



AEP Plantations PLC
Company Number: 01884630

ANNUAL REPORT 2025

UNLOCKING SHAREHOLDER VALUE



INSIDE THIS REPORT



UNLOCKING SHAREHOLDER VALUE

A bold “A” anchors our 2025 Annual Report — marking a new name, a new logo, and the first step in a visual progression towards the full AEP mark.

Layered with imagery from our plantations and produce, this “A” captures the depth of our core operations and the strength of our foundation. It embodies our identity and intent: rooted in fundamentals like fresh fruit bunches (“FFB”) yields, while signaling momentum toward our 2026-2030 strategy. The end cover brings this narrative full circle, presenting our key value drivers which are brought together as a unified system, such as our estates, mills, environmental, social, governance (“ESG”) people, innovation, and disciplined growth, illustrating how each element connects to unlock and deliver sustainable shareholder value

A new chapter begins. A foundation set. AEP in motion.

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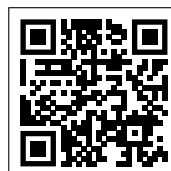
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Our reporting currency is the United States Dollar. The following currencies may appear in this Annual Report:

- \$ and ¢: United States Dollars and cents
- £ and p: British Pound Sterling and pence
- RM: Ringgit Malaysia
- Rp: Indonesian Rupiah



For more information online, scan QR Code to visit our corporate website at <https://aeplantations.com>

AEP AT A GLANCE

The AEP group of companies (“Group”) is a producer of sustainable palm oil, owning, operating and developing plantations and mills across Indonesia and Malaysia.

- ⇒ Primary activities include growing oil palms, FFB, and processing them into crude palm oil (“CPO”) and palm kernels (“PK”).
- ⇒ AEP Group is committed to the responsible development of its plantations and facilities, with particular attention to both the environment and society in which it operates.



OIL PALM PLANTATIONS



OIL PALM DEVELOPMENT



PALM OIL MILLS



THIRD-PARTY CROP PURCHASES



BIOGAS PLANTS

AEP AT A GLANCE (CONTINUED)

Our Group is currently cultivating over 56 thousand ha in mature oil palms (excluding smallholder cooperative plasma scheme (“Plasma”)) across 13 plantations in Indonesia, together with one (1) plantation in Malaysia. The weighted average age of the trees in our Group is approximately 14 years. In 2025, our Group produced 1.1 million mt of FFB (2024: 1.0 million mt).

An oil palm tree usually takes around three (3) years from planting to harvest of the first crop and will reach peak production around year 10. Our Group has approximately 8.8 thousand hectares (“ha”) of immature plantations as at 31 December 2025 of which 2.7 thousand ha (excluding Plasma scheme) were planted in 2025.

Our Group operates seven (7) palm oil mills processing up to a combined capacity of 400 mt of FFB per hour. The combined oil extraction rate (“OER”), being the percentage of CPO extracted from FFB in 2025, averaged 19.8% while kernel extraction rate, being the percentage of PK extracted from FFB, averaged 4.9%. The total FFB throughput at the Group’s mills in 2025 was 2.1 million mt producing 0.4 million mt of CPO and 0.1 million mt of PK.

In line with our long-term growth strategy and commitment to enhancing operational capacity, our Group has commenced construction of its eighth (8th) palm oil mill within the KAP estate. The new mill is designed to support the growing FFB production from our maturing estates and to improve logistics efficiency by reducing transportation distances and turnaround time. The mill is planned with modern processing technology to optimise extraction efficiency, improve energy utilisation and meet applicable environmental and sustainability standards.

Currently, construction is underway with commissioning and testing targeted for January 2027. Upon completion, the new mill will further strengthen our Group’s processing capacity, support higher crop intake in the surrounding estates and position the Group to capture additional value across the upstream segment.

In 2025, our Group purchased approximately 1.2 million mt of FFB from external/third-party producers, comprising smallholders, local farmers and Plasma, for processing through our seven (7) mills.

Four (4) mills are equipped with biogas plants that capture the methane gas emission to generate electricity for internal consumption, with surplus power sold to the Indonesian state authorities. This reduces the mills’ reliance on fossil fuels and improves our Group’s carbon footprint. In 2025, our Group sold 11.7 GWh of surplus electricity to the Perusahaan Listrik Negara (“PLN”), Indonesia’s state-owned electricity company.

Furthermore, our first Bio-compressed natural gas (“BioCNG”) plant at the Blankahan estate, which converts methane captured from palm oil mill effluent (“POME”) into compressed natural gas, has a production capacity of up to 300 MMBtu per day. Our second BioCNG plant at the Tasik estate commenced commercial operations in July 2025 and has a production capacity of up to 450 MMBtu gas per day. Together, the two (2) BioCNG plants delivered a total of 168,253 gas MMBtu in FY2025. With both facilities in operation, the Group has further strengthened its renewable energy portfolio, reduced greenhouse gas emissions through methane capture and enhanced value creation by monetising POME and related by-products.

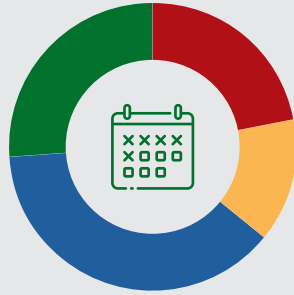
KEY INFORMATION

AVERAGE AGE OF OUR PALM:

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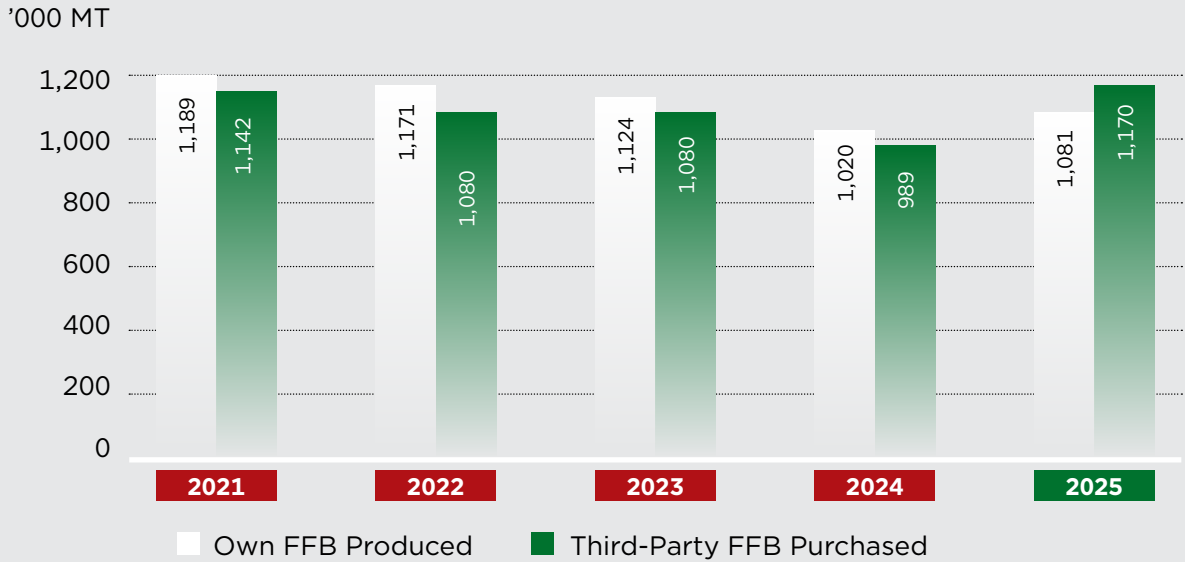


PALM MATURITY PROFILE (DECEMBER 2025):

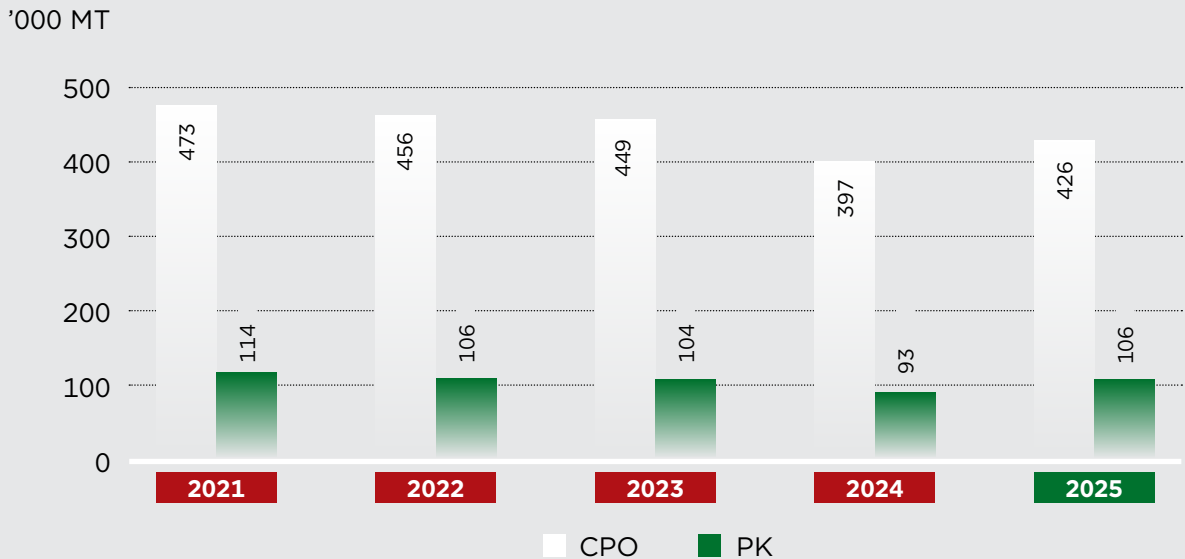


- Old: **22%**
- Immature: **14%**
- Prime: **38%**
- Young: **26%**

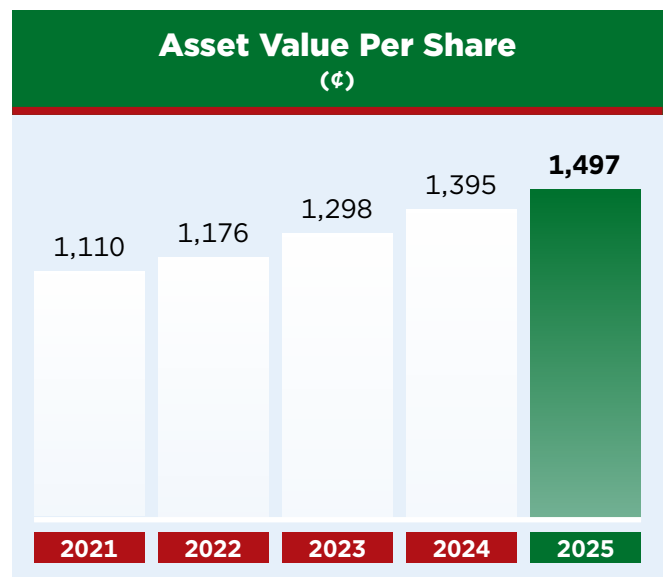
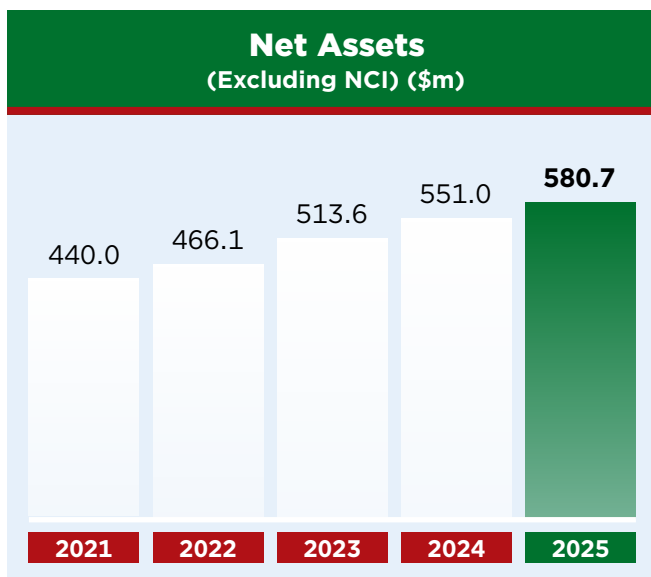
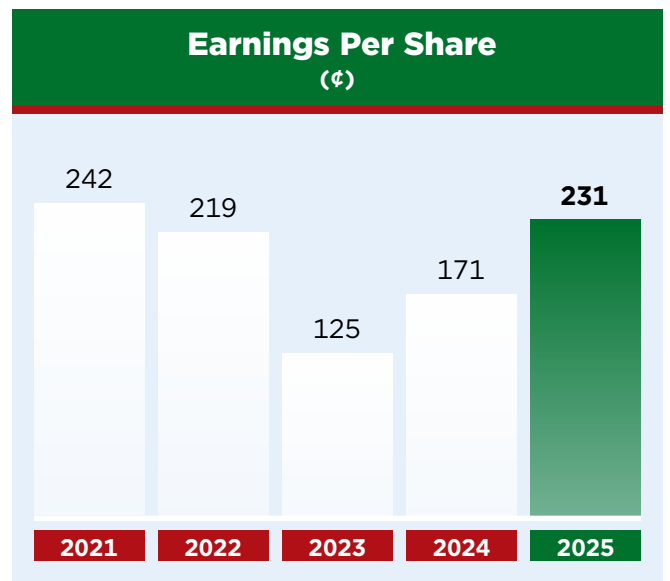
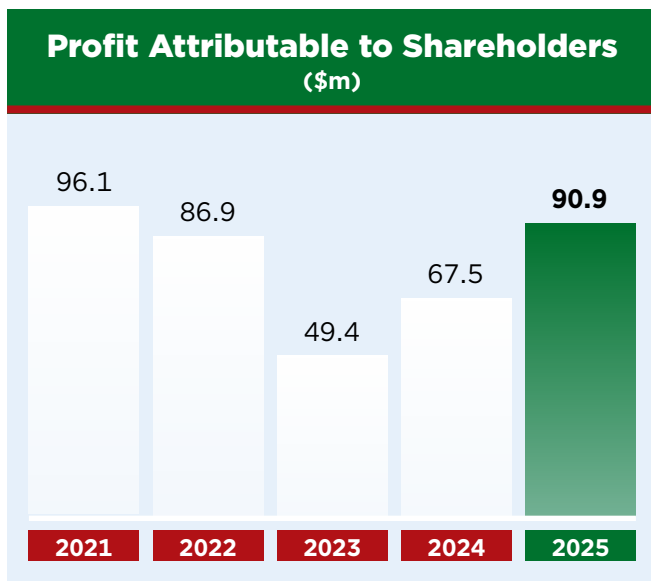
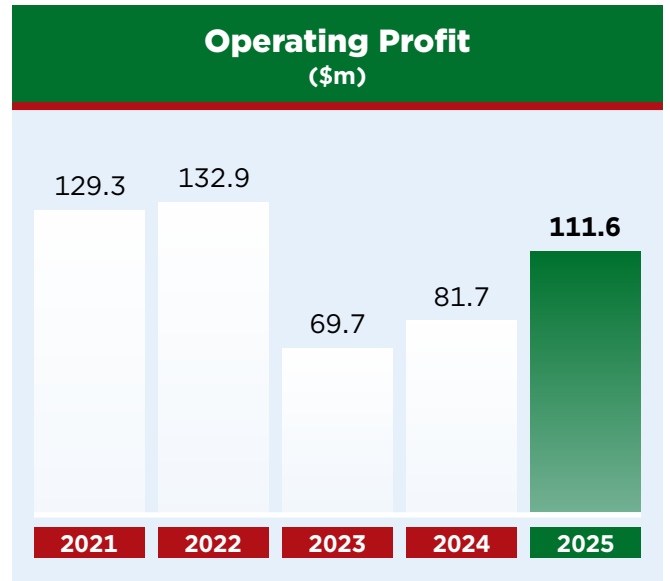
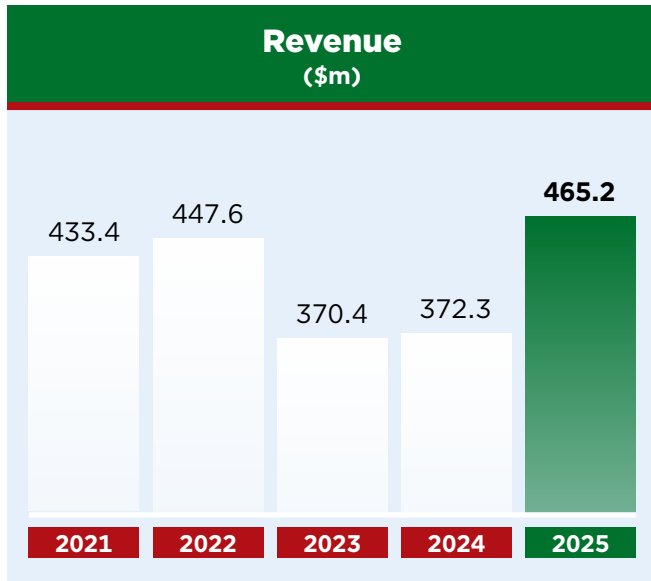
OWN FFB PRODUCTS VS. THIRD-PARTY FFB PURCHASED ('000 MT):



CPO & PK PRODUCTION ('000 MT)



FINANCIAL HIGHLIGHTS



FINANCIAL RECORD

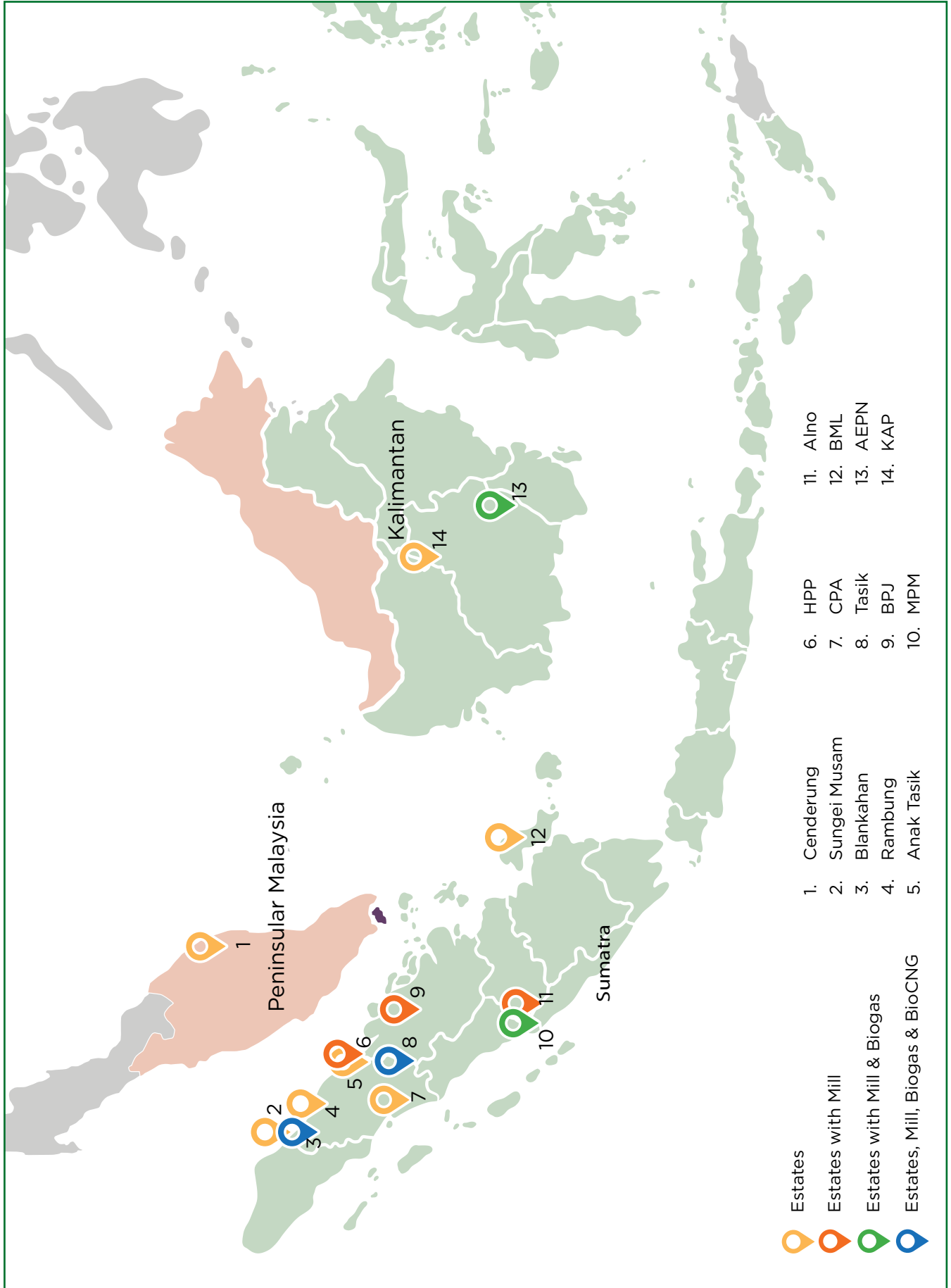
	2025	2024	2023	2022	2021
	\$000	\$000	\$000	\$000	\$000
Income statement					
Continuing operations					
Revenue	465,211	372,263	370,435	447,619	433,421
Operating profit	111,553	81,734	69,712	132,895	129,332
Profit attributable to shareholders	90,882	67,514	49,418	86,877	96,054
Dividend proposed for year	(31,360)	(20,091)	(11,868)	(9,909)	(1,982)
Financial position	\$000	\$000	\$000	\$000	\$000
Non-current assets & long-term receivables	290,655	295,644	302,034	269,498	282,581
Cash net of short-term borrowings	231,845	181,908	152,984	221,476	218,249
Other working capital*	64,515	81,231	64,284	81,571	38,284
Deferred tax	(2,088)	(325)	1,313	3,145	2,994
	584,927	558,458	520,615	575,690	542,108
Non-controlling interests	(4,238)	(7,427)	(6,976)	(109,595)	(102,078)
Net assets (excluding NCI)	580,689	551,031	513,639	466,095	440,030
Share capital	15,504	15,504	15,504	15,504	15,504
Treasury shares	(13,840)	(2,487)	(1,847)	(1,171)	(1,171)
Share premium and capital redemption reserve	25,022	25,022	25,022	25,022	25,022
Exchange reserves	(381,476)	(364,402)	(341,180)	(288,891)	(241,907)
Retained earnings	935,479	877,394	816,140	715,631	642,582
Equity attributable to shareholders' funds	580,689	551,031	513,639	466,095	440,030
Ordinary shares in issue ('000s)	39,976	39,976	39,976	39,976	39,976
Basic EPS (US cents)	231.42cts	170.88cts	124.92cts	219.19cts	242.34cts
Dividend per share for year (US cents)	81.0cts	51.0cts	30.0cts	25.0cts	5.0cts
Asset value per share (US cents)	1,497cts	1,395cts	1,298cts	1,176cts	1,110cts
Exchange rates - year end					
Rp : \$	16,782	16,162	15,416	15,731	14,269
\$: £	1.35	1.25	1.27	1.20	1.35
RM: \$	4.06	4.47	4.60	4.41	4.17
Exchange rates - average					
Rp : \$	16,475	15,847	15,255	14,810	14,312
\$: £	1.32	1.28	1.24	1.24	1.38
RM: \$	4.28	4.57	4.56	4.40	4.15

* Other working capital comprises current assets, excluding cash and cash equivalents, less current liabilities and non-current liabilities, with the exception of deferred tax liabilities..

ESTATE AREAS

	GROUP TOTAL	MALAYSIA	INDONESIA TOTAL	NORTH SUMATRA	BENGKULU	RIAU	BANGKA	KALIMANTAN
Mills/Biogas Plants								
Number of Mills	7	-	7	3	2	1	-	1
Number of Biogas Plants	4	-	4	2	1	-	-	1
Combined Mills Capacities (mt/hr)	400	-	400	160	120	60	-	60
Planted at 31 December 2025								
Oil palm								
Mature	56,224	3,414	52,810	17,058	11,876	4,013	2,568	17,295
Immature	8,758	-	8,758	1,729	4,634	492	256	1,647
Total oil palm	64,982	3,414	61,568	18,787	16,510	4,505	2,824	18,942
Oil palm under Plasma Scheme								
Mature	3,422	-	3,422	230	-	-	485	2,707
Immature	920	-	920	-	-	-	37	883
Total oil palm under Plasma scheme	4,342	-	4,342	230	-	-	522	3,590
Total oil palm (including Plasma scheme)								
	69,324	3,414	65,910	19,017	16,510	4,505	3,346	22,532
Others								
Reserve	7,876	1,646	6,230	777	-	-	1,220	4,233
Unplantable Areas	8,015	1,236	6,779	1,037	1,463	45	2,254	1,980
Oil Palm Nursery/ Mill/Infrastructure	3,147	72	3,075	1,038	552	98	22	1,365
Total other area	19,038	2,954	16,084	2,852	2,015	143	3,496	7,578
Total area	88,362	6,368	81,994	21,869	18,525	4,648	6,842	30,110

LOCATION OF ESTATES AND MILLS



CHAIRMAN'S STATEMENT

We delivered a strong trading performance in 2025, supported by resilient operational execution and favourable CPO and PK prices. We achieved increased production volumes and strong cash generation, reflecting both the quality of our plantation assets and the effectiveness of our operational strategy.

Operationally, we delivered a 6% increase in FFB production, primarily driven by improved output from young and matured palms in the Bengkulu and Kalimantan regions in Indonesia.

FFB bought-in production increased by 18%, primarily due to new third-party crop intake at the recently commissioned PT Hijau Pryan Perdana ("HPP") Mill (North Sumatra) and Bengkulu region. As a result, total CPO production rose by 7%, while total PK production increased by 13%.

Revenues rose by 25% to \$465.2 million (2024: \$372.3 million), mainly attributable to higher production volumes and stronger CPO and PK prices during the year.

Profit before tax increased by 35% to \$119.3 million (2024: \$88.1 million), driven by higher production volumes and stronger CPO and PK prices during the year. Earnings per share increased by 35% to 231.42 cents (2024: 170.88 cents), reflecting the stronger operating performance for the year.

The strength of our financial performance has further reinforced our balance sheet and enhanced our strategic flexibility. It enables us to continue investing in the long-term sustainability of our estates through replanting programmes, pursue selective growth opportunities, support shareholder returns and maintain a resilient financial position.

Our 2025 EPS from continuing operations grew by 35% to 231¢ per share, reflecting the strength of our business and team. In light of this performance, the Board is pleased to declare a total dividend of 81¢ per share, reinforcing our commitment to shareholder value.

**Jonathan
Law Ngee Song**
Chairman



CHAIRMAN'S STATEMENT (CONTINUED)

Our achievements also reflect the significant effort and disciplined execution across our Group over the past year, as our board of directors (“Board”) and management team focused on strengthening the operational and financial foundations of the business. Priority has been placed on rehabilitating older plantations, enhancing estate productivity, expanding our Group’s land bank and maintaining a disciplined capital deployment. These initiatives are intended to reinforce the long-term sustainability and resilience of our Group’s asset base.

Supported by the commitment and dedication of our teams across our Group, these efforts have contributed to a stronger operational platform and improved financial performance. Our Group now benefits from a robust balance sheet and strong cash generation, providing the flexibility to continue investing in the long-term development of our estates while also returning capital to shareholders through dividends and share buybacks.

Our Board continues to adopt a disciplined and balanced approach to capital allocation, ensuring that sufficient resources are retained to support organic expansion and selective acquisitions, while delivering sustainable returns to shareholders.

During the year, our Group marked an important milestone with the successful completion of its rebranding to **AEP Plantations Plc**, which took effect on 24 November 2025.

This development represents more than a change in name; it reflects the continuing transformation of our Group as we evolve to meet new opportunities in a dynamic industry landscape. As the organisation grows in scale, capability and ambition, the refreshed identity signals our readiness to move confidently into the next phase of our journey while remaining firmly rooted in the heritage and values that have guided us for over four (4) decades.

We continue to build on our strong legacy while strengthening our capabilities to create enduring value for our shareholders, partners, employees and the communities in which we operate.

Our achievements also reflect the significant effort and disciplined execution across our Group over the past year, as our Board and management team focused on strengthening the operational and financial foundations of the business.

We were also pleased to have been promoted to the FTSE 250 Index, effective 17 September 2025. This advancement followed the substantial appreciation in the Company’s share price and the corresponding growth in its market capitalisation. Our inclusion in the FTSE 250 reflects the culmination of many years of disciplined execution, operational resilience, and the unwavering commitment of our people across the Group. The progress we have achieved has been built steadily over time through a clear strategic focus, prudent management of our assets, and the collective efforts of the teams across our organisation.

GROWTH OPPORTUNITIES AND STRATEGIC EXPANSION

Looking ahead, our Group is entering an exciting new phase of growth, with Indonesia firmly at the centre of our long-term strategy.

A key pillar of this strategy is the proposed initial public offering of our Indonesian subsidiary, PT AEP Nusantara Plantations Tbk (“Proposed IPO”). The Proposed IPO represents a natural progression in aligning our capital structure with our operational footprint, while broadening our investor base and enhancing access to local capital markets. It is expected to support targeted capital expenditure, including infrastructure development and processing capacity and to accelerate our expansion in Kalimantan.

CHAIRMAN'S STATEMENT (CONTINUED)

The Proposed IPO and the potential addition of PT JJU represent a balanced and complementary growth strategy, combining capital market initiatives, earnings-accretive acquisitions and operational expansion. These initiatives reflect a consistent strategic logic: disciplined expansion in markets where we have demonstrated operational capability, funded from a position of balance sheet strength. These developments remain subject to the requisite regulatory approvals, and we will provide further updates in due course as the process progresses.

Our Board remains committed to pursuing growth in a disciplined and selective manner, ensuring that all investments are aligned with our strategic priorities and are expected to be accretive to shareholder value.

SHAREHOLDER RETURNS

AEP delivered outstanding shareholder returns in 2025, with its share price rising 212% to £19.10, as at 8 April 2026, recording its strongest performance since the current management team's appointment on 1 October 2024.

This significant uplift reflects our Board and management team's focused and disciplined execution. Over the past year, we have prioritised rehabilitating mature plantations, improving estate productivity, expanding our land bank, and maintaining strict capital discipline. These actions have strengthened our operational platform, enhanced financial performance, and driven strong cash generation.

As a result, our Group now benefits from a robust balance sheet and the financial flexibility to both invest for long-term growth and return capital to shareholders.

In line with this, our Board has declared a final dividend of 43.7 cents per Share. With an interim dividend of 37.3 cents per Share already paid, the total dividend declared for the year ended 31 December 2025 will be 81.0 cents (2024: 51.0 cents per Share), representing approximately 35% of retained profits attributable to our Group for the year and higher than our dividend policy. Subject to shareholder approval at the forthcoming Annual General Meeting, the final dividend will be paid on 30 July 2026 to shareholders on the register on 19 June 2026.

In addition to dividend distributions, our Board continues to view share buybacks as an effective means of enhancing our shareholder value where AEP's ordinary shares ("Share(s)") are traded at a discount to their underlying intrinsic value. In 2025, our Group repurchased 707,762 Shares at a total cost of £8.7 million at an average price of £12.20 per Share. Building on this, a further share buyback programme of up to £8.0 million was announced in January 2026.

INVESTOR ENGAGEMENT AND MARKET OUTREACH

During the year, we undertook a step change in our approach to investor engagement and market outreach. This initiative was led by our Executive Director, Marcus Chan, who spearheaded a structured programme of meetings and investor roadshows with both existing and prospective shareholders.

CHAIRMAN'S STATEMENT (CONTINUED)

These engagements were supported by a comprehensive investor presentation, which articulated AEP's strategy, operational footprint, asset quality, financial strength, sustainability agenda and long-term value proposition. The objective was to ensure that the market gained a deeper and more accurate understanding of the fundamentals of our business and the strategic direction set by our Board.

The feedback received from investors has been constructive and encouraging. This improved sentiment was further complemented by the initiation of independent research coverage by our corporate adviser, which recognised the strategic reset undertaken by our Board and management, the strengthening operational and financial performance of our Group, and the growing visibility of AEP's intrinsic value in the market.

I firmly believe that consistent, transparent and proactive communication with the investment community is critical to building long-term trust, improving market understanding and supporting sustainable shareholder value creation. Our Board views this inaugural investor engagement initiative as an important foundation for more regular and meaningful dialogue with shareholders in the years ahead.

REPLANTING TO IMPROVE LONG-TERM YIELD

	Actual		Target	
	Total 2022-2024	2025	2026	Total 2027-2030
Replanting (ha)	4,101	2,440	2,750	7,074



CHAIRMAN'S STATEMENT (CONTINUED)

To ensure the improvement of yields, our Company has intensified its replanting efforts in recent years. In 2025 alone, approximately 2.4 thousand ha of aged, low-yielding palms were replanted. Looking ahead, AEP aims to replant around 10 thousand ha as part of its 2026–2030 programme, with 2.8 thousand ha identified for replanting in 2026. This initiative, involving the use of higher-yielding and disease-resistant palm varieties, is expected to significantly boost productivity and deliver improved and sustainable returns.

Our Group's replanting programme continues to progress in line with plan. By 2028, AEP expects to have replaced substantially all older palms trees in Sumatra estates with younger planting material that is more disease-resistant, higher yielding and capable of delivering improved oil extraction rates compared to earlier generations.

OUR PEOPLE

Our performance is the result of the sustained efforts of our teams across our Group, who have continued to focus on improving productivity, maintaining operational discipline and optimising resource utilisation. Their commitment has enabled our Group to deliver consistent operational outcomes while navigating a dynamic market environment.

On behalf of our Board, I would like to convey our sincere thanks to our management and employees of our Group for their dedication, loyalty, resourcefulness, commitment, and contribution to our Group.

OUTLOOK

CPO remains competitively priced against other vegetable oils, with its discount to soybean oil continuing to support demand, particularly in cost-sensitive markets. In addition, Indonesia's mandatory B50 biodiesel programme, effective from July 2026, is expected to drive stronger CPO demand and serve as a key anchor for price stability.

Near-term volatility is expected to persist, driven by geopolitical tensions, especially in the Middle East, which impact crude oil prices, freight costs, and overall market sentiment. These factors are also contributing to rising input costs, with increases in diesel and fertiliser prices, particularly urea, weighing on plantation margins.

Notwithstanding the rising costs, given that CPO prices are expected to remain elevated, we expect sustainable performance for 2026.

JONATHAN LAW NGEE SONG

Chairman

30 April 2026



Operational KPIs



YIELD PER HA:
Measures the amount of palm oil produced per hectare of plantation land.

2025:
19.2mt/ha

2024: 17.8mt/ha



OER:
Evaluates the efficiency of oil extraction from FFB.

2025:
19.8%

2024: 20.2%



MILL UTILISATION RATE:
Measures the percentage of the mill's total processing capacity being used.

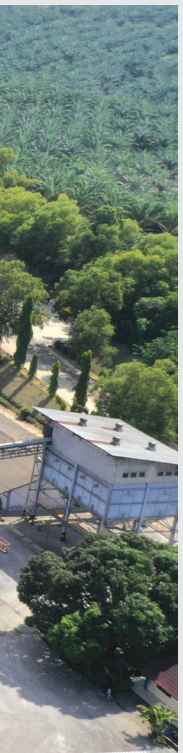
2025:
112%

2024: 102%

STRATEGIC REPORT

This Strategic Report has been prepared to provide shareholders with information to complement the financial statements.





Sustainability KPIs



SCOPES 1 & 2 EMISSIONS:
Measures direct and indirect greenhouse gas (“GHG”) Emissions of our Group.

2025:
1.5 million tCO₂e

2024: 1.2 million tCO₂e



COMPLIANCE WITH SUSTAINABILITY POLICIES:
Ensures adherence to relevant sustainability standards and policies.

2024 & 2025:
We are compliant certified with MSPO, ISPO, TCFD, ISO 14001, ISO 14064-1 and ISCC. RSPO certification is in progress.



SPOTT SCORE:
Assesses our public disclosure and transparency regarding ESG practices.

2025:
61.2%

2024: 60.2%



Financial KPIs



GROSS PROFIT MARGIN:
Measures the percentage of revenue remaining after deducting production costs.

2025:
26.6%

2024: 23.8%



NET PROFIT MARGIN:
Tracks the percentage of revenue left after all expenses, including taxes and interest.

2025:
18.6%

2024: 18.2%



STRATEGIC REPORT (CONTINUED)

BUSINESS MODEL

Our Group will continue to focus on its strength and expertise, which is sustainably cultivating oil palm for FFB and to turn them into CPO. To increase production and reduce costs, our business activities revolve mainly around the following:



Plantations	Palm Oil Mill
Optimisation of existing assets	
Implement best management practices to ensure the effective management of established oil palm plantations	Enhance the efficiency of operations at existing palm oil mills and increase the sourcing of FFB from surrounding plantations to boost productivity and overall performance
Expansion into strategic locations	
Acquire new oil palm plantations in Indonesia and Malaysia to strengthen AEP's sustainable growth	Setup or acquire new mills to serve the company's plantations and surrounding smallholders

Our core values are as follows:



STRATEGIC REPORT (CONTINUED)



The culture is instilled throughout the workforce, through these three main channels:

1) Lead by Example:

Our managers and leaders demonstrate the core values in their behaviour to inspire others to emulate the same values, fostering trust, respect and alignment within the organisation.

2) Simplify and Engage:

The core values are displayed prominently with simple language, relatable concepts and infographics to ensure the message resonates and stays memorable.

3) Recognise and Reinforce:

We celebrate and reward employees who demonstrate the core values through their behaviour and work. This positively reinforces the concept and encourages others to follow suit.

OUR STRATEGY

Our strategic focus is to drive sustainable growth and unlock shareholder value by improving operational performance, enhancing yields and developing new value-accretive growth platforms.

Climate-related risks and opportunities are integrated into AEP's strategy and capital allocation decisions. Through Climate Scenario Analysis ("CSA"), the Group has identified key physical risks, including rainfall variability, flooding, drought, and temperature increases, as well as transition risks linked to evolving regulatory frameworks and market expectations. These risks are considered in operational planning, including yield optimisation, infrastructure investments and sustainability initiatives, ensuring alignment between long-term resilience and financial performance.

A key priority is to increase the yield of our Indonesian plantations to 25 mt/ha by 2030, positioning our Group towards the upper quartile of Indonesian oil palm peers. To achieve this, a structured yield enhancement programme is being implemented, focusing on:

- Replanting of mature palm trees (>25 years) to rejuvenate estate productivity;
- Block-by-block yield improvement initiatives, including identification, rectification, and rehabilitation of underperforming areas; and
- Enhanced estate management and cost control to improve overall efficiency.

In parallel, our Group is strengthening its milling operations to improve extraction rates and optimise processing costs, thereby increasing value derived from each tonne of FFB.

Beyond core operations, AEP is investing in downstream and strategic projects, including new mills, PK crushing facilities, and digital/monitoring systems, to enhance operational control and capture additional value across the supply chain.

STRATEGIC REPORT (CONTINUED)

Our Group also remains committed to sustainable and responsible practices, including the pursuit of RSPO certification, expansion of social forestry initiatives, and maintaining high standards in safety and environmental management. These efforts support long-term resilience and align with increasing stakeholder expectations on ESG performance.

While revenue is influenced by CPO price volatility and external factors such as weather conditions, our Group's strategy focuses on controllable drivers, particularly yield improvement, cost discipline, and operational excellence.

The Indonesian regulatory framework imposes certain constraints on plantation expansion, including land ownership caps and limitations for foreign-controlled entities. In addition, the availability of suitable land is increasingly limited. In response, AEP adopts a disciplined expansion strategy, focusing on selective acquisitions and maximising productivity from its existing land bank.

Through a combination of higher yields, improved efficiency, disciplined capital deployment, and strong ESG practices, the Group aims to deliver sustainable long-term value for shareholders.

OUR MARKETPLACE

AEP believes in the long-term potential of palm oil. With its economic production advantages compared to alternative oils and its status as the most productive source of vegetable oil, palm oil continues to play a vital role in meeting the demands of a growing global population. AEP remains focused on leveraging these strengths to deliver value while upholding its commitment to sustainable practices and responsible growth.

For comparison, the land needed to process one litre (per annum) of refined palm oil vs other refined crop oils is as follows:

Crop	Area required to produce 1L	
Palm	1.7 m ²	
Soybean	22.4 m ²	12x more land needed than palm
Rapeseed	8.4 m ²	4x more land needed than palm
Sunflower	10.5 m ²	5x more land needed than palm
Corn	58.1 m ²	34x more land needed than palm
Peanut	9.4 m ²	5x more land needed than palm

Compared to palm oil, other crops would require four (4) to 34 times more land to produce an equivalent weight of palm oil, making palm oil a more sustainable choice compared to other edible vegetable oils. Additionally, oil palm has a long and productive biological life of 25 years compared to yearly planting for other soft oils.

