Amirsham Bin A Aziz
Datuk Hamisa Binti Samat

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

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Interest in the immediate holding company:				
Hap Seng Consolidated Berhad				
Au Yong Siew Fah	291,600	-	-	291,600
Interest in the Company:				
Hap Seng Plantations Holdings Berhad				
Dato' Mohammed Bin Haji Che Hussein	17,200	-	-	17,200
Datuk Simon Shim Kong Yip, JP	180,000	-	-	180,000
Au Yong Siew Fah	180,000	-	-	180,000

None of the other Directors of the Company holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors or the fixed salary of a full time employee of the Company or of related corporation as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in Note 23 to the financial statements.

The Directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	645	645
Remuneration	3,374	900
Benefits-in-kind	77	-
	4,096	1,545

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the issued share capital of the Company during the financial year.

TREASURY SHARES

At the annual general meeting of the Company held on 27 May 2025, shareholders of the Company renewed the existing authorisation to the Company to repurchase its own shares. During the financial year, the Company did not purchase any of its own shares.

As at 31 December 2025, the Company held a total of 314,800 ordinary shares as treasury shares.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Company are covered by Directors and Officers Liability Insurance which is maintained on a group basis by the Company in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and Officers of the Group during the year was RM10 million and the total amount of premium paid was RM28,255.

MATERIAL LITIGATIONS

Details of material litigations are disclosed in Note 24 to the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

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

- (i) there are no bad debts to be written off and no provision need to be made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

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

AUDITORS

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

The auditors' remuneration for the Group and the Company for the current financial year are RM440,000 and RM110,000 respectively.

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

Datuk Edward Lee Ming Foo, JP
Director

Au Yong Siew Fah
Director

Kuala Lumpur

20 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	3	1,747,089	1,722,057	14	70
Investment in subsidiaries	4	-	-	1,591,879	1,597,219
Total non-current assets		1,747,089	1,722,057	1,591,893	1,597,289
Inventories	5	114,921	101,762	-	-
Biological assets	6	34,013	64,623	-	-
Receivables	7	14,418	72,816	114	128
Tax recoverable		4,108	10,233	48	40
Money market deposits		568,565	507,669	159,248	142,299
Cash and cash equivalents	8	153,774	116,531	4,285	3,257
Total current assets		889,799	873,634	163,695	145,724
Total assets		2,636,888	2,595,691	1,755,588	1,743,013
Equity					
Share capital	9	1,475,578	1,475,578	1,475,578	1,475,578
Merger reserves	9	(1,347,761)	(1,347,761)	-	-
Retained earnings		2,000,832	1,975,930	279,702	267,096
		2,128,649	2,103,747	1,755,280	1,742,674
Less: Treasury shares	9	(841)	(841)	(841)	(841)
Total equity		2,127,808	2,102,906	1,754,439	1,741,833
Liabilities					
Deferred tax liabilities	10	364,966	372,383	-	7
Lease liabilities		62,949	52,638	-	14
Total non-current liabilities		427,915	425,021	-	21
Payables	11	60,819	54,808	1,135	1,145
Tax payable		7,085	1,940	-	-
Lease liabilities		13,261	11,016	14	14
Total current liabilities		81,165	67,764	1,149	1,159
Total liabilities		509,080	492,785	1,149	1,180
Total equity and liabilities		2,636,888	2,595,691	1,755,588	1,743,013

The notes on pages 73 to 108 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	12	702,399	752,448	116,269	91,148
Cost of sales		(433,540)	(444,958)	-	-
Gross profit		268,859	307,490	116,269	91,148
Other operating income		36,803	77,944	5,366	3,795
Distribution expenses		(54,227)	(61,763)	-	-
Administrative expenses		(36,814)	(34,156)	(3,481)	(3,400)
Other operating expenses		(49,235)	(18,572)	(5,381)	(77)
Operating profit		165,386	270,943	112,773	91,466
Finance costs	13	(3,067)	(3,166)	(1)	(2)
Profit before tax	14	162,319	267,777	112,772	91,464
Tax expense	16	(37,456)	(63,139)	(205)	(81)
Profit and total comprehensive income for the year		124,863	204,638	112,567	91,383
Basic earnings per ordinary share (sen)	17	15.61	25.59		

The notes on pages 73 to 108 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	← Attributable to owners of the Company →					
	Note	Non-Distributable Share capital RM'000	Merger reserves RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
Group						
At 1 January 2024		1,475,578	(1,347,761)	1,825,671	(841)	1,952,647
Profit and total comprehensive income for the year		-	-	204,638	-	204,638
Dividends	18	-	-	(54,379)	-	(54,379)
At 31 December 2024/ 1 January 2025		1,475,578	(1,347,761)	1,975,930	(841)	2,102,906
Profit and total comprehensive income for the year		-	-	124,863	-	124,863
Dividends	18	-	-	(99,961)	-	(99,961)
At 31 December 2025		1,475,578	(1,347,761)	2,000,832	(841)	2,127,808
		Note 9	Note 9		Note 9	

The notes on pages 73 to 108 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	← Attributable to owners of the Company →				Total equity RM'000
	Note	Non-Distributable Share capital RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	
Company					
At 1 January 2024		1,475,578	230,092	(841)	1,704,829
Profit and total comprehensive income for the year		-	91,383	-	91,383
Dividends	18	-	(54,379)	-	(54,379)
At 31 December 2024/ 1 January 2025		1,475,578	267,096	(841)	1,741,833
Profit and total comprehensive income for the year		-	112,567	-	112,567
Dividends	18	-	(99,961)	-	(99,961)
At 31 December 2025		1,475,578	279,702	(841)	1,754,439
		Note 9		Note 9	

The notes on pages 73 to 108 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		162,319	267,777	112,772	91,464
Adjustments for:					
Depreciation of property, plant and equipment	3	86,785	85,102	41	77
Dividend income		(2,411)	(2,572)	(116,974)	(91,665)
Gain on money market deposits at fair value		(16,610)	(12,858)	(4,370)	(2,981)
Interest income		(3,585)	(4,086)	(201)	(79)
Interest expense		3,067	3,166	1	2
Impairment loss/(Reversal of impairment loss) on investment in subsidiaries		-	-	5,340	(218)
Gain on disposal of property, plant and equipment		(544)	(43)	(90)	-
Net loss/(gain) from fair value adjustments of biological assets	6	30,610	(44,190)	-	-
Gain on modification of lease Property, plant and equipment written off		(222)	-	-	-
		912	946	-	-
		260,321	293,242	(3,481)	(3,400)
Change in inventories		(13,159)	(846)	-	-
Change in receivables		58,398	(60,188)	14	(38)
Change in payables		6,011	9,992	(10)	(130)
Cash generated from/(used in) operations		311,571	242,200	(3,477)	(3,568)
Interest received		3,585	4,086	201	79
Interest paid		(3,067)	(3,166)	(1)	(2)
Tax paid		(33,603)	(33,641)	(220)	(171)
Net cash from/(used in) operating activities		278,486	209,479	(3,497)	(3,662)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Dividends received from money market deposits		2,411	2,572	705	517
Dividends received from subsidiaries		-	-	116,269	91,148
Increase in money market deposits		(44,286)	(99,087)	(12,579)	(33,031)
Proceeds from disposal of property, plant and equipment		575	43	105	-
Acquisition of property, plant and equipment	3(a)	(87,994)	(67,094)	-	-
Net cash (used in)/from investing activities		(129,294)	(163,566)	104,500	58,634
Cash flows from financing activities					
Dividends paid	18	(99,961)	(54,379)	(99,961)	(54,379)
Payment of lease liabilities		(11,988)	(10,783)	(14)	(12)
Net cash used in financing activities		(111,949)	(65,162)	(99,975)	(54,391)
Net change in cash and cash equivalents		37,243	(19,249)	1,028	581
Cash and cash equivalents at 1 January		116,531	135,780	3,257	2,676
Cash and cash equivalents at 31 December	8	153,774	116,531	4,285	3,257

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Cash outflows for leases as a lessee:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:					
Expenses relating to short term leases	14	(4,913)	(5,366)	(108)	(4)
Interest paid in relation to lease liabilities	13	(3,067)	(3,166)	(1)	(2)
Included in net cash from financing activities:					
Payment of lease liabilities		(11,988)	(10,783)	(14)	(12)
Total cash outflows for leases		(19,968)	(19,315)	(123)	(18)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	63,654	67,430	28	-
Acquisition of new lease	25,855	7,007	-	40
Net changes from financing cash flows	(11,988)	(10,783)	(14)	(12)
Modification of lease	(1,311)	-	-	-
At 31 December	76,210	63,654	14	28

The notes on pages 73 to 108 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Hap Seng Plantations Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

21st Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur

The consolidated financial statements of the Group as at the end of the financial year ended 31 December 2025 comprise the Company and its subsidiaries.

The Company is principally engaged in investment holding and the principal activities of the subsidiaries are as stated in Note 4.