Additionally, we have established our own mills in or near our plantations for several strategic and operational reasons:

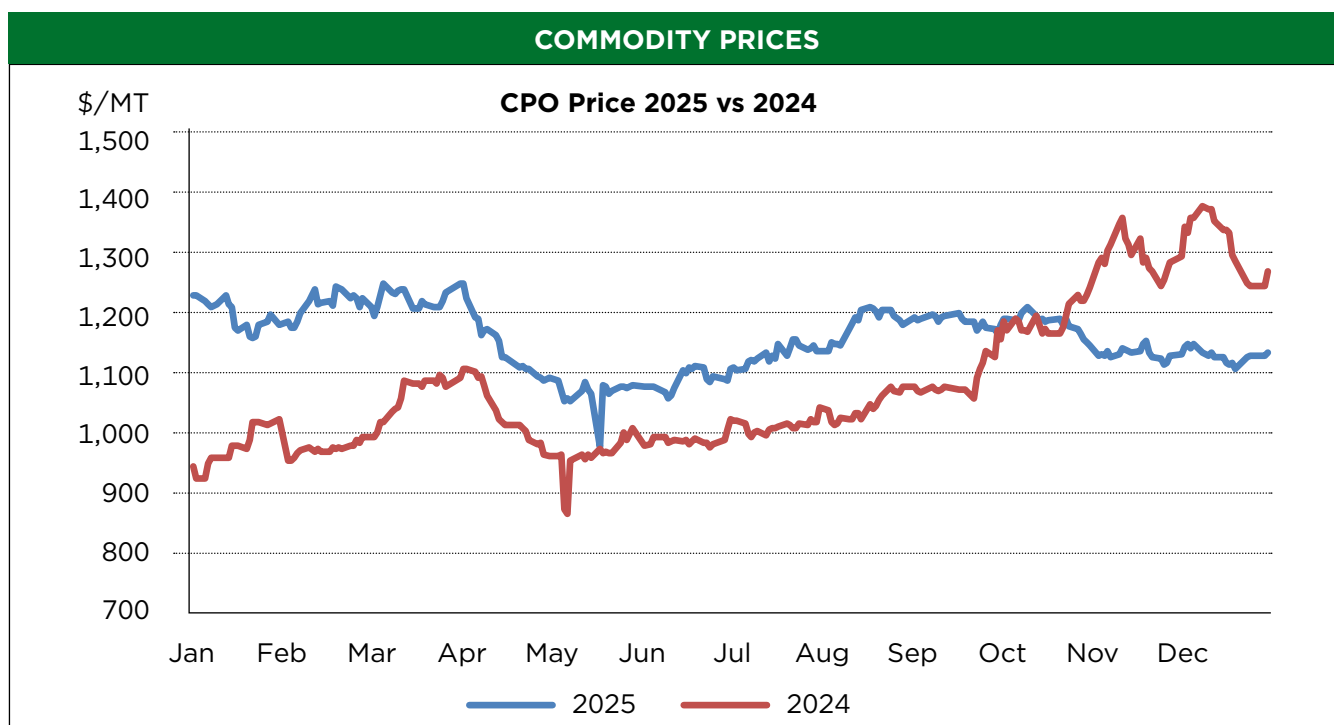
- **Cost Efficiency and Increased Profit Margins:** By processing FFB on-site, we reduce transportation costs and minimise delays, ensuring the freshness of the fruit and higher OERs, along with being able to capture more value from the supply chain.
- **Quality Control:** By owning our own mills, we are able to maintain strict quality standards throughout the production process, ensuring premium-grade CPO.

STRATEGIC REPORT (CONTINUED)

- **Sustainability:** Integrated mills enable us to adopt eco-friendly practices by utilising by-products like Empty Fruit Bunches (“EFB”) and POME for energy generation via Biogas and BioCNG plants or repurposing them as organic fertilisers, and ensuring efficient waste management systems.
- **Operational Independence:** Plantations with own mills are not reliant on external processing facilities, reducing logistical challenges and potential bottlenecks in production.

In addition to our own FFB, our mills accept FFB from external sources including crops from our Plasma scheme and surrounding plantations including smallholders and communities. Despite stiff competition for external crops from surrounding millers, AEP is committed to purchasing more external crops from these external sources at competitive, yet fair prices, to maximise the production efficiency of our mills. With higher throughput, the mills would achieve economies of scale in production. AEP achieved a mill utilisation rate of 112% in 2025 vs 102% in 2024.

A mill is deemed to achieve 100% mill efficiency when it operates 16 hours a day for 300 days per annum.



Source: LSEG Workspace

CPO prices in 2025 were generally higher than 2024, starting at \$1,225/mt in January. CIF Rotterdam price averaged at \$1,151/mt for the year, 5% higher than last year. Our average ex-mill price for 2025 was at \$853/mt, 7% higher than last year of \$794/mt. Ex-mill prices are lower than CIF Rotterdam prices due to logistic, insurance costs, Indonesian levies, and taxes.

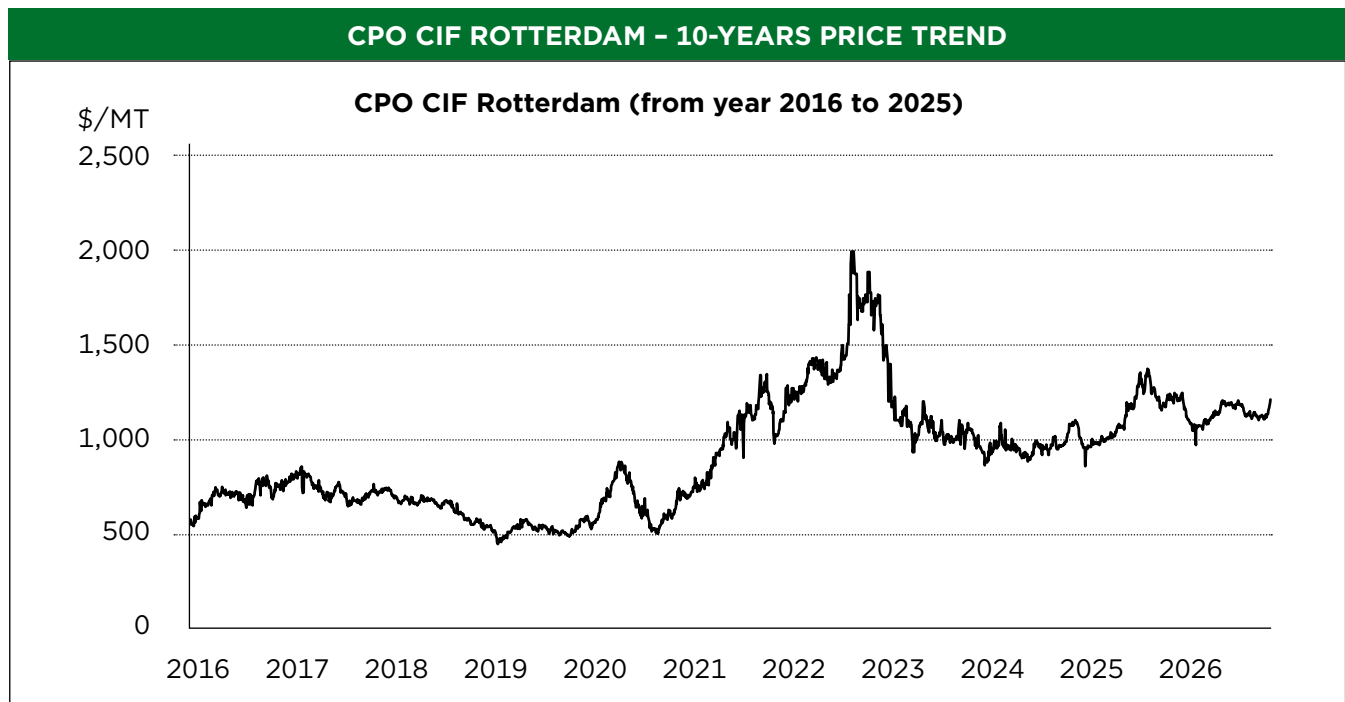
Global palm oil market conditions in 2025 were shaped by geopolitical tensions, trade uncertainties, and inflationary pressures. While these factors weighed on sentiment, CPO prices were supported by firm demand from key markets and the expansion of Indonesia’s biodiesel mandate. However, competition from other vegetable oils continued to create price volatility.

Ukraine remained a key exporter of sunflower oil to the European Union despite ongoing challenges, while Brazil’s strong soybean production and ample global inventories sustained competition from soybean oil.

STRATEGIC REPORT (CONTINUED)

The relative pricing of soft oils remained a key determinant of CPO demand. Although periods of tighter supply allowed palm oil to trade at a premium, the narrowing price gap with competing oils reduced its price advantage in certain markets, moderating demand growth in price-sensitive regions.

Over a period of 10 years, CPO price has touched a monthly average low of \$472/mt in November 2018 and a monthly average high of \$1,857/mt in March 2022. The monthly average price of CPO from 2016 to 2025 was about \$907/mt.



Source: LSEG Workspace

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Our Group complies with the requirements of Section 414CB of the Companies Act 2006 by providing a wide range of non-financial information about employees, environmental, and social matters in the table below and in our website. Additionally, AEP has identified key non-financial performance indicators to measure progress, particularly in relation to carbon emissions and alignment with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations set out in this Strategic Report.

Non-financial matter	Policies and standards which govern our approach	Page 38
Business model	Business model and strategy	Pages 16-17
	Principal risks and uncertainties	Pages 42-51
Environmental matters	Principal risks and uncertainties: Country, regulatory and governance practices	Pages 54-57
	Principal risks and uncertainties: Weather and Environmental and conservation practices	Pages 58-93

STRATEGIC REPORT (CONTINUED)

Environmental matters (continued)	Sustainable Palm Oil Certification	Page 37
	ESG practices	Page 38
	Climate-related financial disclosures:	Pages 51-89
	• Management of Climate Risks	Pages 71-80
	• Metrics and targets	Pages 80-81
	• Carbon Reporting 2025 Targets	Page 85
	GHG emissions tables (Scope 1, 2, 3)	Pages 85-89
	Corporate Governance: Environmental and corporate responsibility	Pages 108-114
	Other responsible agricultural practices and sustainable policies can be found on our website	Page 70
Board diversity	Page 94	
Employees and Health & Safety	Employees: Employment policies Directors' Remuneration Report: Employees engagement	Pages 95-96, 129
	Workers are protected from exposure to occupational health and safety hazards that are likely to pose immediate risk of permanent injury, illness or fatality. Proper signages are in place at relevant spots to alert employees of safety. Workshops and training sessions on occupational safety and health care are regularly conducted.	Pages 37-40
Social matters	Principal risks and uncertainties: Highly Contagious & Severe Diseases, AEP has implemented stringent policies and protocols to control and prevent the spread of highly contagious and severe diseases, drawing on lessons learned from the Covid-19 pandemic. These measures aim to safeguard the workplace environment and include strict procedures for workplace testing, employee self-isolation when necessary, and home support for affected individuals. This support ensures employees achieve full recovery before returning to work.	Pages 42-51
Respect for human rights	AEP has clear policies of no exploitation of its employees, including complying with paying minimum wage. It does not practise child or forced labour in line with the Modern Slavery Statement referred to on its website. In addition, a whistle blowing policy is in place to allow any employee to raise concerns about unethical, illegal or questionable practices, in full confidence, without the risk of reprisal.	Pages 95 - 96
Anti-corruption and anti-bribery matters	AEP has in place policies and procedures in respect of bribery and corruption, with detailed guidelines and reporting requirements for its UK, Indonesian and Malaysian operations.	Page 96

STRATEGIC REPORT (CONTINUED)

OPERATIONAL & FINANCIAL REVIEW

For the year under review, our Group's continuing operations had achieved the following:

	Unit	2025	2024	Variance (%)
FFB production	('000 mt)	1,080.6	1,019.9	+6.0%
Mature plantation	('000 ha)	56.2	57.2	-1.7%
FFB yield	(mt/ha)	19.2	17.8	+7.9%
Mill FFB processed	('000 mt)	2,146.7	1,960.8	+9.5%
Internal FFB source	('000 mt)	976.6	971.9	+0.5%
External FFB source	('000 mt)	1,170.1	988.9	+18.3%
CPO production	('000 mt)	425.8	396.7	+7.3%
OER		19.8%	20.2%	-0.4%

Performance of the Business during the Year:

- The average CPO price CIF Rotterdam for 2025 was \$1,151/mt, 5% higher than 2024's \$1,096/mt. The ex-mill price for 2025 averaged \$853/mt, 7% higher than last year's \$794/mt.
- FFB production totalled 1.08 million mt, a 6% increase from the 1.02 million mt recorded in 2024. Additionally, the yield increased to 19.2mt/ha (2024: 17.8 mt/ha), primarily driven by improved output from young and matured palms in the Bengkulu and Kalimantan regions in Indonesia.
- FFB purchased from third-parties including local smallholders and Plasma in 2025 amounted to 1.17 million mt, reflecting a 18% increase from 0.99 million mt in 2024, primarily due to new third-party crop intake at the recently commissioned HPP Mill (North Sumatra) and Bengkulu region. Our mills processed a total of 2.15 million mt of FFB, 10% higher than the 1.96 million mt processed last year.
- CPO production was 7.3% higher at 425.8 thousand mt, compared to 396.7 thousand mt in 2024, partially offset by a lower OER of 19.8% against 20.2% in 2024. PK production for 2025 stood at 105.9 thousand mt, 13.4% higher than last year's 93.4 thousand mt.
- Revenue rose to \$465.2 million, reflecting a 25% increase compared to \$372.3 million in 2024. The increase was mainly attributable to higher production volumes and stronger CPO prices during the year.
- Administrative expenses increased by \$4.8 million, from \$9.4 million to \$14.2 million. This was mainly attributable to higher manpower and general administrative costs of \$3.1 million to support expansion in Indonesia, higher PPE write-offs of \$0.5 million, and increased audit fees of \$0.6 million, largely relating to prior-year fees recognised in the current year.
- Operating profit was \$111.6 million, reflecting a 36.6% increase from \$81.7 million in the previous year. This improvement was supported by higher CPO and PK prices, and an increase in production volume.
- Finance income increased by 48.1%, increasing from \$5.4 million to \$8.0 million. The increase was primarily due to higher cash holdings during FY2025.
- Profit before tax from continuing operations for our Group was \$119.3 million, 35.4% higher compared to \$88.1 million in 2024. The changes in fair value of biological assets was a debit of \$1.4 million, contrasting with a credit of \$2.9 million in 2024. This debit was mainly attributable to lower harvestable FFB as at 31 December 2025. Tax expenses for 2025 increased from \$20.5 million to \$33.0 million.
- EPS rose from 170.88 cents to 231.42 cents, primarily due to higher profit after tax.
- Loss on exchange translation of foreign operations of \$15.7 million was recognised in other comprehensive income, compared to an exchange loss of \$23.2 million in the previous year. This loss was driven by the weakening of the Indonesian rupiah at the end of 2025.

STRATEGIC REPORT (CONTINUED)

Financial Position and Cash Flows of the Business at the End of the Year

Our Group's statement of financial position remains strong, with a cash and cash equivalents balance including short-term investments (see Note b) of \$232.3 million and no external borrowing at the end of 2025. All material changes in statement of financial position and cash flows are listed in the following table:

	Note	31.12.2025 \$000	31.12.2024 \$000
Property, plant, and equipment	a	272,547	271,170
Income tax liabilities	b	(10,173)	(5,466)
Cash and cash equivalents	b, c	231,845	181,908
Short-term investments	b, c	500	1,253
Current assets - Investment	b, c	22,000	23,976
Net cash generated from operating activities	b	113,825	73,947
Purchase of property, plant and equipment	a	(29,922)	(29,013)
Net cash used in financing activities	d	(46,348)	(7,363)
Retirement benefits - net liabilities	e	(7,972)	(11,073)

Notes:

- The increase in property, plant, and equipment from \$271.2 million in 2024 to \$272.5 million in 2025 was mainly due to replanting activities and mill development and partially offset with depreciation and exchange translation losses.
- As of 31 December 2025, our Group held cash and cash equivalents of \$231.8 million (2024: \$181.9 million) and short-term investments in fixed deposits of \$0.5 million (2024: \$1.3 million). The higher cash position was primarily from profits generated during the year. Net cash inflow from operating activities increased by 54%, reaching \$113.8 million in 2025 compared to \$73.9 million in 2024, mainly driven by higher profit and lower net tax paid, offset by a significant tax refund received in 2025.
- During the year, our Group had invested \$22.0 million in Indonesia government bonds and bonds issued in Singapore, denominated in US Dollar.
- Net cash used in financing activities increased significantly to \$46.3 million in 2025, compared to \$7.4 million in 2024. The increase was mainly attributable to higher dividend payments to AEP shareholders and share buybacks during the year.
- Retirement benefits as of 31 December 2025, calculated by a third-party actuary, amounted to \$8.0 million (2024: \$11.1 million),

representing the provision for the Group's provision for employee retirement benefit obligations at the reporting date, reduced due to lower accrual during the year and higher contributions to plan assets.

VIABILITY STATEMENT

The viability assessment considers solvency and liquidity over a five-year period, aligned with the Group's strategic planning horizon (2026–2030). Inevitably, the degree of certainty reduces over a longer period.

Our Group's business activities, financial performance, corporate development and principal risks associated with the local operating environment are covered under the various sections of this Strategic Report.

In undertaking the review of our performance in 2025, our Board considered the prospects of our Group, as well as focusing on the strategy for growth through the expansion of its planted area in tandem with forecasting demand for CPO, over one (1) to five (5)-year periods. The process involved a detailed review of the annual budget and the five (5)-year income and cash flow projection. The one (1)-year budget is used to set detailed budgetary targets at all levels across our Group. The five (5)-year income and

STRATEGIC REPORT (CONTINUED)

cash flow projection contains less certainty of outcome but provides a robust planning tool against which strategic decisions can be made. Our Board believes that projections beyond five (5) years are uncertain and therefore less reliable for making informed decisions.

Our Board considered the five (5)-year cash flow projection under various downside cases. Additionally, our Board assessed the need to support any financially loss-making newly matured estate, namely PT Bangka Malindo Lestari, as well as the projected capital expenditure required for these estates.

Assumptions applied are linked to the risk of CPO price fluctuation and risk of a substitute for oil palm. On this basis and other matters considered and reviewed by our Board during the year, our Board has a reasonable expectation that our Group has adequate resources to continue in operation and meet its liabilities over the five (5) years from 2026 to 2030.

In assessing our Group's viability, consideration has been given to climate-related risks identified through the CSA, including potential impacts on yield, operating costs and capital expenditure requirements. Our Group's strong financial position and ongoing investment in climate resilience measures support its ability to manage these risks over the assessment period.

GOING CONCERN

Our Directors have carried out stress tests, factoring in the identified uncertainties and risks such as commodity prices. This is to ensure that our Group has adequate resources in a worst-case scenario to remain as a going concern for at least 12 months from the date of this report.

Our Directors have a reasonable expectation, having made the appropriate enquiries, that our Group has sufficient cash resources to cover our Group's operating expenses for a period of at least 12 months from the date of approval of these financial statements. For these reasons, our Directors adopted a going concern basis in the preparation of the financial statements.

Our Directors have made this assessment after consideration of our Group's budgeted cash flows and related assumptions including appropriate stress testing of identified uncertainties, as well as impact when demand on palm oil decreased by 50%. Stress testing of other identified uncertainties and risks such as CPO prices and CPO demand were also undertaken.

In assessing our Group's ability to continue as a going concern, AEP has considered climate-related risks and regulatory developments, including the EU Deforestation Regulation ("EUDR"). Based on CSA and risk assessments performed, climate-related physical risks, such as flooding and drought, are currently assessed as manageable at a Group level, with localised impacts mitigated through operational controls and adaptive practices. Longer-term risks, particularly those related to temperature increases and potential impacts on yield, are recognised and monitored; however, these are not expected to materially affect the Group's ability to continue as a going concern over the foreseeable future.

In relation to EUDR, AEP has initiated steps to strengthen traceability and supply chain due diligence, building on existing NDPE commitments. The Group continues to assess compliance requirements and engage with stakeholders to ensure readiness for evolving market and regulatory expectations.



STRATEGIC REPORT (CONTINUED)

As at the reporting date, no material uncertainties have been identified that would cast significant doubt on the Group’s ability to continue as a going concern.

BUSINESS REVIEW

Plantations

Plantation	FFB production		Mature planted		FFB yield	
	2025	2024	2025	2024	2025	2024
	'000 mt	'000 mt	'000 ha	'000 ha	mt/ha	mt/ha
North Sumatra	410.7	397.5	17.1	17.8	24.1	22.3
Riau	90.6	111.7	4.0	4.8	22.6	23.4
Bangka	33.2	18.6	2.5	2.4	12.9	7.6
Bengkulu	200.1	179.3	11.9	12.4	16.8	14.5
Central Kalimantan	329.7	297.2	17.3	16.4	19.1	18.1
AEP Indonesia	1,064.3	1,004.3	52.8	53.8	20.2	18.7
Terengganu, Malaysia	16.3	15.6	3.4	3.4	4.8	4.6
AEP Group	1,080.6	1,019.9	56.2	57.2	19.2	17.8

For 2025, the Group recorded a 6% and 8% increase in FFB production and FFB yield, respectively. This improvement is attributable to effective agronomic practices and is commendable given the ongoing replanting programme in Indonesia, which temporarily reduced production capacity.

Our replanting efforts, though vital for ensuring long-term yield sustainability, have a temporary adverse impact on short-term yields. Palms designated for replanting undergo a process where fertiliser application is withdrawn two years prior to replanting, leading to lower productivity during this period. Following replanting, the area remains non-productive for an additional three to four years while the new palms mature and become productive. In 2025, 2.4 thousand ha of old palm was replanted with an additional 5.4 thousand ha designated for replanting in 2026 and 2027. While this will temporarily reduce productions and revenues from these areas during the immature phase, it is expected to support improved productivity when the replanted areas reach maturity.

INDONESIA

The performance of the Indonesian operations was divided into five (5) geographical regions.

North Sumatra

FFB production in North Sumatra, which aggregates the estates of Sungei Musam, Blankahan, Simpang Ampat, Tasik, Anak Tasik, PT Cahaya Pelita Andhika (“CPA”), and HPP produced 410.7 thousand mt in 2025, about 3.3% higher than last year.

- The average annual yield in North Sumatra increased to 24.1 mt/ha in 2025, compared with 22.3 mt/ha in the previous year. Although yields in Blankahan remained above 25 mt/ha, replanting was undertaken due to advanced age of the palms and declining oil content.
- As part of our long-term plantation sustainability strategy, replanting activities were carried out across several estates. During the year, 349 ha was replanted in CPA, 190 ha in Blankahan, and 109 in Sungei Musam, with more areas earmarked for replanting in 2026.

STRATEGIC REPORT (CONTINUED)

- Fertilisation was withdrawn for areas designated for replanting, which resulted in lower yield.
- The outbreak of *Ganoderma* affecting our trees has limited potential yield upside at HPP, continued palm losses at HPP limits our potential yield upside. Quick replacement of dead palms ensures a steady palm density in HPP which helped to maintain yield. In addition, poor root anchorage, as well as sub-optimal nutrient retention and absorption associated with peat have contributed to lower bunch weight at HPP.

Bengkulu

- The estates of Mitra Puding Mas (“MPM”) and Alno Agro Utama (“AAU”) recorded an aggregate FFB production of 200.1 thousand mt (2024: 179.3 thousand mt), representing a 11.6% increase compared with 2024. This was driven by the increase in crop production from both old and young matured palms, particularly in second generation plantings.
- Mature areas, however, declined by 4% at 11.9 thousand ha in 2025, from 12.4 thousand ha in the previous year.
- Tractors with attached water tank trailers were used to water newly planted palms to ensure sufficient irrigation. With more replanting, the average stands per ha have improved to 112 stands per ha from slightly below 111. The yield, however, was higher at 16.9mt/ha from 14.5mt/ha last year.
- Despite the replanting of 1,300 ha by MPM and AAU, crop production in Bengkulu recorded an increase during the year.

Riau

- FFB production comprised of Bina Pitri estates produced 90.6 thousand mt in 2025 (2024: 111.7 thousand mt), which is 18.9% lower than previous year.
- Monthly rainfalls were close to normal at 171mm.
- Yield for the year was 22.6 mt/ha, a 3.5% reduction from last year. As 73% of the palms are between the ages of 28 and 31 years, replanting took place for a total of 492 ha in 2025.

Bangka

- FFB production in the Bangka region, comprising of the Bangka Malindo Lestari estate, produced 33.2 thousand mt in 2025 (2024: 18.6 thousand mt), 78.5% higher than 2024.
- Normal weather conditions in 2024 and 2025 have contributed to the higher yield in 2025 and the percentage of parthenocarpy has been reduced to below 5%. Rainfall in 2024 and 2025 was 2,520 mm and 3,004 mm, respectively.

Kalimantan

- FFB production in Kalimantan which comprises the PT AEP Nusantara Plantations Tbk (“AEPN”) and Kahayan Agro Plantation (“KAP”) estates was 329.7 thousand in 2025 (2024: 297.2 thousand mt), 10.9% higher than 2024. During the year, a total of 883 ha of palms came into maturity, with AEPN and KAP leading to its first harvest.
- Breeding and releasing of weevils to help with pollination has reduced the extent of abnormal fruit bunches reported in the previous year.
- The average bunch weight was nevertheless below industrial standard due to the sandy podzolic soil at AEPN, but the higher stands per ha made up for the yield.
- The stand per ha in AEPN and KAP plantations averaged 126 stands and 119 stands per ha respectively. The yield in Kalimantan increased by 5.1% to 19.1 mt/ha in 2025. Rainfall in KAP was 4,070 mm (2024: 4,151 mm) while at AEPN, at 2,550 mm (2024: 2,764 mm).



STRATEGIC REPORT (CONTINUED)

MALAYSIA

Retaining our foreign workforce continues to present challenges amid increasing competition from other industries. Consequently, our plantation faced some workforce constraints that affected field maintenance, fertiliser application and harvesting activities, which had an impact on crop yields. The palms, with an average age of over 25 years, face declining yield. In response, management is actively evaluating a programme of gradual replanting to rejuvenate older palms and sustain long-term productivity. The stand per ha further reduced due to the damages caused by wild elephants. However, production and yields of the plantation has increased in 2025 compared to 2024 due to efforts by management to improve operational efficiency including harvesting round and improvements in access. Our Group will continue to try to maximise production from the existing palms while assessing the feasibility of replanting and exploring alternative initiatives to utilise the land more productively and sustainably.

Mills

Mill	FFB processed		CPO production		OER	
	2025	2024	2025	2024	2025	2024
	'000 mt	'000 mt	'000 mt	'000 mt		
North Sumatra	852.1	725.9	167.6	146.7	19.7%	20.2%
Riau	308.3	341.0	56.1	62.8	18.2%	18.4%
Bengkulu	660.6	548.6	132.2	109.1	20.0%	19.9%
Central Kalimantan	325.7	345.3	69.9	78.1	21.5%	22.6%
AEP Group	2,146.7	1,960.8	425.8	396.7	19.8%	20.2%

Throughput (i.e. FFB processed) was generally higher in 2025 compared with 2024 due to the increase of both internal and third-party crops intake by 9.5% compared to 2024. OER was also marginally lower possibly caused by additional moisture from the wet weather of 2025. 2025 CPO production was 7.3% higher than in 2024. The proportion of own crops to total FFB processed declined slightly to 45.5% (2024: 49.6%).

OER are typically lower in our Sumatra mills compared to Central Kalimantan due to the higher volume of external FFB processed in Sumatra. These external FFB often contain the dura palm strain, which has a thinner mesocarp (less pulp) and lower oil content compared to the tenera variety predominantly cultivated in our plantations.

North Sumatra

- Our three (3) mills in North Sumatra namely Blankahan, Tasik, and HPP recorded higher CPO compared to 2024 due to higher throughput in 2025.
- The HPP mill commenced commercial CPO production in January 2025. Intake of third-party crops is being tightly controlled due to higher presence of dura fruits and their low oil content, which will lead to lower OER. Close monitoring of third-party crop intake continues to ensure optimal mill efficiency.

Bengkulu

- Our two Bengkulu mills, under MPM and AAU processed 20.4% higher FFB than 2024 and CPO production increased by 21.2% compared to 2024.

STRATEGIC REPORT (CONTINUED)

Riau

- Our BPJ mill located in Riau produced 10.7% less CPO in 2025 due to both lower FFB processed by 9.6% and lower OER compared to 2024.
- Our competition for external crops in Riau has intensified due to the rise of mini mills since early 2022, spurred by high CPO prices. However, we managed to process more than 300,000 mt/year with the increase of third-party crops by 3.4% compared to 2024.

Kalimantan

- Our AEPN mill located in Central Kalimantan produced 10.6% less CPO in 2025 than in 2024.
- External FFB (including Plasma) purchased was 2.6% less than the previous year while internal FFB decreased by 2.6%. The external crops decreased by 48% in 2025 compared to 2024 primarily due to changes in third-party supply arrangements during the year.
- We also experienced a decrease in both the quality and quantity of FFB sent from our KAP estate for processing at AEPN mill, due to delivery delays caused by damaged roads and labour shortage.
- Currently, most of the KAP estate's crops are being sent to a nearby mill, which is more economical in terms of transportation costs and help maintain fruit quality, rather than sending them to the AEPN mill, which is 500 km away.

BIOGAS & BIOCNG

Another milestone was captured in renewable energy when our second commercial BioCNG plant had commenced operations in Indonesia in July 2025. Located adjacent to our mill in Tasik Raja, North Sumatra, the plant was constructed and managed by PT KIS Biofuel Indonesia with the strategic collaboration of AEP after our first successful plant in the Blankahan Mill. In accordance with the Build-Own-Operate-Transfer agreement, ownership of the BioCNG plant will be transferred to AEP by 2039. AEP receives a share of the BioCNG sales (subject to minimum annual amount) and potential carbon credit sales (if any in the future), but we do not foresee this as

a significant contributor to AEP's future income stream.

- In North Sumatra, Biogas/BioCNG plant in Blankahan mill has generated 93,542 MMBtu of BioCNG for 2025.
- The BioCNG plant in our Tasik Mill has been successfully commissioned in May 2025 and up to December 2025, we have generated 74,711 MMBtu of BioCNG.
- In 2025, over 3,281 MWh of surplus electricity was sold in Bengkulu and generated \$133.4 thousand in revenue, which was 35.9% lower compared to the previous year (2024: \$216.3 thousand). The lower power supply to the National Grid in 2025 was due to reduced demand from PLN, as they were sourcing power from other IPPs using diesel generators installed at their National Grid station.
- Power generation at the AEPN mill in 2025 was 11.8% higher (8,359 MWh) compared to 2024 (7,478 MWh). The revenue generated in 2025 was \$358.7 thousand, 7.5% higher than 2024. The increase due to additional power generation from the second gas engine, which was transferred from Bengkulu and commissioned in March 2025 to meet the additional power requirements of the National Grid.

ESTATE DEVELOPMENT

In 2025, our Group cleared 0.5 thousand ha of land, including the Plasma, for new planting and replanted 2.6 thousand ha of oil palm, primarily in Bengkulu and North Sumatra. The 2025 plantings utilised new-generation planting materials. For many years, dura palms formed a significant portion of the planted areas in North Sumatra and Bengkulu. Fruits from dura palms have thin mesocarp which ultimately produce less oil. Around 10.0 thousand ha of palm has been designated for replanting in the next 5 years due to poor yield, as well as their advanced age.

Seedlings are sourced from reputable suppliers to ensure only quality *Tenera* palms are cultivated, to significantly increasing productivity and land use efficiency. This is especially important considering that the oil palm is a perennial crop with a 25-year economic lifespan.

STRATEGIC REPORT (CONTINUED)

“

In 2026, our Group plans to replant 2.8 thousand ha of oil palm in North Sumatra and Bengkulu, along with the new planting of 0.3 thousand ha in Kalimantan and Bangka to support sustainable growth and productivity improvements.”

Our total planted area including Plasma is 69.3 thousand ha by the end of 2025. In 2026, our Group plans to replant 2.8 thousand ha of oil palm in North Sumatra and Bengkulu, along with the new planting of 0.3 thousand ha in Kalimantan and Bangka to support sustainable growth and productivity improvements. Clearing land for new planting is a complex process requiring written approval from local authorities, submission of Environmental Impact Assessments (“EIA”), and engagement with local communities. All new plantings strictly follow the High Carbon Stock Approach (“HCSA”) guidelines and are verified by accredited consultants.

Last year, our Group invested \$0.99 million to modernise old workers’ quarters in North Sumatra and Bengkulu. In 2025, our Group engaged the local electricity authority to supply electricity to 953 homes of our employees in Bengkulu and Riau, eliminating reliance on generators that limit electricity availability. For 2026, an additional \$4.86 million has been budgeted for further renovations and refurbishments to enhance worker accommodation. In 2026, \$0.9 million is allocated to provide electricity to our workers and families.

To improve transportation and the delivery of FFB in our plantations, our Group purchased 20 units of dump trucks at a cost of \$0.6 million in 2025, with an additional \$1.1 million allocated for similar purchases in 2026. This is to address rising logistics costs as transport companies in Kalimantan and Bengkulu often prioritise coal transport due to better rates, resulting in insufficient trucks available for our harvest. Furthermore, our Group invested \$1.6 million in 2025 to improve field roads and connectivity between estates and mills by constructing new bridges. To improve connectivity, an additional \$8.1 million is budgeted for 2026 to continue enhancing and maintaining our road network for improved connectivity.

MILL AND BIOGAS DEVELOPMENT

We have received the Environmental Permit from Ministry of Environmental for KAP mill, located in Kalimantan Tengah. This mill will enable the KAP estate to process its own FFB as well as FFB from surrounding smallholders, reducing transport costs, ensuring timely processing, and offering better control and higher profitability. While the earthwork for the mill has been completed, the civil, structures and mechanical works are currently in progress. The planned mill, with an estimated cost of \$15.1 million, is designed to have a capacity of 45 mt/hr. The completion of the mill is targeted in December 2026.

Two of our mills, the AEPN mill and the HPP mill, which currently rely on river barges to transport their CPO, have been directed by government authorities to construct their own jetties. At present, both mills use government-owned jetties, which are designated for public use and only available on a temporary basis. Jetties are essential for connecting the shore to deep water, allowing river barges to dock and facilitate the loading of CPO. To comply with these requirements, our Group has acquired land adjacent to the rivers for the construction of two jetties in 2024, with an estimated investment of \$1.5 million.

STRATEGIC REPORT (CONTINUED)

Currently, the construction of the jetty for both mills has been temporarily put on hold as a better alternative for CPO despatch has been identified. For the AEPN mill, we have begun using a privately owned jetty that obtained a CPO despatch permit effective January 2026. This jetty is located closer to the mill, approximately 50 km away, compared to the previous jetty which was about 100 km away. By switching CPO despatch to this new jetty, the estimated operational cost savings are approximately \$125 thousand per year. For the HPP mill, CPO despatch continues to be carried out through the existing jetty owned by the local government. The contract to utilise jetty has been extended and the despatch operations are proceeding smoothly.

In 2025, our Blankahan mill installed a belt press at a cost of \$0.13 million to remove solids from the effluent before it is fed into the aeration pond. This is to reduce the biochemical oxygen demand level and meet the required parameters.

At AAU Mill, Boiler No. 1 (Vickers) was upgraded with superheater elements to enhance boiler operating efficiency, at a cost of \$0.2 million.

At MPM mill, another boiler was refurbished and upgraded with the addition of superheaters to improve performance, at a cost of \$0.21 million.

Despite operational challenges in its oil recovery system since 2023, the MPM mill has taken steps to resolve the issue by installing two units of high-speed separators. These were commissioned in July 2024, and the performance has been satisfactory, with the mill achieving lower oil losses in the final effluent.

Finally, at our Tasik Raja Mill, an additional new boiler with superheaters and a capacity of 45 thousand kg/hr was installed at the cost of \$1.2 million and was successfully commissioned in April 2025. The upgrading of biogas to BioCNG had also been completed and successfully commissioned effective May 2025.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (“CSR”) forms an integral part of our corporate self-regulation and is embedded into our business model. Law No. 40/2007 of the Indonesian Limited Liability Companies, Article 1 Paragraph 3, defines corporate social and environmental responsibility as a company’s commitment to participate in sustainable economic development to enhance the quality of life and the environment for the benefit the company, local communities, and society at large. AEP recognises its responsibility to manage the impact of its operations on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

Our Group’s sustainability policy, including our commitment to no deforestation and no development on peat land, no open burning, the prohibition of exploitation, forced labour or child labour, and other best management practices is available on our website. Our Group has also released a statement pursuant to the UK Modern Slavery Act 2015, which is published on the website under the same section.

The majority of employees and their dependents in the plantations and mills are housed in self-contained communities built by the Group. The employees and their dependents are provided with free housing, clean water and electricity.



STRATEGIC REPORT (CONTINUED)

Places of Worship

Our Group builds, provides and maintains places of worship for workers of different religious faiths, within the plantation communities. Schools and sports facilities are also established to support community development. Over the years, our Group has built a total of 79 mosques and 20 churches across our estates. During the fasting month, the management team regularly break fast with employees from the estates and mills as well as with surrounding villagers. Our Group has also sponsored and made donations to celebrate various religious festivals. In 2025, our Group spent \$0.3 million (2024: \$0.4 million) to maintain these amenities and support the communal activities.



Our Group has built a total of **79 mosques** and **20 churches** across our estates.

Education Support for Employees' Children

Our Group provides free education for employees' children in the plantations and surrounding communities where it operates. In addition, our Group provides computers and funding for the construction of educational facilities including laboratories and libraries. The salaries of teachers in the estates, as well as the cost of purchasing and operating school buses to transport employees' children are borne by our Group. Over the years, our Group has built a total of 35 schools, comprising 19 pre-schools, 10 primary schools, five (5) secondary and one (1) high school. Approximately 90% of enrolment consists of our employees' children, while the remainder are from local communities. AEP currently employs 125 full time teachers and operates 51 school buses.



Our Group built a total of **35 schools**, comprising **19 pre-schools, 10 primary schools, five (5) secondary and one (1) high school.**

Scholarships for Qualified Students

As part of our Group's contribution to education, we provide scholarships to qualified students from local communities as well as employees' children to pursue tertiary education.

The programme, which was initiated in 1999, supports students across different stages of their studies, subject to maintaining minimum academic performance requirements.

To date, a total of 86 students have successfully graduated from universities, with several now working for our Group. Students are supported across a range of areas of study, including Engineering, Education, Economics and Agriculture.

Provision of Comprehensive Healthcare Services

Our Group continues to provide comprehensive healthcare services for all its workers. To support this, we have established 23 clinics of which 17 are still operated by our Group, staffed with qualified doctors, nurses, and hospital assistants in the estates. Our Group had previously upgraded two (2) of its clinics in North Sumatra and Bengkulu to meet the minimum standard required by the government under the country's Health and Social Security Agency. These clinics also provide healthcare services to the surrounding communities, reducing the need to travel to distant cities for medical treatment. Our Group operates 15 ambulances to support emergency transportation needs within the estates, mills and surrounding villages. In addition, our Group organised fogging programmes to prevent the spread of dengue mosquitoes.

STRATEGIC REPORT (CONTINUED)



We have established

23 clinics of which 17 are still operated by our Group, staffed with qualified doctors, nurses and hospital assistants in the estates.

In remote and isolated locations, where piped water is unavailable, water is generally pumped from underground or rivers sources. Reverse osmosis facilities are progressively installed in across estates to provide clean drinking water to workers. Meanwhile, healthcare related expenses for full-time and part-time field workers, including monthly contributions to the Health and Social Security Agency, amounted to \$1.4 million in 2025 (2024: \$1.3 million).

Employee Training and Development

AEP recognises that employees are valuable assets in maintaining efficient, effective, profitable and sustainable business operations. Selected employees are given the opportunities to attend seminars and external training programmes to enhance their skills and capabilities. We constantly recruit potential field employees who undergo a rigorous 12-month training programme which includes theory and practical fieldwork at the Group's central training facility in Blankahan, established in 2014. Since its inception in 1993, 607 employees have participated in the programme, with 37% still working for the Group. Over the years, one employee has been promoted to General Manager, while 34 others now hold senior positions in the head office, plantations and mills.

As part of the training and development programme, our Group has sent security personnel regularly to training facilities organised by the Police to be certified. Professional trainers are frequently engaged to conduct leadership development training courses to upskill managers at the estates and mills.

Our Group recognises its obligations to the wider farming communities in which it operates. The Indonesian regulations require that not less than 20% of newly planted areas acquired from 2007 onwards to be reserved for Plasma. These smallholder developments are integrated alongside our estates. The Plasma development has commenced in stages across estates in Sumatera, Bangka, and Kalimantan. Out of the 6,953 ha Plasma commitment, our Group has planted oil palm in 5,945 ha. In 2025, our Group received 54,954 mt of FFB from Plasma schemes compared to 44,962 mt in the previous year. Total revenue generated by Plasma cooperatives was \$10.4 million in 2025 against \$7.8 million in 2024.

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Total revenue generated by Plasma cooperatives was \$10.4 million in 2025 against \$7.8 million in 2024.”

Corporate Guarantees Provided to Plasma Scheme Cooperatives

To aid the development of Plasma schemes, our Group provided corporate guarantees of over \$0.5 million through its subsidiaries to local banks to cover loans raised by the cooperatives. Our Group also assisted the cooperatives to obtain the proper land rights certification from the local land office.

STRATEGIC REPORT (CONTINUED)

Our Group has also participated in government social and partnership programmes for farmers and smallholders when renewing cultivation rights. These programmes include providing financial support to farmers for agricultural and planting materials and equipment, as well as training and education on good plantation practices to improve smallholders’ productivity and output. The partnership also assists farmers in obtaining the necessary permits from relevant government authorities and local regencies to establish their plantations.

In addition, we also assist smallholders in obtaining legal land titles, enabling them to apply for ISPO sustainable certification.

Our Group supported the Kas Desa smallholder village development programme to supplement the livelihood of rural communities. In 2025, our Group has financed, developed and managed 22 smallholder village oil palm schemes across four companies. This programme allows participants to opt out and self-manage their plantations. Since 2022, five smallholders had successfully exited from the programme.

Contribute to Infrastructure Development

In addition, AEP contributes to the development of infrastructure in the communities where it operates. In 2025, our Group undertook the construction and repair of bridges and maintained over approximately 170 km of external roads, at a cost of \$0.92 million. Our Group also provided initial aid and seed capital to villagers such as fruit seedlings, fish fry, cattle and ducks to start and support community sustainable programmes.

Our Group also leased two (2) ha of land near Kuala Lumpur, Malaysia and began clearing the land in 2020 to develop greenhouses for organic farming. The project aims to produce organic vegetables and fruits in an environmentally sustainable manner and make them available to consumers at affordable prices as part of our Group’s corporate social responsibility efforts. A substantial portion of the produce is donated to orphanages and retirement homes.

Social Forestry Programme

Recognising the importance of the No Deforestation, No Peat, and No Exploitation (“NDPE”) commitments to our stakeholders, AEP incorporated these principles into its Sustainability Policy, which was published on 15 June 2019:

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No Deforestation: Prevents the clearing of forests for agricultural development, protects areas of High Conservation Value (“HCV”) and HCSA areas.
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No Peat: Prohibits new developments on peatlands, which are critical for carbon storage, and promotes best management practices for existing plantations.
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No Exploitation: Safeguards the rights of workers, local communities, and smallholders, ensuring fair treatment, gender equality and the prevention of child labour.

Since 31 December 2015, AEP has been committed to identifying potential loss of HCS areas across its palm oil concessions in Indonesia. The analysis identified 967 ha requiring full recovery obligations to support environmental sustainability and benefit surrounding communities.

To address the loss of HCSA areas, AEP has provided compensation through support for social forestry programmes in Seluma Regency, Bengkulu Province. These initiatives cover approximately 1,072 ha in Sinar Pagi Village, North Seluma District. AEP’s recovery efforts focus on protecting and restoring ecological functions while addressing social and economic aspects by developing alternative livelihoods and establishing community-based business units.

STRATEGIC REPORT (CONTINUED)

The recovery plan is built around four key principles:

1) Additionality:

Seluma Regency has the highest poverty rate in Bengkulu Province, with pockets of poverty located near areas rich in natural resources and biodiversity. Empowering rural communities through social forestry initiatives is expected to improve their standard of living, reduce poverty and lessen pressure on protected forest areas.

2) Long-Lasting Impact:

A recovery programme is implemented within the social forestry area, which grants communities legal access for 35 years, extendable thereafter. AEP is committed to supporting the programme for 25 years, fostering community independence and long-term forest conservation.

3) Equitability:

The programme is developed and implemented collaboratively, involving local communities, national non-governmental organisations (NGOs), local government authorities and the Ministry of Environment and Forestry. Representatives from the Bengkulu Provincial Environment and Forestry Service have emphasised the need for broader support for these social forestry activities. Local communities have been actively consulted throughout the programme, and their consent has been obtained.

4) Knowledge-Based Approach:

Using the Theory of Change framework, the programme is based on a thorough analysis of current and anticipated conditions, threats and contributing factors. It sets conservation targets and strategic approaches aimed at achieving sustainable outcomes.

FOREST CONSERVATION, PROTECTION, AND SECURITY

In collaboration with the Seluma Social Forestry team, AEP assessed land cover at the Gapoktanhut Hutan Karya (community forests) site to guide area management. Forested areas with dense canopy have been designated as protected zones to prevent conversion into community gardens. Efforts include optimising existing gardens through agroforestry systems, rehabilitating critical lands with woody plants, and establishing agroforestry planting on open lands.

Key activities under the initiative include:

- Demarcation of social forestry area boundaries.
- Conservation of forest ecosystems.
- Routine patrols to prevent encroachment, illegal wildlife hunting, and forest fires.

These measures aim to balance environmental preservation with sustainable land use, creating a framework for long-term community and ecological benefits.

Coffee Cultivation Training

AEP previously facilitated coffee pruning training sessions to enhance the skills of forest farmer groups in the HKm Gapoktanhut Hutan Karya area, which is a community forest area under Indonesia's social forestry programme managed by a federation of forest farmer groups. These sessions aimed to improve coffee yields and beans quality.

Farmers in Sinar Pagi Village primarily grow Robusta coffee using traditional methods. However, aging coffee plants and the absence of proper pruning practice have led to declining production. While one ha of coffee plantation typically yields one to two tons of coffee, the output in Sinar Pagi Village has dropped to just 500kg to one (1) ton per ha.

STRATEGIC REPORT (CONTINUED)

To address this issue, AEP is gradually implementing a coffee pruning system to boost production. Initial efforts focus on raising awareness among farmers about the benefit of the system and encouraging its adoption, steadily improving productivity.

To further support this initiative, frequent visits were made to UKM Kopi Curup (a small and medium enterprises in Curup, Bengkulu-renowned for their coffee). Insights gained from these visits were applied to farming practices in Sinar Pagi Village, enabling farmers to broaden their perspectives on production methods and comparing coffee farming practices across the Bengkulu Province.

Proper Facilities and Infrastructure to Enhance Coffee Quality

To enhance coffee quality, AEP has provided coffee bean peeling machines to Sinar Pagi farmers together with 54 coffee drying racks to support farmers interested in processing red-picked coffee. This initiative has resulted in a higher market price compared to unripe coffee and has encouraged more farmers to produce red-picked coffee.

LAND REHABILITATION THROUGH AGROFORESTRY

AEP has launched a land rehabilitation programme in Sinar Pagi Village through the implementation of agroforestry system. This initiative involves the distribution of high-quality seedlings of avocado, pete, jengkol and durian, which serve as shade trees for coffee cultivation. These shade plants not only protect coffee plants but also provide both ecological and economic benefits:

- **Ecological Benefits:** Enhances soil and water conservation, increases biodiversity, enriches soil nutrient content, increases carbon reserves and reduces pests and diseases.
- **Economic Benefits:** Improves crop yields and quality while boosting overall community income.

This integrated approach harmonises environmental sustainability with economic empowerment, ensuring lasting benefits for both ecosystems and local livelihoods.

UTILISATION OF ENVIRONMENTAL SERVICES

AEP has been actively developing environmental service activities within the social forestry area, including:



Ecotourism:
Promoting nature-based tourism.



River Utilisation:
Supporting the sustainable use of water resources.



Biodiversity Protection:
Conservation of plant and animal life.



Carbon Absorption and Storage:
Contributing to climate change mitigation.



Environmental Recovery:
Restoration of degraded natural areas.

To enhance agricultural productivity, AEP has installed irrigation pipelines to support paddy cultivation and maximising rice production in local paddy fields. Additional developments include the establishment of a camping ground, agroforestry-based coffee ecotourism and fruit gardens, all integrated into the AEP social forestry management plan.

COMMUNITY EMPOWERMENT AND CORPORATE RESPONSIBILITY

We have further empowered local communities by involving them as members of forest patrol teams to monitor boundaries against illegal encroachment and logging activities. This initiative strengthens community participation in safeguarding environmental resources.

STRATEGIC REPORT (CONTINUED)

In accordance with Article 1 Paragraph 3 of the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies, corporate social and environmental responsibility is defined as a company's commitment to sustainable economic development, aimed at enhancing the quality of life and the environment to benefit the company, local communities, and the public. Our Group fully embraces this responsibility by addressing the impact of its operation on the environment, consumers, employees, communities, stakeholders, and the wider public. In addressing the social dimension of CSR, our Group acknowledges the importance of contributing to its employees' development while continuing efforts to improve the well-being of surrounding communities.

SUSTAINABILITY POLICY AND COMMITMENTS

AEP's sustainability policy outlines its commitments to no deforestation, no development on peatlands, no open burning, no exploitation, and the prohibition of forced or child labour, among other best management practices. These policies reflect our Group's dedication to responsible and ethical business operations and are available on our website under the Corporate Governance section.

RECOVERY OBLIGATIONS AND SUPPORT FOR SOCIAL FORESTRY

As part of our continued commitment to responsible land stewardship, AEP has strengthened and significantly expanded its recovery initiatives in Seluma Regency, Bengkulu Province. Building upon our earlier HCSA assessment and recovery commitments, the scope of implementation has grown substantially in 2025.

To date, AEP is implementing its recovery plan across 5,675 ha of social forestry areas, in addition to safeguarding 8,114 ha of primary forest, resulting in a total managed landscape of 13,789 ha. This represents a substantial increase from the previously reported 1,072 ha, reflecting our transition from a compliance-based approach to a broader landscape-scale sustainability commitment.

Through close collaboration with village governments and Social Forestry Institution Management Bodies, AEP continues to implement long-term development plans, co-management strategies, and a structured annual work program aligned with applicable regulations and national social forestry objectives. The collaborative Management Agreement signed with Sinar Pagi Village in January 2024 remains a key milestone, guiding participatory governance and transparent implementation.

Importantly, the current recovery area exceeds our original recovery obligation, reflecting AEP's long-term commitment to environmental protection and community development beyond regulatory requirements.

For AEP, recovery is not merely corrective, it is transformative. By integrating conservation, community livelihoods, and sustainable forest management within a broader landscape approach, we aim to generate enduring ecological and socio-economic value for Seluma Regency.

COMMITMENT TO SUCCESSFUL IMPLEMENTATION

Recognising the scale and complexity of landscape-level recovery, AEP remains steadfast in its commitment to collaborative implementation. Our Group continues to engage actively with local communities, village authorities, social forestry institutions, and relevant government agencies to ensure inclusive decision-making and measurable outcomes.

Our approach emphasises:

- Participatory planning and transparent governance
- Strengthening institutional capacity at the village level
- Monitoring and adaptive management of conservation and livelihood programs
- Alignment with national sustainability frameworks and supply chain expectations.

STRATEGIC REPORT (CONTINUED)

Through this integrated and cooperative model, AEP seeks to achieve meaningful, long-term outcomes that reinforce our sustainability commitments while contributing positively to forest conservation, climate resilience and rural development.

SUSTAINABLE PALM OIL CERTIFICATION

The ISPO certification is legally mandatory for all plantations in Indonesia, while the MSPO certification is a requirement for our Group’s Malaysian plantations. In addition to complying with these certifications, our Group enforces zero deforestation, zero burning, and zero exploitation, as outlined in our Sustainability Policy.

The ISPO scheme, designed to ensure that palm oil production in Indonesia is carried out in an environmentally and socially responsible manner. It emphasises sustainable procedures, including preventing worker exploitation, responsible use of agrochemicals, and application of proper pesticide techniques. To maintain certification, companies must undergo regular audits and verification. Our Group works closely with certification bodies to ensure continued compliance, and all 13 of our operating companies are ISPO-certified.

Our group has continued progressing toward RSPO certification, with the due diligence process completed in 2025. We are currently awaiting formal membership approval from the RSPO secretariat. This important milestone

reflects our commitment to adopting a globally recognised standard for certified sustainable palm oil. Achieving RSPO membership will further strengthen transparency, reinforce stakeholder confidence, and underscore our dedication to environmental, social and economic sustainability.

STRENGTHENING SAFETY AND WORKPLACE PRACTICES

To foster a strong safety culture, AEP organises workshops and training sessions on occupational safety and healthcare across all estates and mills. Employee development, well-being, and work-life balance remain top priorities. Employees are empowered to report Near-Miss incidents and provide feedback through standardised forms, enabling proactive identification of hazards and continuous improvement of safety practices.

Any incident involving fatalities or serious injuries is rigorously investigated to identify root causes and implement corrective actions to prevent recurrence. Additionally, AEP compiles and reviews statistics on work-related accidents as part of our safety monitoring efforts.

To meet safety and environmental standards such as International Sustainability and Carbon Certification, ISO 14001, and Program for Pollution Control Evaluation and Rating (“PROPER”), our Group continues to upgrade agricultural chemical stores and diesel fuel storage tanks across various plantations and mills.



STRATEGIC REPORT (CONTINUED)

Every estate is also mandated under ISPO to have a fire team with fully trained personnel holding certification from fire departments. AEP conducts annual fire drills, constructs watchtowers in every estate, and uses drones to monitor fire outbreaks. Standard operating procedures have been refined and documented based on sustainable oil palm practices and in compliance with Indonesian regulations, specifically the Regulation of the Minister of Agriculture Number 05/PERMENTAN/KB.410/1/2018 on plantation land management without burning.

Internal audits, guided by checklists adapted from sustainable practices, are conducted to ensure operational compliance. These efforts strengthen AEP's commitment to safety and environmental sustainability.

ESG PRACTICES



Achievements in ESG:

- Expanded renewable energy initiatives through two (2) BioCNG plants, converting methane from POME into renewable gas thereby reducing greenhouse gas emissions.
- Strengthened ESG and climate risk governance by integrating sustainability and climate-related risks into the Group's enterprise risk management framework.
- Advanced emissions management through ongoing quantification and verification of Scopes 1,2 & 3 greenhouse gas emissions.
- Progressed sustainable infrastructure development, with construction of the Group's eighth palm oil mill incorporating modern, energy-efficient processing technology and environmental standards.

AEP believes that the responsible stewardship of our environment is critical in benefiting our consumers, employees, shareholders, and society in general, thus maintaining the industry's long-term prospects.

AEP is taking active steps to reduce its carbon footprint by constructing biogas and/or BioCNG plants at its mills in stages. The surplus electricity generated through Biogas plants is sold to the national grid. Additionally, the methane from Biogas may be purified and compressed into BioCNG cylinders in a BioCNG plant for industrial use. This increased industrial adoption of BioCNG is expected to reduce fossil fuel consumption, further lowering Green House Gases ("GHG") emissions per metric ton of CPO produced over the coming years.

AEP plans to utilise EFB, the byproduct left after stripping palm fruitlets from FFB during CPO production, as a feedstock to enhance BioCNG output in response to market demand. This initiative aligns with our goal to reduce waste and reduce GHG emissions. Our Group has also set metrics and targets to lower GHG emissions over time as detailed in the Decarbonisation modelling and high-level target setting.

AEP has established a dedicated sustainability team based in the Medan Operations Office. The team is led by the Sustainability & Risk Management Controller and operates under the guidance of key leadership, including the Chief Corporate Planning & ESG Officer and other key management members. They oversee and implement strategies to achieve our Group's ESG goals while managing sustainability risks effectively.

In 2025, our Group further strengthened its governance framework through the formal establishment of an Enterprise Risk Management Framework ("ERMF"), which includes a Board-approved Risk Appetite Statement. The ERMF provides a structured and systematic approach to identifying, assessing, managing, and monitoring risks across the organisation, ensuring that sustainability and climate-related risks are integrated into strategic decision-making processes.

STRATEGIC REPORT (CONTINUED)

Our Board and key management maintain visibility and general awareness of climate and nature-related risks and opportunities. Plans, objectives, and targets related to these risks are discussed annually, or as needed, through engagement with external sustainability partners and management meetings where new or material issues are raised. Climate change and nature remain standing agenda items for the Board, underscoring their significance in our decision-making processes.

THE BOARD

The Board provides overall oversight and strategic direction on the Group’s sustainability and governance matters. In discharging its responsibilities, the Board undertakes the following:

- Monitors and reviews the progress against our sustainability-related targets on an annual basis
- Oversees reviews of our Group’s corporate governance policies and initiatives, including Sustainability Policy published in 2019

Our Sustainability Policy aims to drive change needed in reducing environmental impact, delivering more efficient land use, ensuring social justice, and practicing responsible business across all operations. It embeds policies to mitigate key climate and nature-related risks. Our Group also participates in the SPOTT assessment by the Zoological Society London that uses publicly available information to annually assess palm oil producers on the transparency of their commitments to environmental, social and governmental best practice. Apart from aligning with the TCFD, we have also looked to adopt the recommendations of the Taskforce for Nature-related Financial Disclosures (“TNFD”) despite this not yet being a mandatory requirement.

The palm oil industry has continuously received close scrutiny in the media due to concerns on global warming and rainforest destruction. Realising this, our Group has adopted a NDPE, and zero burning policy throughout our Group.



HOW FALLEN PALM TRUNKS RECYCLES NUTRIENTS BACK ONTO THE SOIL

- Felled palm trunks are chipped, shredded and left to decompose on the site
- Mitigates the release of greenhouse gases commonly associated with open burning through the traditional land-clearing method of slash-and-burn
- Chipping and shredding palm trunks enriches soil organic matter & recycles nutrients back onto the soil

Where land is sloping, terraces are built which helps to prevent landslides and soil erosion, conserve the water and nutrients and provide better accessibility for operations. Conservation pits and sumps are also constructed to harvest and contain rainwater.

Legume cover crops are planted to minimise soil erosion, preserve the soil moisture and improve soil chemical and physical properties, thus reducing the use of chemical fertilisers. In mature areas, fronds and EFB are neatly stacked on the inter-rows to allow for the slow release of organic nutrients while minimising soil erosion. Estates with sandy areas use soft grass, *Nephrolepis biserrata* ferns and cut fronds to cover bare ground to increase soil moisture and improve organic matter contents.

STRATEGIC REPORT (CONTINUED)

1. Effluents discharged from our mills are fully treated in anaerobic lagoons and tanks to reduce its biological demand (“BOD”).
2. Final discharge is applied to the estate’s land as fertilisers and BOD is tested regularly to ensure that it is below the legal limit for land application in Indonesia.

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An Integrated Pest Management system has been adopted to control the population of damaging pests and to improve biological balance while reducing dependency on chemical pesticides.”

AEP operates four (4) biogas plants, which enhance the treatment of palm oil mill effluents while simultaneously mitigating GHG emissions. The captured biogas is utilised to generate electricity, which is supplied to the national grid, reducing reliance on fossil fuels. Alternatively, the biogas may be purified and compressed to produce BioCNG in plants such as the BioCNG plant in our Blankahan estate. Plans are underway to explore and implement similar biogas initiatives at other mills, focusing on locations where such projects are commercially viable. These efforts will be carried out in stages, further advancing our commitment to sustainability and renewable energy.

AEP is committed to implementing good agricultural practices as spelt out in its standard operating procedures for all activities. An Integrated Pest Management system has been adopted to control the population of damaging pests and to improve biological balance while reducing dependency on chemical pesticides. Barn owls, which are natural predators, have been introduced to control the rat population, replacing the use of rat baits. Beneficial plants such as *Turnera subulata*, *Cassia cobanensis* and *Antigonon leptopus* were planted to attract natural

predators for biological control of bagworms and leaf-eating caterpillars.

AEP minimises the use of toxic pesticides and herbicides, with plans to phase them out when viable alternatives are available. Employees are regularly trained in safe and proper spraying techniques, provided protective equipment, on-site washing facilities, and routine medical examinations. Chemicals are stored in designated areas and inspected regularly, with strict adherence to safety standards as per Indonesian regulations.

Under the Manpower and Transmigration Ministerial Decree No. 08/2010, our Group strictly enforces compliance with occupational safety standards. Managers and employees risk penalties or disciplinary actions if found non-compliant, as safety audits are conducted periodically. Additionally, ISPO-certified companies are prohibited from using 36 banned pesticide ingredients, which are known to pose significant health risks to humans and harm the environment. Chemicals banned under WHO Class 1A and 1B, as well as the Stockholm and Rotterdam Conventions including highly toxic pesticides such as Paraquat, have been eliminated from our plantation. Safer alternatives are currently being evaluated.

A standard operating procedure ensures the management is informed of any pesticide poisoning cases among applicators, reinforcing AEP’s commitment to safety and sustainability.

To minimise accidents at workplaces, regular training and refresher courses are held to instil the importance of safe working practices. Warnings and reminders are displayed at the mills and estates to remind the workers on their safety. Warning signs are placed at strategic locations such as speed limits in housing estates and warning against crossing Irish bridges when river water is at a dangerous level.

AEP continues to comply and preserve HCV as well as HCS areas recognised by the Department of Forestry. Every development has gone through the proper environmental impact analysis. EIA studies, environment management and monitoring efforts are retained under the Indonesia Omnibus

STRATEGIC REPORT (CONTINUED)

Law passed in 2020, companies are however no longer required to obtain environmental license. All HCV and HCS areas were mapped with boundaries clearly marked by independent surveyors to ensure that our Group does not plant in these sensitive areas. Our Group patrols these protected areas to ensure no encroachment and maintain regular monitoring and management plans to preserve the flora and fauna of these sensitive areas. Natural vegetation on uncultivable lands such as deep peat, very steep areas and riparian zones along watercourses and mangroves are spared from planting in order to preserve biodiversity and wildlife corridors as well as to check erosion. Peatland is considered to be one of the most efficient carbon sinks and any burning or drying will release the sequestered carbon dioxide into the air contributing to global warming. Conservation of peatland is also important as it is at high fire risk, raising concerns of sub-terrain wildfires which is very difficult to put out. Peatland is made up of decomposed vegetation which not only holds carbon dioxide but also highly inflammable when dry. We have a strict no-peat policy and prohibit new planting in peat areas since 2019. In places like the HPP estate, where palms were planted between 2006 and 2012 on peat prior to the introduction of the no-peat policy, 42 permanent water gates were installed to monitor and maintain stable water levels.

Degradation of the mangroves, on the other hand, leads to coastal erosion, loss of biodiversity and economic hardship for communities that depend on them for their livelihoods. In response, Indonesia has in recent years intensified efforts to protect and restore mangrove ecosystems through national rehabilitation programmes, strengthened regulations, and community-based conservation initiatives.

In Indonesia where drought occurs regularly, an emergency response team is set up in every estate armed with the proper equipment and gear to put out fire and prevent them from spreading during the dry months. Regular training on fire-fighting techniques and safety is provided by the fire departments. Our estates have also invested in modern technology by utilising drones to pinpoint areas of fire outbreak whenever they

are detected by the watchtowers. These drones are particularly useful in remote areas where accessibility is restricted.

According to Indonesian Law No. 41/1999 on forestry, a deliberate act of forest burning could lead to 15 years imprisonment and a fine of up to Rp5 billion or about \$350,000, while negligence that leads to a forest fire is punishable by a 5-year imprisonment and a fine of up to Rp1.5 billion or \$105,000 for environmental crime. The government is stepping up its enforcement where large fines are imposed on companies for breach of environmental law.

AEP upholds its commitment to a no open burning policy, ensuring it plays no part in such activities. In addition, AEP respects local communities by preserving all sacred and customary lands for traditional practices, including prayers and ritual ceremonies.

Our seven (7) mills are operating in compliance with criteria set by PROPER overseen by the Indonesian Department of Environment. Many of the criteria set by PROPER are also part of the ISPO requirement. These mills are officially graded Blue and rated to adhere to the criteria set for the management of waste and compliance to environmental conservation over water resources, land development, air and sea pollution and dangerous toxic waste treatment which impact the environment. The certification of the seventh mill which has just commenced operation is currently under review. Six mills are certified to ISO 14001:2015 (Environmental Management System) standard with the seventh in progress. Implementing an environmental management system can provide the mills, the ability to manage environmental performance through more efficient use of resources and will also increase the confidence of internal and external parties that the environmental impacts of its activities have been measured, managed and continuously improved.

STRATEGIC REPORT (CONTINUED)

“

Seven mills are certified to ISO 14001:2015 (Environmental Management System) standard with the seventh in progress.”

The ISCC is issued by ISCC System GmbH, a global certification body based in Cologne, Germany. The criteria used in the certification process are:

- Implement social and ecological sustainability criteria
- Monitor deforestation-free supply chains
- Avoid conversion of biodiverse grassland
- Calculate and reduce GHG Emissions
- Establish traceability in global supply chains

The Tasik Raja and Blankahan estates and mills were ISCC certified in 2024. The certification identifies a company as a responsible player in the industry that has taken efforts to produce sustainable CPO.

We have completed full traceability of external FFB purchased from suppliers' farms or plantations to our mills. AEP is actively managing a comprehensive database of all our smallholders and aims to identify the precise locations of their plantations. By maintaining close relationships with our suppliers, we provide them with technical and management expertise while integrating our sustainability policies into their practices. This collaborative approach reinforces our commitment to responsible sourcing and sustainable operations.

More details on our ESG efforts may be obtained from the Company's website.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

AEP regularly evaluates its principal risks as part of its ERMF. Our Board, supported by the Audit Committee, Risk Management Committee and senior management, reviews and assesses material risks annually. These assessments are integrated into our Group's strategic planning process and support informed decision-making across operations.

Emerging risks are discussed during regular key management meetings where potential impacts, likelihood and mitigation strategies are evaluated. Matters of significance are subsequently escalated to our Group Chief Executive Officer and Executive Director, who provide updates to the Audit Committee, Risk Management Committee and our Board where appropriate.

In 2025, our Group enhanced its risk assessment methodology through a structured risk likelihood and consequence matrix, enabling clearer prioritisation of operational, financial, regulatory and sustainability-related risks. Based on the latest assessment, AEP has identified several key principal risks affecting our Group.

The most significant risk remains CPO market price fluctuation, which may have a substantial impact on our Group's financial performance. Given the global nature of palm oil markets, volatility in commodity prices continues to represent a major external risk factor.

Operational risks also remain a key focus. These include risks associated with natural disasters and extreme weather events, such as floods, droughts, storms and earthquakes, which may disrupt plantation and mill operations. Fire hazards in mill operations and plantation areas also represent operational risks that are closely monitored and mitigated through strict safety and fire prevention protocols (see 'Operational Risks - Fires' on page 46 for further details).

STRATEGIC REPORT (CONTINUED)



Supply chain stability remains another area of attention. Disruptions to logistics networks, availability of inputs and market access may impact operational continuity. In addition, labour availability, workforce stability and employee retention are monitored closely as part of operational risk management.

From a governance and compliance perspective, our Group continues to manage risks related to regulatory changes, political developments and compliance obligations across its operating jurisdictions. Our Group also maintains strict policies to prevent bribery and corruption and continues strengthening its internal governance practices.

Environmental and sustainability-related risks remain important considerations for our Group. These include risks associated with deforestation, biodiversity protection, land rights and community relations, as well as regulatory expectations related to sustainable plantation management.

In line with increasing digitalisation, our Group also monitors data security and privacy risks to ensure that information technology systems remain resilient and protected against potential cyber threats.

Our Group also recognises the growing importance of climate-related considerations. Risks associated with soil erosion, environmental degradation and extreme weather patterns are continuously assessed as part of our Group’s sustainability and climate resilience strategy.

Through its ERMF, AEP continues to strengthen risk identification, monitoring and mitigation processes. Principal risks are reviewed regularly to ensure that appropriate controls and mitigation actions remain effective in supporting our Group’s long-term resilience and business sustainability.

Land Use and Rehabilitation Obligations

AEP has assessed whether there are any legal or constructive obligations to rehabilitate land following plantation operations in its jurisdictions of operation, including Indonesia and Malaysia.

Plantation land is typically managed under long-term land-use rights (such as Hak Guna Usaha in Indonesia), which do not generally require restoration to original natural conditions upon cessation of use.

Existing regulations focus on compliance with environmental management practices during operations, rather than formal post-use rehabilitation obligations comparable to those in extractive industries.

Based on this assessment, our Group has not identified a present legal or constructive obligation that would require recognition of a provision under IAS 37.

Notwithstanding this, AEP continues to implement sustainability commitments, including No Deforestation, No Peat, No Exploitation (“NDPE”) policies and conservation initiatives, which support responsible land stewardship.

These risks are informed by CSA, which assesses potential impacts under multiple climate pathways and supports the Group’s risk prioritization and mitigation planning.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AT A GLANCE

CONSEQUENCE ON AEP	EXTREME						
	MAJOR	<p>2 R2-EOPR. Extreme rainfall which cases flooding</p> <p>14 R7-MOPR. Natural disasters (e.g., floods, storms, earthquakes)</p>	<p>5 R5-EOPR. Fires</p> <p>12 R5-MOPR. Fire hazard in the mill area</p>	<p>8 R1-MOPR. Equipment breakdown due to poor maintenance</p> <p>10 R3-MOPR. Environmental compliance violation</p>			
	MODERATE	<p>3 R3-EOPR. Deforestation, Biodiversity & Habitat Loss</p> <p>17 R2-MGMT. Regulatory, Governance and ethics</p>	<p>1 R1-EOPR. The long dry period which causes drought</p> <p>6 R6-EOPR. Pest & Diseases</p> <p>9 R2-MOPR. Disruption of supply chain</p> <p>15 R8-MOPR. Work Accident</p> <p>16 R1-MGMT. Political Instability</p> <p>18 R3-MGMT. Information Technology ("IT") security risk</p> <p>28 R4-FIN. Changes in foreign exchange rates</p>	<p>23 R8-MGMT. Data security breaches and privacy violations</p> <p>25 R1-FIN. CPO market price fluctuation</p> <p>26 R2-FIN. Securing competitive CPO pricing</p> <p>27 R3-FIN. Negative campaign</p>			
	MINOR	<p>22 R7-MGMT. Lack of succession planning for key roles</p> <p>24 R9-MGMT. Contractual disputes and litigation</p>	<p>4 R4-EOPR. Soil Erosion & Degradation</p> <p>7 R7-EOPR. Land Rights & Conflicts</p> <p>11 R4-MOPR. Labor shortages or disputes</p> <p>13 R6-MOPR. Regulatory changes impacting operations</p> <p>19 R4-MGMT. Employee turnover due to lack of engagement</p> <p>20 R5-MGMT. Workplace conflicts and grievances</p> <p>21 R6-MGMT. Inadequate performance management processes</p>				
	INSIGNIFICANT						
		RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN	
LIKELIHOOD OF OCCURENCE							

Legend (risk categories):

EOPR - Estate operational risk | MOPR - Mill operational risk | FIN - Finance risk | MGMT - Management risk

STRATEGIC REPORT (CONTINUED)

Key:
 ▲ Increase ▼ Decrease ◆ No change ◆ New risk

Risk	Consequence	Mitigation
1 Estate Operational Risks ◆		
The long dry period, which causes drought Consequence Moderate ▼ Likelihood Unlikely ▼	Reduced FFB yields, decline in palm productivity, increased irrigation costs and potential long-term plantation damage.	1. Record the rainfall data from units 2. Fire patrol using drone and watch tower 3. Routine patrol by security 4. Monitoring and early warning systems using websites, such as: https://sipongi.menlhk.go.id/ https://spartan.bmkg.go.id/ https://www.globalforestwatch.org/
2 Estate Operational Risks ◆		
Extreme rainfall which causes flooding Consequence Major ◆ Likelihood Rare ◆	Disruption to harvesting and transportation, damage to plantation infrastructure, soil nutrient loss and potential delays in mill processing.	AEP mitigates flood risks in palm oil production through: 1. Water Management - implementing drainage systems, improving soil drainage, and managing water flow. 2. Land Use Planning - avoiding flood-prone areas, maintaining drainage, and preserving natural buffers like wetlands and forests. 3. Infrastructure Design - constructing elevated and flood-resistant roads, bridges, and buildings. 4. Early Warning & Preparedness - using weather monitoring and remote sensing, training workers, and maintaining contingency plans.
3 Estate Operational Risks ◆		
Deforestation, Biodiversity & Habitat Loss Consequence Moderate ◆ Likelihood Rare ◆	Reputational damage, potential loss of sustainability certifications (e.g. RSPO), regulatory penalties and restricted market access.	AEP ensures sustainable and responsible production by: 1. NDPE Commitment - enforcing zero-deforestation and no-exploitation policies, protecting HCV and HCS areas, respecting community rights, and applying sustainable land management. 2. Stakeholder Engagement - collaborating with local communities, indigenous groups, NGOs, and others through FPIC and participatory land-use planning.
4 Estate Operational Risks		
Soil Erosion & Degradation Consequence Minor ◆ Likelihood Unlikely ◆	Reduced soil fertility leading to lower yields, increased rehabilitation costs and long-term productivity decline.	AEP has implemented soil conservation practices, such as terracing and cover cropping, promote sustainable land use planning, adopt responsible agroforestry techniques.

STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
5 Estate Operational Risks		
Fires Consequence Major ▼ Likelihood Unlikely ▼	Damage to plantation assets, loss of crops, environmental impact, regulatory penalties and reputational harm.	AEP reduces drought and fire risks by: <ol style="list-style-type: none"> 1. Monitoring & Early Warning – using weather systems, remote sensing, and fire towers to track soil, vegetation, and fire risks. 2. Sustainability Policies – enforcing zero-deforestation and no-burn commitments to protect forests and peatlands. 3. Community Engagement – raising awareness, offering alternative livelihoods, and training in fire prevention and firefighting. 4. Standards & Compliance – implementing RSPO, ISPO, ISCC, ISO 14001, and PROPER for sustainable management.
6 Estate Operational Risks		
Pest & Diseases Consequence Moderate ▼ Likelihood Unlikely ▼	Decline in plantation productivity, increased pest control costs and potential crop losses affecting revenue.	AEP reduces pest and disease risks through: <ol style="list-style-type: none"> 1. Early Detection & Monitoring – routine surveillance with trained officers and early warning systems. 2. Biological Control – using barn owls to control rats and cultivating beneficial plants (<i>Casia Cobanensis</i>, <i>Antigonon</i>, <i>Tunera Subulata</i>) to deter leaf-eating pests. 3. Disease Management – isolating Ganoderma with trenches to prevent its spread.
7 Estate Operational Risks		
Land Rights & Conflicts Consequence Minor ◆ Likelihood Unlikely ◆	Operational disruptions, legal disputes, reputational risk and potential delays in plantation development activities.	AEP safeguards community and land rights by: <ol style="list-style-type: none"> 1. Community Consent – engaging indigenous groups through FPIC before projects begin. 2. Land Rights Protection – conducting land tenure mapping, legal recognition and due diligence in acquisitions. 3. Fair Compensation – ensuring communities are properly compensated for land use (GRTT). 4. Sustainability Standards – applying and implementing ISPO, ISCC, ISO, PROPER, and RSPO.

STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
8 Mill Operational Risks		
Equipment breakdown due to poor maintenance Consequence Major ▼ Likelihood Possible ▼	Production downtime, reduced milling capacity, increased repair costs and delays in processing FFB.	Regular maintenance schedule including preventive maintenance, proactive equipment inspections, spare parts inventory management.
9 Mill Operational Risks		
Disruption of supply chain Consequence Moderate ◆ Likelihood Unlikely ◆	Delays in receiving raw materials or delivering CPO products, leading to production inefficiencies and potential revenue loss.	Secure supply by diversifying vendors and planning for crop cycles. Ensure early traceability to identify and exclude any non-compliant smallholder crops under EUDR, minimising disruption to FFB supply.
10 Mill Operational Risks		
Environmental compliance violation Consequence Major ◆ Likelihood Possible ◆	Regulatory penalties, suspension of operations, loss of certification and reputational damage.	Implementation of environmental management systems, regular monitoring of emissions and effluents, and employee training on environmental regulations.
11 Mill Operational Risks		
Labor shortages or disputes Consequence Minor ▼ Likelihood Unlikely ▼	Reduced operational efficiency, delays in mill operations and increased labour costs.	Cross-training of employees, contingency workforce planning, engagement with labour unions, and fair labour practices according to the labour law.
12 Mill Operational Risks		
Fire hazard in the mill area Consequence Major ▼ Likelihood Unlikely ▼	Damage to critical equipment and facilities, safety risks to workers and interruption of production.	Installation of fire detection and suppression systems, regular fire drills and training, and proper storage of flammable materials.

STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
13 Mill Operational Risks		
Regulatory changes impacting operations Consequence Minor ♦ Likelihood Unlikely ♦	Increased compliance costs, operational adjustments and potential delays in production activities.	Regular monitoring of regulatory updates, compliance audits.
14 Mill Operational Risks		
Natural disasters (e.g., floods, storms, earthquakes) Consequence Major ♦ Likelihood Rare ♦	Physical damage to mill facilities, interruption of operations and increased repair and recovery costs.	Disaster preparedness and response plans, infrastructure resilience measures, early warning systems, insurance coverage for business interruption.
15 Mill Operational Risks		
Work Accident Consequence Moderate ▼ Likelihood Unlikely ▼	Injury or loss of life, regulatory penalties, operational disruption and reputational impact.	AEP ensures workplace safety through: 1. Training & Awareness - employee training, safety committees, and regular meetings. 2. Policies & Procedures - clear safety policies, hazard identification, and risk assessments. 3. Protective Measures - PPE, machine guarding, safety signage, and labels. 4. Monitoring & Improvement - regular inspections, maintenance, and continuous improvement.
16 Management Risks		
Political Instability Consequence Moderate ♦ Likelihood Unlikely ♦	Uncertainty in business operations, regulatory changes, and potential disruption to investment and expansion plans.	Monitoring the political landscape through news, social media, and stakeholder engagement while building strong relationships with government, civil society groups, and the community.
17 Management Risks		
Regulatory, Governance and ethics Consequence Moderate ♦ Likelihood Rare ♦	Legal penalties, reputational damage, loss of stakeholder trust and potential restrictions on business operations.	Ensure compliance with palm oil regulations through robust traceability systems and sustainability standards (ISPO, ISCC, ISO 14001, RSPO, EUDR), while engaging with local communities and indigenous groups, regularly updating governance practices, and fostering integrity through a code of conduct, ethics training, and whistleblower mechanisms.

STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
18 Management Risks		
Information Technology (“IT”) security risk Consequence Moderate ♦ Likelihood Unlikely ♦	Disruption to business systems, loss of sensitive information and financial losses due to cyber incidents.	Develop and enforce robust IT security policies and procedures, maintain up-to-date software and security patches, and implement strong cybersecurity measures such as firewalls, IDS/IPS, and regular employee training to identify and report threats.
19 Management Risks		
Employee turnover due to lack of engagement Consequence Minor ♦ Likelihood Unlikely ♦	Loss of experienced personnel, increased recruitment and training costs and reduced organisational productivity.	Conduct employee engagement surveys, implement retention initiatives, career development programmes.
20 Management Risks		
Workplace conflicts and grievances Consequence Minor ♦ Likelihood Unlikely ♦	Reduced employee morale, productivity losses and potential legal or industrial relations disputes.	Implement conflict resolution procedures, provide training on effective communication and conflict management.
21 Management Risks		
Inadequate performance management processes Consequence Minor ♦ Likelihood Unlikely ♦	Inefficient operations, lack of accountability and reduced overall organisational performance.	Implement performance appraisal systems, provide training on goal setting and feedback.
22 Management Risks		
Lack of succession planning for key roles Consequence Minor ♦ Likelihood Rare ♦	Leadership gaps, disruption in strategic decision-making and reduced organisational stability.	Develop succession plans, identify and groom high-potential employees, cross-train employees.

STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
23 Management Risks		
Data security breaches and privacy violations Consequence Moderate ▼ Likelihood Possible ▼	Legal liabilities, financial penalties, reputational damage and loss of stakeholder confidence.	Enhance data security measures, implement data privacy policies, and provide training on data protection.
24 Management Risks		
Contractual disputes and litigation Consequence Minor ◆ Likelihood Rare ◆	Financial losses, legal costs, operational delays and reputational risks.	Ensure contracts are clear and comprehensive, establish dispute resolution mechanisms, engage in alternative dispute resolution methods.
25 Finance Risks		
CPO market price fluctuation Consequence Moderate ▼ Likelihood Possible ▼	Significant impact on revenue, profitability and financial performance due to volatility in global commodity markets.	Cost control through mechanisation and appropriate and measurable use of resources.
26 Finance Risks		
Securing competitive CPO pricing Consequence Moderate ▼ Likelihood Possible ▼	Reduced profit margins and potential loss of market competitiveness.	Tendering CPO sales on a weekly basis.
27 Finance Risks		
Negative campaign Consequence Moderate ▼ Likelihood Possible ▼	Reputational damage that may affect customer confidence, investor sentiment and market access.	<ol style="list-style-type: none"> 1. AEP has aimed to balance societal, environmental and economic interests. 2. AEP promotes efficient practices in biodiversity, soil and water conservation, ensuring safe conditions for employees, and the community. 3. AEP also collaborates with smallholders, NGOs and other stakeholders to protect forests, peatlands and human rights.

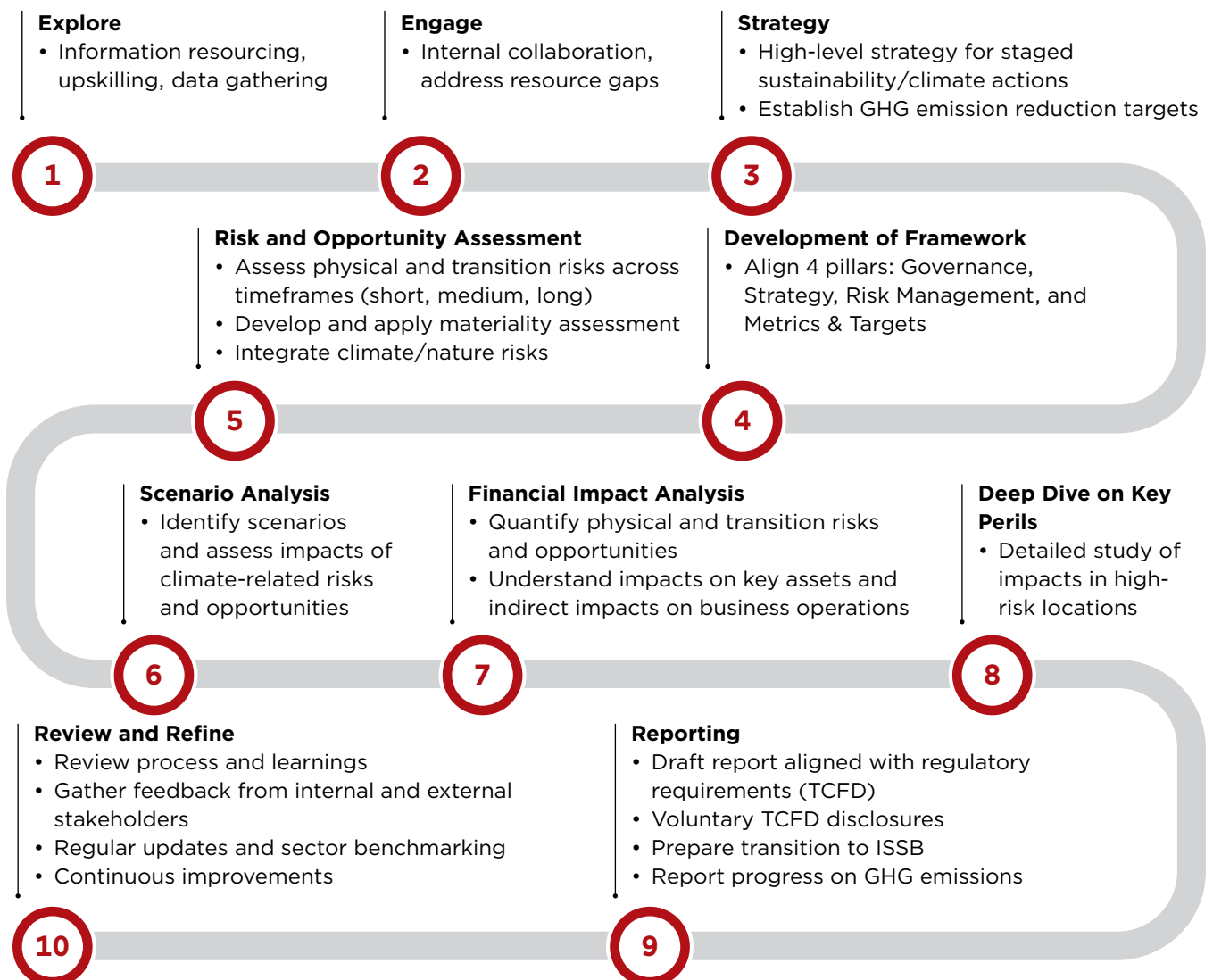
STRATEGIC REPORT (CONTINUED)

Risk	Consequence	Mitigation
28 Finance Risks		
Changes in foreign exchange rates Consequence Moderate ▼ Likelihood Unlikely ▼	Fluctuations in export revenues and operational costs, impacting financial performance.	To reduce the risk of adverse movement in exchange rates, AEP converts excess IDR into USD.