The immediate holding company is Hap Seng Consolidated Berhad [“HSCB”], a company listed on the Main Market of Bursa Malaysia Securities Berhad and the ultimate holding company is Gek Poh (Holdings) Sdn. Bhd.. Both companies are incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 20 April 2026.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards issued by the Malaysian Accounting Standards Board [“MFRS Accounting Standards”], IFRS Accounting Standards issued by the International Accounting Standards Board [“IFRS Accounting Standards”] and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board [“MASB”] but have not been adopted by the Group and the Company:

Standards/Amendments	Effective date
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements – Volume 11: <ul style="list-style-type: none">• Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i>• Amendments to MFRS 7, <i>Financial Instruments: Disclosures</i>• Amendments to MFRS 9, <i>Financial Instruments</i>• Amendments to MFRS 10, <i>Consolidated Financial Statements</i>• Amendments to MFRS 107, <i>Statement of Cash Flows</i>	1 January 2026
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

Standards/Amendments	Effective date
MFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19, <i>Subsidiaries without Public Accountability Disclosures</i>	1 January 2027
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

The Group and the Company plan to adopt the abovementioned accounting standards or amendments, where applicable, when they become effective in the respective financial periods. The Group and the Company do not expect material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) 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 the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3(b) - Extension options and discount rate in relation to leases
- Note 3(e) - Impairment of property, plant and equipment
- Note 4 - Impairment on investment in subsidiaries
- Note 6 - Biological assets

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies are set out below and have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

Bearer plants include mature and immature oil palm plantations. Immature plantations are stated at cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted areas. Mature plantations are stated at cost less accumulated amortisation and impairment, if any. Mature plantations are amortised on a straight-line basis over 22 years, the expected useful life of the oil palms, calculated from the time when the palms are declared mature, normally 36 months after initial planting. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

(ii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Road and infrastructure	10 - 100 years
Buildings	10 - 33 years
Plant, machinery and motor vehicles	3 - 20 years
Furniture, fittings and equipment	3 - 10 years
Bearer plants	22 years

(c) Leases

(i) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(ii) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(iii) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iv) Subsequent measurement

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

Rented land	10 - 60 years
Motor vehicles	5 years
Buildings	3 years

Leasehold land of the Group is amortised over the period of the respective leases which range from 59 to 999 years.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Biological assets

Biological assets comprised produce growing on bearer plants. Biological assets are measured at fair value less costs to sell.

Biological assets are classified as current assets for produce growing on bearer plants that are expected to be harvested on a date not more than 12 months after the reporting.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition.

Cost of crude palm oil and palm kernel includes direct labour, an appropriate share of production overheads and the fair value attributed to agriculture produce at year end in accordance with MFRS 141.

Oil palm nursery inventories consist of seedlings remaining in the nursery for eventual field planting. Cost of palm oil seeds and seedlings includes the cost of treatment and cultivation.

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.

(f) Receivables

Trade and other receivables are categorised and measured as financial assets at amortised cost.

(g) Impairment - Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Impairment – Other assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	Road and infrastructure RM'000	Buildings RM'000	Plant, machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Capital work in progress RM'000	Bearer plants RM'000	Right-of- use assets RM'000	Total RM'000
Group								
Cost								
At 1 January 2024	310,895	289,418	334,267	23,194	13,869	615,011	1,171,423	2,758,077
Additions	171	165	3,242	1,289	22,876	39,351	7,007	74,101
Derecognition	-	-	-	-	-	-	(11,799)	(11,799)
Disposals	-	-	(584)	-	-	-	-	(584)
Written off	(185)	(128)	(4,807)	(448)	-	(9,618)	-	(15,186)
Reclassifications	1,161	4,611	15,352	5	(21,129)	-	-	-
At 31 December 2024/ 1 January 2025	312,042	294,066	347,470	24,040	15,616	644,744	1,166,631	2,804,609
Additions	45	107	3,698	1,289	41,403	41,452	25,855	113,849
Modifications	-	-	-	-	-	-	(5,444)	(5,444)
Derecognition	-	-	-	-	-	-	(4,989)	(4,989)
Disposals	-	-	(2,797)	(1)	-	-	-	(2,798)
Written off	-	(462)	(4,726)	(472)	-	(12,117)	-	(17,777)
Reclassifications	1,485	1,903	27,025	-	(30,413)	-	-	-
At 31 December 2025	313,572	295,614	370,670	24,856	26,606	674,079	1,182,053	2,887,450

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Road and infrastructure RM'000	Buildings RM'000	Plant, machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Capital work in progress RM'000	Bearer plants RM'000	Right-of- use assets RM'000	Total RM'000
Group								
Accumulated depreciation								
At 1 January 2024	102,951	181,027	237,338	19,193	-	322,652	160,912	1,024,073
Charge for the year	11,615	11,736	15,493	1,544	-	18,813	25,901	85,102
Derecognition	-	-	-	-	-	-	(11,799)	(11,799)
Disposals	-	-	(584)	-	-	-	-	(584)
Written off	(64)	(74)	(4,038)	(446)	-	(9,618)	-	(14,240)
At 31 December 2024/ 1 January 2025	114,502	192,689	248,209	20,291	-	331,847	175,014	1,082,552
Charge for the year	11,664	11,523	16,288	1,486	-	18,819	27,005	86,785
Modifications	-	-	-	-	-	-	(4,355)	(4,355)
Derecognition	-	-	-	-	-	-	(4,989)	(4,989)
Disposals	-	-	(2,767)	-	-	-	-	(2,767)
Written off	-	(446)	(3,894)	(408)	-	(12,117)	-	(16,865)
At 31 December 2025	126,166	203,766	257,836	21,369	-	338,549	192,675	1,140,361
Carrying amounts								
At 31 December 2024	197,540	101,377	99,261	3,749	15,616	312,897	991,617	1,722,057
At 31 December 2025	187,406	91,848	112,834	3,487	26,606	335,530	989,378	1,747,089

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM113,849,000 (2024: RM74,101,000), which are satisfied by the following:

	Group	
	2025	2024
	RM'000	RM'000
Cash payments on purchase of property, plant and equipment	87,994	67,094
Additions of right-of-use assets by way of lease commitment	25,855	7,007
	113,849	74,101

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

Information about leases for which the Group is lessee is presented below:

	Leasehold land RM'000	Rented land RM'000	Motor vehicles RM'000	Buildings RM'000	Total RM'000
Group					
Carrying amounts					
1 January 2024	951,291	27,629	31,591	-	1,010,511
Additions	-	-	6,471	536	7,007
Depreciation charge for the year	(14,439)	(613)	(10,671)	(178)	(25,901)
At 31 December 2024/ 1 January 2025	936,852	27,016	27,391	358	991,617
Additions	-	8,695	17,160	-	25,855
Depreciation charge for the year	(14,437)	(830)	(11,560)	(178)	(27,005)
Modifications	-	-	(1,089)	-	(1,089)
At 31 December 2025	922,415	34,881	31,902	180	989,378

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the discount rate of the respective leases. Group entities first determine the closest available discount rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

- (c) The title of the Group's leasehold land with carrying amount of RM27,445,000 (2024: RM27,910,000) stipulated that not less than 30% of the undivided share of the said land or not less than 30% of the equity of the subsidiary being the registered owner of the said land, shall be transferred to/held by/registered in the name of native(s) ["Native Condition"]. In year 2022, the Land and Survey Department in Kota Kinabalu had granted further extension up to July 2027 to comply with the Native Condition.
- (d) Private caveat was entered by third parties on the Group's leasehold land with carrying amount of RM63,093,000 (2024: RM63,963,000) as disclosed in Note 24(a) to the financial statements.
- (e) The Group has evaluated whether the underlying property, plant and equipment including bearer plants are stated in excess of their recoverable amounts. The recoverable amounts of the assets are based on their estimated fair values, which are determined by a professional valuation firm using the following approaches:
- (i) Comparison approach for the assets with non optimal yield and production
 - (ii) Income approach based on discounted cash flow method

The carrying amounts of these assets are not impaired as at year end as the recoverable amount is higher than their respective carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Right-of-use assets – buildings RM'000	Total RM'000
Company				
Cost				
At 1 January 2024	200	296	-	496
Additions	-	-	40	40
At 31 December 2024/ 1 January 2025	200	296	40	536
Disposals	-	(296)	-	(296)
At 31 December 2025	200	-	40	240
Accumulated depreciation				
At 1 January 2024	192	197	-	389
Charge for the year	5	59	13	77
At 31 December 2024/ 1 January 2025	197	256	13	466
Charge for the year	3	25	13	41
Disposals	-	(281)	-	(281)
At 31 December 2025	200	-	26	226
Carrying amounts				
At 31 December 2024	3	40	27	70
At 31 December 2025	-	-	14	14

In the previous financial year, the Company acquired property, plant and equipment with an aggregate cost of RM40,000, which was satisfied by way of lease commitment.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	1,672,366	1,672,366
Less: Impairment loss	(80,487)	(75,147)
	1,591,879	1,597,219

The Company conducted impairment assessment of its investment in subsidiaries by comparing their carrying amounts with their recoverable amounts. The recoverable amounts were arrived at based on the fair value less costs to sell method which represents the Company's share of the adjusted net assets in the subsidiaries.

The Company recognised an impairment loss on investment in subsidiaries of RM5,340,000 on the basis that the carrying amounts exceeded recoverable amounts. In the previous financial year, a reversal of impairment loss on investment in subsidiaries of RM218,000 was recognised in profit or loss.