CLIMATE AND NATURE-RELATED RISKS AND OPPORTUNITIES

AEP is committed to creating a sustainable future for all its stakeholders - its employees, shareholders, investors and communities. It is on a journey of self-improvement on both the TCFD and TNFD frameworks, having identified through previous consultations, gaps to improve its climate and nature disclosure maturity.

Our Climate/Nature Disclosure Roadmap:



STRATEGIC REPORT (CONTINUED)

AEP's priority in 2025 was to strengthen its governance framework to reinforce the foundation for its ESG and sustainability initiatives and progress towards its goals. In 2025, we placed a strong focus on governance actions while continuing to enhance our efforts in strategy and risk management. Both our Board and management have been actively engaged in this process and remain committed to the initiatives undertaken.

We recognise that nature is core to our business and closely interlinked with climate, in terms of our impacts, dependencies, risks and opportunities.

This is our sixth year disclosing against the eleven TCFD recommendations. Following the TCFD gap analysis we conducted in previous years, we have continued to improve our alignment with TCFD's recommendations by acting in accordance with the TCFD roadmap we have put in place last year. We have revisited our climate and nature-related risks and opportunities, incorporating findings from our scenario analysis in line with TCFD expectations.

This scenario analysis explores how strategically-important climate and nature risks and opportunities may change across short, medium and long-term time horizons within distinctive and plausible scenarios (including a Paris Agreement Aligned scenario which limits global warming to 1.5C by the end of the century).

We are also in the process of aligning our climate and nature risk management to the TNFD by explicitly considering nature risk alongside climate risk, and by adopting elements of the TNFD's recommended scenario analysis methodology - using a 'What If' process to build out our scenarios to consider how climate and nature risks might manifest. We will further develop our holistic approach to risk management which integrates climate and nature in the future.

SUMMARY TCFD ALIGNMENT TABLE

	Assessment	Remarks and reference page
Governance		
Describe the board's oversight of climate-related risks and opportunities	✓	Board has oversight which have been enhanced in 2025. Pages 54-55: Board Oversight
Describe management's role in assessing and managing climate-related risks and opportunities	✓	Management has responsibilities and resources which were enhanced in 2025. Page 55: Management's Role
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	✓	In 2023, AEP engaged external consultants to conduct a CSA to assess strategically important climate and nature-related risks. Pages 63-69: Material climate and nature-related risks and opportunities

STRATEGIC REPORT (CONTINUED)

	Assessment	Remarks and reference page
Describe the impact on the business of climate-related risks and opportunities on the organisation’s business, strategy and financial planning	✓	To date our analysis have enable AEP to understand the potential impacts. We intend to broaden the assessment further in 2025 to understand further impacts on the business. Pages 56-57: Impact on business, strategy and financial planning
Describe the resilience of the organisation’s strategy, taking into consideration different scenarios, including a 2 °C or lower climate scenario	✓	We have considered the potential impacts from climate and nature from different scenarios and time horizons and resiliency of strategy against the risks. Pages 58-62: Resilience of our Strategy
Risk Management		
Describe the organisation’s processes for identifying and assessing climate-related risk	✓	AEP has implemented a process for identifying assessing prioritising and managing climate and nature risks. The process is now enhanced with the establishment of an ESG committee and dedicated ESG resources. Pages 71-72: Identifying and assessing climate and nature-related risks
Describe the organisation’s process for managing climate-related risks	✓	The Process is described in pages 71-72: Managing dependencies, impacts, risks and opportunities.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management	✓	Currently compliant however as AEP is intending to review and refresh its risk management practice and integrate climate and nature more deeply into the Company’s practice. Page 80: Integration of climate and nature into overall risk management
Metrics & Targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	✓	The metrics are disclosed in pages 80-81 Metrics to assess climate and nature-related risks and opportunities.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and related risks	✓	AEP discloses Scopes 1,2 and 3. Pages 85-93: Carbon Reporting - 2025 Results
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	✓	Target disclosed in pages 85-89: Targets for dependencies, impacts, risks and opportunities.

STRATEGIC REPORT (CONTINUED)

CURRENT AND FUTURE STEPS ON TCFD AND TNFD

Governance

- In 2025, AEP strengthened its governance framework to enhance oversight of climate and nature-related risks and opportunities, ensuring these considerations are embedded within strategic decision-making.
- AEP continues to align with the recommendations of the Task Force on TCFD, as outlined in its 2024 disclosures, while progressively adopting the Task Force on TNFD to enhance nature-related risk transparency over time.
- During the year, AEP enhanced key elements of its governance and risk management practices in line with TCFD expectations, while taking preparatory steps towards alignment with International Sustainability Standards Board (“ISSB”) requirements.
- These enhancements reflect AEP’s ongoing commitment to strengthening governance structures to support a more integrated and mature approach to sustainability, aligned with the expectations of investors, regulators, and broader stakeholders.

Board oversight

- AEP Board has ultimate responsibility for oversight of AEP’s management of material business risks and opportunities including climate and nature related risks in its strategy, risks, budgets and capital expenditure. AEP Board has taken active steps to improve governance in a number of ways:
 - i. Changes to Board Committee Terms of Reference – In 2025, a number of changes to the Committee terms of reference were adopted. These changes reflect the significance and importance of the role of the board in its oversight of climate and nature related risks to its business. Our Board considers and approves AEP’s sustainability objectives and monitors and reviews progress against our sustainability

targets annually including the emissions reduction targets set in 2021. We plan to increase the oversight of these targets by informing the Board on GHG emissions reduction progress at least two times a year.

Our ESG & Corporate Governance Committee oversees reviews of our Group’s corporate governance policies and initiatives, including our Sustainability Policy which was published in 2019. Our Sustainability Policy aims to drive change needed in reducing environmental impact, delivering more efficient land use, ensuring social justice, and practicing responsible business across all operations. It embeds policies to mitigate key climate and nature-related risks. Our Group also participates in the SPOTT assessment by the ZSL that uses publicly available information to annually assess palm oil producers on transparency of commitments to environmental and best practice.

Any material Sustainability and Climate issues are to be brought to our Board’s attention for approval after consideration by the newly established ESG & Corporate Governance committee. Our Board will have access to other Sustainability reports and activities undertaken and reported to the ESG & Corporate Governance committee.

Topics on Sustainability and Climate will be considered at board meetings, with a cadence for reporting topics being agreed for the year. The ESG & Corporate Governance committee meets at least three times a year and at each of these meetings, progress against objectives and targets are considered. The Board has adopted a new reporting template addressing climate/nature related issues for consideration when making decisions. This initiative reflects the significance of climate and nature consideration in decision-making.

STRATEGIC REPORT (CONTINUED)

Other important changes include escalation of environmentally significant events to the Board on identification of issues.

- iii. Establishment of a new ESG and Corporate Governance Committee – Recognising the importance of ESG to the business, the committee was established in January 2024 as ESG Committee and subsequently renamed ESG and Corporate Governance Committee. The Committee comprises three Directors and is currently supported by our Group CEO, Indonesian CEO and Chief Corporate Planning & ESG Officer. The Committee is responsible for overseeing the implementation of AEP’s Sustainability Policy and guiding the Group’s approach to environmental stewardship, health and safety, CSR, corporate governance, and sustainability.

The ESG and Corporate Governance committee will meet at least three (3) times annually prior to Board meetings. Strategic matters are escalated to the Board for approval while other items are either endorsed by the Committee or reported to our Board for noting.

- iv. Other committees - We have introduced several changes to our Board committees, including the Audit, Nomination, Remuneration, Risk Management, and ESG & Corporate Governance Committees. Updates to the terms of reference have been made to enhance the scope of oversight and to clarify roles and relationships both with the Board and among the committees.

For instance, the former Audit & Risk Management Committee has been separated into the Audit Committee and the Risk Management Committee to better reflect their distinct responsibilities. This change strengthens oversight of risk management and compliance, while also ensuring the integration of ESG risks into the Group’s overall risk profile.

The Nomination & Corporate Governance Committee has also been reorganised into the Nomination Committee and the ESG & Corporate Governance Committee to avoid overlapping responsibilities related to ESG matters.

Management’s role

- In September 2024, AEP created a new role – Chief Corporate Planning & ESG Officer. This role reports to Group Chief Executive and is responsible for designing and implementing all aspects of the sustainable programme including:
 - climate and nature reporting
 - delivery of initiatives to improve environmental performance
 - resiliency of the business against climate and nature risks
 - progress towards reduction on emissions
- Our Environment Health and Safety (“EHS”) and Sustainability Department aids our key management in addressing climate and nature-related risks by integrating ESG considerations into our risk management framework. It identifies and assesses risks such as climate change impacts, biodiversity loss, and resource scarcity, ensuring these are factored into strategic decision-making.
- Our dedicated ESG team, comprising the Chief Corporate Planning & ESG Officer and the EHS and Sustainability Department, oversees the tracking of ESG-related projects and targets. The team collaborates with key management across various functions within our Group (including estates, mills, human resources, legal, and finance) to ensure alignment with our ESG objectives and to address sustainability issues within AEP.

In addition to quarterly reporting, material sustainability and climate-related matters are escalated on an ad-hoc basis to the Committee and the Board to ensure timely decision-making.

We remain committed to accountability and continuously adapt our strategies to meet our goals, as we progress toward further integrating our climate and nature risk management approach with broader strategic risk management.

STRATEGIC REPORT (CONTINUED)

STRATEGY

Climate-Related Risks, Opportunities, and Financial Impacts

- AEP recognises that climate change presents both physical and transitions risks, which may impact the Group's operations, financial performance, and long-term sustainability. These risks include changes in rainfall patterns, flooding, drought, and rising temperatures, as well as evolving regulatory requirements and market expectations for sustainable palm oil production.
- In 2023, AEP engaged external consultants to conduct a CSA of strategically important climate and nature risks relevant to its business. This process entailed identifying a long list of climate- and nature-related risks under the Network for Greening the Financial System's ("NGFS") 'Orderly', 'Disorderly', and 'Hot House' scenarios in short, medium and long-term.
- The CSA identified two transition and three physical climate and nature risks of strategic importance for further interrogation.
- Transition risks to AEP emerge primarily from increasing expectations regarding climate and nature performance (from both regulators and customers) and non-compliance with those expectations.
- Key climate-related physical risks to AEP were identified as drought, flood and temperature rise. Upon further investigation of these key physical risks using the World Wide Fund for Nature ("WWF") and World Research Institute ("WRI") data, no discernible trend in drought was projected for any of AEP's sites through to 2050, and although projections suggest flood risk at AEP's sites will increase slightly, AEP is already operating – without any significant disruption – within areas that are categorised as having high flood risk. However, the CSA showed the aggregated impact of temperatures rise has the potential to significantly impact palm yield in the long-term, particularly in the Disorderly and Hothouse scenarios, in which the potential financial impact on AEP is deemed high by 2050.

Climate-related risks and opportunities are integrated into AEP's business strategy, reflecting their potential impact on operational performance, financial outcomes, and long-term sustainability.

Through its CSA, AEP has identified key physical risks, including rainfall variability, flooding, drought, and rising temperatures, as well as transition risks associated with evolving regulatory and market expectations.

These risks are incorporated into strategic planning, particularly in relation to yield optimisation, infrastructure investment, and sustainability initiatives. AEP prioritises investments in climate-resilient plantation practices, renewable energy projects, and operational efficiency improvements to mitigate risks and enhance long-term value creation.

Financial Impacts and Business Performance

AEP has undertaken a qualitative and semi-quantitative assessment of climate-related financial impacts across its operations. Where feasible, impacts are categorised on potential effects on revenue, costs, capital expenditure, and assets values:

- **Revenue impacts** may arise from reduced FFB yields due to drought, flooding, or temperature stress
- **Operating costs** may increase due to higher fertiliser usage, maintenance, and climate adaptation measures
- **Capital expenditure** may be required for infrastructure improvements, including drainage systems, terracing, and renewable energy facilities such as biogas plants
- **Asset values** may be affected under prolonged adverse climate conditions, particularly in relation to biological assets

These impacts are reflected in key financial statement areas, including biological assets (IAS 41), property, plant and equipment (IAS 16), and inventory valuation (IAS 2), where relevant.

STRATEGIC REPORT (CONTINUED)

While full quantification of climate-related financial impacts remains subject to data maturity and scenario uncertainty, AEP continues to enhance its modelling capabilities and progressively strengthen the linkage between climate risks and financial planning.

Strategic Response and Transition Plan

AEP has developed an initial transition pathway to support a lower-carbon and climate-resilient business model. This includes:

- Expansion of biogas and BioCNG projects to reduce Scope 1 emissions and generate renewable energy
- Optimisation of fertiliser application to improve efficiency and reduce emissions
- Continuous improvement in plantation productivity to enhance carbon efficiency
- Investment in infrastructure resilience, including drainage and water management systems

These initiatives are integrated into the Group's operational planning and capital allocation processes, ensuring alignment between sustainability objectives and business strategy.

Climate Risk Integration into Operations

Climate-related risks are embedded across AEP's operations:

- **Plantation operations:** Climate variability may affect yield, pollination, and crop quality. AEP applies adaptive agronomic practices and replanting strategies to enhance resilience
- **Mill operations:** Flooding and extreme rainfall may disrupt processing and logistics. Infrastructure upgrades and operational improvements mitigate these risks
- **Supply chain:** Weather-related disruptions may impact transportation and access. AEP continues to strengthen logistics planning and infrastructure resilience

Scenario Resilience and Outlook

AEP's Climate Scenario Analysis indicates that:

- **Short-term (to 2030):** Climate-related risks are generally manageable, with limited financial and operational disruption under most scenarios
- **Medium- to long-term (to 2050):** Exposure to climate risks increases, particularly under higher warming scenarios, driven mainly by temperature-related impacts on yield and productivity

Despite these challenges, AEP's business model remains resilient under a range of climate scenarios, supported by:

- Strong operational cash flows
- Ongoing investment in adaptation and mitigation measures
- Integration of climate risks into strategic and financial planning

Governance and Risk Management

Climate-related risks are integrated into AEP's Enterprise Risk Management Framework ("ERMF"), where they are identified, assessed, and monitored alongside other principal risks.

Risks are evaluated using the Group's standard likelihood and consequence methodology and are reviewed regularly by management, the Risk Management Committee, and the Board. Climate considerations are also incorporated into capital allocation and strategic decision-making processes.

Continuous Improvement

AEP remains committed to enhancing its climate-related disclosures in line with TCFD recommendations and evolving IFRS S2 requirements, including:

- Improving quantification of financial impacts
- Enhancing scenario modelling and assumptions
- Strengthening linkage between climate risks and financial outcomes

STRATEGIC REPORT (CONTINUED)

CLIMATE AND NATURE SCENARIO ANALYSIS FINDINGS

For the purposes of climate scenario analysis, AEP classifies exposure levels as Low, Moderate, and High based on the potential financial and operational impact over time horizons. These classifications are aligned to, but not directly equivalent with, the Group's Enterprise Risk Management ("ERM") risk matrix, which uses likelihood and consequence scoring. Climate risks identified through scenario analysis are subsequently integrated into the ERM framework to ensure consistency in risk assessment, monitoring, and mitigation.

Risk	Impact	Scenario	Potential Exposure			Description
			Short (2025)	Medium (2030)	Long (2050)	
Policy/Regulation	<p>A wide range of climate and/or nature-related regulation has been adopted, is in consultation, or has been proposed in different jurisdictions around the world. While there is considerable uncertainty as to how future regulation will evolve, in scenarios that limit warming to 1.5C - and/or in which concern about nature/biodiversity continues to grow - it is highly likely that expectations of palm growers will tighten.</p> <p>Potential impact: Increasing climate and nature regulation could increase compliance and reporting costs, require changes in growing practices and, if compliance is not achieved, limit market access.</p>	Orderly	Low	Moderate	High	An internationally - coordinated approach limits risk in the short-term but ever-increasing obligations across a range of sustainability criteria require continual investment in the medium and long-term.
		Disorderly	Moderate	Moderate	High	A lack of international coordination - particularly regarding the roll-out of regulation around deforestation - creates moderate risk even in the short-term. Different expectations and frameworks apply in different geographies and, with a lack of alignment between climate and nature policy, reporting, and compliance costs become very high in the long-term for companies seeking to access all markets.
		Hothouse	Low	Low	Moderate	This risk is low in the short- and medium-term as no new climate or nature-related regulation is introduced or enforced. Reporting and compliance costs are low, although expectations grow over time to voluntarily demonstrate climate/nature resilience and an ability to provide secure supply.

STRATEGIC REPORT (CONTINUED)

Risk	Impact	Scenario	Potential Exposure			Description
			Short (2025)	Medium (2030)	Long (2050)	
Changing Customer Requirements	<p>The palm sector’s prominence in debates about the drivers of tropical deforestation</p> <ul style="list-style-type: none"> - and the adverse perception of palm oil as an environmentally-unfriendly product (particularly by European consumers) - has increased pressure on public-facing consumer-goods companies to demonstrate strong performance on climate and nature. Those companies are increasingly placing expectations on their suppliers to disclose and improve strategy and performance across a suite of sustainability issues and metrics. <p>Potential Impact: Increasing customer expectations regarding climate and nature could increase administrative and reporting costs, require changes in growing practices, and impact sales.</p>	Orderly	Low	Moderate	High	This risk is low in short-term but escalates rapidly as leading fast-moving consumer goods companies push ever-more stringent demands down their supply chains - raising compliance costs and presenting the prospect of lost sales if demands are not met.
		Disorderly	Low	Moderate	High	This risk is low in the short-term and moderate in medium-term, although customers that are *already* pushing carbon and nature disclosure and performance improvement continue to do so. The percentage of sales at risk from ‘non-compliance’ is low, but sales are at risk from protectionism. In the long-term, additional uncertainty arises from volatile activism causing poorly predictable customer responses.
		Hothouse	Low	Moderate	High	This risk is low in the short-term and moderate in medium-term, although customers that are *already* pushing carbon and nature disclosure and performance improvement continue to do so. The percentage of sales at risk from ‘non-compliance’ is low, but sales are at risk from protectionism. In the long-term, additional uncertainty arises from volatile activism causing poorly predictable customer responses.

STRATEGIC REPORT (CONTINUED)

Risk	Impact	Scenario	Potential Exposure			Description
			Short (2025)	Medium (2030)	Long (2050)	
Drought	<p>Our estates are located within regions that are categorised as having 'low' drought risk. However, our current models may underestimate associated risks with El Niño-induced droughts, and its potential frequency and intensity due to climate change.</p> <p>Potential Impact: If climate change increases drought, conditions and/or water stress it will have a negative impact on yield and revenues.</p>	Orderly	Low	Low	Low	<p>Our estates are located within regions that are categorised as having 'low' drought risk.</p> <p>Due to uncertainty of El Niño, drought risk by 2050 has been increased to moderate within the Disorderly and Hot House scenarios. This has been informed by qualitative analysis, rather than financial modelling.</p>
		Disorderly	Low	Low	Moderate	
		Hothouse	Low	Low	Moderate	
Flooding	<p>Heavy rainfall/flooding can disrupt operations, both on- and off-site.</p> <p>Potential Impact: If climate change increases the frequency and intensity of heavy rainfall/flooding events, it will negatively impact operational efficiencies and costs.</p>	Orderly	Low	Low	Low	<p>With projections suggesting that flood risk at our sites will only increase slightly – even within the Hot House scenario – our analysis did not flag any significant risk over the timeframes considered (the risk to revenue arising from operational disruption was <1% in all scenarios across all time horizons).</p>
		Disorderly	Low	Low	Low	
		Hothouse	Low	Low	Low	

STRATEGIC REPORT (CONTINUED)

Risk	Impact	Scenario	Potential Exposure			Description
			Short (2025)	Medium (2030)	Long (2050)	
The aggregated impacts of climate change at different temperature thresholds	<p>Different studies assessing the combined impacts of climate change on the palm sector in Indonesia and Malaysia offer varying outcomes, ranging from positive to negative effects. However, the specific study we referenced is designed to explore uncertainty and highlights a predominantly negative impact.</p> <p>Potential impact: Palm yield may be negatively impacted as temperature thresholds are crossed.</p>	Orderly	Low	Moderate	Moderate	
		Disorderly	Low	Moderate	High	
		Hothouse	Low	Moderate	High	<p>The findings indicate that AEP’s potential exposure to risks becomes significantly elevated, categorised as ‘high,’ by 2050 under the Disorderly - and particularly the Hothouse scenarios.</p> <p>Our exposure to physical climate risk will be lessened by effective societal action to address climate change. As well as reducing our own emissions, we will support and advocate for wider government and industry action on climate.</p>

STRATEGIC REPORT (CONTINUED)

Scenario notes

Archetype	Orderly	Disorderly	Hot House
Temperature alignment (2100)	~1.5°C	>2°C	>4°C
External Data Alignment	RCP 2.6 (IPCC) Optimistic (WRI/WWF) Net Zero 2050 (NGFS)	RCP 6.0 (IPCC) Current/Business as Usual (WRI/WWF) Delayed Transition (NGFS)	RCP 8.5 (IPCC) Pessimistic (WRI/WWF)
Summary	Strong, sustained and internationally-coordinated action on climate results in net zero emissions being achieved globally by 2050. Nature rapidly emerges as a key issue for companies and governments alike through the 2020s.	Climate and nature action is divergent across countries and sectors. Differing, and sometimes competing regulations, incentives and climate/nature 'solutions' are embraced in different regions.	Governments fail to build on current policies and action is insufficient to keep warming below 2°C by 2050. Progressive investors and companies attempt to drive continued action and activism becomes increasingly unpredictable and extreme.
Associated 'what if' questions	<i>What if all current and proposed climate and nature regulation is adopted and scaled globally?</i> <i>What if customers demand best-practice on both climate and nature?</i>	<i>What if a complex/conflicting regulatory landscape emerges, with differing regional priorities and/or differing emphases on nature/climate?</i> <i>What if key customers impose differing demands on growers re: climate and nature?</i>	<i>What if no new regulation is introduced to drive climate action and progress on nature stalls?</i> <i>How might customers – and other stakeholders – respond if governments backtrack?</i>

Timescale

Short-Term	0-2 year	Aligned with AEP's annual planning and risk management cycle	2026-2028
Medium-Term	2-5 year	Aligned with medium-term strategic planning and climate-related target horizons	2028-2031
Long-Term	5-20 year	Aligned to Net Zero Target dates for much of the world and to average economic life of an oil palm plant	2031-2050

STRATEGIC REPORT (CONTINUED)

Key Climate related risks and mitigation approaches – The table below outlines key climate-related risks and our corresponding approaches. These insights have been carefully developed and incorporate findings from the CSA, ensuring a comprehensive and informed overview:

■ risk ■ opportunity

Type	Primary risk/ opportunity driver	Rationale for inclusion as priority risk	Management approach
Policy & Legal	Compliance with changing regulations	<p>Import tariffs and taxes and other import restrictions imposed by importing countries will affect the demand for CPO and its derivative products can encourage substitution by other vegetable oils. The ISPO certification, which requires producers to mitigate their environmental impacts, is legally mandatory for all plantations in Indonesia and therefore non-compliance presents a financial risk through fines.</p> <p>AEP is legally required to incorporate climate-related financial disclosures into annual reporting, in line with recommendations of the TCFD. AEP expects additional nature-related disclosures to become mandatory in the future, in line with recommendations of the TNFD.</p> <p>Other legislation aimed at achieving nature-positive outcomes is anticipated to increase as a result of COP15, such as the EU regulation on deforestation-free products, which seeks to encourage regeneration as well as halting deforestation.</p>	<p>All of our Indonesian plantations are currently certified under ISPO. Our Malaysian plantation has also received the MSPO certification. Our mills in Tasik Raja and Blankahan have received the ISCC and we have obtained ISO 14001:2015 certification for all our mills to improve our PROPER rating. The mills are regularly audited for renewal of certification. Example, every one year for ISCC, three years for ISO 14001 and four years for ISPO. Our current list of sustainability certifications is available on our website.</p> <p>We are in the process of applying for a RSPO membership. We have completed Land Use Change Analysis (“LUCA”) on seven companies and are implementing remediation/conservation projects.</p> <p>Our sustainability certifications are available on our website.</p> <p>In addition to pursuing certification, we are committed to advancing transparency by achieving full traceability of our FFB sources. This proactive measure ensures that we exceed our buyers’ expectations while reinforcing trust in our supply chain and aligning with the highest standards of sustainability and accountability.</p> <p>Increasing climate and nature regulation could increase compliance and reporting costs, require changes in growing practices and, if compliance is not achieved, limit market access.</p>

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/ opportunity driver	Rationale for inclusion as priority risk	Management approach
Market & Reputation	Changes in buyer preferences/ Difficulty accessing capital	<p>Negative perceptions about palm oil and its links to deforestation can affect market access/demand and possibly lead to changes in international legislation or regulations.</p> <p>Many large buyers and their investors have targets to source a certain % of palm oil from RSPO certified producers or producers with carbon reduction targets.</p> <p>The loss of a major customer through a lack of RSPO certification or Scope 1, 2 & 3 carbon targets may impact profitability.</p> <p>Access to capital, through banks and investors, is also increasingly tied to the ability to evidence the sustainability of palm oil products, with several large banks, investors and RSPO members.</p>	<p>As tenders are performed on a weekly basis, we do not find ourselves overly reliant on a single customer. We ensure transparency in our palm oil production practices through annual disclosure to SPOTT and certification as detailed above.</p> <p>Rising customer expectations regarding climate and nature may lead to higher administrative and reporting costs, necessitate adjustments in growing practices, and potentially affect sales. To address this, we maintain regular communication with buyers and capital providers to understand and proactively anticipate their evolving expectations.</p> <p>Our financial position also currently negates the need for financing through bank loans.</p> <p>We have commissioned an external consultant to prepare a Sustainability Report for 2025, which will be published on our website once completed.</p>

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/ opportunity driver	Rationale for inclusion as priority risk	Management approach
Market & Reputation	Development of new products	Palm oil can be used to produce a range of products, including low-carbon alternative fuels and materials. The development of new products can provide both reputational and financial opportunities, despite in many instances being expensive to produce. For example, increasing demand for biodiesel in markets such as China offers additional sources of revenue. However, policies in the EU to reduce and phase out the use of palm oil in biodiesel by 2030 means that this opportunity may be limited.	<p>We have signed long-term contracts with an investor to construct purified/compressed biogas plants BioCNG. These plants will purify the biogas produced from the biogas plants in the mills to generate compressed biogas with a high methane content to be used to replace diesel in industrial use.</p> <p>BioCNG can also be used in trucks carrying FFB within our estates. This can provide a reputational benefit, increased operational resilience, and new revenue streams.</p> <p>Indonesia’s first commercial BioCNG plant at our Blankahan estate commenced operations in January 2024. We remain committed to exploring innovative projects which utilise palm by- products, including further BioCNG and Biogas plants.</p>
Technology	Use of lower emission sources of energy	POME is used as a feedstock in anaerobic digesters to produce biogas which contains about 60% methane. The biogas is purified and used as a fuel in biogas engines to generate electrical power which reduces our reliance on diesel.	Four of our mills are equipped with biogas plants to capture biogas and generate electricity for sale to the state authorities or for own consumption. This also reduces the purchase of diesel for our estates, as they are instead supplied power by the grid, therefore reducing our emissions.

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/ opportunity driver	Rationale for inclusion as priority risk	Management approach
Physical	Heavy rainfall & flooding	<p>Excessive rainfall generally leads to poor pollination of palms and reduces the effectiveness of fertilisers.</p> <p>High levels of rainfall can also disrupt estate operations and result in harvesting delays with loss of FFB or deterioration in fruit quality. Where leading to a reduction in revenues, insurance cover may not be available or may be disproportionately expensive.</p>	<p>Where appropriate, bunding is built around flood prone areas and canals/drainage/retention ponds and water gates are constructed and adapted to evacuate surplus water. Riparian reserves are also protected to mitigate flood risks.</p> <p>Where the land is undulating, we build terraces for planting which helps to prevent landslides, ensures that water runs off into groundwater stores, conserves nutrients effectively, and provides better accessibility for operations. Where practical, natural disasters are also covered by insurance policies. Flood risk is generally low based on scenario analysis conducted in 2023 and are not expected to cause serious disruption to our operations.</p>
		<p>While excessive rainfall poses operational risks, in certain locations, increased precipitation may offer limited benefits by improving water availability during dry periods. However, these benefits are location-specific and do not outweigh the overall risk.</p>	

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/opportunity driver	Rationale for inclusion as priority risk	Management approach
	Droughts	<p>Dry periods affect palm oil yields in the short and medium term through moisture stress and can result in wildfires that may damage the palms. Drought events are localised to our Kalimantan and Bangka estates, where long droughts (>three months) can affect soil quality and lead to a lower yield the following year (~10-15% decrease at most).</p>	<p>Legume cover crops are planted to minimise soil erosion, preserve soil moisture and improve soil chemical and physical properties. In mature areas, fronds and EFB are placed inter-rows to allow the slow release of organic nutrients while minimising soil erosion. Conservation pits and sumps are constructed to harvest and contain rainwater, whilst the spreading of oil mill effluent in lines provides a water storage medium. 'Terracing' also ensures that water runs off into groundwater stores. We are also closely following developments of drought-resistant oil palm varieties.</p> <p>Risk of drought is also expected to be manageable based on scenario analysis conducted in 2023, but that the scenario did not take into account weather conditions that cause draught such as El Nino which emerged in June 2023, affecting our estates in both Indonesia and Malaysia.</p>
Physical	Aggregated impacts of temperature thresholds being reached	<p>Related to drought risk, temperature increase was identified as a key change factor which may moderate palm oil FFB yield. Evidence suggests that as temperatures increase and global warming surpasses temperature thresholds, aggregated factors relevant to climate change will have a significant impact on palm oil success and yield.</p>	<p>AEP is managing its carbon emissions in order to reduce its contribution to climate change and therefore help to mitigate temperature increase globally.</p>

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/ opportunity driver	Rationale for inclusion as priority risk	Management approach
	Fires	During drought season the risk of fire is present at several estates, especially where neighbouring land is burnt for crop cultivation by locals. El Nino weather events can indirectly drive widespread forest fires and haze. The financial impact of fire damage is relatively low to our Group due to the diverse geographical spread of plantations.	Fire response crews are stationed in each estate, with regular training on firefighting techniques and safety provided by local fire departments. Ditches and boundaries are created to prevent the spread of fire, whilst watch towers have been built in every estate to pinpoint outbreaks of fire as soon as smoke is detected. Our Group has also invested in drones to pinpoint outbreaks of fire where accessibility is restricted. Where practical, natural disasters are also covered by insurance policies.
	Pests & disease	<p>Rhinoceros beetle or <i>Oryctes</i> damage has been observed in areas of large-scale replanting, while plantations have previously been detrimentally impacted by stem rot. More extreme fluctuations in precipitation may drive increased damage from bagworms and leaf beetles.</p> <p>There is evidence that pollinating weevils, which help to pollinate palm trees, are showing smaller flight capabilities and pollinating less because of changing climatic conditions.</p>	<p>Pest and disease events are localised, with early-warning provided by supervision and monitoring, and generally impact immature palms.</p> <p>Outbreaks are managed through biological controls, such as the planting of beneficial plants that host natural predators to divert bagworms from oil palms, and the introduction of barn owls to control rats. Individual estates have also been replanted with more resistant <i>anti-Ganoderma</i> material to reduce the threat of stem rot. A variety of planting materials are also being considered to provide variability and pollens, to mitigate changes to pollinating insects, and hand pollination can also be carried out where required.</p>
Physical	Sea Level Rise	Sea level rise related to climate change may impact AEP's plantation and milling locations, or logistics routes that are coastal or at sea level.	The majority of AEP's operations occur at locations inland and above sea level.

STRATEGIC REPORT (CONTINUED)

Type	Primary risk/opportunity driver	Rationale for inclusion as priority risk	Management approach
Systemic Risk	Systemic Disruption	<p>The TNFD has built upon the TCFD’s categorisation of risk by asking companies to consider systemic risk alongside physical and transition risk. It outlines two categories of nature-related systemic risk:</p> <p><u>Ecosystem stability risk:</u> Risk of the destabilisation of a critical natural system, so it can no longer provide ecosystem services in the same manner as before.</p> <p><u>Financial stability risk:</u> Risk that a materialisation and compounding of physical and/or transition risk leads to the destabilisation of an entire financial system.</p>	AEP examined this risk at a high level to better understand and gather evidence on whether/how systemic risks might manifest change over time.

Based on the scenarios assessed, AEP’s business model remains resilient under a range of climate pathways, supported by adaptive operational practices, infrastructure investments, and integration of climate considerations into financial and strategic planning.

Impact on business, strategy, and financial planning

- Strategic adjustments are implemented to mitigate disruptions, ensure resilience, and harness opportunities that support long-term growth and alignment with our sustainability goals.
- Climate and nature-related risks and opportunities are being incorporated into our approach and planning process through the following key processes, enabling us to effectively adapt to climate and nature challenges:
 - i. **Scenario Analysis:** Various scenarios are employed to assess potential future impacts of climate change, including extreme weather events, policy and regulatory changes, as well as shifts in market dynamics.
 - ii. **Risk Assessment:** The impacts of key risks are assessed, including impact on our business, financial performance, cash flow, insurance premiums and capital expenditures to mitigate climate and nature-related impacts.
 - iii. **Sustainability Policy and Governance Strategy:** Our operations are guided by our sustainability policies developed based on globally recognised frameworks and industry best practices, such as NDPE policies, to mitigate environmental risks and enhance market competitiveness. These efforts are supported by our dedicated ESG and Corporate Governance Committee and ESG team, who oversee climate and nature-related planning to effectively integrate risks and opportunities into our broader strategic goals.

STRATEGIC REPORT (CONTINUED)

- iv. **Development of Metrics and Targets:** Metrics and targets are systematically designed to measure and track progress toward climate and nature-related objectives. These metrics provide clear benchmarks for evaluating the effectiveness of initiatives and ensure alignment with broader strategic goals, fostering continuous improvement and accountability.
- v. **Stakeholder Engagement:** Collaboration with investors, regulators, non-profit organisations and local communities ensures that climate considerations are factored into long-term planning and operational decisions.

RESILIENCE OF OUR STRATEGY

Our scenario analysis has highlighted a strong degree of resilience in the immediate term. We are effectively managing drought and flood risks with plans to further enhance our CSA by 2026. Our strategic decision to pursue RSPO certification, combined with our commitment to ensuring palm oil supply traceability, positions us well to meet emerging regulatory requirements and evolving customer expectations.

We recognise, however, that both regulatory and customer demands surrounding climate and nature are subject to rapid change. Furthermore, over extended timeframes, climate change presents potential challenges to yields, particularly in scenarios where societal action to mitigate its effects remains insufficient. As such, we remain dedicated to enhancing our climate and nature-related performance and regularly revisiting associated risks to safeguard our resilience.

Sustainability is at the heart of our operations, reflected in our adoption of the NDPE policy.

This policy underscores our unwavering commitment to sustainable practices by prioritising environmental preservation and social responsibility. We strictly oppose deforestation and new development on peatlands, safeguarding biodiversity and mitigating climate change, while promoting best management practices for existing peat areas. Furthermore, the policy reinforces our dedication to human rights, the protection

of local communities through Free, Prior and Informed Consent (“FPIC”), the assurance of fair working conditions, and the inclusion of smallholders within our supply chain. Through adherence to NDPE principles, we aim to uphold transparency, accountability, and alignment with global sustainability standards.

In addition to NDPE principles, we emphasise the identification and protection of HCV and HCS areas, further ensuring the preservation of biodiversity and critical ecosystems. We also strictly oppose child and forced labour across our operations and supply chains.

Our agricultural practices reflect our focus on responsible land management. These include zero burning, integrated pest management, soil and water conservation, and biomass recycling. During replanting, felled palms are chipped, shredded, and left to decompose on-site. This process eliminates greenhouse gas emissions typically associated with burning, while simultaneously enriching soil organic matter and recycling nutrients.

Our Sustainability Policy (available on our website) provides additional information on the commitments we have made which will reduce the likelihood and/or impact in some of our key risk areas.

To enforce our policy, we employ comprehensive strategies, including:

- Regular monitoring and audits
- Training and awareness programme
- Collaboration with communities and value chain partners
- Thorough documentation and verification processes
- Whistle-blowing and grievance mechanisms

As we continue to implement additional actions to improve TCFD and TNFD alignment, we will update our policy as relevant, including our response to the emergence of new risks and opportunities as well as further sustainability-related metrics and targets.

In 2024, we commissioned Aon Global Risk Consulting to review the CSA and provide recommendations on next steps to improve

STRATEGIC REPORT (CONTINUED)

the CSA results. A summary of the key recommendations for 2025/2026 are as follows:

- Further assessment of potential flood-related impacts – Reliance has been made on the WWF and WRI global datasets to draw conclusions on AEP’s exposure to flooding. These datasets show aggregated exposure at basin/regional levels and although may be suitable for climate perils such as temperature rise and drought, may over- or under- estimate exposure to flooding at a particular site because flood is a localised hazard and can vary quite considerably even over small distances. Once flood exposure has been assessed at a site level, potential damage and disruption and the overall financial impact on our Group can be assessed.
- Further research into drought exposure – Drought has been assumed not to have major impact on our assets and operations based on the WWF and WRI with drought hazard information showing no change in drought risk. However, there are other sources indicating potential increase in drought probability for Indonesia. Therefore, given the importance of this climate stressor and its direct impact, more research is recommended to validate the assumptions around drought exposure.
- Identify and disclose climate and nature-related opportunities – Climate and nature-related opportunities should be identified and their financial impact quantified and reported alongside risks to provide a balanced and more realistic view of potential climate- and nature-related impacts on AEP’s business.
- Better communication of AEP’s climate and nature-related initiatives – AEP has come a long way to make its plantation business more sustainable. Examples of our efforts include the implementation of NDPE policy in 2019 or making the necessary arrangements for compliance with the traceability expectations of the EUDR. However, not all initiatives are well communicated externally and therefore not fully reflected in some of our external ESG scores. Better communication of these initiatives is recommended.

CLIMATE & NATURE RELATED RISK MANAGEMENT

Identifying and Assessing Climate and Nature-Related Risks

Our Board maintains ultimate responsibility for ensuring ongoing risk oversight, including the identification of emerging risks and the reassessment of materiality as conditions evolve.

At the operational level, our key management, estate and mill managers continuously identify and assess risks, including those related to climate and nature. This risk management approach is primarily guided by compliance with various standards and certifications implemented across several of our estates and mills, such as ISO14001:2015, PROPER, ISPO, and ISCC.

AEP recognises the importance of embedding climate and nature-related risk management into these processes and is committed to ensuring that staff possess a comprehensive understanding of these elements. This will enable a holistic and integrated approach to risk management across the organisation.

Managing Dependencies, Impacts, Risks and Opportunities

AEP is committed to maintaining a robust risk management framework to identify, assess and manage climate and nature-related dependencies, impacts, risks and opportunities across its operations. Our Group has established clear governance structures and stakeholder responsibilities to ensure that climate and environmental risks are effectively mitigated, transferred, accepted or managed as part of the broader ERMF.

Short-term operational risks such as extreme rainfall, flooding, drought, fires and pest or disease outbreaks are monitored at the site level and recorded in our Group’s operational risk registers. These risks are assessed using a structured risk matrix and prioritised based on their likelihood of occurrence and potential consequences.

STRATEGIC REPORT (CONTINUED)

Within AEP's risk management framework, risks are ranked according to likelihood categories of *rare, unlikely, possible, likely* and *almost certain*, and consequence categories of *insignificant, minor, moderate, major* and *extreme*. The combination of likelihood and consequence determines the overall risk level and supports prioritisation of mitigation measures across our Group.

Plantation and mill management teams are responsible for monitoring site-level risks and implementing mitigation measures, working closely with the Sustainability & Risk Management department. Sustainability-related risks, including deforestation, biodiversity and habitat protection, soil degradation, land rights and community relations, are incorporated into our Group's risk registers and reviewed regularly.

Key risk issues are reported to senior management and escalated to our Board where necessary. This process ensures appropriate oversight at our Group level, approval of mitigation measures at each operating site and continuous monitoring of risk management performance.

The Sustainability and Environment, Health and Safety ("EHS") departments conduct annual risk assessments, while updates to our Group-wide risk registers are carried out periodically to reflect operational developments, emerging risks and regulatory changes.

Our Board, supported by senior management, undertakes an annual review of our Group's principal and emerging risks, including climate- and nature-related risks. With its collective experience in the palm oil industry and awareness of geopolitical and economic developments in our Group's operating regions, our Board provides oversight of risks that may affect our Group's long-term sustainability and financial performance.

Recognising the close relationship between climate-related risks, environmental impacts and business operations, AEP integrates these risks into its broader enterprise risk management framework. Risk assessments consider both physical climate risks, such as extreme weather events that may affect plantation productivity or mill operations, and transition risks, including regulatory changes, sustainability standards and evolving market expectations for responsibly produced palm oil.

Risk management processes are structured across several key registers, including Operational, Mill, Management and Financial risk registers, each addressing specific areas of the Group's activities. These registers capture risks such as natural disasters, equipment breakdown, labour availability, regulatory compliance, market volatility, cybersecurity threats and foreign exchange exposure.

All identified risks are evaluated based on their likelihood and consequence, and appropriate mitigation strategies are implemented to manage these risks effectively. The consolidated risk registers are reviewed periodically by management and presented to our Board annually as part of our Group's governance and risk oversight process.

STRATEGIC REPORT (CONTINUED)

The following section outlines the climate- and nature-related risks identified in AEP's Palm Oil Risk Register, which is reviewed and updated annually as part of our Group's ongoing risk management and sustainability practices.

1. Operational Risk

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented			Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score				
R1	The long dry period which causes drought	Environmental risks	Medium Term	Possible 3	Major 4	High 12	1. Record the rainfall data from units 2. Fire patrol using drone and watch tower 3. Routine patrol by security 4. Monitoring and use of early warning systems	Unlikely 2	Moderate 3	Low 6	Ensure fire fighting equipment is ready and maintained	Estate Manager, Agronomist, and Sustainability & Risk Management Team	January 2025	Completed
R2	Extreme rainfall which causes flooding	Environmental risks	Medium Term	Rare 1	Extreme 5	Low 5	AEP mitigates flood risks in palm oil production through: 1. Water Management – implementing drainage systems, improving soil drainage, and managing water flow. 2. Land Use Planning – avoiding flood-prone areas, maintaining drainage, and preserving natural buffers like wetlands and forests. 3. Infrastructure Design – constructing elevated roads, bridges, and buildings. 4. Early Warning & Preparedness – using weather monitoring and remote sensing, training workers, and maintaining contingency plans.	Rare 1	Major 4	Low 4		Estate Manager, Agronomist, and Sustainability & Risk Management Team	January 2025	Completed

STRATEGIC REPORT (CONTINUED)

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented			Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score				
R3	Deforestation, Biodiversity & Habitat Loss	Environmental risks	Medium Term	Unlikely 2	Major 4	Low 8	AEP ensures sustainable and responsible production by: 1. NDPE Commitment – enforcing zero-deforestation and no-exploitation policies, protecting HCV and HCS areas, respecting community rights, and applying sustainable land management. 2. Stakeholder Engagement – collaborating with local communities, indigenous groups, NGOs, and others through FPIC and participatory land-use planning.	Rare 1	Moderate 3	Low 3	Estate Manager and Sustainability & Risk Management Team	January 2025	Completed	
R4	Soil Erosion & Degradation	Environmental risks	Medium Term	Unlikely 2	Moderate 3	Low 6	AEP has Implemented soil conservation practices, such as terracing, and cover cropping, promote sustainable land use planning, adopt responsible agroforestry techniques.	Unlikely 2	Minor 2	Low 4	Estate Manager and Agronomist	January 2025	Completed	
R5	Fires	Environmental risks	Medium Term	Possible 3	Major 4	High 12	AEP reduces drought and fire risks by: 1. Monitoring & Early Warning – using weather systems, remote sensing, and fire towers to track soil, vegetation, and fire risks. 2. Sustainability Policies – enforcing zero-deforestation and no-burn commitments to protect forests and peatlands. 3. Community Engagement – raising awareness, offering alternative livelihoods, and training in fire prevention and firefighting 4. Standards & Compliance – implementing RSPO, ISPO, ISCC, ISO 14001, and PROPER for sustainable management.	Unlikely 2	Major 4	Low 8	Estate Manager and Sustainability & Risk Management Team	January 2025	Completed	

STRATEGIC REPORT (CONTINUED)

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented			Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score				
R6	Pest & Diseases	Operational Risks	Short Term	Possible 3	Moderate 3	Moderate 9	AEP reduces pest and disease risks through: 1. Early Detection & Monitoring - routine surveillance with trained officers and early warning systems. 2. Biological Control - using barn owls to control rats and cultivating beneficial plants (Casia Cobanensis, Antigonon, Tunera Subulata) to deter leaf-eating pests. 3. Disease Management - Isolating Ganoderma with trenches to prevent its spread.	Unlikely 2	Moderate 3	Low 6	Agronomist	January 2025	Completed	
R7	Land Rights & Conflicts	Regulatory & Compliance Risks	Short Term	Unlikely 2	Moderate 3	Low 6	AEP safeguards community and land rights by: 1. Community Consent - engaging indigenous groups through FPIC before projects begin. 2. Land Rights Protection - conducting land tenure mapping, legal recognition, and due diligence in acquisitions. 3. Fair Compensation - ensuring communities are properly compensated for land use ("GRTT"). 4. Sustainability Standards - applying and implementing ISPO, ISCC, ISO, PROPER, and RSPO.	Unlikely 2	Minor 2	Low 4	Estate Manager, Legal, and Sustainability & Risk Management Team	January 2025	Completed	

STRATEGIC REPORT (CONTINUED)

2. Mill Risks

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			After control currently implemented				Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score	Residual Likelihood	Residual Consequence	Residual Risk Score					
R1	Equipment breakdown due to poor maintenance	Operational Risks	Short Term	Likely 4	Extreme 5	Critical 20	Possible 3	Major 4	High 12		Mill Manager and Maintenance Assistant	January 2025	Completed	
R2	Disruption of supply chain	Supply Chain Risks	Short Term	Unlikely 2	Major 4	Low 8	Unlikely 2	Moderate 3	Low 6		Mill Manager, Estate Manager, and Commercial	January 2025	Completed	
R3	Environmental compliance violation	Environmental risks	Short Term	Likely 4	Major 4	High 16	Possible 3	Major 4	High 12		Mill Manager and Sustainability & Risk Management Team	January 2025	Completed	
R4	Labour shortages or disputes	Operational Risks	Medium Term	Possible 3	Major 4	High 12	Unlikely 2	Minor 2	Low 4		Mill Manager and HR Manager	January 2025	Completed	
R5	Fire hazard in the mill area	Operational Risks	Short Term	Possible 3	Major 4	High 12	Unlikely 2	Major 4	Low 8	Ensure fire fighting equipment is ready and maintained	Mill Manager and Sustainability & Risk Management Team	January 2025	Completed	
R6	Regulatory changes impacting operations	Regulatory & Compliance Risks	Medium Term	Unlikely 2	Moderate 3	Low 6	Unlikely 2	Minor 2	Low 4		Mill Manager and Sustainability & Risk Management Team	January 2025	Completed	
R7	Natural disasters (e.g., floods, storms, earthquakes)	Environmental Risks	Short Term	Rare 1	Extreme 5	Low 5	Rare 1	Major 4	Low 4		Mill Manager, Eng. Department MHO, and Sustainability & Risk Management Team	January 2025	Completed	

STRATEGIC REPORT (CONTINUED)

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented			Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score				
R8	Work Accident	People, Health, Safety & Social Risk	Short Term	Possible 3	Major 4	High 12	AEP ensures workplace safety through: 1. Training & Awareness – employee training, safety committees, and regular meetings. 2. Policies & Procedures – clear safety policies, hazard identification, and risk assessments. 3. Protective Measures – PPE, machine guarding, safety signage, and labels. 4. Monitoring & Improvement – regular inspections, maintenance, and continuous improvement.	Unlikely 2	Moderate 3	Low 6	Mill Manager and Sustainability & Risk Management Team	January 2025	Completed	

3. Management Risks

R1	Political Instability	Regulatory & Compliance Risks	Medium Term	Unlikely 2	Major 4	Low 8	Monitoring the political landscape through news, social media, and stakeholder engagement while building strong relationships with government, civil society groups, and the community.	Unlikely 2	Moderate 3	Low 6	GM, RM, and Sustainability & Risk Management Team	January 2025	Completed
R2	Regulatory, Governance and ethics	Regulatory & Compliance Risks	Medium Term	Rare 1	Major 4	Low 4	Ensure compliance with palm oil regulations through robust traceability systems and sustainability standards (ISPO, ISCC, ISO 14001, RSPO, EUDR), while engaging with local communities and indigenous groups, regularly updating governance practices, and fostering integrity through a code of conduct, ethics training, and whistleblower mechanisms.	Rare 1	Moderate 3	Low 3	Legal and Sustainability & Risk Management Team	January 2025	Completed

STRATEGIC REPORT (CONTINUED)

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented			Additional Action Required (if any)	Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score				
R3	Information Technology ("IT") security risk	Technology & Cybersecurity Risks	Short Term	Unlikely 2	Major 4	Low 8	Develop and enforce robust IT security policies and procedures, maintain up-to-date software and security patches, and implement strong cybersecurity measures such as firewalls, IDS/IPS, and regular employee training to identify and report threats.	Unlikely 2	Moderate 3	Low 6		IT Manager	January 2025	Completed
R4	Employee turnover due to lack of engagement	Regulatory & Compliance Risks	Short Term	Unlikely 2	Moderate 3	Low 6	Conduct employee engagement surveys, implement retention initiatives, career development programmes.	Unlikely 2	Minor 2	Low 4		Estate Manager, Mill Manager, and HR Manager	January 2025	Completed
R5	Workplace conflicts and grievances	Regulatory & Compliance Risks	Short Term	Unlikely 2	Major 4	Low 8	Implement conflict resolution procedures, provide training on effective communication and conflict management.	Unlikely 2	Minor 2	Low 4		Estate Manager, Mill Manager, and HR Manager	January 2025	Completed
R6	Inadequate performance management processes	Regulatory & Compliance Risks	Short Term	Unlikely 2	Moderate 3	Low 6	Implement performance appraisal systems, provide training on goal setting and feedback.	Unlikely 2	Minor 2	Low 4		Estate Manager, Mill Manager, and HR Manager	January 2025	Completed
R7	Lack of succession planning for key roles	Regulatory & Compliance Risks	Medium Term	Unlikely 2	Moderate 3	Low 6	Develop succession plans, identify and groom high-potential employees, cross-train employees.	Rare 1	Minor 2	Low 2		Estate Manager, Mill Manager, and HR Manager	January 2025	Completed
R8	Data security breaches and privacy violations	Technology & Cybersecurity Risks	Short Term	Possible 3	Major 4	High 12	Enhance data security measures, implement data privacy policies, and provide training on data protection.	Possible 3	Moderate 3	Moderate 9	Perform regular data backups to prevent data loss	IT Manager	January 2025	Completed
R9	Contractual disputes and litigation	Regulatory & Compliance Risks	Medium Term	Rare 1	Moderate 3	Low 3	Ensure contracts are clear and comprehensive, establish dispute resolution mechanisms, engage in alternative dispute resolution methods.	Rare 1	Minor 2	Low 2		Estate Manager, Mill Manager, and Legal	January 2025	Completed

STRATEGIC REPORT (CONTINUED)

Risk ID	Risk Description	Risk Category	Time Horizon	Before Controls			Existing Controls/ Mitigation (Currently Implemented)	After control currently implemented				Risk Owner	Review Date	Status
				Inherent Likelihood	Inherent Consequence	Inherent Risk Score		Residual Likelihood	Residual Consequence	Residual Risk Score	Additional Action Required (if any)			
R1	CPO market price fluctuation	Financial Risks	Short Term	Likely 4	Major 4	High 16	Cost control through mechanisation and appropriate and measurable use of resources.	Possible 3	Moderate 3	Moderate 9	Estate Manager, Mill Manager, and Commercial	January 2025	Completed	
R2	Securing competitive CPO pricing	Financial Risks	Short Term	Likely 4	Major 4	High 16	Tendering CPO sales on a weekly basis.	Possible 3	Moderate 3	Moderate 9	Finance	January 2025	Completed	
R3	Negative campaign	Regulatory & Compliance Risks	Medium Term	Likely 4	Major 4	High 16	<ol style="list-style-type: none"> The Company has aimed to balancing societal, environmental, and economic interests. The Company promotes efficient practices in biodiversity, soil and water conservation, ensuring safe conditions for employees, and the community. The Company also collaborates with smallholders, NGOs, and other stakeholders to protect forests, peatlands, and human rights. 	Possible 3	Moderate 3	Moderate 9	Sustainability & Risk Management Team	January 2025	Completed	
R4	Changes in foreign exchange rates	Financial Risks	Short Term	Possible 3	Major 4	High 12	To reduce the risk of foreign exchange rates, the Company converts excess IDR into USD.	Unlikely 2	Moderate 3	Low 6	Finance	January 2025	Completed	

4. Finance Risks

STRATEGIC REPORT (CONTINUED)

Integration of Climate and Nature into Overall Risk Management

As part of our ongoing efforts, AEP aims to enhance transparency in climate and nature-related risk management. This includes providing detailed accounts of implemented management activities, their impact on inherent risks, and any changes to the materiality of identified risks and opportunities.

AEP is actively integrating climate and nature-related risks into its risk management framework while aligning its processes with best management practices. Continuous improvements to these processes are being planned and implemented to ensure they remain robust and effective. In the coming years, priority will be given to integrating these strategies into global risk management frameworks and continuously monitoring mitigation efforts to ensure their effectiveness.

At the same time, AEP will continue managing strategic and operational risks incorporating climate and nature, reporting these to the relevant Committees and Board. Risks and opportunities across different climate scenarios and time horizons identified are incorporated as part of regular management review and actions. AEP is aligning the risk reporting frequency to every quarter to the Audit Committee and Risk Management Committee in line with our Board's reporting cycles.

AEP is also instigating a new template for use in reporting embedding an approach that specifically enables decision-makers to turn their minds to any specific climate/nature risks as part of a due diligence process when approving significant investments/projects. For example, prior to agreeing to purchase additional plantation land, impact on climate, and nature should be tabled and discussed.

METRICS AND TARGETS

Metrics to Assess Climate and Nature-Related Risks and Opportunities

AEP employs key metrics to manage risks and opportunities within the business. Our annual GHG reporting, aligned with the GHG Protocol Corporate Accounting Standard and industry guidelines, enables us to assess the impact of business decisions on emissions (measured in metric tonnes CO₂e). Carbon intensity metrics, such as emissions per ha of planted area, per tonne of FFB produced, and per tonne of CPO produced, serve as indicators of business efficiency throughout the year. These metrics also provide indirect insights into potential physical risks like droughts or excessive rainfall.

Additional sustainability-related metrics support the management of climate and nature-related risks and opportunities. These include data from certifications (e.g., ISPO and MSPO), HCV areas, waste production, water consumption and global cost premiums for certified palm oil products (e.g., RSPO), which help evaluate risks and opportunities arising from shifting market preferences.

Building on our review and update of climate and nature-related risks and opportunities (outlined in the Strategy section), we aim to identify further relevant metrics linked to these risks and opportunities. This will include both historical trends and forward-looking projections.

AEP reports Scopes 1 & 2 emissions in line with the UK Streamlined Energy and Carbon Reporting ("SECR") regulation. We have also published comprehensive assessment of our Scope 3 emissions across our corporate value chain. We plan to improve our emissions calculation on an ongoing basis by incrementally strengthening our data collection to reduce reliance on estimation.

STRATEGIC REPORT (CONTINUED)

The GHG Protocol Land Sector and Removals guidance, originally expected to be finalized in Q4 2025, was issued in January 2026. AEP has established its methodology through an internal SOP, and 2025 emissions have been independently verified by PT. Mutu Agung Lestari Tbk in accordance with ISO 14064-1. AEP will review the final GHG Protocol Land Sector and Removals guidance and update the methodology where appropriate

As outlined above, we maintain additional nature-related metrics through compliance with legal obligations and certifications across several of our estates and mills, including HCV, ISPO, PROPER, ISO14001, and ISCC. These metrics support our commitment to sustainability and responsible business practices.

In parallel, the TNFD provides a voluntary framework for organisations to identify and address nature-related risks and opportunities. While adherence to the TNFD is not compulsory, we acknowledge its value in enhancing our strategic approach to sustainability. Consequently, we are proactively engaging with this framework to further strengthen our management of nature-related factors and to ensure alignment with evolving global expectations.

Targets for Dependencies, Impacts, Risks and Opportunities

During 2025, AEP continued to progress its climate and sustainability target framework, with a focus on strengthening data quality, refining methodologies, and advancing towards more comprehensive target-setting.

AEP maintains its target to reduce absolute Scope 1 and Scope 2 emissions by 20.5% by 2030 from a 2019 baseline. In the current reporting year, total emissions increased, primarily due to replanting activities. These activities are part of AEP's long-term plantation management strategy and are expected to support improved yields, carbon sequestration potential, and operational efficiency over time.

During the year, AEP enhanced its emissions data collection and verification processes, resulting in improved accuracy and completeness of reported

metrics. This provides a stronger foundation for emissions management and target tracking going forward.

A key development in 2025 was the completion of AEP's Scope 3 emissions baseline, following a review of calculation methodologies based on ISO 14064-1. This represents an important step towards expanding AEP's decarbonisation strategy beyond direct operations.

Building on this progress, AEP has initiated preparatory work to assess the feasibility of adopting Science-Based Targets (SBTs), including consideration of the Science Based Targets initiative (SBTi) and SBTi-FLAG guidance. This work is expected to continue into 2026.

In parallel, AEP has begun consolidating trend data on water consumption and waste generation, which will support the development of measurable targets in these areas in future reporting periods. These developments demonstrate AEP's continued progress in strengthening its sustainability framework and aligning its long-term targets with evolving regulatory expectations and stakeholder priorities.

BIODIVERSITY AND NATURE

Nature loss and climate change are intrinsically linked, with climate change being a major driver of nature change. AEP is committed to voluntarily making nature-related disclosures using the TNFD framework. Building on the disclosures made last year, we are actively progressing in our TNFD compliance journey, recognising the critical need to allocate resources toward nature and biodiversity to safeguard natural ecosystems. As part of this commitment, we are exploring avenues where we can strategically channel efforts to drive a meaningful impact.

It is important to note that TNFD alignment is an area of active development for us. We view this as an evolving journey and are dedicating resources to strengthen our alignment with the framework over time. The table below outlines our ongoing efforts and forward-looking plans to enhance TNFD compliance and address nature-related risks and opportunities effectively.

STRATEGIC REPORT (CONTINUED)

TNFD ALIGNMENT SUMMARY

	Compliance	Reference
Governance		
Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities	✓	Board has oversight which have been enhanced in 2025.
Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities	✓	Management has responsibilities and resources which were enhanced in 2025. Page 55: Management's Role
Strategy		
Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short-, medium- and long-term	✓	Limited compliance. Some nature-related risks were identified during our climate and nature risk identification exercise conducted in 2023. However, we recognise the importance of undertaking a more comprehensive assessment to encompass a wider range of nature-related factors and will be conducting it in the near future. Pages 58-69: Material climate and nature-related risks and opportunities including the table
Describe the impact on the business of nature-related risks and opportunities on the organisation's business, strategy, and financial planning	✓	Limited compliance. A scenario analysis was previously conducted to assess how prioritised climate and nature-related risks could impact our business, strategy, and financial planning. However, an update to this analysis will be conducted in the near future to ensure its continued relevance and alignment with current risks and evolving circumstances. Pages 56-69: Impact on business, strategy and financial planning
Describe the resilience of the organisation's strategy, taking into consideration different scenarios, including a 2°C or lower climate scenario	✓	The resiliency of strategy against the risks identified earlier is disclosed. Pages 57-62: Resilience of our Strategy

STRATEGIC REPORT (CONTINUED)

	Compliance	Reference
Describe the organisation's interactions with low integrity & high importance ecosystems or areas of water stress	Not applicable	None of our sites have been identified as located within areas of water stress, but all are located within regions of high biodiversity value. We will outline our interactions with high importance ecosystems in future reports.
Risk Management		
Describe the organisation's processes for identifying and assessing nature-related dependencies, impacts, risks, and opportunities	✓	AEP has implemented a process for identifying assessing prioritising and managing climate and nature risks. The process is now enhanced with the establishment of an ESG and Corporate Governance committee and dedicated ESG resources. Pages 71-72: Identifying and assessing climate and nature-related risks
Describe the organisation's process for managing nature-related dependencies, impacts, risks, and opportunities	✓	The process is described in pages 71-72: Managing dependencies, impacts, risks and opportunities.
Describe how processes for identifying, assessing, and managing nature-related risks are integrated into the organisation's overall risk management	✓	Currently compliant however as AEP is intending to review and refresh its risk management practice and integrate climate and nature more deeply into the company's practice. Page 80: Integration of climate and nature into overall risk management
Describe the organisation's approach to locate the sources of inputs used to create value that may generate nature-related dependencies, impacts, risks and opportunities	✓	AEP's FFB come from our plantations where we are committed to NDPE. We have identified HCV and HCS areas and implemented conservation programs to mitigate habitat loss (see page 72 for more details). Additionally, we are continuously enhancing traceability of third-party FFB to ensure sourcing from compliant areas.
Describe how stakeholders, including rightsholders, are engaged by the organisation in its assessment and response to nature-related dependencies, impacts risks, and opportunities	✓	AEP upholds the FPIC principles, ensuring land rights protection and equitable community engagement. In Seluma Regency, Bengkulu, AEP is actively collaborating with local communities on a social forestry scheme aimed at land recovery, sustainable land use, and community development (See page 33 on details of our social forestry project). This initiative is integrated into AEP's broader stakeholder collaboration efforts, working alongside NGOs and local groups to monitor nature and environmental changes and support effective land management.

STRATEGIC REPORT (CONTINUED)

	Compliance	Reference
Metrics & Targets		
Disclose the metrics used by the organisation to assess nature-related risks and opportunities in line with its strategy and risk management process	✓	The metrics are disclosed in pages 80-81: Metrics to assess climate and nature-related risks and opportunities.
Disclose the metrics used by the organisation to assess and manage direct, upstream and, if appropriate, downstream dependencies and impacts on nature	In progress	Framework initiated using LUCA, GIS Monitoring, and Traceability to Plantation (“TtP”); expansion to suppliers and downstream ongoing.
Describe the targets used by the organisation to manage nature-related dependencies, impacts, risks and opportunities, and performance against targets	In progress	NDPE, TtP, social forestry and land management targets in place; formal TNFD targets under development
Describe how targets on nature and climate are aligned and contribute to each other, and any trade-offs	In progress	Integration demonstrated through social forestry, emissions reduction and NDPE; further alignment planned under ISSB roadmap.

AEP continues to enhance its sustainability disclosures in alignment with the recommendations of the Task Force on TNFD, building upon its established climate-related reporting under TCFD.

AEP adopts a phased and pragmatic approach to TNFD implementation, focusing initially on governance, strategy, and risk management, while progressively strengthening metrics, targets, and data systems in line with evolving global standards and the forthcoming ISSB framework.

AEP recognises that nature-related risks and opportunities are intrinsically linked to its core plantation operations, particularly in relation to land use, biodiversity, water resources, and supply chain dependencies.

AEP has commenced the development of a structured framework to assess and manage nature-related dependencies, impacts, risks, and opportunities across its operations and supply chain.

METRICS

AEP currently utilises a combination of operational, environmental, and supply chain indicators, including:

- **Land Use & Land Cover Change**
(via LUCA, HCV/HCS assessments and RSPO processes)
- **Deforestation Risk Monitoring**
(satellite-based hotspot detection and encroachment monitoring)
- **Water Management Indicators**
(water usage intensity and source mapping at mill and estate level)
- **Biodiversity & Conservation Indicators**
(social forestry areas, protected forest management, conservation activities)
- **Traceability Metrics**
(100% Traceability to Plantation for own operations; expansion to smallholders ongoing)

STRATEGIC REPORT (CONTINUED)

AEP is progressively enhancing these metrics to include upstream supplier risk profiling and, where relevant, downstream value chain considerations, consistent with the TNFD LEAP approach.

TARGETS

AEP's nature-related targets are currently aligned with its sustainability commitments and operational practices, including:

- Zero Deforestation Commitment (NDPE Policy)
- 100% Traceability to Plantation (achieved for own operations; target for smallholders by 2026)
- Expansion of Social Forestry and Conservation Areas (13,789 hectares under management, including primary forest and community forestry)
- Reduction in Land Clearing Activities (notable reduction since 2024)

AEP is in the process of formalise disclosures.

CLIMATE-NATURE ALIGNMENT

AEP acknowledges the strong interdependencies between climate and nature and is working towards integrated management of both areas.

Key areas of alignment include:

- **Social Forestry and Conservation Programmes** contributing to both biodiversity protection and carbon sequestration
- **Biogas and BioCNG Initiatives** reducing greenhouse gas emissions while improving environmental performance
- **Reduced Land Clearing Activities** mitigating both emissions and biodiversity loss

The Group also recognises potential trade-offs, particularly between production expansion and conservation priorities, which are managed through its NDPE policy, risk management framework, and governance oversight.

Further integration of climate and nature targets will be developed as part of AEP's transition towards ISSB-aligned disclosures.

CARBON REPORTING 2025

SECR Compliant Directors' Statement

AEP recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year-on-year. We are also aware of our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, we continue to report on our energy and carbon performance and are committed to transparent communication about our environmental impact to our stakeholders.

Currently, our Group calculates Scope 1, Scope 2, & Scope 3 greenhouse gas (GHG) emissions in accordance with ISO 14064-1 standards. The emissions inventory is prepared internally by our Sustainability team using a structured and documented methodology to ensure consistency and accuracy. To strengthen credibility and transparency, the GHG calculation has undergone independent validation and verification by an accredited certification body, PT. Mutu Agung Lestari. This external verification enhances the reliability and accountability of our carbon disclosures.

2025 Performance Summary

AEP's Scopes 1 & 2 emissions increased by 14% (including removals) and 28% (excluding removals) in 2025 compared with 2024. This rise is primarily attributed to a 34% in peat land cultivation activities, which resulted in a proportional increase in emissions. As an agricultural business, our carbon footprint is inherently tied to land management and planting practices.

Additionally, the carbon sequestration across our estates increased by 59% during the reporting period, partially offsetting higher emissions. ha compared to the previous year, further influencing our overall emissions profile.

STRATEGIC REPORT (CONTINUED)

The increase in land clearance activities and reduction in sequesterable land was mainly attributed to our replanting programme, initiated in 2022.



Replanted area (ha)

2025: 2,440

2024: 1,700 | 2023: 1,301

As part of its long-term plantation management strategy, AEP continues to implement its replanting programme covering the period from 2025 to 2029, targeting approximately 10,000 hectares.

During 2025, AEP replanted approximately 2,440 hectares, representing initial progress against this multi-year target. Replanting activities during the year were prioritised in areas with ageing palm profiles to support future yield optimisation.

The newly replanted areas are expected to require lower fertiliser input and deliver improved yields over time compared to the ageing palms they replace. In addition, younger palms are anticipated to contribute to enhanced carbon sequestration through increased photosynthetic activity as they mature.

The replanting programme remains on track, and AEP will continue to monitor progress annually against its overall replanting targets.

Our fuel emissions have decreased by 79%, based on ISO 14064-1 methodology, following the increase in 2024 due to national grid disruptions that led to higher fuel use.

Total operational emissions in 2025 have increased by 200% with 2024. This is increasing due to the ISO 14064-1 methodology to calculate emissions of POME activities by using the inlet of Chemical Oxygen Demand (“COD”) and Biochemical Oxygen Demand’.

Progress in Emissions Management

During the reporting period, AEP continued implementing emissions and energy reduction initiatives, including transitioning to LED lighting in offices and mills, utilising biogas for electricity generation through gas engines, and using transparent roofing in mill and storage buildings to reduce daytime electricity demand.

AEP also advanced its broader emissions management approach through review of historical carbon footprint performance, refinement of emissions reduction targets, and continued alignment with evolving best practice guidance, including the GHG Protocol Land Sector and Removals guidance and wider target-setting developments.

Metrics and Targets

AEP commits to a reduction in absolute Scopes 1 & 2 emissions by 20.5% by 2030 from a 2019 baseline. This target does not include the impact of sequestration on site, as activity on this is limited to the age profile of our crop.

We have identified the key areas we need to take action as a business to achieve this target, including the conversion of our remaining mills to biogas plants from anaerobic lagoons, limiting our land clearance levels, implementing a no new peat policy and investigating our peat management processes, particularly regarding management of drainage depths.

We commit to reporting progress towards this target each year and revisiting its appropriateness and ambition on a regular basis to maintain its value to our business and stakeholders.

2025 Scopes 1 & 2 and Out grower Results Methodology

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

- WRI GHG Protocol (revised version)
- Defra’s Environmental Reporting Guidelines: Including SECR requirements (March 2019).
- ISO 14064-1, Greenhouse Gases

STRATEGIC REPORT (CONTINUED)

Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities fall within the reporting period of 1 January 2025 to 31 December 2025 and use the reporting period of January 2024 to December 2024 for comparison.

Note on Agricultural Emissions

Emissions from agricultural cultivation form the most significant part of our carbon footprint. As such we have assessed these emissions in line with the methodology development by the RSPO. Version 4 of the RSPO's Palm GHG application has been used to source relevant emission factors and provide a sense check of calculations.

We account for emissions from agricultural cultivation on our own estates under direct Scope 1 emissions, whereby Scope 1 are the direct emissions sources that we own and control.

Emissions from land clearance are reported only for the reporting year in which the land clearance activity took place. No amortisation has been applied, whereby the emissions would be allocated equally over several years based on the changing land use during that time. We have chosen not to apply amortisation as there is a lack of industry-acknowledge guidance on this topic at present.

Emissions and Energy Use (Scopes 1 & 2 with Removals)

	Emissions Source	Global Emissions tCO ₂ e			2025 vs 2024
		2023	2024	2025	
Scope 1	Removals (sequestration)	-447,716	-369,446	-588,638	59%
	Total with removals	671,357	841,254	958,758	28%
Scope 2	Removals	0	0	0	0%
	Total with removals	2,715	3,632	1,670	-54%
Total Scopes 1 & 2 with removals		674,072	844,886	960,428	14%

Emissions and Energy Use (Scopes 1 & 2 without Removals)

	Emissions Source	Global Emissions tCO ₂ e			2025 vs 2024
		2023	2024	2025	
Scope 1	Fuels	19,994	18,769	3,898	-79%
	Plantation vehicles	9,688	8,977	4,718	-47%
	Fertiliser use	23,961	24,931	45,031	81%
	Land clearance	450,333	557,270	360,076	-35%
	Peat soil cultivation	490,311	483,070	649,196	34%
	POME Treatment	124,786	117,683	484,390	312%
	Usage of chemical process and lubricants	-	-	43	-
	Emissions of Fugitive from GHG Releasing in Anthropogenic System	-	-	44	-
Total Scope 1		1,119,073	1,210,700	1,547,396	28%
Total Scope 2	Electricity	2,715	3,632	1,670	54%
Total Scopes 1 & 2		1,121,788	1,214,332	1,549,066	28%
Total Energy Usage (gWh)		1,434	1,287	342	-73%

STRATEGIC REPORT (CONTINUED)

	Emissions Source	Global Emissions tCO ₂ e			2025 vs 2024
		2023	2024	2025	
Intensity ratio	tCO ₂ e per ha of planted area	17.3	18.6	21.75	17%
Intensity ratio	tCO ₂ e per tonne CPO production	2.5	3.1	3.64	17%
Intensity ratio	tCO ₂ e per tonne FFB production	1.0	1.2	1.43	19%

Direct emissions from biomass (biogenic emissions) are excluded from Scope 1 totals and disclosed separately in line with ISO 14064-1 and GHG Protocol guidance.

These emissions relate to the combustion or treatment of biomass-derived materials, which are considered carbon-neutral over the life cycle as part of the natural carbon cycle.

For 2025, biogenic emissions totalled 168,609 tCO₂e.

This presentation avoids double counting and ensures that Scope 1 emissions reflect only fossil fuel-related sources, while maintaining transparency over total emissions associated with the Group's operations.

Notes:

- AEP is a UK-registered company. However, it has minimal physical presence within the UK. As a result, its contribution to UK emissions stands at 0%. This disclosure is provided in the interest of transparency.
- For GHG report in 2019 – 2024 period, the analysis of GHG emissions is partially based on the country-specific CO₂ emission factors developed by the International Energy Agency, © OECD/IEA 2023 but the resulting analysis of GHG emissions has been prepared for AEP and does not necessarily reflect the views of the International Energy Agency.
- For GHG report 2025, the analysis of GHG emissions is based on country-specific grid emission factors obtained from official national sources, including the Indonesian Ministry of Energy and Mineral Resources (“ESDM”) and the Malaysia Energy Commission, which are considered representative of local grid conditions. The resulting GHG emissions analysis has been prepared internally by AEP Plantations Plc in accordance with ISO 14064-1, based on verified and traceable activity data.

AEP is mandated to report under the UK SECR regulations, as outlined above. To facilitate a direct comparison with our 2019 reporting, the data is additionally presented in a comparable format below for clarity and consistency, and is aligned to the WRI reporting principles of completeness and relevance. This table includes emission estimates of outgrower crops and electricity Transmission and Distribution (“T&D”), which are scope 3 and not included in the earlier Scope 1 & 2 tables.

Organisational Boundary

AEP is a UK-registered entity; however, all operational activities are conducted through subsidiaries located in Indonesia and Malaysia, with no operational assets, facilities, or energy consumption occurring within the UK.

In accordance with the operational control boundary applied under ISO 14064-1 and SECR requirements, energy consumption and associated Scopes 1 & 2 emissions are recognised only for entities and activities under operational control.

As AEP does not have any operational presence in the UK, there is no UK-based energy consumption to report. Accordingly, UK Scopes 1 & 2 emissions are reported as 0%.

Energy Consumption Disclosure

Total energy consumption is disclosed in line with SECR requirements and is disaggregated into the following categories:

- Purchased electricity (kWh)
- Fuel consumption for stationary operations (including diesel, biomass, biogas, and LPG)
- Fuel consumption for transportation (including diesel and petrol used in operational vehicles)

STRATEGIC REPORT (CONTINUED)

This disaggregation ensures transparency and alignment with SECR reporting expectations. All energy data is based on verified activity data and prepared under ISO 14064-1 methodology.

SECR Minimum Boundary

In line with SECR requirements, the Group's energy-related emissions include:

- Scope 1 emissions from fuel combustion in stationary operations and company-owned or controlled vehicles
- Scope 2 emissions from purchased electricity

Additional emissions sources, including land use, fertiliser application, and POME, are disclosed separately as voluntary information to provide a comprehensive view of the Group's emissions profile. These are not included within SECR minimum disclosures.

Transport Emissions

Transport emissions reported under Scope 1 relate only to fuel consumption from company-owned or controlled vehicles.

Transportation services provided by third-party contractors are not included within Scope 1, as AEP does not own or control the fuel used. These emissions are classified as Scope 3 (transportation and distribution) and are reported separately within the Group's broader GHG inventory.

Scope 2 Methodology

Scope 2 emissions are calculated using the location-based method, based on national grid-average emission factors for Indonesia and Malaysia.

This approach reflects the actual carbon intensity of electricity consumed and represents the minimum required methodology under SECR.

AEP does not currently procure electricity through contractual instruments such as renewable energy certificates or power purchase agreements; therefore, a market-based Scope 2 disclosure is not presented.

Emission Factors

Emission factors applied in the calculation of GHG emissions are based on official national sources, including:

- Indonesian Ministry of Energy and Mineral Resources ("ESDM")
- Malaysia Energy Commission

UK Government GHG Conversion Factors are not applied, as they are specific to the UK and would not appropriately reflect emissions associated with AEP's operations.

This approach ensures that emissions calculations accurately reflect local grid characteristics and are consistent with SECR guidance for multinational groups.

Reporting Period

The reporting period for energy consumption and emissions is aligned with the Group's financial year, from 1 January to 31 December 2025, with comparative data presented for the prior year.

Intensity Ratios

AEP reports intensity ratios using both:

- Total emissions (including land-use and other emissions)
- SECR-aligned emissions (Scopes 1 & 2 only)

Intensity metrics are expressed per tonne of CPO and per tonne of FFB.

The SECR-aligned intensity ratio reflects energy-related emissions only, ensuring compliance with regulatory requirements, while total emissions intensity provides additional transparency on the Group's full emissions footprint.

STRATEGIC REPORT (CONTINUED)

Energy Efficiency Actions

During the reporting year, AEP implemented a range of energy efficiency initiatives, including:

- Utilisation of biogas for electricity generation
- Installation of LED lighting across operational facilities
- Operational improvements to enhance energy efficiency in mills and estates

While individual energy savings are not separately quantified, the combined effect of these initiatives is reflected in the Group's overall energy consumption and emissions performance.

Gross vs Net Emissions

SECR disclosures are presented on a gross emissions basis, including Scope 1 and Scope 2 emissions only.

Emissions removals and sequestration are disclosed separately as supplementary information and are not used to offset or reduce reported emissions.

No netting or offsetting is applied in SECR disclosures.

External Verification

AEP Group's GHG emissions data for the reporting year has been independently verified by PT Mutu Agung Lestari Tbk in accordance with ISO 14064-3.

The verification covers Scopes 1 & 2 emissions under the operational control boundary.

The verification opinion statement is included in the report as supporting evidence.



STRATEGIC REPORT (CONTINUED)

2025 vs 2024 vs 2019 emissions comparison

Emissions source	Results (tCO ₂ e)			
	2019	2024	2025	2025 vs 2019
POME Treatment	212,215	117,683	484,390	128%
Fertiliser application	26,614	24,931	45,031	69%
Fuel use	18,838	18,769	3,898	-79%
<i>Diesel</i>	n/a	5,435	n/a	-
<i>Biomass</i>	n/a	13,334	n/a	-
Electricity consumption	1,984	3,632	1,670	-16%
Electricity T&D	n/a	303	18	-
Company owned vehicles	9,399	8,977	4,718	-50%
Third-party vehicles	7,367	5,371	14	-100%
Emissions of Fugitive from GHG Releasing in Anthropogenic System	n/a	n/a	44	-
Usage of chemical process and lubricants	n/a	n/a	43	-
Total operational emissions	276,417	179,666	539,826	95%

	Own crop	Outgrower	Own crop	Outgrower	Own crop	Outgrower	Own crop	Outgrower
Land clearance	322,182	285,094	557,270	539,613	360,076	915,825	12%	221%
Peat soil cultivation	488,823	54,790	483,070	54,862	649,196	152,971	33%	179%
Subtotal before removals	811,005	339,884	1,040,340	594,475	1,009,272	1,068,796	24%	127%
Carbon sequestered	-549,475	-446,388	-369,446	-395,497	-588,638	-424,415	7%	-5%
Subtotal including removals	261,530	-106,504	670,894	198,978	420,634	644,381	61%	705%
Total land use emissions	155,026		869,872		1,065,015		587%	
Overall emissions, tCO₂e	431,443		1,049,538		1,604,841		272%	

Between 2019 and 2025, total operational emissions increased by 95% with significant increasing in POME treatment 128% and fertiliser usage 69%. However, land-use emissions surged by 24% in own crop, driven by a 12% rise in land clearance and a 33% increasing in peat soil cultivation and for the carbon sequestration increase 7% due to the expansion of planted area. Despite operational improvements, overall emissions increased by 272%, reaching 1,604,841 tCO₂e in 2025. The increase in reported figures is primarily attributed to the inclusion of additional calculation categories and data adjustments following the organization’s achievement of verification under ISO 14064-1 from PT Mutuagung Lestari Tbk (MUTU International).

STRATEGIC REPORT (CONTINUED)

2025 vs 2019 Operational emissions intensity (excluding land use change emissions) (tCO₂e)

Operational emissions reporting metric	2019	2024	2025	2025 vs 2019
Per ha of planted area	4.07	2.75	7.58	86%
Per tonne CPO production	0.70	0.45	1.27	81%
Per tonne FFB production	0.27	0.18	0.49	85%

The normaliser reported within the main report is calculated using total CO₂e emissions. In previous years, the normaliser has been calculated on operational emissions only. This reduces the influence of the fluctuations in agricultural emissions. As such, the operational normalisers are also reported below. The operational planted area intensity has increased by 86%. Conversely, the operational emissions intensity of CPO and FFB production has increased by 81% and 85%, respectively.

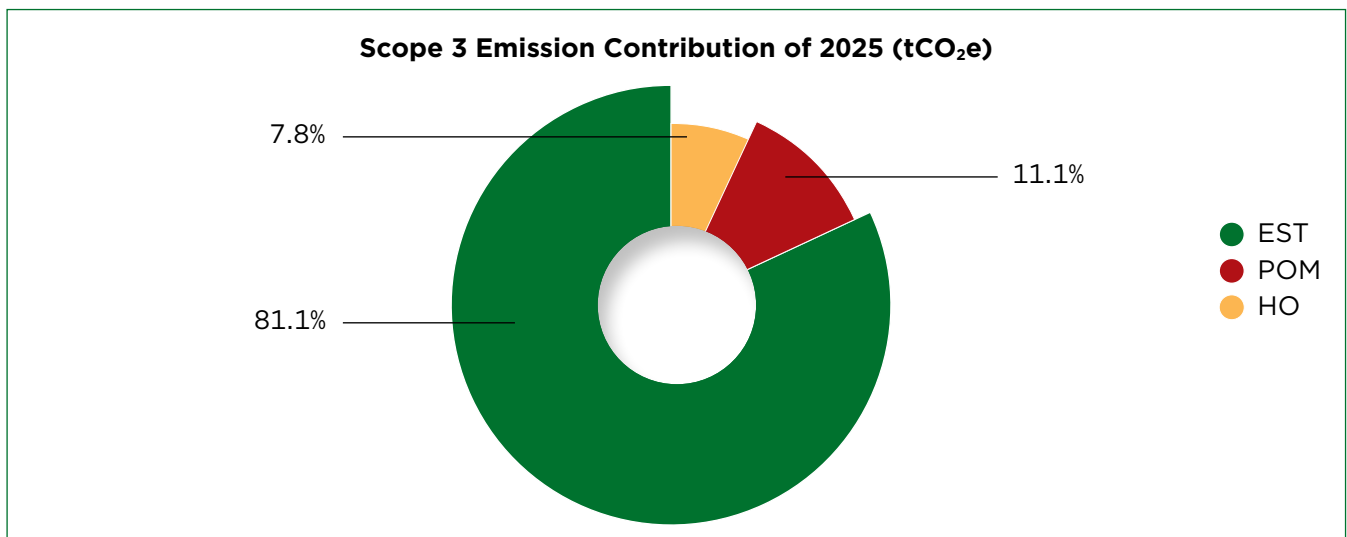
Comprehensive Assessment of Scope 3 Emissions

In addition to the SECR-mandated emissions detailed in the previous section, we have included an additional comprehensive inventory of our Scope 3 emissions extracted from the Scope 3 Emission Report 2025 by AEP. The assessment of emissions quantification is carried out in accordance with the methodology of the GHG Protocol and aided by the calculation guidance of:

- Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Technical Guidance for Calculating Scope 3 Emission (version 1.0)
- ISO 14064-1, Greenhouse Gases

AEP has classified this Scope 3 GHG emissions into 15 distinct categories. This classification enhances transparency across our corporate value chain while minimising inaccuracies. Below is the summary and breakdown for 2025:

Scope 3 Emission	Plantation (EST)	Mill (POM)	Office (HO)	Total
tCO ₂ e (Conventional)	614,388	83,799	58,881	757,068
tCO ₂ e (Biogenic)	-	-	-	-



STRATEGIC REPORT (CONTINUED)

Breakdown:

Scope 3 Category			Emission (tCO ₂ e)		Current Performance (%)	
No.	Category	Applicability	2024	2025	2025 Contribution	2025 vs 2024
1	Purchased goods and services	Relevant	755,064	709,880	93.77%	- 6%
2	Capital goods	Relevant	7,027	39,866	5.27%	467%
3	Fuel-and energy-related activities	Relevant	162	-	-	-
4	Upstream transportation and distribution	Relevant	139,812	14	0.00%	-100%
5	Waste generated in operations	Relevant	246,550	108	0.01%	-100%
6	Business travel	Relevant	20	169	0.02%	745%
7	Employee commuting	Relevant	3,993	6,969	0.92%	75%
8	Upstream leased assets	Relevant	183	62	0.01%	-66%
9	Downstream transportation and distribution	Relevant	15,361	-	-	-
10	Downstream processing of sold products	Relevant	51,829	-	-	-
11	Downstream use of sold products*	Relevant	0.08	-	-	-
12	Downstream end-of-life treatment of sold products	Irrelevant	-	-	-	-
13	Downstream leased assets	Irrelevant	-	-	-	-
14	Franchises	Irrelevant	-	-	-	-
15	Investments	Irrelevant	-	-	-	-
TOTAL			1,220,001	757,068	100.0%	-38%

Note:

* All emissions of Category 11 originate from biodegradation process of POME to produce electricity via biogas. For more information refer to Section Results - Biogenic Emission.