Details of the subsidiaries as at 31 December 2025 which are all incorporated and have their principal place of business in Malaysia are as follows:

Name of subsidiaries	Principal activities	Effective ownership interest and voting interest (%)	
		2025	2024
Held by the Company:			
Hap Seng Plantations (River Estates) Sdn. Bhd.	Cultivation of oil palm, processing of fresh fruit bunches and investment holding	100	100
Jeroco Plantations Sdn. Bhd.	Cultivation of oil palm and processing of fresh fruit bunches	100	100
Hap Seng Plantations (Kota Marudu) Sdn. Bhd.	Cultivation of oil palm	100	100
Pelipikan Plantation Sdn. Bhd.	Cultivation of oil palm	100	100
Hap Seng Edible Oils Sdn. Bhd.	Livestock farming (ceased operations)	100	100
Held by Hap Seng Plantations (River Estates) Sdn. Bhd.:			
Hap Seng Plantations (Ladang Kawa) Sdn. Bhd.	Cultivation of oil palm	100	100
Hap Seng Plantations (Tampilit) Sdn. Bhd.	Cultivation of oil palm	100	100
Hap Seng Plantations (Wecan) Sdn. Bhd.	Cultivation of oil palm	100	100

NOTES TO THE FINANCIAL STATEMENTS

5. INVENTORIES

	Group	
	2025	2024
	RM'000	RM'000
At cost:		
Consumables stores	53,089	54,631
Planting materials	4,833	3,306
Palm products	214	43,825
	58,136	101,762
At net realisable value:		
Palm products	56,785	-
	114,921	101,762
Recognised in profit or loss:		
Inventories recognised as cost of sales	410,250	413,931
Write-down to net realisable value	8,652	-

6. BIOLOGICAL ASSETS

	Group	
	2025	2024
	RM'000	RM'000
Fair value		
At 1 January	64,623	20,433
Net (loss)/gain from fair value adjustments recognised in profit or loss	(30,610)	44,190
At 31 December	34,013	64,623

The biological assets of the Group comprise fresh fruit bunches ["FFB"] of 2 months prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB. The net present value of cash flows is then determined with reference to the market value of FFB based on Malaysian Palm Oil Board reference price as at reporting date, less production costs and other costs to sell.

As at 31 December 2025, the estimated quantity of unharvested FFB of the Group included in the fair value of FFB was 98,000 tonnes (2024: 103,000 tonnes).

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

6. BIOLOGICAL ASSETS (CONTINUED)

Sensitivity analysis for FFB

The sensitivity analysis below indicates the approximate change in the Group's fair value of FFB and profit for the year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumptions and other variables remained constant.

	Increase/ (Decrease) in price and volume	Increase/(Decrease) in fair value of biological assets and profit before tax for the year	
		2025 RM'000	2024 RM'000
Selling price	10%	8,146	11,060
	(10%)	(8,146)	(11,060)
Production volume	10%	3,374	6,462
	(10%)	(3,374)	(6,462)

Risk management strategies related to agriculture activities

(a) Regulatory and environmental risks

The Group is exposed to the regulatory and environmental risks. Nevertheless, the Group has in place the Sustainability Policies to create and maintain safe workplace and conservation of the environment at the same time comply with relevant regulations.

(b) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of FFB. The Group constantly analyses and monitors global palm oil demand patterns and trends to make prompt and informed decisions. The Group also continuously focuses on increasing yield and productivity as well as adopting cautious spending to mitigate the price risk.

(c) Climate and other risk

The Group's plantations are exposed to the risk of damages from climatic changes, diseases, forest fires and other natural forces. The Group has in place the processes and procedures aimed at monitoring and mitigating those risks. Such processes include but not limited to close monitoring on harvesting and crop recovery, adequate measures to control pest population, emphasis on proper fire safety procedures and other necessary measures to ensure continuity of the operation.

NOTES TO THE FINANCIAL STATEMENTS

7. RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables from contracts with customer	a	6,886	66,918	-	-
Non-trade					
Other receivables		4,355	4,364	2	1
Prepayments		2,851	1,396	10	-
Amounts due from subsidiaries	b	-	-	102	127
Amount due from associate of immediate holding company	b	326	138	-	-
		7,532	5,898	114	128
		14,418	72,816	114	128

Note a

All trade balances are denominated in the functional currency, which is in Ringgit Malaysia (RM), interest free and receivable within its normal trade terms.

Note b

The amounts due from subsidiaries and associate of immediate holding company are unsecured, interest free and repayable on demand.

8. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	a	153,774	116,531	4,285	3,257

Note a

Included in cash and bank balances of the Group and of the Company are amounts totalling RM153,766,000 (2024: RM116,516,000) and RM4,284,000 (2024: RM3,256,000) respectively which earned interest at floating rate of 2.75% (2024: 3%) per annum for the Group and for the Company.

NOTES TO THE FINANCIAL STATEMENTS

9. CAPITAL AND RESERVES

	Group/Company		
	Number of shares '000	2025 Amount RM'000	2024 Amount RM'000
Ordinary shares			
Issued and fully paid shares with no par value classified as equity instruments			
At 1 January/31 December	800,000	1,475,578	1,475,578

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Merger reserves

Merger reserves represent the difference between cost of merger and share capital of subsidiaries acquired pursuant to an internal group reorganisation that is under common controlling shareholders.

Treasury shares

At the annual general meeting of the Company held on 27 May 2025, shareholders of the Company renewed the existing authorisation to the Company to repurchase its own shares. During the financial year, the Company did not purchase any of its own shares. As at 31 December 2025, the Company held a total of 314,800 (2024: 314,800) ordinary shares at average cost per share of RM2.67 (2024: RM2.67) as treasury shares.

10. DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment	367,040	364,201	-	7
Biological assets	8,096	15,284	-	-
Lease Liabilities	(10,170)	(7,102)	-	-
	364,966	372,383	-	7

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX LIABILITIES (CONTINUED)

Movement in temporary differences during the year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 16) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 16) RM'000	At 31.12.2025 RM'000
Group					
Property, plant and equipment	365,154	(953)	364,201	2,839	367,040
Biological assets	4,904	10,380	15,284	(7,188)	8,096
Lease liabilities	(7,952)	850	(7,102)	(3,068)	(10,170)
	362,106	10,277	372,383	(7,417)	364,966
Company					
Property, plant and equipment	10	(3)	7	(7)	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Unabsorbed capital and agriculture allowances	25,147	22,491
Unutilised tax losses	58,438	58,013
	83,585	80,504

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available in the subsidiaries against which these subsidiaries can utilise the benefits.

Under the current tax legislation, unutilised tax losses from year of assessment 2019 onwards can be carried forward for a maximum of 10 years, and accumulated unutilised tax losses up to year of assessment 2018 can be carried forward until year of assessment 2028. Unabsorbed capital allowances and agriculture allowances attributable to entities incorporated in Malaysia do not expire under the current tax legislation. In the case of a dormant company, such allowances and losses will not be available to the affected entities if there has been a change of 50% or more in the shareholdings thereof.

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX LIABILITIES (CONTINUED)

Unrecognised deferred tax assets (continued)

The expiry date of unutilised tax losses is shown below:

	Expiry Year	Group	
		2025 RM'000	2024 RM'000
Year of assessment			
- 2018	2028	48,131	48,131
- 2019	2029	4,558	4,558
- 2020	2030	2,697	2,697
- 2023	2033	2,079	2,079
- 2024	2034	813	548
- 2025	2035	160	-
		58,438	58,013

11. PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables		8,652	7,986	-	-
Amounts due to related companies		15,700	12,706	62	40
	a	24,352	20,692	62	40
Non-trade					
Other payables		36,467	34,116	1,073	1,105
		60,819	54,808	1,135	1,145

Note a

All trade balances are denominated in the functional currency, which is in Ringgit Malaysia (RM), interest free and subject to the normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS

12. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customer				
Sales of palm products	702,399	752,448	-	-
Other revenue				
Dividend income	-	-	116,269	91,148
	702,399	752,448	116,269	91,148

Revenue from sales of palm products is recognised at a point in time when goods are delivered and accepted by the customers. The credit terms range from 3 to 15 days. There are no performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. There is no variable element in consideration, no obligation for returns or refunds and no warranty.

13. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on lease liabilities	3,067	3,166	1	2

NOTES TO THE FINANCIAL STATEMENTS

14. PROFIT BEFORE TAX

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/ (crediting):				
Auditors' remuneration:				
- Audit fees				
- KPMG PLT	425	395	95	90
- Non-audit fees				
- KPMG PLT	15	15	15	15
- Local affiliates of KPMG PLT	161	94	8	9
Material expenses/(income)				
Depreciation of property, plant and equipment (Note 3)	86,785	85,102	41	77
Impairment loss/(Reversal of impairment loss) on investment in subsidiaries	-	-	5,340	(218)
Management fees	6,331	5,328	186	105
Net loss/(gain) from fair value adjustments of biological assets (Note 6)	30,610	(44,190)	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	6,698	5,745	134	138
- Wages, salaries and others	219,618	201,266	1,580	1,627
Property, plant and equipment written off	912	946	-	-
Inventories written off	-	177	-	-
Dividend income from money market deposits	(2,411)	(2,572)	(705)	(517)
Dividend income from subsidiaries				
- unquoted shares	-	-	(116,269)	(91,148)
Gain on disposal of property, plant and equipment	(544)	(43)	(90)	-
Insurance claim received	(788)	(382)	-	-
Interest income	(3,585)	(4,086)	(201)	(79)
Gain on money market deposits at fair value	(16,610)	(12,858)	(4,370)	(2,981)
Plantation management fee income	(804)	(843)	-	-
Expenses/(income) arising from leases				
Expenses relating to short term leases	4,913	5,366	108	4
Lease income from properties	(382)	(371)	-	-
Hiring income	(600)	(672)	-	-
Gain on modification of lease	(222)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

15. KEY MANAGEMENT PERSONNEL COMPENSATIONS

The key management personnel compensations are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company:				
- Fees	645	645	645	645
- Remuneration	3,374	3,773	900	1,416
- Benefits-in-kind	77	86	-	-
	4,096	4,504	1,545	2,061
Other key management personnel:				
- Remuneration	10,833	9,125	451	-
- Benefits-in-kind	432	381	-	-
	11,265	9,506	451	-
	15,361	14,010	1,996	2,061

Other key management personnel comprise persons other than the Directors of the Group entities having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

16. TAX EXPENSE**Recognised in profit or loss**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
- Current year provisions	44,882	52,858	212	139
- (Over)/under provision in prior years	(9)	4	-	(55)
Total current tax recognised in profit or loss	44,873	52,862	212	84
Deferred tax expense (Note 10)				
- Origination and reversal of temporary differences	(7,920)	10,250	(7)	(3)
- Under provision in prior years	503	27	-	-
Total deferred tax recognised in profit or loss	(7,417)	10,277	(7)	(3)
Total income tax expense	37,456	63,139	205	81

NOTES TO THE FINANCIAL STATEMENTS

16. TAX EXPENSE (CONTINUED)

Global minimum tax

The Organisation for Economic Co-operation and Development (“OECD”) has introduced a Global Minimum Tax (“GMT”) framework under Pillar Two of the Base Erosion and Profit Shifting (“BEPS Pillar Two”) initiative. The objective of BEPS Pillar Two is to ensure that multinational enterprise (“MNE”) groups are subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate.

The GMT applies to constituent entities of MNE groups with annual consolidated revenue of at least EUR 750 million in at least two of the four immediately preceding financial years. The Group is part of the HSCB Group which is within the scope of BEPS Pillar Two.

In Malaysia, the GMT regime was enacted through the Finance (No. 2) Act 2023 and is effective for financial years beginning on or after 1 January 2025.

Amendments to MFRS 112 Income Taxes provide a mandatory temporary exception from the recognition and disclosure of deferred tax assets and deferred tax liabilities arising from Pillar Two income taxes. The Group has applied this temporary exception for the financial year ended 31 December 2025.

The HSCB Group has performed a preliminary assessment of its potential exposure to BEPS Pillar Two income taxes based on current Pillar Two rules. Based on this assessment, the potential impact of Pillar Two income taxes is not expected to be material to the Group’s financial statements for the financial year ended 31 December 2025.

Accordingly, no deferred tax nor current tax expenses have been recognised in respect of Pillar Two income taxes.

Reconciliation of tax expense

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Profit before tax	162,319	267,777	112,772	91,464
Tax calculated using Malaysian tax rate of 24% (2024: 24%)	38,957	64,266	27,065	21,951
Non-deductible expenses	2,038	2,292	2,375	828
Non-taxable income	(4,772)	(3,640)	(29,235)	(22,643)
Deferred tax assets not recognised during the year	739	190	-	-
	36,962	63,108	205	136
(Over)/Under provision in prior years				
- Current tax expense	(9)	4	-	(55)
- Deferred tax expense	503	27	-	-
	37,456	63,139	205	81

NOTES TO THE FINANCIAL STATEMENTS

17. EARNINGS PER ORDINARY SHARE**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)	124,863	204,638
Issued ordinary shares net of treasury shares at 1 January/ Weighted average number of ordinary shares at 31 December ('000)	799,685	799,685
Basic earnings per ordinary share (sen)	15.61	25.59

18. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2025			
Second interim 2024 ordinary	11.0	87,965	27 March 2025
First interim 2025 ordinary	1.5	11,996	25 September 2025
Total amount	12.5	99,961	
2024			
Second interim 2023 ordinary	5.3	42,383	27 March 2024
First interim 2024 ordinary	1.5	11,996	24 September 2024
Total amount	6.8	54,379	

On 25 February 2026, the Board of Directors approved a second interim dividend of 6.1 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2025, amounting to a total of RM48,780,795 which was paid on 25 March 2026. The financial statements for the current financial year do not reflect this dividend and it will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Board of Directors did not recommend any final dividend to be paid for the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

19. CAPITAL COMMITMENTS

	Group	
	2025	2024
	RM'000	RM'000
Capital expenditure commitments		
Contracted but not provided for		
Property, plant and equipment	19,028	36,499

20. SEGMENTAL REPORTING

Segment assets, segment liabilities, segment operating results and revenues from external customers by product information

The Group has only one reportable segment. All information on segment assets, segment liabilities and segment operating results can be directly obtained from the statement of financial position and statement of profit or loss and other comprehensive income. The total revenue is derived primarily from external customers.

Geographical area information

The Group's revenue is derived wholly from Malaysia based on the geographical location of its customers. The Group's non-current assets are located entirely in Malaysia.

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Group	
	2025	2024
	RM'000	RM'000
Customer A - All common control companies	110,429	93,225
Customer B	83,066	96,371
Customer C	477,229	512,411

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS

21.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ["AC"]; and
 (b) Fair value through profit or loss ["FVTPL"].

	← Group →			← Company →		
	Carrying amount RM'000	FVTPL RM'000	AC RM'000	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2025						
Financial assets						
Receivables *	11,567	-	11,567	104	-	104
Money market deposits	568,565	568,565	-	159,248	159,248	-
Cash and cash equivalents	153,774	-	153,774	4,285	-	4,285
	733,906	568,565	165,341	163,637	159,248	4,389
Financial liabilities						
Payables	(60,819)	-	(60,819)	(1,135)	-	(1,135)
2024						
Financial assets						
Receivables *	71,420	-	71,420	128	-	128
Money market deposits	507,669	507,669	-	142,299	142,299	-
Cash and cash equivalents	116,531	-	116,531	3,257	-	3,257
	695,620	507,669	187,951	145,684	142,299	3,385
Financial liabilities						
Payables	(54,808)	-	(54,808)	(1,145)	-	(1,145)

* Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Gains arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gains on financial assets at:				
Amortised cost				
- Interest income	3,585	4,086	201	79
Fair value through profit or loss				
- Dividend income from money market deposits	2,411	2,572	705	517
- Gain on money market deposits at fair value	16,610	12,858	4,370	2,981
	19,021	15,430	5,075	3,498
	22,606	19,516	5,276	3,577

21.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

21.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to certain subsidiaries.

Trade receivables from contract with customers

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 evaluations are performed on potential customers before entering into any contracts.

At each reporting date, the Group or the Company assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.4 Credit risk (continued)

Trade receivables from contract with customer (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2025	2024
	RM'000	RM'000
Malaysia	6,886	66,918

As at the end of the reporting period, there were no significant concentration of credit risk other than one customer which represented 59% (2024: 86%) of trade receivables.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit period. The Group's debt recovery process commences when a debt is above 30 days past due its credit term, whereby the Group will initiate a structured debt recovery process which is monitored by the sales management team.

As there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default and none of the debts are past due.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.4 Credit risk (continued)

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances 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 statement of financial position. Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk.

The Company determines the probability of default for these advances individually using internal information available.

The Company does not specifically monitor the ageing of current advances to the subsidiaries. Nevertheless, these advances are repayable on demand. There was no indication that the advances to the subsidiaries are not recoverable.

Cash and cash equivalents and money market deposits

The cash and cash equivalents and money market deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual Cash Flow RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2025							
Group							
<i>Non-derivative financial liabilities</i>							
Payables	60,819	-	60,819	60,819	-	-	-
Lease liabilities	76,210	4.58 - 4.65	124,826	16,490	12,702	21,928	73,706
Company							
<i>Non-derivative financial liabilities</i>							
Payables	1,135	-	1,135	1,135	-	-	-
Lease liabilities	14	4.65	14	14	-	-	-
2024							
Group							
<i>Non-derivative financial liabilities</i>							
Payables	54,808	-	54,808	54,808	-	-	-
Lease liabilities	63,654	4.58 - 4.65	110,730	13,714	12,763	14,053	70,200
Company							
<i>Non-derivative financial liabilities</i>							
Payables	1,145	-	1,145	1,145	-	-	-
Lease liabilities	28	4.65	28	14	14	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates and money market deposits price that will affect the Group's financial position or cash flows.

21.6.1 Interest rate risk

The Group exposure to market risk for changes in interest rates relates primarily to deposits with licensed banks and lease liabilities.

Risk management objectives, policies and processes for managing the risk

The Group places excess funds with reputable licensed banks to generate interest income for the Group.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instrument, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial liabilities				
Lease liabilities	(76,210)	(63,654)	(14)	(28)
Floating rate instruments				
Financial assets				
Cash and bank balances	153,766	116,516	4,284	3,256

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 Market risk (continued)

21.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)*(b) Cash flow sensitivity analysis for floating rate instruments*

A change of 100 basis points ["bp"] in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
2025				
Floating rate instruments	1,169	(1,169)	33	(33)
2024				
Floating rate instruments	885	(885)	25	(25)

21.6.2 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its placement in money market deposits. This instrument is classified as financial assets at fair value through profit or loss.