In 2025, the indirect emission from AEP’s value chain is shown to be reduced by 38% from the baseline of 2024. The reduction is linked to decreased procurement of goods and services within the supply chain, primarily driven by Category 1 and 8. Despite the decreased intensity of procurement, few categories are shown to have surging increases in emissions due to the rise of capital expenditure (Category 2) and activities from business travel (Category 6). However, the increased emission from said categories remains overshadowed by the higher reduction from a decline in procurement intensity.

STRATEGIC REPORT (CONTINUED)

DIVERSITY

Table for reporting on gender identity or sex pursuant to the UK Listing Rules (“UKLR”):

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board	Number of Executive Management	Percentage of Executive Management
Men	4	80%	2	7	78%
Women	1	20%	1	2	22%
Total	5	100%	3	9	100%

Table for reporting on gender identity or sex pursuant to the UKLR:

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board	Number of Executive Management	Percentage of Executive Management
White British or other White <i>(including minority- white groups)</i>	1	20%	-	-	-
Mixed/Multiple ethnic groups	-	-	-	-	-
Asian/Asian British	4	80%	3	9	100%
Black/African/ Caribbean/ Black British	-	-	-	-	-
Other ethnic groups	-	-	-	-	-
Not specified/ prefer not to say	-	-	-	-	-
Total	5	100%	3	9	100%

With respect to diversity under the UKLR, our Board has not met the target of achieving at least 40% female representation. Historically, the upstream palm oil industry has faced challenges with female representation in senior roles, resulting in a limited pool of qualified candidates for board positions. Nevertheless, we are committed to enhancing female representation while ensuring our Board upholds its focus on quality and competence.

We have, however, met the UKLR requirement of having at least one senior board position held by a woman. Additionally, 80% of our Directors are of Asian background, fulfilling the UKLR requirement to have at least one Board member from a minority ethnic background. To support transparency, we identify all Directors using their passports to confirm gender and ethnicity.

STRATEGIC REPORT (CONTINUED)

The reference date for this disclosure is 31 December 2025, coinciding with the end of our financial year. Moving forward, we intend to continue using 31 December as our reference date, unless circumstances necessitate a change. There have been no changes to our Board between 31 December and the approval date of this annual financial report that impact our compliance.

Our Board oversees the structure and composition of the management team to ensure selections are grounded in merit, focusing on skills, qualifications, and experience. At the same time, balanced representation is encouraged across age, social, and ethnic backgrounds. This strategy reflects AEP's commitment to equity and inclusivity, fostering a positive and respectful work environment where every individual feels valued. Our Board remains confident that the current management team exemplifies well-balanced diversity across these key dimensions.

EMPLOYEES

Oil palm cultivation is a labour-intensive industry. In 2025, our Group employed an average of 7,276 full-time workers (2024: 7,486), representing a decrease of approximately 3%. Part-time labour averaged 7,807 (2024: 7,954), reflecting a 2% decrease. Our Group has introduced mechanisation in the field to boost productivity. While mechanisation has its limitations, it can help alleviate acute labour shortages and mitigate cost pressures from rising minimum wages where feasible.

AEP enforces a zero-cost recruitment policy for all local and foreign employees. We have formal recruitment processes, particularly for key managerial positions, which include psychometric testing to support hiring decisions. Departing employees participate in exit interviews to help management address significant concerns.

To enhance workforce competency, our Group regularly selects employees for training programmes conducted at our training centre, offering grounding and refresher courses on technical aspects of oil palm estate and mill management. These programmes are complemented by external management development courses and industry conferences on topics such as work ethics, motivation, health and safety, and technical updates. In 2025, we invested \$59,800 in staff training and professional development, compared to \$91,800 in 2024, highlighting our commitment to productivity improvement through training.

Our cadet programme provides local university graduates with theory and field training over a 12-month period, after which successful candidates are assigned as assistants to various mills and estates.

A large proportion of our workforce and their families live across our plantations. The extensive benefits provided to them were detailed in the CSR section of the Strategic Report. Along with competitive salaries and bonuses, these benefits help us retain and motivate employees. Our Group adheres to Indonesia's minimum wage policy, respects employee rights, and strictly opposes exploitation, including child or forced labour and human trafficking, as outlined in the UK's Modern Slavery Act 2015. A full Modern Slavery statement is available on our website.

Employees are covered by a government-mandated personal accident scheme, with death benefits up to 48 months of monthly salary. The spouses and children of full-time employees are also privately insured for death benefits by our Group.

In addition to Indonesia's mandatory retirement programme managed by BPJS, casual workers are enrolled in a defined contribution pension scheme managed by AIA Financial, while Indonesian managers and permanent employees benefit from a post-employment compensation fund managed by Allianz Indonesia.

STRATEGIC REPORT (CONTINUED)

Employee rights and extensive benefits, encompassing salary reviews, allowances, bonuses, housing, training, safety, health and ethical conduct, are documented in our Company's handbook, accessible to all employees.

Our Group is committed to creating equal and ethnically diverse employment opportunities, including gender diversity.

Key performance indicators determine employee increments and bonus entitlements. Human Resources and the Remuneration Committee engage annually with labour unions representing full-time workers to address performance bonuses and grievances.

Note: More details are available in the Directors Remuneration Report.

We have fostered a culture of accountability through our whistle-blower policy, introduced in 2019, which allows employees to confidentially or anonymously raise concerns for independent investigation. The policy is available on our website.

Recognising employees as vital assets, our Group encourages their involvement through meetings, performance appraisals, and feedback mechanisms. Annual events, including a dinner to honour high achievers, and family gatherings, promote camaraderie among employees and management.

Although we do not have a specific policy on employing disabled persons, our Group welcomes them into the workforce based on their suitability and capabilities.

Anti-bribery and Anti-corruption

Our Group has in place policies and procedures in respect of bribery and corruption, with detailed guidelines and reporting requirements for its UK, Indonesian and Malaysian operations which may be viewed from our Company's website.

“

Our Group is committed to creating equal and ethnically diverse employment opportunities, including gender diversity.”

The whistleblowing and grievance mechanism policies which include reporting on corruption practices are also highlighted in our Company's handbook. Management and senior staff have had training programmes and updates as part of their responsibility to ensure that bribery and corruption do not exist in our Group's operation. New employees are also briefed on anti-corruption practices during their orientation. Our Group has in place a communication channel for employees to report to the Chairman of the Audit Committee via email at whistle.blowers@aeplantations.com on incidences of bribery and corruption, on a strictly confidential basis. Our Group uses its best endeavour to ensure that its business partners comply with the anti-bribery and anti-corruption regulations.

OUTLOOK

CPO remains competitively priced against other vegetable oils, with its discount to soybean oil continuing to support demand, particularly in cost-sensitive markets. In addition, Indonesia's mandatory B50 biodiesel programme, effective from July 2026, is expected to drive stronger CPO demand and serve as a key anchor for price stability.

Near-term volatility is expected to persist, driven by geopolitical tensions, especially in the Middle East, which impact crude oil prices, freight costs, and overall market sentiment. These factors are also contributing to rising input costs, with increases in diesel and fertiliser prices, particularly urea, weighing on plantation margins.

STRATEGIC REPORT (CONTINUED)

Notwithstanding the rising costs, given that CPO prices are expected to remain elevated, we expect sustainable performance for 2026.

STATEMENT BY DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172 (1) OF THE COMPANIES ACT 2006

Our Board recognises its duty under Section 172(1) of the Companies Act 2006 to promote the long-term success of AEP for the benefit of its shareholders as a whole, while having regard to the interests of wider stakeholders. In discharging this responsibility, our Board considers the likely long-term consequences of its decisions, the interests of our employees, the need to foster strong relationships with suppliers and customers, the impact of the Group's operations on the environment and communities, the maintenance of high standards of business conduct, and the need to act fairly between shareholders.

Throughout 2025, our Board continued to embed these considerations into its decision-making processes as part of our Group's strategic oversight and governance framework.

Long-Term Strategy and Sustainable Growth

Our Board remains focused on delivering sustainable long-term growth while maintaining disciplined capital allocation and operational excellence. During the year, our Group delivered strong operational and financial performance, supported by improved plantation productivity, higher crop intake at our mills and favourable palm oil prices. Revenue increased to \$465.2 million, while profit after tax rose to \$86.3 million, reflecting higher production volumes and continued operational efficiencies.

To support the long-term productivity of our estates, our Board continued to prioritise investment in our Group's replanting programme, with approximately 2,440 hectares of aged palms replanted in 2025. This programme forms part of a broader multi-year strategy to enhance yields, improve oil extraction rates and ensure the sustainability of our plantation assets.

Our Board evaluates growth opportunities with a disciplined focus on returns, strategic fit and financial resilience. In this regard, the proposed acquisition PT JJU together with the Proposed IPO, represent key strategic initiatives expected to be progressed in 2026 to enhance our Group's scale, strengthen its production base and expand its geographic presence. These initiatives are expected to support long-term value creation while maintaining prudent balance sheet management and financial discipline.

Environmental Sustainability and Climate Considerations

Environmental stewardship remains a central consideration in our Group's long-term strategy. In 2025, our Board continued to oversee the integration of sustainability and climate-related risks within the Group's enterprise risk management framework.

Our Group also expanded its renewable energy initiatives through the development of BioCNG plants that capture methane from POME and convert it into renewable gas, contributing to the reduction of greenhouse gas emissions. In parallel, our Group advanced its emissions management efforts through the ongoing quantification and verification of Scopes 1, 2 & 3 greenhouse gas emissions.

The construction of our eighth palm oil mill, designed with modern energy-efficient processing technology and environmental standards, also reflects our commitment to responsible infrastructure development and operational sustainability.

STRATEGIC REPORT (CONTINUED)

Stakeholder Engagement

Our Board recognises that effective engagement with stakeholders is fundamental to the long-term success of our Group. During the year, our Company undertook a structured programme of investor engagement and market outreach, including meetings and roadshows with existing and prospective shareholders. These engagements provided an opportunity to communicate our strategic direction, operational performance and sustainability priorities, while also enabling our Board and management to receive valuable feedback from the investment community.

Our Board also had regard to the interests of employees and local communities. During the year, our Group continued to invest in employee welfare, including housing, utilities, training and development programmes, recognising that a skilled and engaged workforce underpins operational performance. In addition, our Group maintained its commitment to community development through initiatives in education, healthcare and smallholder (Plasma) support schemes. Further details of these initiatives are set out in the Corporate Social Responsibility section on pages 30 to 36.

Acting Fairly Between Shareholders

Our Board remains committed to treating all shareholders fairly and transparently. During the year, our Company maintained a balanced capital allocation framework that supports both long-term growth and shareholder returns.

In line with this approach, our Board declared a final dividend of 43.7 cents for the year ended

31 December 2025 and continued to implement a share buyback programme, reflecting the Board's confidence in the long-term value and prospects of the Company while maintaining financial flexibility to support future investments. With an interim dividend of 37.3 cents per Share already paid, the total dividend declared for the year ended 31 December 2025 will be 81.0 cents per Share.

Governance and Oversight

Maintaining high standards of corporate governance remains fundamental to the Board's responsibilities. Our Board continues to strengthen its governance framework to ensure effective oversight of strategy, risk management and sustainability matters. This includes integrating ESG and climate-related risks into the Group's broader risk management processes and ensuring that the Board and its committees provide appropriate oversight of these matters.

Through these actions, our Board seeks to ensure that the Company operates responsibly, maintains strong stakeholder relationships and delivers sustainable long-term value for shareholders.

This Strategic Report, including the non-financial reporting and sustainability information contained herein, has been prepared in accordance with the requirements of the Companies Act 2006 and reflects the Board's commitment to transparency and responsible governance.

On behalf of the Board:

MARCUS CHAN JAU CHWEN

Executive Director of Corporate Affairs
 30 April 2026

DIRECTORS' REPORT



Our Directors present the annual report on the affairs of our Group, together with the financial statements and auditor's report, for the year ended 31 December 2025.

Our Directors' performance in relation to their statutory duties, together with the principal decisions taken during the year are detailed in the Strategic Report under Statements by Directors in Performance of Their Statutory Duties in Accordance with Section 172 (1) Of the Companies Act 2006.

ACCOUNTABILITY AND AUDIT

AEP is committed to ensure that the quality of its financial reporting is of a high standard. Our Board continually reviews its internal controls and risk management systems to ensure our Group's affairs and our Group's financial reporting comply with the applicable accounting standards as well as good corporate governance. The main features of our Group's internal controls and risk management systems are further disclosed in the Statement of Corporate Governance.

Our Board considers the Annual Report and accounts including the Strategic Report when taken as a whole, is fair, balanced and understandable as it provides the information necessary for shareholders to assess our Group's position and performance, business model and strategy.

RESULTS AND DIVIDENDS

For the year ended 31 December 2025, our Group recorded a profit before tax of \$119.3 million (2024: profit before tax of \$88.1 million), with a profit attributable to ordinary shareholders of \$90.9 million (2024: profit \$67.5 million).

Interim dividend of 37.3 cents was paid on 7 Nov 2025 (2024: no interim dividend). Our Board has recommended the final dividend for 2025 of 43.7 cents (2024: 51.0 cents), subject to shareholder approval at the upcoming Annual General Meeting. If approved, the dividend will be paid on 30 July 2026 to shareholders on the register as of 19 June 2026.

While the dividend is declared in US Dollars, shareholders may elect to receive payment in Pounds Sterling, as outlined in the Shareholders Information section of the Annual Report.

DIRECTORS' REPORT (CONTINUED)

ADDITIONAL DISCLOSURES

Other information that is relevant to the Directors' Report, and which is incorporated by reference into this report, can be located as follows:

REFERENCE	
Future developments	Estate Development, Strategic Report
Corporate governance report	Statement on Corporate Governance
Colleague engagement	Directors' Remuneration Report
GHG emissions	Carbon Report, Strategic Report
Stakeholder engagement	Last Page of Strategic Report
Section 172 statement	Strategic Report
Financial assets policy	Note 2(l) to the Consolidated Financial Statements

Disclosures required pursuant to the Listing Rules can be found on the following pages:

REFERENCE	
Listing Rule 6.6.4R Statement of capitalised interest	Receivables: Non-Current, Notes 11 to the Consolidated Financial Statements
Listing Rule 6.6.6(8) Climate-related financial disclosures consistent with TCFD	Climate and Nature-Related Risks and Opportunities, Strategic Report

Our Company has chosen, in accordance with section 414C (11) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in the Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report includes an indication of future likely developments in our Company, details of important events and our Company's business model and strategy.

RESEARCH AND DEVELOPMENT

Our Group currently outsources our research and development activities. Our first research lab at Blankahan is being constructed with internal leaf and soil analysis targeted for third quarter of 2026. This will allow us to effectively monitor nutrient status and rapidly guide fertiliser management. Full operational commencement will begin upon obtained necessary operating permits and regulatory approvals.

POLITICAL DONATIONS

Our Group made no political donation during the year.

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS

The material risks faced by our Group, including any climate change related risks, and actions taken to mitigate those risks are set out in the Principal Risks and Uncertainties section of the Strategic Report.

Information on financial instruments risks is set out in the Disclosure of Financial Instruments and Other Risks, Note 29 to the Consolidated Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment and capitalised interest, as required pursuant to Listing Rule 6.6.4R, are given in Property, Plant and Equipment, Notes to the Consolidated Financial Statements.

DIRECTORS

Jonathan Law Ngee Song, Marcus Chan Jau Chwen, Farah Suhanah Tun Ahmad Sarji, Michael Henry Stainer, and Onn Kien Hoe will be submitting themselves for re-appointment at the forthcoming annual general meeting.

Brief profiles of all Directors and our Group Chief Executive Officer ("Group CEO") are set out in the Directors' profile section of this Annual Report.

Our Board resolved in August 2025 to further strengthen our governance framework through a review and restructuring of its committee arrangements. In particular, the former Audit & Risk Management Committee was separated into two distinct and specialised committees, namely the Audit Committee and the Risk Management Committee, each with updated terms of reference to provide sharper focus, clearer accountability and enhanced oversight in their respective areas of responsibility. This reorganisation reflects our Board's commitment to robust governance, effective internal controls and a clear delineation of oversight functions across financial reporting, risk management and compliance.

Following this restructuring, our Board's committees comprise:

Audit Committee (*with effect 11 August 2025):

- Onn Kien Hoe (Chair)
- Farah Suhanah Tun Ahmad Sarji (member)
- Michael Henry Stainer (member)

Risk Management Committee (*with effect 11 August 2025):

- Michael Henry Stainer (Chair)
- Marcus Chan Jau Chwen (member)
- Onn Kien Hoe (member)

Nomination Committee:

- Farah Suhanah Tun Ahmad Sarji (Chair)
- Michael Henry Stainer (member)
- Onn Kien Hoe (member)

Remuneration Committee:

- Farah Suhanah Tun Ahmad Sarji (Chair)
- Michael Henry Stainer (member)
- Onn Kien Hoe (member)

ESG and Corporate Governance Committee:

- Marcus Chan Jau Chwen (Chair)
- Jonathan Law Ngee Song (member)
- Farah Suhanah Tun Ahmad Sarji (member)



DIRECTORS' REPORT (CONTINUED)

SUBSTANTIAL SHARE INTERESTS

As at 31 March 2026 and 31 December 2025, our Company have been notified of the following interests in accordance with Chapter 5 of the Disclosure Rules and Transparency Rules of the Financial Conduct Authority, being interests in excess of three percent (3%) of the issued ordinary share capital of our Company:

Name of Holder	As at 31.3.2026		As at 31.12.2025	
	Shares held	% of voting rights held	Shares held	% of voting rights held
Genton International Limited ("Genton")*	20,247,814	52.6%	20,247,814	52.2%
Nokia Bell Pensioenfond	6,459,954	16.8%	6,512,019	16.8%

* The ultimate beneficial shareholders of Genton are vested in the estates of the late Madam Lim Siew Kim ("**Madam Lim**") with the application for probate in progress.

SHARE CAPITAL, RESTRICTIONS ON TRANSFER OF SHARES, ARRANGEMENTS AFFECTED BY CHANGE OF CONTROL AND OTHER ADDITIONAL INFORMATION

Our Company has one class of share capital, ordinary shares. All the shares rank pari passu. The articles of association of our Company contain provisions governing the transfer of shares, voting rights, the appointment and replacement of Directors and amendments to the articles of association. This accords with usual English company law provisions. There are no special control rights in relation to our Company's shares. There are no significant agreements to which our Company is a party which take effect, alter or terminate in the event of a change of control of our Company. There are no agreements providing for compensation for Directors or employees on change of control.

AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITORS

All current Directors have taken all reasonable steps to ensure that they are aware of any information required by our Company's auditor for the purposes of the audit and to establish that the auditor is aware of that information. Our Directors are not aware of any relevant audit information of which the auditor is unaware.

Following our Company's Annual General Meeting held on 23 June 2025, our Board was unable to reach an agreement with Forvis Mazars LLP ("Mazars") on the terms of its engagement as our Company's auditor for the financial year ending 31 December 2025. Accordingly, our Board resolved to appoint MHA Audit Services LLP as auditor of our Group for the financial year ending 31 December 2025, succeeding Mazars.

ACQUISITION OF THE COMPANY'S OWN SHARES AND AUTHORITY TO PURCHASE OWN SHARES

On 11 August 2025, our Company announced that it has entered into an irrevocable commitment with Cavendish to manage a programme to repurchase up to 3,415,777 ordinary shares of 25p each. On 6 January 2026, our Company announced a further share buyback programme to be managed by Cavendish. Both programmes were conducted pursuant to, and within the limits of, the authority granted by shareholders at our Company's Annual General Meeting held on 23 June 2025.

DIRECTORS' REPORT (CONTINUED)

The authority to purchase own shares expires on 30 June 2026, or if earlier, at the conclusion of the forthcoming annual general meeting. All such purchases are market purchases made through the London Stock Exchange. Shares purchased by the Company may be held in treasury rather than cancelled. Our Directors consider that shares held in treasury provide our Company with flexibility, including the ability to sell such shares quickly and effectively where they consider it to be in the interests of shareholders. While any such shares are held in treasury, no dividends will be payable on them and they will not carry any voting rights.

Our Company intends to seek a renewed authority at the forthcoming annual general meeting to purchase up to 10% of our Company's issued ordinary share capital (excluding treasury shares). The maximum price which may be paid for an ordinary share on any exercise of the authority will be restricted to the higher of (i) an amount equal to 5% above the average middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the five (5) business days immediately preceding the

day on which such shares are purchased; (ii) an amount equal to the price of the last independent trade; and (iii) the highest current independent purchase bid on the London Stock Exchange. The maximum number of shares and the price range are stated for the purpose of compliance with statutory requirements in seeking this authority and should not be taken as an indication of the level of purchases, or the prices thereof, that AEP would intend to make.

LIABILITY INSURANCE OUR COMPANY OFFICERS

As permitted by the Companies Act 2006 our Company has maintained insurance cover for our Directors against liabilities in relation to our Company which remains in force at the date of this report.

on behalf of the Board:

MARCUS CHAN JAU CHWEN
Executive Director of Corporate Affairs
30 April 2026



DIRECTORS' RESPONSIBILITY

Our Directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted International Accounting Standards (“IAS”) and applicable law and regulations.

Company law requires our Directors to prepare financial statements for each financial year. Under that law our Directors are required to prepare our Group financial statements in accordance with UK adopted IAS. Our Directors have elected to prepare our Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and other applicable United Kingdom accounting standards and laws. Under company law, our Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of our Group and Company and of the profit or loss of our Group for that period.

In preparing these financial statements, our Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted International Accounting Standards, including FRS 101 Reduced Disclosure Framework, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that our Group and our Company will continue in business; and
- Prepare a Directors' Report, Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

Our Directors are responsible for keeping adequate accounting records that are sufficient to show and explain our Company's transactions and disclose with reasonable accuracy at any time the financial position of our Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of our Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Our Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess our Group's performance, business model and strategy.

WEBSITE PUBLICATION

Our Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on our Group's website in accordance with the legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of our Group's website is the responsibility of our Directors. Our Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' RESPONSIBILITIES PURSUANT TO DISCLOSURE AND TRANSPARENCY RULES 4 (“DTR4”)

Our Directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole; and
- the management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

on behalf of the Board:

MARCUS CHAN JAU CHWEN

Executive Director of Corporate Affairs

30 April 2026

DIRECTORS' PROFILE

JONATHAN LAW NGENE SONG

- Non Executive Chairman
- Member of the ESG & Corporate Governance Committee



Appointed as an Independent Non-Executive Director on 4 July 2013 and was subsequently appointed as the Non-Executive Chairman of AEP on 8 July 2022.

Jonathan Law graduated from the Australian National University in 1989 with a Bachelor of Commerce and a Bachelor of Laws. He was admitted as an Advocate and Solicitor of the High Court of Malaya in 1991. He is currently in legal practice as a Partner of Messrs Seow & Megat, where he specialises in mergers and acquisitions and corporate practice. He was previously a partner at Messrs Azmi & Associates, Nik Saghir & Ismail and Allen & Gledhill.

He is the Non-Independent Non-Executive Chairman of Evergreen Fibreboard Berhad and also serves on the boards of Pimpinan Ehsan Berhad as Interim Non-Independent Non-Executive Chairman, and ETA Group Berhad (formerly known as Rex Industry Berhad) as a Non-Independent Non-Executive Director, all of which are listed on Bursa Malaysia, the stock exchange of Malaysia.

MARCUS CHAN JAU CHWEN

- Executive Director of Corporate Affairs
- Member of the Risk Management Committee
- Chairman of the ESG & Corporate Governance Committee



Appointed as a Non-Independent Non-Executive Director of our Group on 10 August 2022, and was subsequently redesignated as Executive Director of Corporate Affairs effective 1 October 2024.

Marcus Chan is deemed to be not independent as he is the son of the late Madam Lim, whose estate owns 51% of our Company's shares.

He holds a Master of Business Administration from China Europe International Business School and is an alumnus of the University of Melbourne, Australia, where he earned a Bachelor of Commerce degree. He began his career at Ernst & Young Malaysia as an associate auditor, before advancing into roles in financial advisory, business development, marketing, and overseeing private businesses. His expertise encompasses finance, business development and communications.

DIRECTORS' PROFILE (CONTINUED)

FARAH SUHANAH TUN AHMAD SARJI

- Senior Independent Non-Executive Director
- Member of the Audit Committee
- Chairman of the Nomination Committee
- Chairman of the Remuneration Committee
- Member of the ESG & Corporate Governance Committee



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Appointed as an Independent Non-Executive Director on 20 October 2022 and was subsequently redesignated as Senior Independent Non-Executive Director effective 24 June 2024.

Farah Suhanah was admitted as an Advocate and Solicitor of the High Court of Malaya in 1996. She graduated with a Bachelor of Arts (Hons) in Law from the University of Kent in 1988 and was admitted as a Barrister-at-Law of the Middle Temple, London in 1989. She also holds a Master of Business Administration (MBA) from Universiti Tun Abdul Razak, awarded in October 2025.

She brings over 26 years of legal and commercial expertise across a broad range of industries, including oil and gas, telecommunications, satellite services and palm oil plantations. She retired as Group Legal Counsel of IOI Corporation Berhad, having previously served as General Counsel of MEASAT Global for 10 years while also managing her private legal firm. Earlier in her career, she held roles as a Magistrate, Deputy Public Prosecutor, and Federal Counsel in the Malaysian Attorney-General's Chambers.

She is an Independent Non-Executive Director of Kluang Rubber Company (Malaya) Berhad, AEON Credit Service (M) Berhad, and Sunway REIT Management Sdn Bhd (the Manager for Sunway Real Estate Investment Trust), and also serves on the Board of Trustees of Yayasan DayaDiri.

MICHAEL HENRY STAINER

- Independent Non-Executive Director
- Member of the Audit Committee
- Chairman of the Risk Management Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee



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Appointed as an Independent Non-Executive Director on 1 May 2024.

Michael Henry Stainer is a highly qualified accountant and corporate treasurer, with over three decades of experience in senior finance roles across private and listed companies in sectors such as property, mining, technology, food, and public utilities. From 1992 to 2002, he served as Group Treasurer and Director of non-regulated subsidiaries at Bristol Water Holdings Plc.

His expertise in financial strategy and corporate governance positions him as a key contributor to strengthening AEP's decision-making and supporting sustainable growth.

DIRECTORS' PROFILE (CONTINUED)

ONN KIEN HOE

- Independent Non-Executive Director
- Chairman of the Audit Committee
- Member of the Risk Management Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee



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Appointed as an Independent Non-Executive Director on 1 August 2025.

Kien Hoe is a fellow member of the Association of Chartered Certified Accountants (UK), the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants, the Kampuchea Institute of Certified Public Accountants and Auditors, the ASEAN Chartered Professional Accountants Coordinating Committee, and is a registered partner with the Audit Oversight Board of Malaysia.

He is the Head of Corporate Advisory Division of Crowe Malaysia PLT, where he is responsible for corporate advisory and insolvency services. He is also a Director in Crowe (KH) Co. Ltd, overseeing the operations of Crowe in Cambodia.

He is an Independent Non-Executive Chairman of the Board of Sern Kou Resources Berhad.

KEVIN WONG TACK WEE

- Group Chief Executive Officer



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Joined AEP in January 2024 and was appointed as the Group Chief Executive Officer effective 1 October 2024.

Kevin Wong's leadership experience spans multinational companies based in Malaysia and Hong Kong, where he held senior positions with regional responsibilities. Prior to joining AEP, he served as Managing Director of Acapalm Plantation Services and Group Chief Financial Officer of IOI Corporation Berhad, overseeing multinational strategic finance functions and corporate governance initiatives.

He is a fellow member of the Chartered Institute of Management Accountants (FCMA), a Chartered Global Management Accountant (CGMA) and a member of Chartered Accountant, Malaysia (CA, Malaysia). With a strong and proven foundation in corporate leadership, financial oversight, and plantation economics, he continues to guide our Group towards sustainable and profitable growth.

Our Group CEO is not a member of our Board and does not participate in Board voting.

STATEMENT ON CORPORATE GOVERNANCE

I am pleased to report on our Company's corporate governance activities for the year ended 31 December 2025. This Statement on Corporate Governance forms part of the Directors' Report.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2024 ("UK CODE")

AEP is committed to conducting its business with integrity, appropriately high ethical standards and professionalism across all of its activities and operations. This commitment extends to maintaining high standards of corporate governance, supported by appropriate systems of controls oversight at both Board and senior management level.

Our Board considers that the benchmark standards for good corporate governance are set out in the UK Code, which is published by the Financial Reporting Council's ("FRC") and is available at www.frc.org.uk. Our Company has applied the principles of the UK Code and, for the year ended 31 December 2025, was in compliance with the UK Code except for Provisions 19 and 21, as explained below.

Provision 19 of the UK Code provides that the chair should not remain in the post beyond nine (9) years from the date of their first appointment to our Board. Jonathan Law served as an Independent Non-Executive Director for nine (9) years prior to his appointment as the Non-Executive Chairman of AEP on 8 July 2022. However, the UK Code allows a Non-Executive Director to step up to the role of chair for a limited time in order to facilitate effective succession planning and the development of a diverse Board. Our Board considers it appropriate for Jonathan Law to continue in his role as Chairman while the estate of the late Madam Lim has yet to be finalised, in order to provide continuity and stability at Board level.

AEP was not in compliance with Provision 21 of the UK Code, which provides for a formal and rigorous annual evaluation of the performance of the Board, its committees, the Chair and individual Directors, including an externally facilitated Board evaluation at least once every three (3) years. During the year, evaluations were conducted internally under the leadership of the Chairman. Further details are set out in the Operation of the Board section below.

As the Chairman of the Remuneration Committee has now served on the committee for the requisite minimum period of at least 12 months, AEP is in full compliance with Provision 32 for the financial year ended 31 December 2025.

For completeness, Provision 40 of the UK Code provides that notice or contract period of Directors should be one (1) year or less. Although Directors' contracts at AEP have a two-year term for administrative reasons, they can be terminated with one or two months' notice, and therefore remain compliant with the requirements of Provision 40. Further details are set out in the Service Contracts section of the Remuneration Report.

In the prior financial year, our Board reported a departure from Principle Q of the UK Code in relation to the consideration of the Group CEO's remuneration. During the year ended 31 December 2025, our Board has reviewed and strengthened its procedures and confirms that our Company has complied with Principle Q. All matters relating to executive remuneration during the year were considered through a fully independent process, with the Group CEO having no involvement in the presentation or discussion of his own remuneration and not being present for any related deliberations. Our Board is satisfied that appropriate governance arrangements are now firmly embedded to ensure independence, transparency and compliance with the requirements of the UK Code.

Monitoring compliance with the UK Code is the responsibility of the ESG & Corporate Governance Committee. During the year the terms of reference of all Board Committees were reviewed and updated to ensure alignment with the requirements of the UK Code.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)



Board Leadership and Company Purpose

The core objective of our Board is to promote the long-term sustainable success of our Company, generating value for shareholders while contributing positively to the wider society through an appropriate culture and set of behaviours.

See the Business Model and Our Strategy, Strategic Report.



Division of Responsibilities

Our Board established a clear division of responsibilities between the leadership of our Board and executive management of our Group, supported by our Company’s corporate governance framework. Responsibilities are clearly defined in role statements to ensure that no individual has unrestricted powers of decision-making and that no small group of Directors can dominate our Board’s decision-making.

The authority delegated to each Board Committees is set out in their respective terms of reference.

For more details on Board composition, leadership and role statements, see the Directors’ Profile above and the remainder of this Statement on Corporate Governance.



Composition, Succession and Evaluation

Our Board, supported by the Nomination Committee, keeps the composition of our Board and its Committees under regular review, including matters relating to succession planning, diversity, inclusion, and governance.

Our Board undertakes an annual review of its effectiveness, as well as that of its Committees and individual Directors.

See our Board section under the Statement of Corporate Governance for more details on the Board effectiveness. The activities of the Nomination Committee can be found under the remainder of this Statement on Corporate Governance.



Audit, Risk, and Internal Control

Our Board is accountable to shareholders for ensuring that AEP is appropriately managed and that effective systems of risk management and internal control are in place. Our Board sets AEP’s risk appetite and satisfies itself that financial controls and risk management systems are robust and that AEP is adequately resourced. Our Board receives regular updates on audit, risk and internal control matters, with detailed oversight undertaken by the Audit Committee and the Risk Management Committee, whose findings and recommendations are reported to our Board.

See Audit Committee Report for more details on audit and internal control and the work of the Audit Committee & the Risk Management Committee.



Remuneration

Our Board, supported by the Remuneration Committee, ensures that the remuneration policies and practices are aligned with our Company’s strategy and promote long-term sustainable success. Executive remuneration is designed to support the successful delivery of our Company’s long-term objectives.

See Directors’ Remuneration Report for more details on the remuneration policy and implementation of the policy.

Further details demonstrating how the Principles and Provisions of the UK Code have been applied can be found throughout the corporate governance report, the Directors’ report, each of the Board Committee reports and the Strategic Report.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

Disclosure required by Listing Rules on diversity, with respect of gender, and ethnicity can be found under Diversity section of the Strategic Report.

RELATIONSHIP WITH CONTROLLING SHAREHOLDER

Under the UK Listing Rules 2024, listed companies are no longer required to maintain a relationship agreement with a controlling shareholder. Instead, Listing Rules 6.6.1(13) requires AEP to confirm in its annual report whether it continues to be able to carry on its main business activity independently of its controlling shareholder or to provide an explanation if it is unable to do so. In response, AEP has identified Genton as its controlling shareholder. Our Board confirms that AEP has continued to operate independently from Genton at all times and that Genton has not influenced our Company in a manner that would be improper or unfair to minority shareholders.

AEP remains committed to high standards of corporate governance and ensuring that the interests of all shareholders are safeguarded.

OUR BOARD

Our Board is responsible for providing effective leadership of the Company and for promoting the long-term sustainable success of our Group. In discharging its responsibilities, our Board sets our Company's strategic direction, oversees management's delivery of agreed objectives, and ensures that appropriate standards of governance, risk management and internal control are maintained in the interests of shareholders and wider stakeholders.

Our Board is provided with relevant, timely and accurate information ahead of each meeting to enable them to discharge their duties effectively and to support robust and informed decision-making.

Our Board has adopted a formal schedule of matters reserved for its decision, consistent with the UK Code and the UK Listing Rules 2024. These matters include approval of the annual budgets, interim and final results, dividends, significant

acquisitions and disposals, Group treasury policies, Board appointments, shareholder communications and circulars. Other matters are delegated to Board Committees, in accordance with their terms of reference, and the details of which are set out below.

The Audit Committee and the Risk Management Committee are responsible for overseeing the integrity of financial reporting, the effectiveness of risk management process and internal control systems, working closely with the management and internal auditors to ensure appropriate oversight and assurance.

At the end of 2025, our Board comprised of five (5) Directors: the Non-Executive Chairman, one (1) Executive Director, two (2) Independent Non-Executive Directors, and a Senior Independent Non-Executive Director. AEP has complied with Provision 11 of the UK Code, which requires that at least half of the Board, excluding the Chair, should comprise Non-Executive Directors whom the Board considers to be independent.

In August 2025, Kien Hoe has been appointed as an Independent Non-Executive Director and Chairman of the Audit Committee of AEP. Given his extensive experience in audit, finance and corporate advisory, our Board believes that his appointment has strengthened the effectiveness of the Audit Committee and further enhanced AEP's governance framework.

The Nomination Committee continues to oversee Board composition and succession planning for both executive and non-executive roles, including identifying internal and external talent, promoting diversity and inclusion, and mitigating risks associated with unforeseen departures of key individuals. Our Chairman maintains regular dialogue with individual Directors, including discussions on performance, tenure and future plans, particularly where Directors approach nine (9) years of service, in support of orderly succession planning and ongoing Board effectiveness.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

INDEPENDENCE OF THE NON-EXECUTIVE DIRECTORS

Our Board has evaluated the independence of each of its Non-Executive Directors. Following this assessment, our Board has determined that, throughout the reporting period, three (3) of its Non-Executive Directors, who were appointed for specified terms of office were considered to be independent, having regard in particular to their objectivity, judgement and integrity.

In reaching this conclusion, our Board considered the factors set out in Provision 10 of the UK Code including, inter alia, whether any Non-Executive Director:

- Has been an employee of our Group within the last five (5) years;
- Has, or had within the last three (3) years, a material business relationship with our Group;
- Receives additional remuneration from our Group apart from a director's fee;
- Has close family ties with any of our Group's advisors, Directors or senior employees;
- Holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
- Has served on the Board for more than nine (9) years; or
- Represents a significant shareholder.

The UK Code acknowledges that a director may be regarded as independent notwithstanding the existence of any of the above factors, provided a clear explanation is given. Having considered all relevant circumstances, our Board unanimously agreed that the Independent Non-Executive Directors have demonstrated independence in character and judgement and that there are no relationships or circumstances which could materially interfere with the exercise of their independent judgement.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

In accordance with Provision 12 of the UK Code, Farah Suhanah has served as the Senior Independent Non-Executive Director from 24 June 2024. The Senior Independent Director provides a sounding board for the Chair, acts as an intermediary for other Directors when required, and is available to shareholders should they have concerns which have not been resolved through the usual channels.

OPERATION OF THE BOARD

The Board has adopted a formal schedule of matters reserved for its decision, together with clear delineation of responsibilities between the Board and management. The Audit, Risk Management, Nomination, Remuneration and ESG & Corporate Governance Committees each operate under written terms of reference, which are reviewed periodically to ensure ongoing alignment with best practice and regulatory requirements. The terms of reference of each Committee are available for inspection upon request from our Company Secretary and are also published on our Company's website.

The Board normally meets two (2) to three (3) times each year, with additional matters addressed as appropriate through written resolutions and teleconferences. In 2025, reflecting increased activity and enhanced governance oversight, our Board held six (6) formal meetings, attendance at which is set out below.

Name of Directors	Attendance
Jonathan Law Ngee Song	6/6
Marcus Chan Jau Chwen	6/6
Farah Suhanah Tun Ahmad Sarji	6/6
Michael Henry Stainer	6/6
Onn Kien Hoe (appointed on 1 August 2025)	3/3

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

Agenda and supporting papers, together with minutes of previous meetings, were circulated in advance of each meeting to enable informed discussion.

During the year, the Independent Non-Executive Directors also met without the Executive Director present. In additional regular telephone discussions took place between the Chairman and the Non-Executive Directors outside formal meetings.

Throughout 2025, our Board monitored our Group's results and the activities of its subsidiaries through monthly reports prepared by the senior management teams in Malaysia and Indonesia. Our Board deliberated on the periodic results and measured performance against approved budgets and previous year achievements. It also benchmarked performance against listed plantation companies in the UK, Indonesia, Malaysia and Belgium, with operations primarily in Indonesia.

The Executive Committee, comprising the Chairman, the Executive Director and our Group CEO received quarterly detailed briefings from the management on our Group's performance and significant corporate matters. In addition, the Executive Committee closely monitored developments in Indonesia through regular operational meetings with senior management. Given that a substantial proportion of our Group's revenue is derived from Indonesia, our Board believes that closer oversight at senior level enhances governance and supports the achievement of our Group's strategic objectives.

The senior management operational meetings are attended by our Group CEO, Chief Corporate Planning & ESG Officer and Group Finance Manager from Malaysia, together with the Indonesia-based management team comprising the Indonesia CEO, Plantation Director, Finance Director, Head of Mill & Engineering, and General Manager of Operations & Human Resource. Other senior managers were regularly invited to brief the

Executive Committee, the Audit Committee and the Risk Management Committee on significant matters relating to operations, internal audit, legal proceedings, sustainability and risk management, together with progress on follow-up actions. The 2026 annual budget was tabled, reviewed and approved by our Board following deliberation.

On 11 August 2025 and 6 January 2026, our Company announced that it has entered into an irrevocable commitment with Cavendish to manage a discretionary programme to repurchase up to £16 million ordinary shares of AEP. Details are included in the Chairman's Statement and Strategic Report.

In determining the level of dividends payable to our shareholders, our Board adopted a balanced approach, taking into account our Group's funding requirements for expansion and acquisitions while remaining mindful of shareholders' expectations to have dividends as a form of income. In light of the results achieved during the year, our Board declared a final dividend of 43.7 cents per share for the year ended 31 December 2025. With an interim dividend of 37.3 cents per share already paid, the total dividend declared for the year ended 31 December 2025 will be 81.0 cents (2024: 51.0 cents (interim and final)), an increase of 58.8% from last year.

Each Director has access to the impartial advice and services of our Company Secretary, who is responsible for ensuring that appropriate procedures are followed. Where necessary, our Board members may also seek independent professional advice from our Company's brokers, including legal counsel at our Company's expense. Our Company maintained Directors' and officers' liability insurance throughout 2025.

Non-Executive Directors are normally appointed for two-year terms, renewable on the recommendation of our Board. To maintain the vitality of our Board, fixed terms of office are specified for Non-Executive Directors, with all Directors subject to annual re-election in

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

accordance with the UK Code. The re-election of the Independent Non-Executive Directors have always been on the basis of gaining a majority of the independent shareholders vote in addition to the total shareholders vote since this requirement was first introduced.

In 2025, our Board conducted an internal evaluation of its performance through discussion and concluded that it was performing effectively and that our Directors collectively possessed the appropriate balance of skills, experience and knowledge to support our Group’s strategic direction and for challenges ahead. No material issues arose from this review. Our Company did not appoint an external consultant during the year to conduct a formal and rigorous evaluation of our Board’s performance as our Board believes that it had performed commendably going by the financial results achieved over the years when compared to its peers.

Following review of the Group’s internal control and risks management systems in April, August and December 2025, and in the absence of any reported failure and weaknesses which our Board considered significant, it was concluded that these systems remain effective and sufficient for their purpose.

In the following years, our Board intends to implement a structured survey-based checklist as part of its performance evaluation process, to further enhance governance oversight.

In accordance with the applicable statutory provisions relating to directors’ conflict of interest, our Directors are required to avoid situations in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of our Company. The duty is not infringed if the matter has been authorised by the Directors. Under our Company’s Articles of Association, our Board has the power to authorise potential or actual conflict situations. Our Board maintains effective procedures to enable the Directors to notify our Company of any actual

or potential conflict situations and of those situations to be reviewed and, if appropriate, to be authorised by our Board. Directors’ conflict situation if it arises is reviewed annually and authorisation is recorded in our Board minutes.

NOMINATION COMMITTEE

The Nomination Committee held three (3) meetings during 2025, attendance at which is set out below:

Name of Directors	Attendance
Farah Suhanah Tun Ahmad Sarji (Chair)	3/3
Michael Henry Stainer	3/3
Onn Kien Hoe (appointed on 1 August 2025)	1/1
Marcus Chan Jau Chwen*	3/3

* Marcus Chan served as a member of the Nomination Committee until the restructuring of our Company’s board committees which took place on 11 August 2025. Attendance is recorded for all meetings held during his period of eligibility.

Our Company’s policy on diversity is set out in the Strategic Report.

ACTIVITIES

During the year, our Nomination Committee reviewed and deliberated on the Statement of Corporate Governance for inclusion in the Annual Report. As part of its commitment to Board renewal and strengthening leadership, the Committee has been actively identifying candidates with the appropriate skills, experience, and availability to enhance AEP’s Board. This process led to the identification and appointment of Onn Kien Hoe as an Independent Non-Executive Director on 1 August 2025. His extensive expertise in finance, treasury, and corporate governance across various industries enhances the Board’s overall capabilities and independence.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

RELATIONS WITH SHAREHOLDERS

All shareholders may attend our Company's AGM and put questions to our Board and such questions must be with at least 20 working days' notice. At the conclusion of the AGM, a summary of votes for each resolution is reported and made available at our Company's website as soon as practicable after the meeting. Shareholders will not receive a hard copy of the proxy form for the 2026 AGM. Instead, shareholders will be able to vote electronically using the link at <https://www-uk.computershare.com/investor/>. For more details, please refer to online submission of proxy voting on Notice of 2026 AGM.

The Executive Director regularly meets with principal shareholders during the year to understand their concerns and views on governance and performance. The views of the shareholders are communicated to our Board to ensure that it is mindful of the shareholders' sentiment and issues arising at all times.

The annual report, interim report, and trading statements are intended to keep the shareholders informed as to the progress in the operational and financial performance of the Group. Our Company maintains a corporate website at <https://www.aepplantations.com/>.

This website has detailed information on various aspects of our Group's operations. It is updated regularly and includes latest Company announcements, information on our Company's share price, the price of crude palm oil, foreign currency movement of Indonesian Rupiah against US dollar and environmental, social and governance matters.

Our Company's results and other news releases issued via the London Stock Exchange's Regulatory News Service are published on the "Investors Information" and "News" sections of the website and together with other relevant information concerning our Company and the Industry, are available for downloading.

In conjunction with the introduction of our new name and logo, the website was recently upgraded. Shareholders and investors may continue to select and receive e-mail alerts on regulatory news to follow the development of our Company.

ENVIRONMENTAL AND CORPORATE RESPONSIBILITY

AEP continues to apply responsible plantation management practices across its operations in Indonesia and Malaysia.

Beyond maintaining certification and compliance with the ISPO and MSPO standards, our Board has resolved to pursue RSPO membership. The application remains subject to the organisation's review process. This strategic move aligns our operations with internationally recognised sustainability certification and reinforces our commitment to best environmental and social governance practices.

As part of routine governance and risk oversight, our Group monitors regulatory developments in the markets in which its products are traded. This includes observing developments relating to evolving supply chain and traceability requirements. Internal record-keeping and documentation processes are reviewed periodically as part of normal operational controls.

Further information on environmental and governance matters is set out in the Strategic Report and on our website.

MARCUS CHAN JAU CHWEN

Chairman, ESG & Corporate Governance Committee

30 April 2026

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee had five (5) meetings* in 2025, which were attended as follows:

Name of Directors	Attendance
Onn Kien Hoe (Chair) <i>(appointed 1 August 2025)</i>	2/2
Farah Suhanah Tun Ahmad Sarji	5/5
Michael Henry Stainer	5/5

* Prior to the restructuring of the Audit & Risk Management committee on 11 August 2025, four (4) meetings were held during the financial year. After the establishment of separate Audit Committee and the Risk Management Committee in the same year, one (1) meeting was held by the Audit Committee. For disclosure purposes, our Company has presented a total of five (5) Audit Committee meetings held during the financial year.

The current members possess relevant financial and professional experiences to discharge their duties with respect to the Audit Committee. In particular, the Chair of the Audit Committee, Onn Kien Hoe, by virtue of his extensive professional background in audit and accounting and corporate advisory oversight, as well as his experience serving on the boards of listed entities, possesses the recent and relevant financial experience required to lead the Committee effectively. His breadth of experience in financial reporting, risk oversight and governance matters enables him to provide strong leadership to the Committee and to support robust financial stewardship and internal control oversight. Further details of their qualifications and experience are provided in the Directors’ Profile section of this Annual Report.

In 2025, Kien Hoe attended several professional development programmes organised by recognised professional bodies including the Malaysian Institute of Accountants (“MIA”), the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Institute of Corporate Directors Malaysia (“ICDM”). The programmes covered areas relevant to the Audit Committee’s oversight responsibilities, including updates on Malaysian Financial Reporting Standards (MFRS), accounting for financial instruments under IFRS 9/MFRS 9, sustainability reporting under the

National Sustainability Reporting Framework and compliance with IFRS S1 and S2 standards. He also attended a programme on integrity and governance for directors, focusing on issues such as conflict of interest, related party transactions and corruption risk management. These programmes support the Committee’s role in overseeing financial reporting, regulatory compliance, risk management and governance matters.

Farah Suhanah attended a wide range of training programmes organised by professional bodies including Institute of Corporate Directors Malaysia, EY, PwC, KPMG and the Securities Commission Malaysia. The programmes focused on areas relevant to the Audit Committee’s oversight responsibilities, including anti-bribery and corruption frameworks, tax exposure for independent directors, sustainability reporting under the National Sustainability Reporting Framework, double materiality assessment. She also attended sessions on artificial intelligence in governance, and climate-related matters, supporting the Committee’s role in overseeing financial reporting, regulatory compliance and emerging governance risks.

Michael Henry Stainer provides valuable input to the Audit Committee, drawing on his experience in finance and corporate governance. His perspectives support the Committee in its oversight of financial reporting, internal controls and governance practices, as well as in facilitating informed decision-making. He continues to keep abreast of relevant developments through ongoing professional development.

PRINCIPLE ROLES OF THE AUDIT COMMITTEE

The Audit Committee is responsible for, amongst others:

- Monitoring the integrity of the financial statements of our Company and any formal announcements relating to the our Company’s financial performance, reviewing significant reporting judgements contained in them, assisting our Board’s oversight of our Group’s compliance with applicable legal and regulatory requirements in this respect;

AUDIT COMMITTEE REPORT (CONTINUED)

- Reviewing and discussing with our management, the external auditors, the internal auditors and other relevant parties, our Group's significant financial and compliance-related risk exposures and the adequacy and effectiveness of the internal control systems established to identify, monitor, manage and report such risks;
- Overseeing, monitoring and reviewing the effectiveness of internal audit, including, amongst others, its strategic focus, activities and plans, staff numbers and qualifications and budget;
- Making recommendations to our Board in relation to the appointment, reappointment and removal of the external auditor, their remuneration, and terms of engagement;
- Assessing annually the qualification, expertise and resources, and independence and objectivity of the external auditor and the effectiveness of the audit process;
- Reporting to our Board on how it has discharged its responsibilities; and
- Providing advice to our Board on the form and basis underlying the longer-term viability statement and going concern statement in the annual reports.

The Audit Committee maintains rigorous oversight of the external auditor's engagement for non-audit services, ensuring strict adherence to the independence and objectivity requirement set out in the Financial Reporting Council Ethical Standard 2024. While our Group retains ultimate responsibility to ensure compliance with service restrictions, the external auditor are also responsible for maintaining a comprehensive record of engagements and self-evaluated potential threats to their independence in consultation with the Audit Committee.

To safeguard the integrity of the audit process, our Board has resolved to limit non-audit engagements exclusively for the review of the interim financial report to ensure compliance prior to announcements. Following the Committee's assessment of the nature, scope and remuneration payable in respect of this service, the Committee is satisfied that the engagement does not impair the independence and objectivity of the auditor.

The Audit Committee discharges its duties through a combination of formal sessions and deliberative informal discussions between themselves, maintaining an open dialogue with the external auditor, the internal auditors and senior management of our Group. In addition to a minimum of two formal annual meetings, the Committee evaluates management reports to ensure the integrity of our Group's governance framework.

The Committee reviews operational reports from the executive managements in Indonesia and Malaysia, with a primary focus on the identification, evaluation and management of significant risks. This oversight ensures that significant weaknesses are promptly addressed and remedied. The Committee maintains a broad remit of strategic risks that includes among others, the continuous monitoring of commodity price and exchange rate movements. To support the Committee's decision making process, the Committee also seeks independent advise from external professionals and experts as and when required.

OVERVIEW

Throughout the financial year, the Committee reviewed and deliberated upon the 2024 Annual Report, 2025 Interim Results and Trading Statements for 2025. Furthermore, the Committee evaluated our Group's capital requirements and recommended the final dividend rate to our Board for approval. In preparation of the upcoming financial year, the Audit Committee also deliberated and set the budget targets for 2026 for our Board's endorsement.

The Internal Audit Manager presented a comprehensive Internal Audit plan for 2026 to 2028 which was approved by the Audit Committee. Detailed internal audit findings and reports were tabled and discussed with members of the Audit Committee in two (2) of the meetings. The Audit Committee has open and constructive dialogues, both formal and informal, with the senior management in Indonesia and Malaysia to ensure effectiveness of the internal audit process.

AUDIT COMMITTEE REPORT (CONTINUED)

Prior to the finalisation of the 2025 accounts, our Directors performed a thorough stress-test analysis as part of the going concern assessment. Our Directors have made this assessment after consideration of our Group's budgeted cash flow and related assumptions, including stress testing of identified uncertainties, as well as the impact of a 50% decrease in the demand for palm oil. Stress testing of other identified uncertainties and risks such as commodity prices was also undertaken. Following these simulations, our Directors have reasonable expectation that the cash flow projections indicate that our Group has adequate resources to continue operating as a going concern for the next five years.

No complaints were received via the whistleblower mechanism in 2025.

EXTERNAL AUDIT

MHA Audit Services LLP ("MHA") is our external auditor for the 2025 audit. The external audit was led by Simon Knibbs as Lead Engagement Partner, who had overall responsibility for the audit. He was supported by Dale Cadet as Second Audit Partner. For overseas components, the Indonesian operations were audited by Baker Tilly Indonesia led by Junaidi Yang (Partner) and the Malaysian operations were overseen by Baker Tilly Malaysia overseen by Ng Jou Yin (Partner), under the direction and coordination of the Lead Engagement Partner. The external audit was supported by specialists where required, including tax, ESG, IT, pension and valuation experts. MHA has a policy of rotation of the senior members of the engagement team on a gradual basis in order to safeguard its independence and at the same time also ensuring a certain level of continuity from year to year.

The Committee formally met with the external auditor once in 2025 to discuss the audit planning for 2025 financial year. The external auditor, during the audit planning meeting, highlighted to the Audit Committee their scope of audit and their assessment of areas of audit risks. The significant risks include:

- Risk of fraud in revenue recognition;
- Fraud due to management override of controls;
- Impairment of property, plant and equipment;
- Existence and valuation of Plasma receivables;
- Recoverability of income tax and other tax receivables; and
- Impairment of investment in subsidiaries.

Revenue recognition continues to be a key area of audit focus due to the presumed risk of fraud under International Standards on Auditing. As a listed company where profitability and revenue are key performance indicators, there is an inherent risk that revenue could be overstated through fictitious transactions or premature recognition of sales of CPO, PK or FFB. The auditor has therefore focused on the occurrence and cut-off of revenue to ensure that sales are recognised only when control of the product has transferred to the customer and within the correct financial period.

The risk of fraud due to management override of controls potentially driven by performance obligations linked to compensation or shareholders' expectations could be achieved by manipulating judgements and estimates or through the posting of inappropriate journals in accounting records.

Impairment of property, plant and equipment, including bearer plants accounted for under IAS 16, requires significant judgement in assessing whether impairment indicators exist and in determining the recoverable value of assets. This risk is heightened by potential climate-related physical risks, such as flooding and changing weather patterns, as well as transition risks arising from regulatory or policy changes affecting the palm oil industry.

The existence and valuation of Plasma receivables was identified as another significant risk. These balances arise from advances provided to cooperatives under the Group's Plasma programme to support plantation development and maintenance. The recoverability of these receivables depends on the financial performance of the cooperatives and therefore involves judgement, including the potential recognition of expected credit losses under IFRS 9.

AUDIT COMMITTEE REPORT (CONTINUED)

Our Group continues to hold significant tax receivables in its Indonesian subsidiaries, primarily from historical income tax prepayments. Under Indonesian regulations, companies must prepay taxes based on prior-year results. If actual results show an overpayment, a refund must be claimed, triggering a mandatory tax audit.

While both income tax and VAT refunds require audits, VAT refunds are generally faster and more straightforward. In contrast, income tax refunds often involve a lengthy and complex arbitration process that can take several years with uncertain outcomes.

The Committee carries out an assessment of the effectiveness of the external audit process annually. The assessment this year was led by the Chairman of the Audit Committee, assisted by the Chairman, Executive Director, our Group Chief Executive Officer, Chief Corporate Planning & ESG Officer, and our Group Finance Manager, focused on certain criteria which the Committee considered to be important factors in demonstrating an effective audit process. These factors included the quality of audit staff, the planning and execution of the audit according to agreed plans and timeline, provision of sound challenge on technical issues, and degree of independence and professionalism displayed during the audit for 2025. The Committee also reviewed the tenure of the external auditor and the extent of non-audit services that could potentially affect auditor independence. The fees paid for audit services are disclosed in Note 5 to the Consolidated Financial Statements. For the financial year ended 2025, MHA did not provide any non-audit services to our Group. The Committee considered the key members of the audit engagement team and component auditors involved in our Group Audit. This includes the Lead Engagement Partner and the Second Audit Partner from MHA and the Partners from Baker Tilly Indonesia and Malaysia.

Following this assessment, the Committee concluded that the external audit process was effective, and that the objectivity of the external auditor was not impaired and that it provides an appropriate independent challenge of the senior management of the Group.

INTERNAL CONTROL

Our Company has been following the UK Code provisions on internal control. Our Board has overall responsibility for our Group's internal control systems and risk management and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee reviews and monitors specific risks and internal control procedures and reports to our Board where appropriate. Executive staff and Directors are responsible for implementation of control procedures and for identifying and managing business risks.

Our Group accounts and the consolidation process are reviewed by our Group CEO and the Executive Director.

Our Group has in-house internal auditors who visit operating sites in Indonesia regularly based on an approved Internal Audit Plan and provide summarised internal audit reports to the Audit Committee on a regular basis. The Internal Audit team also conducts special audits throughout the year as and when required by management. The Internal Audit team provides objective assurance as to the effectiveness of our Group's systems of internal control and risk management of our Group's operating management to the Committee. Follow-up audits and discussions are also held to ensure remedial actions are taken promptly. The internal audit review is a continuous and sequential process and in any one year does not necessarily cover all risks which are significant to our Group. The process aims to provide reasonable assurance against material misstatement or loss but cannot eliminate the risk of loss.

ONN KIEN HOE

Chairman, Audit Committee

30 April 2026

RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

The Risk Management Committee had five (5) meetings* in 2025, which were attended as follows:

Name of Directors	Attendance
Michael Henry Stainer (Chair)	5/5
Onn Kien Hoe (appointed 1 August 2025)	2/2
Marcus Chan Jau Chwen ⁽¹⁾	1/1
Farah Suhanah Tun Ahmad Sarji ⁽²⁾	4/4

* Prior to the restructuring of the Audit & Risk Management committee on 11 August 2025, four (4) meetings were held during the financial year. After the establishment of separate Audit Committee and the Risk Management Committee in the same year, one (1) meeting was held by the Risk Management Committee. For disclosure purposes, our Company has presented a total of five (5) Risk Management Committee meetings held during the financial year.

⁽¹⁾ Marcus Chan was appointed as a member of the Risk Management Committee after the restructuring of our Company's board committees. Attendance is recorded for all meetings held during his period of eligibility

⁽²⁾ Farah Suhanah served as a member of the Risk Management Committee until the restructuring of our Company's board committees. Attendance is recorded for all meetings held during her period of eligibility.

The current members possess relevant financial and professional experiences to discharge their duties with respect to the Risk Management Committee. In particular, the Chair of the Risk Management Committee, Michael Henry Stainer, has extensive expertise in finance, treasury, and corporate governance across various industries to discharge his duty as Chairman of the Risk Management Committee. Further details of their qualifications and experience are provided in the Directors' Profile section of this Annual Report.

PRINCIPLE ROLES OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for, amongst others:

- Reviewing and discussing with the management, the external auditors, the internal auditors and other relevant parties, our Group's significant strategic, operational, technological and other non-financial risk exposures, and the adequacy and effectiveness of the internal control system established to identify, monitor, manage and report such risks;
- Consulting and exchanging views with the Audit Committee in order to assess the scope, efficiency and effectiveness of the risk management policies and strategies;
- Reporting to our Board its conclusions with respect to the matters that the Committee has considered;
- Evaluating the effectiveness of our Group's risk management structure, risk management processes and support system to identify, assess, monitor and manage our Group's key risks; and
- Ensuring adequate infrastructure, resources and systems are in place for risk management and that the risk management processes for the identification, measurement and analysis reporting and mitigation of risks are in place within our Group and are operating in an efficient and effective manner.

OVERVIEW

Throughout the financial year, the Committee continued to oversee the effectiveness of our Group's enterprise risk management framework and internal control environment. The Committee reviewed the principal risks faced by our Group, assessed emerging risk developments and monitored the adequacy of mitigation measures implemented by management.

The Committee updated the risks register chart annually and deliberated on the probability of various material risks from occurring and the resulting financial impact should the risks materialise. The Committee concluded that produce prices continued to be the biggest risks

RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

with high probability of occurring and with high financial impact. With our Group substantial cash holding in Indonesian Rupiah, the risks of currency exchange rates movement are high with medium financial impact. The country, regulatory and governance practices, environmental and conservation practice, weather and natural disasters, and other climate and nature risks have medium likelihood of happening with medium financial impacts. Information technology security risks have medium likelihood of happening with low financial impacts. All other risks are generally low in financial impact.

The Committee enhanced the risk assessment methodology by upgrading the HIRARC (Hazard Identification, Risk Assessment and Risk Control) matrix from its previous format to a 5x5 matrix, improving differentiation of risk levels and strengthening escalation thresholds across operational sites. The revised framework applies a clearer likelihood scale (almost certain to rare) and severity scale (catastrophic to insignificant), thereby improving consistency and transparency in risk scoring.

ESG AND CLIMATE RISK ENHANCEMENTS

During the year, significant progress was made in strengthening the ESG components of the operational risk register. Enhancements in progress include:

- Strengthened traceability and deforestation-free sourcing measures supported by satellite monitoring systems;
- Expanded High Conservation Value (HCV) and High Carbon Stock (HCS) protection measures;
- Quantification and verification of Scopes 1, 2 & 3 greenhouse gas emissions, alongside biogas and renewable energy initiatives;
- Alignment with international sustainability standards and certifications (including ISCC, ISO 14001, RSPO, ISPO and PROPER);
- Enhanced human rights due diligence, smallholder engagement and fair labour practices; and
- Implementation of ESG scorecards and benchmarking tools to improve transparency and disclosure alignment with recognised frameworks.

The Committee also oversaw ongoing engagement with external advisor in relation to the identification and integration of additional climate and nature related risks into the risk register, ensuring that forward-looking physical and transition risks are appropriately assessed and monitored.

These initiatives represent a shift from compliance-based ESG monitoring toward a more proactive, standards-aligned and enterprise-integrated risk management model.

PRINCIPAL RISK ASSESSMENT

Following its review, the Committee concluded the following risk assessments for the financial year:

- Operational and compliance-related risks, particularly equipment breakdown due to poor maintenance and environmental compliance violations, remain the most significant risks to the Group, assessed as having a possible likelihood of occurrence and major consequence on AEP.
- Financial risks, including those relating to securing competitive CPO pricing, were assessed as having a possible likelihood of occurrence with moderate consequence on AEP.
- Data security and privacy risks were assessed as having a possible likelihood of occurrence with moderate consequence on AEP, reflecting potential operational, regulatory and reputational implications.
- Environmental, climate and nature-related risks, including fire hazards, prolonged dry periods, extreme rainfall and natural disasters, were assessed across a range of risk levels, generally within rare to unlikely likelihood and moderate to major consequence on AEP, depending on the nature of the risk.
- Foreign currency risk, particularly arising from exposure to foreign exchange movements, was assessed as having an unlikely likelihood of occurrence with moderate consequence on AEP.
- Country, regulatory, governance and people-related risks, including regulatory changes, labour matters and employee-related issues, were assessed as having rare to unlikely likelihood with minor to moderate consequence on AEP.

RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

- All other identified risks were assessed as low to moderate in consequence on AEP and continue to be monitored through established internal controls and reporting mechanisms.
- Development of a consolidated ESG-integrated enterprise risk register to provide a unified view of strategic, operational and sustainability risks.

FORWARD-LOOKING FOCUS

In preparation for the 2026 financial year, the Committee reviewed forward-looking risk priorities and recommended:

- Integration of principal risks disclosed in the Annual Report into the operational risk register;
- Introduction of explicit short-, medium- and long-term time horizons for principal risks; and

The Committee is satisfied that the Group’s risk management framework remains appropriate to the scale, complexity and geographic footprint of its operations. The Committee will continue to monitor emerging risks and evolving regulatory expectations to ensure the Group’s resilience and long-term sustainability.

MICHAEL HENRY STAINER
 Chairman, Risk Management Committee
 30 April 2026



DIRECTORS' REMUNERATION REPORT

OVERVIEW

I am pleased to report on the activities of the Remuneration Committee for the year ended 31 December 2025. This report sets out the remuneration policy and remuneration details for the Executive and Non-Executive Directors of our Group. It has been prepared in accordance with Schedule 8 of Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008.

The Companies Act 2006 requires the auditor to report to the shareholders on certain parts of the Directors' Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that are subject to audit are indicated in that report. The report by the Chairman of the Remuneration Committee and the Directors' Remuneration Policy are not subject to audit.

ACTIVITIES

During the year the Remuneration Committee reviewed the annual increment and bonus entitlement of senior management in Indonesia. In considering the bonus for 2025, the Committee took into account the achievement of the key performance criteria related to crop productions, purchases of third-party/external crops, rate of new planting, oil extraction rates, and implementation of cost reduction measures. To remain competitive, we also undertook benchmark comparisons with other plantation companies in respect of bonus payment for the year. A remuneration package that aligns with long-term shareholder value will be recommended, incorporating performance-based incentives to reinforce sustainable growth.

As part of our Board's succession planning, the Committee actively sought appropriately qualified candidates through its network, ensuring that potential appointees not only possess the requisite skills and experience but also have the capacity and commitment to contribute meaningfully to our Board and management. Following this process, Onn Kien Hoe was appointed to our Board with effect from 1 August 2025.

Our Board and the Committee are also aware of the need to comply with Provision 11 of the UK Code, where at least half the Board, excluding the Chair, should be Non-Executive Directors whom our Board considers to be independent. In respect of related party transactions, all directors, and senior managers were required to declare their interests as measures to avoid or manage conflicts of interest.

The Committee also deliberated on the 2025 Remuneration Report and recommended its acceptance to our Board.

AEP considers its employees as important stakeholders for our Group's long-term sustainable success. As part of the engagement of its workforce, the Chairman of the Remuneration Committee, a Senior Independent Non-Executive Director, conducted an online meeting with employees' representatives and heads of employees' cooperatives in Indonesia to discuss and obtain feedback on issues relating to their safety and welfare, working conditions, remuneration and suggestions to improve productivity.

At the engagement meeting, workers were generally positive and expressed appreciation for the continued upgrading and renovation of old housing quarters, including the construction of improved proper drainage and sanitation facilities to improve living conditions and safety. In certain remote areas, clinics staffed with medical doctors are provided to ensure access to immediate medical support.

The Chairman of the Remuneration Committee, after discussions with management, assured the workforce that additional equipment and budget would be allocated in the coming year to progressively improve the supply of clean water. For villages located at higher elevations, clean water will continue to be delivered by tankers during the dry season until permanent solutions are fully implemented.

In light of the rising cost of living, representatives requested higher bonuses and salary increments, including enhanced benefits to support higher education. There were also requests for the provision of schooling beyond the elementary

DIRECTORS' REMUNERATION REPORT (CONTINUED)

level, such as First High School and Secondary High School. Management noted that, while most estates currently provide education up to the elementary level, school bus transportation is already in place. The feasibility of expanding access to higher-level education will be further assessed, taking into consideration factors such as student numbers and proximity to existing schools. Management will review all requests in line with operational performance and financial considerations.

Employees also acknowledged the significant progress made in connecting houses to the State Electricity Company and expressed support for the eventual replacement of in-house generators in remote estates with stable grid electricity.

To foster camaraderie, teamwork and overall wellbeing, employees proposed organising sports tournaments among estates and mills within the Group. The Chairman of the Remuneration Committee suggested that such initiatives could begin between geographically proximate estates. There was also a request to upgrade a clinic to provide a wider range of medical services, which management will assess as part of its broader infrastructure enhancement programme.

During the year, our Group approved an Infrastructure Development Plan for PT KAP, which is intended to be fully operational by 2027 in alignment with the commissioning of the first palm oil mill in KAP. The plan is aimed at transforming PT KAP into a fully operational and self-sufficient plantation estate in preparation for the commencement of mill operations in 2027.

PT KAP, established in 2011, has grown to nearly 8,000 hectares of planted palms including Plasma scheme but continues to operate with relatively minimal infrastructure. The absence of adequate housing, internal roads, drainage systems and reliable utilities has affected productivity, operational efficiency and workforce stability. With the estate's first palm oil mill scheduled to begin operations in 2027, upgrading infrastructure has become a critical priority to ensure seamless integration between estate and mill operations.

The Infrastructure Development Plan includes the phased construction and upgrading of staff housing, improvement of estate road networks and bridges to facilitate FFB evacuation, enhancement of drainage and sanitation systems, expansion of clean water supply facilities, and progressive electrification of housing and operational facilities. These initiatives are designed not only to support efficient mill operations but also to improve living conditions, strengthen employee retention and promote long-term sustainability within the estate.

The management remains committed to ensuring that appropriate technical training is provided to staff for the operation and maintenance of new equipment and technology introduced, particularly in preparation for the commencement of mill operations in KAP in 2027, to support safe, efficient and sustainable operations.

COMPOSITION

The Remuneration Committee had two (2) meetings in 2025, which were attended as follows:

Name of Directors	Attendance
Farah Suhanah Tun Ahmad Sarji (Chair)	2/2
Michael Henry Stainer	2/2
Onn Kien Hoe (appointed 1 August 2025)	N/A*

*No committee meetings were held between 1 August 2025 and the end of the financial year 2025.

DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy was last approved by shareholders at the 2023 AGM held on 16 June 2023 and has applied from 2023 onwards ("2023 Policy"). Accordingly, a revised Directors' Remuneration Policy ("2026 Policy") will be presented for shareholder approval at the AGM to be held on 15 June 2026. Subject to shareholder approval, the 2026 Policy set out on pages 123 to 130 (inclusive) will apply for three (3) years from the conclusion of the 2026 AGM, although we may seek shareholders' approval

DIRECTORS' REMUNERATION REPORT (CONTINUED)

for a new policy during the period depending on regulatory developments, changes to our strategy or competitive pressures.

In developing the 2026 Policy, the Committee undertook a comprehensive review of the 2023 Policy to assess whether it remains appropriate in light of:

- The size, scale and complexity of the Group's operations;
- Investor feedback and shareholder engagement;
- Evolving market practice and governance expectations; and
- Competitive positioning relative to FTSE 250 and relevant international peers.

Input was received from our Group Chairman and senior management, with appropriate safeguards in place to mitigate conflicts of interest. In exercising its discretion, the Committee has applied independent judgement, ensured that no Director was involved in determining his or her own remuneration, and considered workforce pay and related policies across our Group.

The Committee concluded that overall remuneration opportunity for Directors had, over time, fallen below the level considered appropriate for the calibre of the Board and the Company's competitive positioning. This assessment was informed by benchmarking against comparable organisations of similar scale, geographic footprint and with whom we compete for talent.

The Committee also noted that the 2023 Policy and its implementation have received strong shareholder support. This was reaffirmed during engagement with shareholders during the 2025 AGM. Having considered shareholder feedback and current market positioning, the Committee has determined to put forward the 2026 Policy for shareholders' approval at the 2026 AGM.

SUMMARY OF KEY CHANGES FROM THE 2023 POLICY

The 2026 Policy introduces a number of material changes compared to the 2023 Policy. These changes reflect the Committee's review of market positioning, investor feedback and the Company's strategic development.

The principal changes are:

- Introduction of an annual performance-based bonus opportunity of up to 100% of base salary for the Executive Director. Under the 2023 Policy, Directors received fixed remuneration only and no variable pay applied.
- Removal of the previous fixed salary cap of £150,000 for the Executive Director and replacement with a market-based positioning framework, targeting remuneration within the second or third quartile of FTSE 250 companies.
- Formal benchmarking of Non-Executive Director fees against FTSE 250 comparators to ensure competitive positioning.
- Introduction of additional fees for Senior Independent Director and committee responsibilities, reflecting the time commitment and responsibilities associated with these roles.
- Proposal to increase the aggregate annual limit for Non-Executive Director fees, subject to shareholder approval at the 2026 AGM, to provide appropriate flexibility in light of the Company's size, complexity and FTSE 250 market positioning.
- Implementation of formal malus and clawback provisions in respect of variable remuneration, in line with the UK Corporate Governance Code.

The Committee considers that these changes enhance alignment between remuneration and performance, strengthen governance safeguards, and ensure the Company remains competitive in attracting and retaining high-calibre Directors, while remaining proportionate and aligned with the Company's long-term strategy.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

For reference, at the 2023 AGM, shareholders voted as follows:

	Shares for	Shares Against	% Shares for	% Shares Against
To approve Remuneration policy	30,820,328	649,054	97.9%	2.1%

The Directors' Remuneration Report was approved at the 2025 AGM as follows:

	Shares for	Shares Against	% Shares for	% Shares Against
To approve Directors' Remuneration Report	22,861,027	12,084	99.9%	0.1%

Our Company pays due attention to voting outcomes. Where a significant proportion of votes are cast against any remuneration-related resolution, our Company will engage with shareholders to understand concerns and disclose actions taken in the subsequent remuneration report, in line with the UK Code.

The Committee, comprising Independent Non-Executive Directors, is responsible for:

- Determining the remuneration of the Executive Director and CEO (if separate);
- Setting the fee structure for the Chairman and Non-Executive Directors within the limits of the Articles of Association;
- Overseeing alignment between executive remuneration and Company strategy, performance and culture; and
- Reviewing workforce remuneration and conditions when setting executive pay.

No Director participates in discussions relating to his or her own remuneration.

The table below summarises the key components of the 2026 Policy in respect of the remuneration package for directors. In determining and implementing such policy, our Company seeks to ensure that arrangements are clear and transparent, straightforward, predictable as regards the range of any discretionary awards, and proportionate in terms of targets and values in the context of our Company's business and strategy.

Type	Purpose	Operation	Maximum Opportunity	Performance Metrics
Executive Director				
Base salary	To provide competitive fixed remuneration reflecting role, experience and responsibilities.	Reviewed annually by the Committee. Salary increases will normally be in line with those awarded to the wider workforce but may be higher where justified by role expansion, sustained performance, market positioning or increased responsibilities.	Within the second or third quartile remuneration range for FTSE 250 companies	N/A

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Type	Purpose	Operation	Maximum Opportunity	Performance Metrics
Annual bonus	To incentivise delivery of annual financial, operational, strategic and objectives aligned with long-term value creation and shareholder returns.	<p>Annual review of performance measured against prior year progress in corporate development, both commercial and financial, long-term value creation and shareholder returns.</p> <p>Bonus awards are subject to malus and clawback provisions in defined circumstances including material misstatement, misconduct or serious reputational damage.⁽¹⁾</p>	Up to 100% of base salary per annum.	A range of objectives reflecting key priorities for the year. The weighting of these objectives will be determined annually at the Committee's discretion, taking into account the most significant factors influencing performance during the year.

Non-Executive Directors

Fees	To reflect Board leadership responsibilities and time commitment and to attract individuals with appropriate experience and independence.	<p>Determined by the Board within the limits set by the Articles of Association and by reference to comparable FTSE 250 companies and to the time commitment expected.</p> <p>No Director takes part in determining his or her own remuneration.</p>	<p>The aggregate annual limit for Non-Executive Directors' fees is set out in the Company's Articles of Association.⁽²⁾</p> <p>In setting individual fee levels, the Board will have regard to market positioning relative to FTSE 250 companies, generally aiming to position fees within a competitive range that is typically around the second or third quartile remuneration range, while ensuring overall proportionality and alignment with the Company's circumstances.</p>	N/A
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DIRECTORS' REMUNERATION REPORT (CONTINUED)

Type	Purpose	Operation	Maximum Opportunity	Performance Metrics
Additional fee for Committee Chair and Committee membership	To reflect the additional time commitment, preparation and responsibilities associated with serving as Chair or member of one or more a Board Committee.	<p>An additional fee will be in payable for each Board Committee role held, whether as Chair or as a member.</p> <p>Where a Non-Executive Director serves on more than one Board Committee, a separate fee will be payable for each committee role held. Accordingly, a Director who serves as Chair of one or more committees and/or as a member of one or more committees will receive the applicable fee for each such role.</p> <p>The fee will be determined by the Board (excluding the individual concerned), having regard to the additional time commitment and responsibilities of the role and by reference to comparable FTSE 250 companies.</p>	A fixed annual fee per Committee Chair role and/ or per Committee membership, set within the overall aggregate fee limit approved by shareholders.	N/A

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Type	Purpose	Operation	Maximum Opportunity	Performance Metrics
Senior independent director fee	To recognise the additional responsibilities and time commitment associated with the role of Senior Independent Director, including acting as a sounding board for the Chair, serving as an intermediary for other directors and shareholders where appropriate, and providing additional governance oversight.	<p>An additional flat annual fee will be paid to the Senior Independent Director.</p> <p>The fee will be determined by the Board (excluding the individual concerned), having regard to the additional time commitment and responsibilities of the role and by reference to comparable FTSE 250 companies.</p>	A fixed annual fee, set within the overall aggregate fee limit approved by shareholders.	N/A

Notes:

⁽¹⁾ In accordance with Provision 38 of the UK Code, our Company maintains malus and clawback arrangements in respect of variable remuneration of the Executive Director and may be operated within a reasonable period following the relevant award/payment, having regard to the circumstances and applicable law. The Committee, acting at its discretion, may:

- a. reduce any variable components of remuneration in respect of the current or future years (malus); and/or
- b. recover any variable components of remuneration already paid or vested (clawback);

in any of the following circumstances:

- a. a material misstatement of the Company's audited results for the current or prior financial years caused by the Executive Director's negligent or wilful actions;
- b. a material financial loss for the Company caused by the Executive Director's negligent or wilful actions;
- c. the discovery that the assessment of performance measures was based on misleading or inaccurate information; or
- d. fraud or gross misconduct, or any circumstances that, in the opinion of the Remuneration Committee, would justify summary dismissal.

The Committee retains full discretion to determine whether and how these provisions should be applied, including the quantum to be reduced or recovered and the method of implementation. The Committee also reserves the right to amend the scope and operation of these provisions from time to time, as it considers appropriate and in line with evolving market practice and governance expectations.

No malus or clawback was applied during the year ended 31 December 2025.

⁽²⁾ A resolution is being proposed at the 2026 AGM to increase this aggregate limit to provide the Company with appropriate flexibility in light of its size, complexity and market positioning. Subject to shareholder approval of that resolution, the aggregate fees payable to Non-Executive Directors will not exceed the limit approved by shareholders from time to time.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Non-Executive Directors receive fixed fees only and do not participate in bonus arrangements, long-term incentive plans, share option schemes or pension arrangements of our Company.

APPROACH TO RECRUITMENT REMUNERATION

In setting the remuneration package for a newly appointed director, the Committee will apply the policy set out above.

Base salary and any variable remuneration, where applicable, will be set at levels appropriate to the role, responsibilities and experience of the director being appointed and, together with any benefits included in the remuneration package, will take into account the geographical location in which the executive is to be based. Any variable remuneration offered on appointment will be determined by reference to the individual's experience, market positioning, the scope of the role and our Company's prevailing remuneration framework, while remaining within the limits of the approved Directors' Remuneration Policy.

SENIOR MANAGEMENT

The Committee makes recommendations on senior management pay and conditions, after consultation with the Chairman. The following is a summary of the key components of remuneration packages of senior management:

Base salary

Base salaries of senior management are reviewed on an annual basis by the Committee or when there is a change in the individual's responsibilities. Our Group does not seek the advice of an external consultant in determining the salaries of senior management and Directors.

Bonus

Our Group operates performance-based bonus schemes for senior executives and managers of operating units. Awards are determined by weighted performance criteria including crop production, external crop purchases, expansion of planted area, operational efficiency and overall profitability.

The operating units in Indonesia and Malaysia have in place a variable compensation policy which over the recent years rewarded senior executives and employees with bonuses based on the individual's and operating units' performance.

Share Options

Our Company's previous share option schemes have expired. No outstanding options remain vested or unvested.

Pensions

Operating units in Indonesia participate in mandatory pension schemes for their local executives and management. There is no company-sponsored scheme for senior executives outside of Indonesia. The Committee is still evaluating an appropriate gratuity scheme, based on length of service, for senior management and executives who are not covered by the group-sponsored scheme.

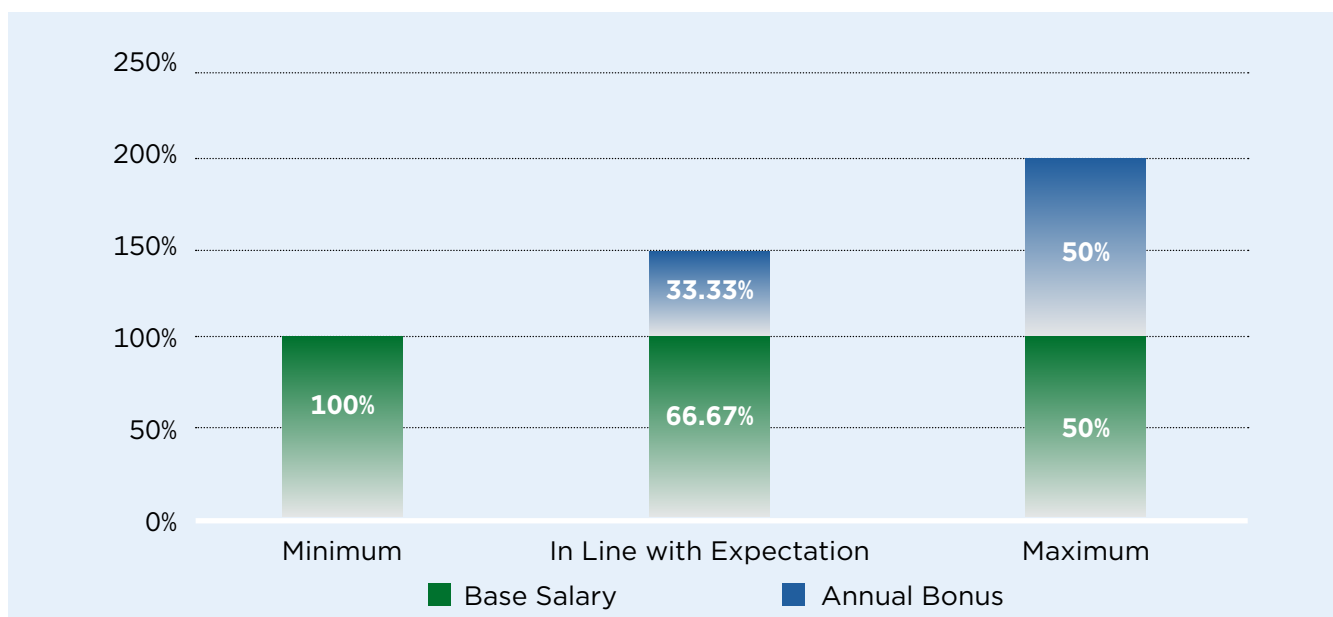
No employees or shareholders are specifically consulted on the remuneration policy of our Company. If a significant shareholder expresses a particular concern regarding any aspect of the policy, the views expressed would be carefully weighed and addressed accordingly. In 2025, no formal concerns or objections were raised regarding the Directors' Remuneration Policy. However, AEP remains open to ongoing dialogue with shareholders to ensure alignment with best practices and corporate governance standards.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

ILLUSTRATION OF APPLICATION OF REMUNERATION POLICY

The chart below shows the potential remuneration receivable by the Executive Director under the 2026 Policy under three (3) performance scenarios: minimum, in line with expectations and maximum. The figures reflected in the chart above have been calculated based on the 2026 Policy.