To manage its market price risk, the Group manages its portfolio in accordance with established guidelines and policies.

Market price risk sensitivity analysis

At the reporting date, had the market price of this instrument been 1% higher/lower, with all other variables held constant, the profit or loss would have increased/(decreased) by RM5,686,000 (2024: RM5,077,000) for the Group and RM1,592,000 (2024: RM1,423,000) for the Company as a result of changes in the fair value of this instrument classified as financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
2025			
Group			
Financial assets			
Money market deposits	568,565	568,565	568,565
Company			
Financial assets			
Money market deposits	159,248	159,248	159,248
2024			
Group			
Financial assets			
Money market deposits	507,669	507,669	507,669
Company			
Financial assets			
Money market deposits	142,299	142,299	142,299

Level 2 fair value

The fair value of money market deposits is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

22. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor the adequacy of capital on an ongoing basis. There was no change in the Group's approach to capital management during the financial year.

The Group and the Company did not have any borrowings and the summary of quantitative data used in capital management were as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Money market deposits	568,565	507,669	159,248	142,299
Cash and cash equivalents	153,774	116,531	4,285	3,257
	722,339	624,200	163,533	145,556
Total equity	2,127,808	2,102,906	1,754,439	1,741,833

23. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its related companies, subsidiaries and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Significant related party transactions

Related party transactions except for dividend received have been entered into in the normal course of business. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 15), are shown below. The balances related to the below transactions are disclosed in Notes 7 and 11.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Firm in which				
Datuk Simon Shim Kong Yip, JP,				
a Director of the Company, has interest:				
Shim Pang & Co				
Legal fee	-	(1)	-	-
Firm connected to				
Datuk Edward Lee Ming Foo, JP,				
a Director of the Company:				
Corporated International Consultants Sdn Bhd				
Engineering consultancy fee	(11)	(64)	-	-
Company connected to				
Tan Sri Datuk Seri Panglima				
Lau Cho Kun @ Lau Yu Chak,				
a major shareholder of the				
immediate holding company:				
Faberwin Properties Sdn Bhd				
Rental of land	(202)	-	-	-
Subsidiaries				
Dividend received	-	-	116,269	91,148

NOTES TO THE FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Related companies				
Blasting and crushing of rock aggregates	(5,074)	(4,180)	-	-
Car usage charges	(523)	(108)	(95)	-
Hiring income	600	672	-	-
Accommodation, food and beverage	(22)	(1)	(22)	(1)
Insurance expenses	(3,335)	(3,439)	(36)	(36)
Management fees	(6,331)	(5,328)	(186)	(105)
Plantation management fee income	547	586	-	-
Purchase of building materials	(3,200)	(9,593)	-	-
Purchase of diesel, petrol and lubricant	(19,897)	(22,972)	-	-
Purchase of fertilizers and chemicals	(57,911)	(62,495)	-	-
Purchase of fresh fruit bunches	(17,748)	(18,468)	-	-
Purchase of stones and sand	(23)	(27)	-	-
Purchase of tyres and tubes	(4,331)	(6,948)	-	-
Purchase of vehicles and spare parts, and servicing of vehicles	(3,014)	(2,577)	(6)	(42)
Rental expenses	(295)	(322)	(26)	(17)
Rental income	-	3	-	-
Rental of commercial vehicles	(12,795)	(11,991)	-	-
Rental of land	(69)	-	-	-
Rental of photocopier machine	(2)	(2)	-	-
Rental of skid tank	(13)	(4)	-	-
Sales of used vehicles	249	-	-	-
Utilities charges expenditure	(24)	(29)	(1)	-
Associate of immediate holding company				
Plantation management fee income	257	257	-	-

Related companies in these financial statements refer to Gek Poh (Holdings) Sdn. Bhd. group of companies.

NOTES TO THE FINANCIAL STATEMENTS

24. MATERIAL LITIGATIONS

- (a) Hap Seng Plantations (River Estates) Sdn Bhd ["RESB"], a wholly-owned subsidiary of the Company, is the registered and beneficial proprietor of approximately 6,454 acres of land in the District of Kinabatangan, Sabah, designated as CL095310017 [the "Land"].

On 16 January 2012, Mr. Heng Chin Hing @ Wong Chin Hing (NRIC No. H0699157/570811-12-5731) ["HCH"], claiming to act under a power of attorney dated 8 February 1977 ["Alleged PA"], purportedly sold the Land to Excess Interpoint Sdn Bhd ["EISB"] through a sale and purchase agreement ["Purported SPA"].

HCH was charged in the Kota Kinabalu Sessions Court on four counts of cheating and forgery in respect of the Alleged PA. The criminal proceedings against HCH began on 27 October 2014. On 16 May 2016, the Kota Kinabalu Sessions Court found HCH guilty of cheating and forgery under sections 420 and 471 of the Penal Code with which HCH was sentenced to 12 months of jail term and fined RM40,000. HCH appealed to the High Court, Kota Kinabalu ["KKHC"] against the said conviction and its concomitant sentence and fine.

On 1 March 2018, in affirming the said conviction, the KKHC extended the jail term of 12 months to five years. HCH appealed to the Court of Appeal against the KKHC decision, which appeal was dismissed on 23 May 2022.

On 8 April 2016, RESB commenced a legal suit in the KKHC against both HCH and EISB through its solicitors in Sabah, Messrs Jayasuriya Kah & Co. vide writ of summon no. BKI-22NCvC-39/4-2016 ["KK RESB Suit"], seeking the following:

- (i) A declaration that RESB is the rightful owner of the Land;
- (ii) Nullification of the Purported SPA and the Alleged PA;
- (iii) An injunction to prevent EISB from conducting further transactions or completing the Purported SPA;
- (iv) An injunction against HCH regarding any actions related to the Alleged PA; and
- (v) Legal costs and any other relief deemed appropriate by the Court.

On 24 April 2024, the KKHC ruled in favour of RESB, affirming its ownership and invalidating the Purported SPA and Alleged PA. The KKHC awarded RESB costs of RM40,000, payable by both HCH and EISB. The ruling has confirmed RESB's legal and beneficial ownership over the Land.

On 24 May 2024, EISB and HCH, represented by Messrs Ronny Cham & Co, filed and served a notice of appeal to the Court of Appeal against the whole of the decision by the KKHC in respect of the KK RESB Suit delivered on 24 April 2024. A case management has been fixed on 27 July 2026 for the Court of Appeal to give directions on the appeal.

On 23 February 2026, RESB received the KKHC's grounds of decision through its solicitors, Messrs Jayasuriya Kah & Co, wherein the KKHC set out the main grounds confirming RESB's legal and beneficial ownership over the Land.

NOTES TO THE FINANCIAL STATEMENTS

24. MATERIAL LITIGATIONS (CONTINUED)

- (b) On 11 June 2012, Chee Ah Nun @ Sia Yi Chan (NRIC No. 550808-12-5663) ["SYC"] filed a legal suit against RESB in the KKHC vide originating summon no. BKI-24-127/5-2012 ["KK Suit"], claiming ownership of the Land based on an alleged deed of appointment of substitute attorney by HCH dated 24 June 2010. SYC's claims were predicated on the assertion that HCH had transferred all his interests in the Land to him under the Alleged PA.

SYC sought the following:

- (i) Recognition of his ownership and immediate possession of the Land;
- (ii) An order for RESB to cease harvesting and removing any items from the Land; and
- (iii) Legal costs and other appropriate relief.

On 24 April 2024, the KKHC delivered its ruling. It dismissed SYC's claims and ordered SYC to pay costs of RM40,000 to RESB. The ruling has confirmed RESB's legal and beneficial ownership over the Land, providing a significant legal victory for RESB.

On 24 May 2024, SYC, represented by Messrs Ronny Cham & Co, filed and served a notice of appeal to the Court of Appeal against the whole of the decision by KKHC in respect of the KK Suit delivered on 24 April 2024. A case management has been fixed on 27 July 2026 for the Court of Appeal to give directions on the appeal.

On 23 February 2026, RESB received the KKHC's grounds of decision through its solicitors, Messrs Jayasuriya Kah & Co, wherein the KKHC set out the main grounds confirming RESB's legal and beneficial ownership over the Land.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 66 to 108 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

Datuk Edward Lee Ming Foo, JP
Director

Au Yong Siew Fah
Director

Kuala Lumpur

20 April 2026

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Tan Boon Siong**, the officer primarily responsible for the financial management of Hap Seng Plantations Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Boon Siong, MIA CA 44989 in Kuala Lumpur on 20 April 2026.

Tan Boon Siong

Before me:

AMIR BIN ISMAIL

(W800)

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HAP SENG PLANTATIONS HOLDINGS BERHAD
REGISTRATION NO. 200701011957 (769962-K) (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hap Seng Plantations Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 108.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Impairment on property, plant and equipment

Refer to Note 2 – Material accounting policy information: Property, plant and equipment, Note 3 – Property, plant and equipment.

The Group is required to perform impairment assessment of its cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

As at 31 December 2025, the Group's net assets exceeded its market capitalization, thereby indicating potential impairment of the Group's non-current assets. Accordingly, the Group estimated the recoverable amount of the property, plant and equipment including bearer plants by engaging an independent external valuer.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HAP SENG PLANTATIONS HOLDINGS BERHAD
REGISTRATION NO. 200701011957 (769962-K) (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

1. Impairment on property, plant and equipment (continued)

The professional valuer has applied two approaches in estimating the recoverable amount. For assets which are in optimal yield and production, value in use method based on discounted cash flow is applied. For assets which are not in optimal yield and production, the comparison method is adopted. Comparison method uses sales transactions values for similar assets as a comparison.

We focused on this area as a key audit matter due to the degree of Group's judgement involved and assumptions of future events that are inherently uncertain.

How our audit addressed the key audit matter

Our procedures included, amongst others:

- Evaluated the qualifications, competence and objectivity of the external valuer engaged by the Group by considering the valuer's membership of a professional body, the number of years in practice and performed inquiry of the independence of the external valuer.
- Read the valuer's reports and discussed the reports with the valuer to assess the valuation methods and assumptions used by considering the industry norms and specified external data sources.
- Evaluated the sales transactions values used by the valuer by comparing them against selling prices of similar assets from external market information.
- We considered the adequacy of the Group's disclosures of valuation techniques.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HAP SENG PLANTATIONS HOLDINGS BERHAD
REGISTRATION NO. 200701011957 (769962-K) (INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HAP SENG PLANTATIONS HOLDINGS BERHAD
REGISTRATION NO. 200701011957 (769962-K) (INCORPORATED IN MALAYSIA)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

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

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

Koh Ree Nie
Approval Number: 03339/12/2027 J
Chartered Accountant

Kota Kinabalu

20 April 2026

ADDITIONAL INFORMATION

1. The following additional information are provided in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements.

(i) STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not raise any proceeds from corporate proposal during the financial year.

(ii) MATERIAL CONTRACT

There was no other material contract of the Company and its subsidiaries involving the interests of the directors, chief executive who is not a director or major shareholders, subsisting as at 31 December 2025, and/or entered into since 31 December 2024.

(iii) RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the recurrent related party transactions of a revenue or trading in nature which were entered into by the Company and its subsidiaries with the related parties during the financial year ended 31 December 2025 are as disclosed in Note 23 to the Financial Statements.

The Company will be seeking renewal of and new shareholders' mandate for recurrent related party transactions at the annual general meeting to be convened on 25 May 2026.

2. OTHERS

In its approval letter dated 23 July 2007 approving the initial public offering of the Company, the Securities Commission ("SC") requires, inter alia, the Company to resolve the issue on the requirement to transfer 30% of Litang Estate/equity in Hap Seng Plantations (Wecan) Sdn Bhd to natives within the time period stipulated therein ("SC Condition").

SC had via its letter dated 3 September 2012 agreed not to impose time stipulation on the Company to resolve the issue on SC Condition. However, the Company is to continue to pursue the matter with the relevant authority subject to the following:

- (i) the Company is to disclose the efforts taken and the status of its compliance with the SC Condition in the annual report until such time the condition is fulfilled;
- (ii) the Company and/or CIMB Investment Bank Berhad ("CIMB") is/are to make quarterly announcements to Bursa Malaysia Securities Berhad until such time the condition is fulfilled; and
- (iii) the Company and/or CIMB is/are to update the SC when such disclosure is made in the annual report.

It is a condition of the Litang Estate that "Transfer and sublease of this title is prohibited until such time as the said land has been fully developed in accordance with the terms and conditions herein except as provided above".

As announced on 17 May 2022, the Land and Survey Department in Kota Kinabalu had granted a further extension of time to July 2027 ("said Extension") for the transfer of 30% of the undivided share of the Litang Estate or 30% equity in Hap Seng Plantations (Wecan) Sdn Bhd, a wholly-owned subsidiary of the Company, to natives.

ADDITIONAL INFORMATION

2. OTHERS (CONTINUED)

To the best of the Company's knowledge, the said Extension was granted on the basis that frequent floods had hindered the full development or planting up of the Litang Estate in accordance with the title conditions.

As part of its effort to comply with the SC condition, the Company has taken the following steps to fully develop the Litang Estate:

- (i) constructing of a drain for every 4 rows of palms;
- (ii) regular de-silting of drains in and around the affected region;
- (iii) protect and maintain riparian reserves to prevent and reduce the rate of siltation of drains and rivers through soil erosion;
- (iv) re-supply palms killed after every flood event until such time the palms are able to survive through the floods;
- (v) specially formulated fertilizer recommendations provided to affected areas; and
- (vi) palms planted on platforms for lower lying areas.

3. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(A) Group Total Income and Total Assets

	Group	
	2025	2024
Total Income	RM'000	RM'000
Revenue	702,399	752,448
Other income	36,803	77,944
Total	739,202	830,392
Total Assets	2,636,888	2,595,691

(B) Business Activities

	Group	
	2025	2024
Shariah Non-Compliant Activities	RM'000	RM'000
Dividend income received from conventional shares and instruments	2,377	1,823
Gain from investment in conventional instruments	15,414	12,167
Insurance income	788	382
Interest income	3,585	4,086
Total	22,164	18,458

ADDITIONAL INFORMATION

3. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

(C) Component of Financial Position

(i) Cash Component

	Group	
	2025 RM'000	2024 RM'000
Islamic Account/Instruments		
Cash in hand	8	15
Money market instruments	36,628	35,398
Total	36,636	35,413
Conventional Account/Instruments		
Cash at bank (exclude cash in hand)	153,766	116,516
Money market instruments	531,937	472,271
Total	685,703	588,787

(ii) Debt Component

	Group	
	2025 RM'000	2024 RM'000
Islamic Financing		
Current	N/A	N/A
Non-Current	N/A	N/A
Total	N/A	N/A
Conventional Borrowing		
Current	N/A	N/A
Non-Current	N/A	N/A
Total	N/A	N/A

PARTICULARS OF GROUP'S PROPERTIES

Location	Area (hectares)	Description	Date of acquisition/ revaluation	Tenure	Year of expiry	Approximate age of buildings (years)	Carrying amount at 31/12/2025 RM'000
SABAH							
KINABATANGAN, LAHAD DATU							
Tomanggong Estate	4,890	Oil palm plantation and buildings Tomanggong Palm Oil Mill	January 2017	Leasehold 99 years/ 999 years	2067/2094/ 2894	1 - 57	891,484
Tabin Estate	3,055	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2067/2076/ 2093/2096/ 2097/2098	4 - 40	
Tagas Estate	2,010	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2067/2076	2 - 49	
Litang Estate	1,571	Oil palm plantation and buildings	January 2017	Leasehold 99 years/ 999 years	2076/2091/ 2887/2900	7 - 40	
Sungai Segama Estate	5,174	Oil palm plantation and buildings Plantation Central Office and Clubhouse	January 2017	Leasehold 99 years	2089	1 - 30	
Bukit Mas Estate	4,733	Oil palm plantation and buildings Bukit Mas Palm Oil Mill	January 2017	Leasehold 99 years/ 999 years	2089/2887	1 - 30	
Wecan Estate	1,078	Oil palm plantation	January 2017	Leasehold 99 years	2084	-	45,134
Tampilit Estate	202	Oil palm plantation	January 2017	Leasehold 99 years	2084	-	13,791

PARTICULARS OF GROUP'S PROPERTIES

Location	Area (hectares)	Description	Date of acquisition/ revaluation	Tenure	Year of expiry	Approximate age of buildings (years)	Carrying amount at 31/12/2025 RM'000
SABAH							
KINABATANGAN, LAHAD DATU (CONTINUED)							
Batangan Estate	3,633	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2078	2 - 43	} 522,174
Lutong Estate	2,448	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2078/2098/ 2099	4 - 34	
Lokan Estate	3,155	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2078	5 - 29	
Kapis Estate	2,681	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2078	1 - 39	
Lungmanis Estate	2,200	Oil palm plantation and buildings Jeroco Palm Oil Mill I and II	January 2017	Leasehold 99 years	2078	3 - 28	
TAWAU							
Apas Claremont Estate	552	Oil palm plantation	October 2025	Leasehold 10 years	2035	-	} 17,641
Muul Hill Estate	100	Oil palm plantation	January 2017	Leasehold 99 years	2062/2071	-	
KOTA MARUDU							
Pelipikan Estate, Kg Natu	808*	Oil palm plantation and buildings	January 2017	Leasehold 99 years	2101/2102	7 - 26	23,296
Pelipikan Estate, Kg Natu	1,365	Oil palm plantation	January 2017	Leasehold 60 years	2069	-	58,560
Total	39,655						1,572,080

* Including 81 hectares of land adjoining to the existing land of which the land title is currently under application.

PLANTATION STATISTICS

	FINANCIAL YEAR ENDED 31 DECEMBER				
	2025	2024	2023	2022	2021
CROP PRODUCTION - TONNES					
FFB	613,502	649,070	637,719	583,943	593,279
PROCESSED - TONNES					
FFB - own	598,479	632,017	619,914	566,026	575,440
FFB - purchased	70,189	79,648	89,950	75,225	76,465
Palm Oil	136,055	146,595	147,318	130,510	133,284
Palm Kernel	28,915	32,182	33,788	29,450	30,286
EXTRACTION RATE - %					
Palm Oil	20.35	20.60	20.75	20.35	20.45
Palm Kernel	4.32	4.52	4.76	4.59	4.65
MATURE AREA - HECTARES					
Oil Palm					
30 months to 7 years	3,826	3,980	4,577	4,941	4,933
> 7 years to 17 years	12,603	12,566	11,394	11,164	10,279
> 17 years onwards	16,168	15,730	16,396	16,030	17,224
Total mature area	32,597	32,276	32,367	32,135	32,436
AVERAGE YIELD					
TONNES/HECTARE					
FFB yield per mature hectare	18.82	20.11	19.70	18.17	18.29
Oil per mature hectare	3.83	4.14	4.09	3.70	3.74
AVERAGE SELLING PRICE					
RM/TONNE					
FFB	797	737	638	934	856
Palm Oil	4,445	4,309	3,942	5,530	4,432
Palm Kernel	3,534	2,810	2,154	3,278	2,952
TAXES APPLICABLE TO					
PLANTATION INDUSTRY					
RM'000					
MPOB cess	2,176	2,346	2,357	2,089	2,099
Sabah sales tax	42,349	47,586	42,052	48,281	41,995
Windfall tax	11,878	14,177	6,095	26,338	12,995
Total taxes paid	56,403	64,109	50,504	76,708	57,089

PLANTATION STATISTICS

AREA SUMMARY (HECTARES) AS AT 31 DECEMBER 2025

	River Estates Group	Jeroco Group	Pelipikan	* Kota Marudu	Total
Oil Palm					
Mature	18,387	12,722	903	585	32,597
Immature	2,782	-	-	-	2,782
Total Oil Palm	21,169	12,722	903	585	35,379
Other crops	60	86	-	-	146
Total planted area	21,229	12,808	903	585	35,525
Reserve plantable	27	5	-	81	113
Building,road,reserves,etc	2,109	1,304	462	142	4,017
Total	23,365	14,117	1,365	808	39,655

* Including 81 hectares of land adjoining to the existing land of which the land title is currently under application.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total number of issued shares	:	800,000,000 (including 314,800 treasury shares)
Class of shares	:	ordinary share
Voting rights	:	one vote per ordinary share
Number of shareholders	:	8,355

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	% of Shareholders	*No. of Shares Held	% of Issued Shares
1 to 99	169	2.02	2,930	#
100 to 1,000	2,378	28.46	1,698,372	0.21
1,001 to 10,000	4,311	51.60	18,912,477	2.36
10,001 to 100,000	1,253	15.00	39,387,019	4.93
100,001 to less than 5% of issued shares	243	2.91	183,676,402	22.97
5% & above of issued shares	1	0.01	556,008,000	69.53
Total	8,355	100.00	799,685,200	100.00

* The number of 799,685,200 ordinary shares which was arrived at after deducting 314,800 treasury shares held by the Company from its issued shares of 800,000,000 ordinary shares.

Negligible

LIST OF 30 LARGEST SHAREHOLDERS

No.	Shareholding	% ⁽³⁾
1. Hap Seng Consolidated Berhad	556,008,000	69.53
2. Amanahraya Trustees Berhad - Public Smallcap Fund	22,867,600	2.86
3. Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	8,374,200	1.05
4. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	8,297,400	1.04
5. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for John Chia Sin Tet	7,500,000	0.94
6. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberislamic)	7,402,400	0.93
7. Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Aham ABSR EQ)	7,107,300	0.89
8. Chinchoo Investment Sdn Berhad	5,499,900	0.69
9. Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	4,675,000	0.58

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

No.	Shareholding	% ⁽³⁾
10. Key Development Sdn Berhad	4,282,200	0.54
11. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	4,116,824	0.51
12. Amanahraya Trustees Berhad - Public Select Treasures Equity Fund	4,069,400	0.51
13. Amanahraya Trustees Berhad - Public Strategic Smallcap Fund	3,777,900	0.47
14. Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Saham Amanah Sabah	3,758,900	0.47
15. CIMB Group Nominees (Tempatan) Sdn Bhd - Pembangunan Sumber Manusia Berhad	3,614,900	0.45
16. Gan Teng Siew Realty Sdn Berhad	3,143,066	0.39
17. Amanahraya Trustees Berhad - PB Smallcap Growth Fund	3,060,300	0.38
18. Citigroup Nominees (Tempatan) Sdn Bhd - Lembaga Tabung Haji (Eastspring)	2,697,700	0.34
19. Amanahraya Trustees Berhad - PB Islamic Smallcap Fund	2,275,200	0.28
20. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Islamic)	1,907,792	0.24
21. Baghlaf Alzafer Group Ltd	1,900,000	0.24
22. Foh Chong & Sons Sdn Bhd	1,762,000	0.22
23. Amanahraya Trustees Berhad - Amanah Saham Sarawak	1,700,700	0.21
24. Citigroup Nominees (Tempatan) Sdn Bhd - Lembaga Tabung Haji (Aiiman)	1,640,600	0.21
25. Sritama Sdn Bhd	1,626,400	0.20
26. Affin Hwang Nominees (Tempatan) Sdn Bhd - Bernam Nominees (Tempatan) Sdn Bhd for Jendarata Bernam Provident Fund	1,600,000	0.20
27. CIMB Group Nominees (Tempatan) Sdn Bhd - Aham Asset Mgt Bhd For Tokio Marine Life Insurance Malaysia Bhd	1,495,500	0.19
28. Citigroup Nominees (Tempatan) Sdn Bhd - Generali Life Insurance Malaysia Berhad for Active Balanced Fund	1,428,700	0.18
29. Mikdavid Sdn Bhd	1,352,000	0.17
30. Aliran Insaf (M) Sdn Bhd	1,080,000	0.13
Total	680,021,882	85.04

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

SUBSTANTIAL SHAREHOLDERS

	Direct Shareholding		Indirect Shareholding	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Hap Seng Consolidated Berhad	556,008,000	69.53	-	-
Gek Poh (Holdings) Sdn Bhd	-	-	556,008,000 ⁽¹⁾	69.53
Tan Sri Datuk Seri Panglima Lau Cho Kun @ Lau Yu Chak	-	-	556,008,000 ⁽²⁾	69.53

Notes:

- ⁽¹⁾ Deemed interest by virtue of its shareholding in Hap Seng Consolidated Berhad pursuant to section 8 of the Companies Act 2016 (the "Act").
- ⁽²⁾ Deemed interest by virtue of his shareholding in Gek Poh (Holdings) Sdn Bhd pursuant to section 8 of the Act.
- ⁽³⁾ For purpose of computing the percentage of shareholding above, the number of ordinary shares used was 799,685,200 which was arrived at after deducting 314,800 treasury shares held by the Company from its issued shares of 800,000,000 ordinary shares.

DIRECTORS' SHAREHOLDINGS

AS AT 31 MARCH 2026

Company	Direct Shareholding		Indirect Shareholding	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Hap Seng Plantations Holdings Berhad ("HSP")				
Dato' Mohammed Bin Haji Che Hussein	17,200	0.002	-	-
Datuk Simon Shim Kong Yip, JP	180,000	0.023	-	-
Au Yong Siew Fah	180,000	0.023	-	-
Related Corporation	Direct Shareholding		Indirect Shareholding	
	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Hap Seng Consolidated Berhad ("HSCB")				
Au Yong Siew Fah	291,600	0.012	-	-

Notes:

- ⁽¹⁾ For purpose of computing the percentage of HSP shareholding above, the number of ordinary shares used was 799,685,200 which was arrived at after deducting 314,800 treasury shares held by the Company from its issued shares of 800,000,000 ordinary shares.
- ⁽²⁾ For purpose of computing the percentage of HSCB shareholding above, the number of ordinary shares used was 2,489,669,583 which was arrived at after deducting 12,000 treasury shares held by HSCB from its issued shares of 2,489,681,583 ordinary shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 19th annual general meeting of Hap Seng Plantations Holdings Berhad will be held at the Sandakan Room, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Monday, 25 May 2026 at 10am to transact the following:-

AGENDA

ORDINARY BUSINESS

1. To table the audited financial statements for the financial year ended 31 December 2025 together with the reports of directors and auditors. *Note 1*

To consider and if thought fit, to pass the following ordinary resolutions:-

2. To re-elect the following directors who shall retire by rotation in accordance with clause 116 of the Company's constitution and being eligible, have offered themselves for re-election:- *Notes 2 & 3*

(a) Datuk Simon Shim Kong Yip, JP

Resolution 1

(b) Ms. Cheah Yee Leng

Resolution 2

(c) Mr. Au Yong Siew Fah

Resolution 3

3. To approve payment of directors' fees of the Company amounting to RM645,000.00 for the financial year ended 31 December 2025. *Note 4*

Resolution 4

4. To reappoint Messrs KPMG PLT as auditors of the Company to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the directors of the Company. *Note 5*

Resolution 5

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions:-

5. **Authority to allot shares pursuant to section 75 of the Companies Act 2016**

"That subject always to the approvals of the relevant authorities, the directors of the Company be and are hereby empowered pursuant to section 75 of the Companies Act 2016 to allot shares in the Company at any time upon such terms and conditions, and for such purposes as the directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company." *Note 6*

Resolution 6

NOTICE OF ANNUAL GENERAL MEETING

6. **Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

"That subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part A, section 2.3 of the Circular/Statement to shareholders dated 27 April 2026, which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business, at arm's length and on normal commercial terms which are 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.

That such approval shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company, at which time the said authority shall lapse, unless renewed by a resolution passed at the annual general meeting; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

and that the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the proposed renewal of and new shareholders' mandate." Note 7

Resolution 7

7. **Proposed renewal of share buy-back authority**

"That subject always to section 127 of the Companies Act 2016, the Company's constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the approvals of all relevant governmental and/or regulatory authorities, the directors of the Company be and are hereby authorised to purchase ordinary shares in the Company through Bursa Malaysia Securities Berhad, provided that:-

- (a) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company;
- (b) the maximum funds allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, based on the Company's audited financial statements for the financial year ended 31 December 2025; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) the authority conferred by this resolution shall continue to be in force until:-
- (1) the conclusion of the next annual general meeting of the Company, at which time the said authority shall lapse, unless renewed by the passing of a resolution at that meeting, either unconditionally or subject to conditions; or
 - (2) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act 2016); or
 - (3) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company,

whichever occurs first;

and that the directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain part thereof as treasury shares and cancel the remainder; and/or
- (iii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Malaysia Securities Berhad; and/or
- (iv) transfer the treasury shares or any of the said shares as purchase consideration; and/or
- (v) in any other manner as prescribed by section 127(7) of the Companies Act 2016,

and further that the directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares." Note 8

Resolution 8

By order of the Board

Cheah Yee Leng (LS 0009398)
SSM Practising Certificate No. 202008000771
Lim Guan Nee (MAICSA 7009321)
SSM Practising Certificate No. 202008003410
Company Secretaries

Kuala Lumpur
27 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes to the Agenda:-

1. Pursuant to section 340(1) and (2) of the Companies Act 2016 ("Act"), the directors shall lay before the Company at its annual general meeting ("AGM") its audited financial statements made up to a date not more than 6 months before the date of the AGM. There is no voting required on the item 1 of the agenda.
2. Pursuant to clause 116 of the Company's constitution, at least one-third of the directors of the Company for the time being shall retire from office at every AGM and be eligible for re-election.
3. During the financial year ended 31 December 2025, the nominating committee ("NC") conducted various assessments, including assessment of the collective performance of the board, individual director's performance, independence assessment of each independent director and the nature and extent of conflict of interest or potential conflict of interest of directors, if any, as well as fit and proper assessment of the retiring directors. Based on the results of board effectiveness evaluation, the directors (including the retiring directors) met the performance criteria required of an effective board. Based on the assessment of the retiring directors, the NC's recommendations have been made to and approved of by the board. Based on such assessment and approval, the board (except for the retiring directors who have abstained) has recommended for the directors who are to retire in accordance with clause 116 of the Company's constitution to stand for re-election during the AGM. Mr. Chong Kwea Seng, having served on the board as an independent non-executive director of the Company for a cumulative term of almost nine years, had expressed his intention to retire as a director at the conclusion of the AGM.
4. Pursuant to section 230(1) of the Act, the Company shall at every AGM approve of the fees payable to the directors of the Company and its subsidiaries. The remuneration committee is responsible for conducting a regular review of the fees payable to non-executive directors and members of the board committees. This is to ensure that they are appropriately remunerated in line with the market benchmarking.
5. Pursuant to section 271(4) and section 273(b) of the Act, the Company shall at every AGM appoint its auditors who shall hold office until the conclusion of the next AGM. The audit committee had assessed the suitability and independence of Messrs KPMG PLT ("KPMG"), the auditors of the Company based on the following criteria:-
 - (a) their performance and quality of work;
 - (b) experience and competency of professional staff assigned to the audit;
 - (c) adequacy of resources;
 - (d) independence throughout the conduct of the audit engagement; and
 - (e) level of non-audit services and fees rendered to the Group.

The audit committee was satisfied with the suitability of KPMG in terms of their audit quality, performance, competency and sufficiency of resources as well as provisions of non-audit services, which did not impair their objectivity and independence as auditors of the Company. The board approved of the audit committee's recommendation for shareholders' approval to be sought at this AGM on the proposed reappointment of KPMG as auditors of the Company.

6. The proposed resolution 6 is to authorise the Company to allot shares pursuant to section 75 of the Act. This proposed resolution 6, if passed, will empower the directors of the Company to allot ordinary shares in the Company up to 10% of the total number of issued shares of the Company for the time being, subject to compliance with all other regulatory requirement and this authority will enable the Company to finance investment projects, working capital and/or acquisitions by issuing new shares as and when the need arises without delay or incurring costs in convening a separate general meeting. This authority, unless revoked or varied at an earlier general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this notice of AGM, the Company has not issued any new shares pursuant to the authority granted by the shareholders at the last AGM held on 27 May 2025, which authority shall lapse at the conclusion of this AGM.

7. The proposed resolution 7 is to authorise the Company and its subsidiaries to enter into recurrent related party transactions ("RRPT") which are necessary for day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not detrimental to the minority shareholders of the Company. This would eliminate the need to make regular announcements to Bursa Malaysia Securities Berhad or convene separate general meetings from time to time to seek shareholders' approval as and when RRPT arise, thereby reducing substantial administrative time and expenses in convening such meetings.

Further information on the said RRPT is set out in Part A of the Circular/Statement to shareholders dated 27 April 2026 which is issued together with the Company's 2025 Annual Report.

8. The proposed resolution 8 is to authorise the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of next AGM of the Company. Further information on the proposed renewal of share buy-back authority is set out in Part B of the Circular/Statement to shareholders dated 27 April 2026 which is issued together with the Company's 2025 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

Notes to the notice of AGM:-

1. *A depositor shall not be regarded as a member entitled to attend this AGM, to speak and vote thereat unless his/her name appears in the record of depositors as at 18 May 2026.*
2. *Subject to note 3 below, a member entitled to attend and vote at this AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. The proxy or proxies need not be a member of the Company and there shall be no restriction as to the qualification of the proxy or proxies.*
3. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit on the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised. Such duly executed instrument appointing a proxy must either (a) deposit at Reception Counter, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur; or (b) submit electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof.*

STATEMENT ACCOMPANYING NOTICE OF 19TH ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election as directors

No individual is seeking election as a director at the forthcoming 19th AGM of the Company.

2. General mandate for issue of securities in accordance to paragraph 6.03(3) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The details of general mandate for directors to allot and issue shares in the Company pursuant to section 75 of the Companies Act 2016 are set out in item 6 of explanatory notes to the agenda in the notice of 19th AGM.



HAP SENG PLANTATIONS

Hap Seng Plantations Holdings Berhad

200701011957 (769962-K)

Creating Value Together

PROXY FORM

No. of shares	CDS Account No.

I/We _____ NRIC No./Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____ being
(FULL ADDRESS)

a member/members of Hap Seng Plantations Holdings Berhad, do hereby appoint _____
(FULL NAME OF PROXY IN BLOCK LETTERS)

NRIC No./Company No. _____ of _____
(FULL ADDRESS)

_____ Tel No. _____ Email address _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the 19th annual general meeting of the Company to be held at the Sandakan Room, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Monday, 25 May 2026 at 10am or at any adjournment thereof in the manner as indicated below:-

AGENDA

- To table the audited financial statements for the financial year ended 31 December 2025 together with the reports of directors and auditors.

ORDINARY BUSINESS

		FOR	AGAINST
2. To re-elect Datuk Simon Shim Kong Yip, _{JP} as director of the Company.	Resolution 1		
3. To re-elect Ms. Cheah Yee Leng as director of the Company.	Resolution 2		
4. To re-elect Mr. Au Yong Siew Fah as director of the Company.	Resolution 3		
5. To approve the payment of director' fees.	Resolution 4		
6. To reappoint Messrs KPMG PLT as auditors of the Company.	Resolution 5		

SPECIAL BUSINESS

		FOR	AGAINST
7. Authority to allot shares pursuant to section 75 of the Companies Act 2016.	Resolution 6		
8. To approve renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	Resolution 7		
9. To approve renewal of share buy-back authority.	Resolution 8		

Please indicate with a "✓" in the spaces above on how you wish your votes to be cast. In the absence of specific instructions, the proxy will vote or abstain at his/her discretion.

Signed this _____ day of _____ 2026

Signature(s)/Common Seal of Shareholder(s)

Notes:-

1. A depositor shall not be regarded as a member entitled to attend this annual general meeting ("AGM"), to speak and vote thereat unless his/her name appears in the record of depositors as at 18 May 2026.
2. Subject to note 3 below, a member entitled to attend and vote at this AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. The proxy or proxies need not be a member of the Company and there shall be no restriction as to the qualification of the proxy or proxies.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit on the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised. Such duly executed instrument appointing a proxy must either (a) deposit at Reception Counter, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur; or (b) submit electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof.

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Postage

THE COMPANY SECRETARY
HAP SENG PLANTATIONS HOLDINGS BERHAD
Registration No. 200701011957 (769962-K)
Reception Counter, Ground Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia

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HAP SENG PLANTATIONS

**Creating
Value
Together**

HAP SENG PLANTATIONS HOLDINGS BERHAD

Registration No. 200701011957 (769962-K)

21st Floor, Menara Hap Seng

Jalan P. Ramlee, 50250 Kuala Lumpur

Malaysia

Tel : 603-2172 5228

Fax : 603-2172 5286

Website : www.hapsengplantations.com.my