The Executive Director does not participate in a Company-sponsored pension scheme. No pension contribution is payable and no long-term incentive of the Company applies.



PAYMENT FOR LOSS OF OFFICE

It is not company policy to include provisions in directors' service contracts for compensation for early termination beyond providing for an entitlement to a payment in lieu of notice if due notice is not given. Our Board will also have the discretion to make retirement gratuity to any directors who has retired from the office subject to compliance with applicable laws and regulations.

SERVICE CONTRACTS

All Directors have formal appointment letters with our Company. The Executive and Non-Executives Directors are appointed normally on a one to two-year term, subject to annual re-election by shareholders, with notice periods of one to three months. The service contracts are kept at the registered office of our Company and may be inspected by shareholders on request. Notice periods for all other senior management are generally three months. It is not our Company policy to include provisions in Directors' service contracts, compensation for early termination

beyond providing for an entitlement to payment in lieu of notice if due notice is not given.

The unexpired terms of the retiring Directors are (subject to the annual re-election by the shareholders on the next AGM):

Jonathan Law Ngee Song	Expiry 23 June 2027
Marcus Chan Jau Chwen	Expiry 23 June 2027
Farah Suhanah Tun Ahmad Sarji	Expiry 23 June 2027
Michael Henry Stainer	Expiry 23 June 2027
Onn Kien Hoe	Expiry 1 August 2027

The unexpired term of Group CEO is:

Kevin Wong Tack Wee	Expiry 8 January 2027 (three-month notice)
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DIRECTORS' REMUNERATION REPORT (CONTINUED)

ANNUAL REPORT ON REMUNERATION

No variable remuneration was paid to our Directors in 2025. Variable remuneration was paid to our Group CEO, who is not a statutory director, and is disclosed below in accordance with the Regulations. As such, the disclosures relating to the potential impact of a 50% increase in share price on share-based compensation are not applicable as directors did not receive such compensation.

Directors' Remuneration

The following part provides details of the remuneration of all the Directors for the year ended 31 December 2025.

The remuneration of all Directors who served during the year was as follows:

Single total figure of directors' remuneration (audited) \$000							
Name	2025						2024
	Fees/ Salary	Other benefits	Pension	Total Fixed Remuneration	Total Variable Remuneration	Total	Total Remuneration
Executive Directors:							
Marcus Chan Jau Chwen ⁽¹⁾	174	-	-	174	-	174	94
Dato' John Lim Ewe Chuan ⁽²⁾	-	-	-	-	-	-	153
Group CEO:							
Kevin Wong Tack Wee ⁽³⁾	242	-	13	255	110	365	62
Non-Executive Directors:							
Lim Tian Huat ⁽⁴⁾	-	-	-	-	-	-	20
Jonathan Law Ngee Song	66	-	-	66	-	66	55
Farah Suhanah Tun Ahmad Sarji	44	-	-	44	-	44	35
Michael Henry Stainer	43	-	-	43	-	43	25
Onn Kien Hoe ⁽⁵⁾	18	-	-	18	-	18	-
Total	587	-	13	600	110	710	444

Other than as disclosed, Directors' remuneration consists solely of directors' fees/salary with no additional benefits, pensions, bonuses or share option expenses. AEP did not provide any variable remuneration or benefits to statutory Directors in 2025. There were no (i) payments made to past directors and (ii) payments made to directors as compensation for loss of office in 2025 (2024: \$nil).

Notes:

- ⁽¹⁾ Appointed as a Non-Independent Non-Executive Director of our Group on 10 August 2022, and was appointed as Executive Director of Corporate Affairs effective from 1 October 2024. Other benefits includes \$20,000 in 2024 to support his MBA pursuit, reflecting the company's commitment to leadership development.
- ⁽²⁾ Appointed as Senior Independent Non-Executive Director on 26 April 2008, redesignated as Executive Director on 1 September 2010, and resigned on 31 December 2024.
- ⁽³⁾ Kevin Wong continued to be paid on the same basis per his contract prior to his appointment as CEO during 2024. Amounts reported are prorated to reflect his compensation for the period from his appointment as Group CEO on 1 October 2024 to 31 December 2024.
- ⁽⁴⁾ Appointed on 8 May 2015 and resigned at AGM on 24 June 2024.
- ⁽⁵⁾ Appointed on 1 August 2025.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Chief Executive's Remuneration Over 10 Years

Kevin Wong Tack Wee (Group CEO)⁽¹⁾

Year ended 31 December	Salary (\$000)	Benefit (\$000)	Pension (\$000)	Bonus (\$000)	Total (\$000)
2025	242	-	13	110	365
2024	43	-	2	17	62

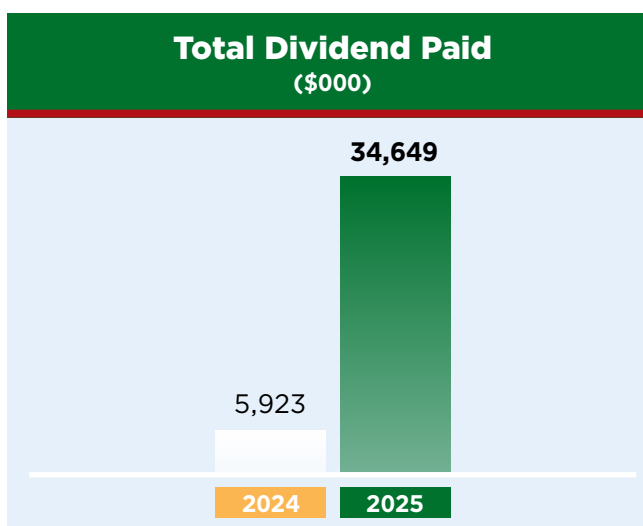
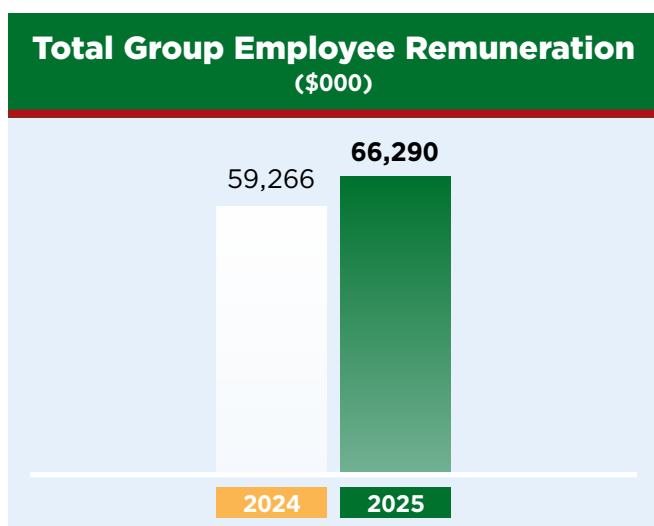
Dato' John Lim Ewe Chuan⁽²⁾

Year ended 31 December	Total (\$000)
2024	153
2023	148
2022	93
2021	87
2020	103
2019	116
2018	123
2017	113
2016	127

Notes:

- ⁽¹⁾ Kevin Wong is not registered as a statutory director at Companies House, but is appointed as a Group CEO. As required by Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports Regulations) 2008 Schedule Clause 8, this table shows his remuneration after this appointment as Group CEO.
- ⁽²⁾ Dato' John Lim's basic salary was revised to £120,000 per annum with effect from 1 January 2023. From September 2022 to 31 December 2022, his salary was £90,000 per annum. Between September 2020 to August 2022, it was £63,000 per annum. Prior to this, his salary from 2015 to 2019 was £90,000 per annum. The fluctuations during this period were the result of exchange translations. Dato' John does not receive any bonus. Dato' John resigned from his role as director of AEP effective 31 December 2024.

Relative Importance of Spend on Pay



DIRECTORS' REMUNERATION REPORT (CONTINUED)

Directors' Interests (Audited)

The interests of our Directors together with those of their immediate families in the securities of our Company as shown below:

Directors' beneficial interests at 31 December:	2025	2024
	Ordinary shares	Ordinary shares
Marcus Chan Jau Chwen	3,000	-
Jonathan Law Ngee Song	-	-
Farah Suhanah Tun Ahmad Sarji	-	-
Michael Henry Stainer	-	-
Onn Kien Hoe	-	-
Kevin Wong Tack Wee (Group CEO)	-	-

The ultimate beneficial shareholders of Genton International Limited are vested in the estates of the late Madam Lim with the application for probate in progress.

There has been no change in the interests of our directors in the securities of our Company between 31 December 2025 and the date of this report. Other than Marcus Chan, none of our Directors had any interest in the securities of our Company between the date of their appointments and the date of this report. There is no requirement for Directors to hold shares in our Company. Other than as set out in notes to the consolidated financial statements, no Director had a material interest in any contract of our Company subsisting during, or at the end of the financial year. No Directors had any share options in our Company in the current or prior year.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Percentage Annual Change In Directors' Remuneration And For Employees (Not Subject To Audit)

AEP (as a holding company) has no employees other than its Directors; our Group employs staff in its operating subsidiaries.

The table below shows the annual change in our Directors' pay compared with our Group's average pay for an employee for 2021 to 2025. Our Directors' total remuneration for 2024 and 2025 are disclosed in pages 131-132 of the Annual Report.

Annual changes in pay for directors compared with the Group's average employees	2024/2025			2023/2024			2022/2023			2021/2022			2020/2021		
	Base Salary/ Fees	Benefits	Bonus	Base Salary/ Fees	Benefits	Bonus	Base Salary/ Fees	Benefits	Bonus	Base Salary/ Fees	Benefits	Bonus	Base Salary/ Fees	Benefits	Bonus
Executive Director															
Marcus Chan Jau Chwen	+135%	-	-	57%	-	-									
Kevin Wong Tack Wee	+41	+63%	+62%	2024 is first year of appointment											
Dato' John Lim Ewe Chuan				+59%	-	-	+7%	-	-	-	-	-	-16%	-	-
Non-Executive Directors															
Jonathan Law Ngee Song	+20%	-	-	+71%	-	-	+48%	-	-	-	-	-	-	-	-
Farah Suhanah Tun Ahmad Sarji	+26%	-	-	+450%	-	-	-	-	-	-	-	-	-	-	-
Michael Henry Stainer	+72%	-	-	-	-	-									
Onn Kien Hoe	2025 is first year of appointment														
Lim Tian Huat				+74%	-	-	+10%	-	-	-	-	-	-	-	-
Marcus Chan Jau Chwen				+327%	-	-	-	-	-	-	-	-	-	-	-
AEP Average Employees	+10%	+18%	+17%	-5%	-26%	-15%	+1%	+16%	+15%	+6%	+55%	+36%	+12%	-5%	+32%

Notes:

- Directors' fees may be paid in \$ and other currencies. Amounts are converted into \$ based on the average exchange rates for the year.
- Marcus Chan Jau Chwen's compensation was adjusted to commensurate his transition from a Non-Executive Director to Executive Director (Corporate Affairs) effective 1 October 2024. * He received \$20,000 benefits in 2024 and no benefit in 2025.
- Lim Tian Huat and Dato' John Lim resigned in 2024 and are therefore removed from the 2024/2023 comparison.
- Kevin Wong Tack Wee was appointed as Group Chief Executive Officer, effective 1 October 2024. The 2024 remuneration has been annualised for full year comparison.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

SHARE PRICE PERFORMANCE GRAPH



The performance graph illustrates our Company’s share price trajectory relative to the FTSE 100 index from January 2016 to March 2026, providing insight into market volatility and trends over the past decade. Using January 2016 as the base, AEP’s share price has consistently matched or exceeded the FTSE 100 index. The FTSE 100 index was chosen for comparison due to the absence of an index specific to our business.

As of 31 March 2026, AEP’s share price closed at £16.95, reflecting a price-to-earnings ratio of 9.9 times. This valuation appears more aligned with AEP’s current valuation and industry benchmarks given AEP’s solid business fundamentals, intrinsic value, earnings, and prospects.

It is important to note that the Remuneration Committee bases senior management compensation on operational performance rather than share price movements.

FARAH SUHANAH TUN AHMAD SARJI
 Chairman, Remuneration Committee
 30 April 2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEP PLANTATIONS PLC



For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of AEP Plantations plc. For the purposes of the table on pages 139 to 143 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of AEP Plantations plc and its subsidiaries (the “Group”). The “Parent Company” is defined as AEP Plantations plc, as an individual entity. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

Opinion

We have audited the financial statements of AEP Plantations plc for the year ended 31 December 2025. The financial statements that we have audited comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the Notes to the consolidated financial statements, including material accounting policies;
- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity; and
- the Notes to the company financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group’s financial statements is applicable law and United Kingdom adopted international Accounting Standards. The financial reporting framework that has been applied in preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (“United Kingdom Generally Accepted Accounting Practice”).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2025 and of the Group’s profit for the year then ended;
- the Group’s financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- considering inherent risks to the Group's and the Parent Company's operations and specifically their business model;
- confirming our understanding of the directors' going concern assessment process, including obtaining an understanding of relevant controls over the model;
- testing the mathematical accuracy and appropriateness of the model used to prepare the forecast and verifying going concern model inputs against the board's-approved forecasts;
- evaluating the financial forecasts for the Group and the Parent Company, including consideration of management's ability to forecast through comparison of recent production to budget, review of trading activity and business plans, in assessing the reasonableness of the underlying assumptions and the accuracy of management's forecasting;
- challenging the key assumptions applied by management in the going concern assessment, including consideration of their consistency with historical performance, current trading and external market data;
- evaluating the Group's base case and stress case scenarios, including the associated sensitivities and consideration of possibly mitigating actions, and the rationale supporting the underlying assumptions; and
- assessing the adequacy of the going concern disclosures in the directors' report and note 1 of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**



Overview of our audit approach

Scope	<p>Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.</p> <p>We, and our component auditors acting on specific group instructions, undertook audit procedures on the entire financial information of 11 components and specified audit procedures on particular aspects and balances on another seven components.</p> <p>In addition, for the remaining components for which we performed no audit procedures, we performed analytical review procedures at an aggregated Group level to support our assessment that there is no reasonable possibility that these components, individually or in aggregate, could give rise to a material misstatement in the Group financial statements, including consideration whether these amounts are material in aggregate.</p>
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Materiality	2025	2024	
Group	\$5,571,000	\$3,950,000	5% of profit before tax adjusted for non-recurring items (2024: 5% of profit before tax)
Parent Company	\$860,000	\$1,375,000	1% of gross assets (2024: 2% of gross assets)

Key audit matters

Recurring

- Impairment of property, plant and equipment (Group)
- Recoverability of taxes receivable (Group)

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 current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**

Impairment of property, plant and equipment

Financial Statement Elements	FY25	FY24
Property, plant and equipment (note 11)	\$272.547 million	\$271.170 million

Key audit matter description At 31 December 2025, the Group reported property, plant and equipment of approximately \$273 million, representing a significant proportion of total assets, as disclosed in note 11 to the financial statements.

Under IAS 36, the Group is required to assess at each reporting date whether there are indicators that non-financial assets may be impaired and, where such indicators exist, to estimate the recoverable amount of the relevant cash-generating units ("CGUs"), as further described in note 11 to the financial statements.

This assessment involves significant judgment and estimation uncertainty, particularly in:

- determining the appropriate CGU structure based on the independence of cash inflows;
- identifying whether impairment indicators exist, including assessing whether factors such as operational performance, production levels and other forward-looking market conditions are indicative of a potential impairment and sufficient to warrant a detailed impairment assessment;
- estimating recoverable amounts, which are based on fair value less costs of disposal ("FVLCD") derived from external valuation reports; and
- valuing plantation assets using a market-based approach, which involves the selection of appropriate comparable market transactions and the application of judgmental adjustments to reflect differences in asset characteristics; these inputs are not directly observable and require management to exercise significant judgment in determining appropriate assumptions.

Given the materiality of the balances, the degree of estimation uncertainty, and the involvement of valuation experts, we considered impairment of non-financial assets to be a key audit matter. Further details are included within property, plant and equipment note in note 11 to the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)****How the scope
of our audit
responded to the
key audit matter**

Controls and process understanding - We obtained an understanding of the process and evaluated the design and implementation of relevant controls over the impairment assessment, including management's review of the external valuation reports and challenge of key assumptions.

CGU determination - We assessed management's identification of CGUs by evaluating whether they represent the lowest level at which largely independent cash inflows are generated in accordance with IAS 36. In doing so, we considered the Group's operational structure, how performance is monitored, and how revenues are generated across estates and mills. We also evaluated the extent of economic interdependence between estates and mills, including in cases where estates supply fresh fruit bunches to related-party mills, by considering whether alternative processing options exist and the degree of reliance between operations.

Impairment indicators - We evaluated management's identification of impairment indicators by considering the factors used by management, including operational performance against expectations, production levels, environmental factors and the expected period over which assets are recoverable, and whether these appropriately indicated potential impairment. We tested the accuracy of key data used in the assessment and performed independent assessment of selected CGUs, taking into account factors such as yield trends and plantation age profiles.

Recoverable amount - We assessed the competence, capability and objectivity of management's external valuer. With the involvement of our valuation expert, we evaluated the appropriateness of the valuation methodology against the requirements of IAS 36 and IFRS 13.

Together with our valuation expert, we reviewed the comparable market transactions used in the valuation and challenged the key assumptions and adjustments applied. This included consideration of asset-specific factors such as land tenure and legal title, as well as environmental and operational factors that may affect the value and recoverability of the plantations.

We also tested key inputs, including land area and location, to supporting documentation, and performed independent recalculations and benchmarking against observable market data, including cross-check procedures to assess whether the resulting recoverable amounts were supported by available market evidence and exceeded the carrying values.

Use of auditor's expert - We involved our valuation expert to assist in evaluating the methodology and key assumptions applied by the external valuer and to perform independent benchmarking and corroborative analyses of the recoverable amounts. We also assessed the competence, capability and objectivity of our auditor's expert.

Sensitivity analysis - We performed sensitivity analysis to assess the impact of reasonably possible changes in key assumptions, including the application of a range of costs of disposal, and evaluated the resulting headroom between carrying values and recoverable amounts.

Disclosure - We assessed the adequacy of the Group's disclosures in relation to the impairment assessment of non-financial assets in the financial statements.

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**


Key observations communicated to the Audit Committee Based on the work we performed, nothing has come to our attention that indicates the carrying value of property, plant and equipment is misstated, or that management's assessment that no impairment is required is unreasonable.

Recoverability of taxes receivable

Financial Statement Elements	FY25	FY24
Income tax and other tax receivables (note 8)	\$46.855 million	\$62.065 million

Key audit matter description At 31 December 2025, the Group reported income tax receivables of \$5.0 million (2024: \$18.3 million) and other tax receivables of \$41.9 million (2024: \$43.7 million), predominantly comprising VAT receivables.

The recoverability of taxes receivable is subject to significant judgment, particularly in assessing the likelihood and timing of recovery from tax authorities. These balances primarily arise from overpayments of corporate income tax and input VAT claims in Indonesia, where the recovery process can be complex and prolonged.

Key areas of judgment include:

- the interpretation and application of local tax regulations;
- the status and progress of ongoing tax audits and refund claims;
- the availability of supporting documentation to substantiate claims; and
- the expected timing and probability of recovery, including the potential for disputes or adjustments by tax authorities.

Given the magnitude of the balances, the judgment involved in assessing recoverability, we considered the recoverability of tax receivables to be a key audit matter.

How the scope of our audit responded to the key audit matter We evaluated management's assessment of the recoverability of tax receivables, focusing on the key judgments involved in determining the likelihood of recovery. This included considering the nature and status of the balances, the progress of claims with tax authorities and historical experience of recovery.

With the involvement of our and our component auditors' tax specialists, we assessed the reasonableness of management's assumptions and judgments, including the interpretation of relevant tax regulations and the likelihood of recovery of underlying balances.

We also considered the accuracy of the underlying tax computations giving rise to the receivables, including evaluating whether amounts recognised are supported by tax filings and calculations prepared in accordance with applicable tax regulations.

We performed procedures, directly or through component auditors, to test key supporting documentation for a sample of balances, including tax filings, correspondence with tax authorities, and evidence supporting the underlying claims. We also assessed the ageing profile of receivables and considered whether there were indicators that recovery may be uncertain.

Where relevant, we considered the outcomes of recent tax audits and settlements to assess whether these provided evidence supporting the recoverability of similar balances.

We evaluated whether the carrying values of tax receivables were reasonable in the context of the evidence obtained.

We also assessed the adequacy of the Group's disclosures in relation to tax receivables in the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**

Key observations communicated to the Audit Committee Based on the work we performed, nothing has come to our attention that indicates that the carrying value of income tax and other tax receivables is misstated, or that management's assessment of their recoverability is unreasonable.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at \$5,571,000 (2024: \$3,950,000) which was determined on the basis of 5% of profit before tax adjusted for non-recurring items. Profit before tax adjusted for non-recurring items was deemed to be the appropriate benchmark for the calculation of materiality as it reflects the Group's underlying performance and is a key measure used by users of the financial statements in assessing the Group's results. In our opinion, this is therefore the benchmark with which the users of the financial statements are principally concerned.

Materiality in respect of the Parent Company was set at \$860,000 (2024: \$1,375,000), determined on the basis of 1% (2024: 2%) of the Parent Company's gross assets. Gross assets was considered to be the most appropriate benchmark for determining materiality for the Parent Company, as it is a holding company with no significant trading activities and users of the financial statements are primarily focused on the balance sheet. In our opinion, this is therefore the benchmark with which the users of the financial statements of the Parent Company are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at \$3,342,000 (2024: \$1,980,000) and for the Parent Company at \$516,000 (2024: \$690,000), representing 60% of the respective materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and our understanding of prior period misstatements based on a review of predecessor auditors' working papers.

We agreed to report any corrected or uncorrected adjustments exceeding \$294,000 and \$43,000 in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**



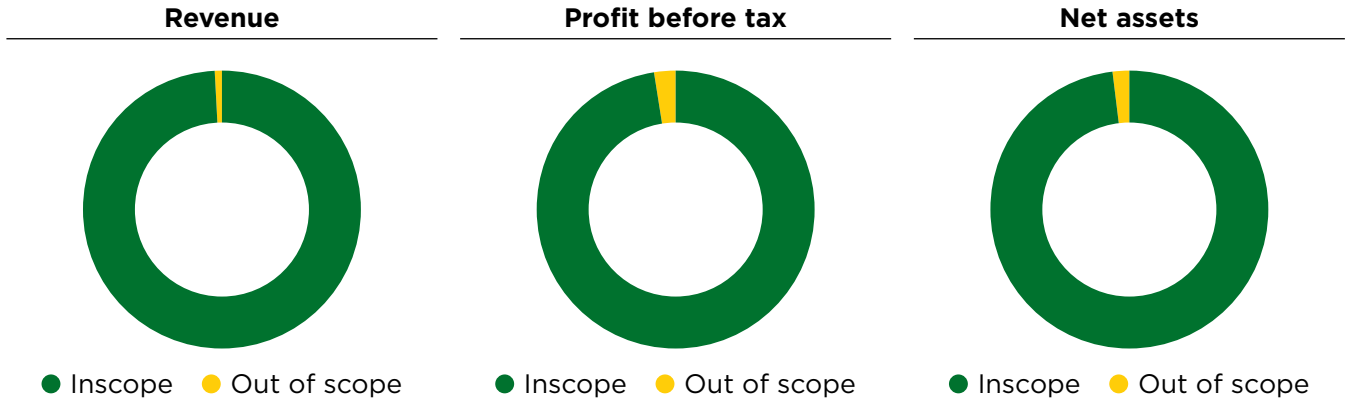
Overview of the scope of the Group audit

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 27 reporting components of the group, we identified seven components in the UK (one of which is the parent entity), four components in Malaysia, 14 components in Indonesia and two components in Hong Kong.

Of these, we identified 11 components due to their financial significance in the consolidated financial statements, to perform audits over the entire financial information. Additionally, considering the remaining quantitative and qualitative coverage, we selected seven components with classes of transactions, account balances, or disclosures (COTABDs) contributing to the specific risks of material misstatement of the group financial statements.

The work over the audits of entire financial information combined with specified COTABDs provided coverage of 99.4% of revenue, 97.6% of profit before tax and 98.2% of net assets.



Our audit of the Group financial statements involved the use of component auditors in relation to components based in Malaysia and Indonesia. The group audit team was actively involved in directing, supervising and reviewing their work. This included regular correspondence, video calls, visits to component auditors’ office, and review of key working papers compared to the initial reporting deliverables sent to the component auditors. We assessed the risks of material misstatement at the level of COTABDs, determined how these risks related to relevant assertions in each component’s financial information, and coordinated the audit approach accordingly. The proposed responses to these risks were discussed and agreed with the component auditors, along with the required nature, timing and extent of their procedures and the format of their reporting. Throughout the audit, the group team maintained close involvement through review of work performed and participation in discussions at key stages of the engagement, ensuring the appropriateness and consistency of the audit conclusions drawn.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)



The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We do not place reliance over controls.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

The Group has established sustainability commitments, including its No Deforestation, No Peat, and No Exploitation ("NDPE"), and compliance with sustainable palm oil certification requirements. The Group also provides climate-related disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which are included in the Strategic Report on pages 52 to 57.

Our responsibilities in relation to these disclosures are described in the relevant section of this reporting and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

We involved internal specialists to assist in our consideration of climate-related risks and their potential impact on the financial statements, including evaluating management's assumptions and identifying areas where such risks may have a financial reporting impact.

Based on our assessment, we did not identify any key audit matters materially impacted by climate-related risks and related commitments.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)



Strategic report and directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Directors' remuneration report

Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 24;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 23;
- Directors' statement on whether they have a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 24;
- Directors' statement on fair, balanced and understandable set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 42;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 118; and
- Section describing the work of the audit committee set out on page 115.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)



- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**


- we considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, labour and employment laws in Indonesia and Malaysia, the requirements of the Anti-Bribery and Corruption Acts in the UK, Malaysian and Indonesian Land Laws, Indonesian plasma regulations, the Indonesian Sustainable Palm Oil ("ISPO") regulations and Malaysian Sustainable Palm Oil ("MSPO") regulations and we considered the extent to which non-compliance might have a material effect on the Group financial statements.
- We enquired of the directors and management including the audit committee concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were management bias in accounting estimates, and posting of inappropriate journal entries in order to conceal manipulation of accounting entries intended to result in the production of financial statements which give a misleading view of the entity's financial position or performance. The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board and Audit Committee meetings;
- audit procedures performed by the engagement team in connection with the risks identified included:
 - o reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - o testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
 - o evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - o enquiring of management and legal advisors around actual and potential litigation and claims;
 - o evaluating the design and implementation of management's controls designed to prevent and detect irregularities

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AEP PLANTATIONS PLC (CONTINUED)**

- o challenging assumptions and judgements made by management in their significant accounting estimates, in particular those relating to the estimation technique and assumptions used in assessing the market value of the plantation land;
 - o using data analytics software to interrogate the journals posted in the year and to review areas where the incentive to override controls may be greatest. We also used our data analytics tool to identify potential transactions with related parties; and
 - o reviewing legal expenses incurred for evidence of potential undisclosed contingent liabilities.
- the Group operates in the agricultural sector. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
 - we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

Following the recommendation of the Audit Committee, we were appointed by the Directors on 15 September 2025 to audit the financial statements for the year ended 31 December 2025. The period of total uninterrupted engagements is one year.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

**Simon Knibbs MA FCA
(Senior Statutory Auditor)**

for and on behalf of MHA, Statutory Auditor
Milton Keynes, United Kingdom
30 April 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$000	2024 \$000
Continuing operations			
Revenue	3	465,211	372,263
Cost of sales		(339,982)	(286,583)
Changes in fair value of biological assets	18	(1,408)	2,942
Gross profit		123,821	88,622
Administration expenses	5	(14,186)	(9,360)
Other income		1,315	1,474
Reversal of impairment/(impairment loss)	11	710	(133)
(Loss)/gain arising from fair value of investments	14	(107)	1,131
Operating profit		111,553	81,734
Exchange (loss)/gains		(176)	1,056
Finance income	4	7,997	5,365
Finance expense	4	(44)	(65)
Profit before tax	5	119,330	88,090
Tax expense	8	(33,015)	(20,478)
Profit for the year		86,315	67,612
Profit/(loss) for the year attributable to:			
- Owners of the parent		90,882	67,514
- Non-controlling interests		(4,567)	98
		86,315	67,612

Earnings per share attributable to the owners of the parent during the year

Profit			
- basic and diluted	9	231.42cts	170.88cts

Earnings per share are shown in note 9.

The accompanying notes are an integral part of this consolidated income statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$000	2024 \$000
Profit for the year	86,315	67,612
Other comprehensive loss:		
<i>Items may be reclassified to profit or loss:</i>		
Loss on exchange translation of foreign operations	(15,696)	(23,184)
Net other comprehensive loss may be reclassified to profit or loss	(15,696)	(23,184)
<i>Items not to be reclassified to profit or loss:</i>		
Remeasurement of retirement benefits plan, net of tax	1,852	378
Net other comprehensive income not being reclassified to profit or loss	1,852	378
Total other comprehensive loss for the year, net of tax	(13,844)	(22,806)
Total comprehensive income/(loss) for the year	72,471	44,806
Total comprehensive income/(loss) for the year attributable to:		
- Owners of the parent	75,660	44,612
- Non-controlling interests	(3,189)	194
	72,471	44,806

The accompanying notes are an integral part of this consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

COMPANY NUMBER: 01884630

	Note	31.12.2025 \$000	31.12.2024 \$000
Non-current assets			
Property, plant and equipment	11	272,547	271,170
Intangible assets	12	262	-
Investments in associates	13	1	-
Investments	14	45	5,111
Receivables	15	17,800	19,363
Deferred tax assets	16	974	1,900
		291,629	297,544
Current assets			
Inventories	17	27,652	18,767
Income tax receivables	8	4,992	18,316
Other tax receivables	8	41,863	43,749
Biological assets	18	6,383	8,057
Trade and other receivables	19	9,045	7,062
Investments	14	22,000	23,976
Short-term investments	20	500	1,253
Cash and cash equivalents	20	231,845	181,908
		344,280	303,088
Current liabilities			
Trade and other payables	21	(28,356)	(21,403)
Income tax liabilities	8	(10,173)	(5,466)
Other tax liabilities	8	(814)	(1,201)
Dividend payables		(65)	(46)
Lease liabilities	22	(202)	(307)
		(39,610)	(28,423)
Net current assets		304,670	274,665
Non-current liabilities			
Deferred tax liabilities	16	(3,062)	(2,225)
Retirement benefits - net liabilities	23	(7,972)	(11,073)
Lease liabilities	22	(338)	(453)
		(11,372)	(13,751)
Net assets		584,927	558,458

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONTINUED)

COMPANY NUMBER: 01884630

	Note	31.12.2025 \$000	31.12.2024 \$000
Issued capital and reserves attributable to owners of the parent			
Share capital	24	15,504	15,504
Treasury shares	24	(13,840)	(2,487)
Share premium	27	23,935	23,935
Capital redemption reserve		1,087	1,087
Exchange reserves		(381,476)	(364,402)
Retained earnings		935,479	877,394
		580,689	551,031
Non-controlling interests		4,238	7,427
Total equity		584,927	558,458

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2026 and were signed on its behalf by:

Marcus Chan Jau Chwen
Executive Director of Corporate Affairs

The accompanying notes are an integral part of this consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2025

	Share capital \$'000	Treasury shares \$'000	Share premium \$'000	Capital redemption reserve \$'000	Exchange reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 31 December 2023	15,504	(1,847)	23,935	1,087	(341,180)	816,140	513,639	6,976	520,615
Items of other comprehensive (loss)/income									
- Remeasurement of retirement benefit plan, net of tax	23					378	378		378
- (Loss)/gain on exchange translation of foreign operations					(23,280)		(23,280)	96	(23,184)
Total other comprehensive (loss)/income					(23,280)	378	(22,902)	96	(22,806)
Profit for the year						67,514	67,514	98	67,612
Total comprehensive (loss)/income for the year					(23,280)	67,892	44,612	194	44,806
Acquisition of non-controlling interests			32			(715)	(657)	257	(400)
Transactions with owners in their capacity as owners									
Share buy back		(640)					(640)		(640)
Dividends paid						(5,923)	(5,923)		(5,923)
Balance at 31 December 2024	15,504	(2,487)	23,935	1,087	(364,402)	877,394	551,031	7,427	558,458
Items of other comprehensive (loss)/income									
- Remeasurement of retirement benefit plan, net of tax	23					1,852	1,852		1,852
- (Loss)/gain on exchange translation of foreign operations					(17,074)		(17,074)	1,378	(15,696)
Total other comprehensive (loss)/income					(17,074)	1,852	(15,222)	1,378	(13,844)
Profit/(loss) for the year						90,882	90,882	(4,567)	86,315
Total comprehensive (loss)/income for the year					(17,074)	92,734	75,660	(3,189)	72,471
Transactions with owners in their capacity as owners									
Share buy back		(11,353)					(11,353)		(11,353)
Dividends paid						(34,649)	(34,649)		(34,649)
Balance at 31 December 2025	15,504	(13,840)	23,935	1,087	(381,476)	935,479	580,689	4,238	584,927

The accompanying notes are an integral part of this consolidated statement of changes in equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Profit before tax		119,330	88,090
Adjustments for:			
Changes in fair value of biological assets	18	1,408	(2,942)
Gain on disposal of property, plant and equipment		(95)	(380)
Depreciation	11	18,958	18,986
Retirement benefit provisions	23	2,247	2,764
Finance income	4	(7,997)	(5,365)
Finance expense	4	44	65
Unrealised (gain)/loss in foreign exchange		(23)	31
Loss/(gain) arising from fair value	14	107	(1,131)
Property, plant and equipment written off	11	904	451
(Reversal of impairment)/impairment loss	11	(710)	133
Reversal for expected credit loss	19	(85)	(9)
Operating cash flows before changes in working capital		134,088	100,693
Increase in inventories		(9,749)	(2,907)
(Increase)/Decrease in non-current, trade and other receivables		(1,499)	5,588
Increase/(Decrease) in trade and other payables		7,503	(5,059)
Cash inflows from operations		130,343	98,315
Retirement benefits paid		(2,615)	(1,984)
Overseas tax paid		(13,903)	(22,384)
Net cash generated from operating activities		113,825	73,947
Investing activities			
Acquisition of associates	13	(1)	-
Property, plant and equipment			
- purchases		(29,922)	(29,013)
- sale proceeds		325	872
Intangible assets			
- purchases	12	(262)	-
Interest received	4	7,997	5,365
Additions to receivables from cooperatives under Plasma scheme		(2,181)	(5,010)
Repayment from cooperatives under Plasma scheme		3,110	2,689
Investment in investment portfolio or bond portfolio	14	(29,068)	(45,990)
Disposal of investment portfolio	14	36,003	28,069
Placement of fixed deposits with original maturity of more than three months		(500)	(1,253)
Withdrawal of fixed deposits with original maturity of more than three months		1,253	14,076
Net cash used in investing activities		(13,246)	(30,195)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	2025 \$000	2024 \$000
Financing activities			
Dividends paid to the holders of the parent		(34,630)	(5,918)
Repayment of lease liabilities - principal		(321)	(340)
Repayment of lease liabilities - interest		(44)	(65)
Acquisition of non-controlling interests		-	(400)
Share buy back	24	(11,353)	(640)
Net cash used in financing activities		(46,348)	(7,363)
Net increase in cash and cash equivalents		54,231	36,389
Cash and cash equivalents			
At beginning of year		181,908	152,984
Exchange losses		(4,294)	(7,465)
At end of year		231,845	181,908
Comprising:			
Cash at end of year	20	231,845	181,908

The accompanying notes are an integral part of this consolidated statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

AEP is a company incorporated in the UK under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office of AEP is located at Quadrant House, 6th Floor, 4 Thomas More Square, London E1W 1YW, UK. The principal activity of the Group is plantation agriculture, mainly in the cultivation of oil palm in Indonesia and Malaysia, of which Indonesia is the principal place of business.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- Biological assets (note 18)
- Retirement benefits (note 23)
- Investments (note 14)

Going Concern

The Directors have carried out stress tests, factoring in the identified uncertainties and risks such as commodity prices, together with the current economic environment to ensure that the Group has adequate resources in a worst-case scenario to remain as a going concern for at least twelve months from the date of this report.

The Directors have a reasonable expectation, having made the appropriate enquiries, that the Group has sufficient cash resources to cover the Group's operating expenses for a period of at least twelve months from the date of approval of these financial statements. For these reasons, the Directors adopted a going concern basis in the preparation of the financial statements. The Directors have made this assessment after consideration of the Group's budgeted cash flows and related assumptions including stress testing of identified uncertainties, as well as the impact of a 50% decrease in the demand for palm oil. Stress testing of other identified uncertainties and risks such as commodity prices was also undertaken.

Changes in accounting standards

(a) New standards, interpretations and amendments effective for the first time for the accounting periods beginning on or after 1 January 2025 in these financial statements in the current year

- IAS 21 The Effects of Changes in Foreign Exchange Rates, amendment related to Lack of Exchangeability

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1 Basis of preparation (continued)

(b) New standards, interpretations and amendments not yet effective.

The following new standards, interpretations and amendments are effective for future periods (as indicated) and have not been applied in these financial statements:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments (1 January 2026, not yet adopted)
- IFRS 18 Presentation and Disclosure in Financial Statements (1 January 2027, not yet adopted)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027, not yet adopted).
- Annual Improvements to IFRS Accounting Standards - Volume 11 (1 January 2026, not yet adopted)
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (1 January 2026, not yet adopted)

IFRS 18 Presentation and Disclosure in Financial Statements, issued in April 2024, will replace IAS 1 and is effective for annual periods beginning on or after 1 January 2027.

The standard introduces new requirements for the presentation of the statement of profit or loss, including defined categories and additional subtotals, as well as enhanced disclosure requirements.

The Group is currently assessing the impact of IFRS 18 and expects changes in presentation and disclosures, with no material impact on profit, financial position or cash flows.

None of the above new standards, interpretations and amendments are expected to have a material effect on the Group's future financial statements.

2 Material accounting policies

(a) *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. The Company controls a subsidiary if all three of the following elements are present; power over the subsidiary, exposure to variable returns from the subsidiary, and the ability of the Company to use its power to affect those variable returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. In respect of cooperatives under the Plasma scheme, the Group has not consolidated these entities, as it neither has control nor significant influence. All key decisions are made independently by the cooperatives, and the Group holds no voting rights or representation on governing bodies. The Group has assessed the relationship with the cooperatives based on the criteria set out in IFRS, specifically evaluating control and significant influence. Despite the Group's involvement in the scheme, it does not exercise control, joint control or significant influence over the cooperatives' decision-making processes. Accordingly, the cooperatives do not meet the criteria for consolidation or equity accounting under IFRS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)*(b) Business combinations*

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Acquisitions of entities that comprise principally land with no active plantation business do not represent business combinations, in such cases, the amount paid for each acquisition is allocated between the identifiable assets/liabilities at the acquisition date.

*(c) Foreign currency**Critical judgement on functional currency*

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). The Group's Indonesian subsidiaries have determined Indonesian Rupiah as their functional currency, as their transactions, cash flows and costs are predominantly denominated in IDR. The Company and its UK subsidiaries have US Dollar as their functional currency. The consolidated financial statements are presented in US Dollar, reflecting the Group's economic environment and the influence of internationally traded commodity prices, which are denominated in US Dollar.

On consolidation, the results of overseas operations are translated into US Dollar at average exchange rates for the year unless exchange rates fluctuate significantly in which case the actual rate is used. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on re-translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "exchange reserves"). Exchange differences recognised in the income statement of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the exchange reserves if the item is denominated in the presentational currency of the Group or of the overseas operation concerned.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserves relating to that operation up to the date of disposal are transferred to the income statement as part of the profit or loss on disposal.

All other exchange profits or losses are credited or charged to the income statement.

(d) Revenue recognition

The Group derives its revenue from the sale of CPO, palm kernel, FFB, shell nut, biogas products and rubber slab. Revenue is recognised at a point in time when control of the goods or services is transferred to the customer. Revenue from CPO, palm kernel, FFB and shell nut is recognised upon delivery, when the customer obtains physical possession, legal title passes, significant risks and rewards are transferred, and the Group has a right to payment. Delivery is generally made only upon receipt of payment. Revenue from rubber slab is recognised at the point in time when control transfers to the customer, in accordance with the terms of the sales contract. Revenue from biogas products is recognised upon generation of electricity, when control is transferred to the buyer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)

(d) Revenue recognition (continued)

The transacted price for each product is based on the market price or predetermined monthly contract value. There is no right of return nor warranty provided to the customers on the sale of products and services rendered. The payment terms for CPO, palm kernel, and shell nut are mainly based on advance payments from customers, whereby payments are typically received prior to or upon delivery. This arrangement helps mitigate credit risk and ensures timely cash flow for the Group's operations.

Contract liabilities represent the Group's obligation to transfer goods or services to customers for which consideration has been received from customers, but the related goods have not yet been delivered or collected.

(e) Tax

Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity accordingly.

UK and foreign corporation tax are provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The directors consider that the carrying amount of tax receivables approximates its fair value.

Uncertainty Over Income Tax Treatments - IFRIC 23

The Group applies IFRIC 23 - Uncertainty over Income Tax Treatments, which clarifies the accounting for uncertainties in income taxes under IAS 12.

Where there is uncertainty over the income tax treatment of an item, the Group assesses whether it is probable that the taxation authority will accept the uncertain tax treatment. This involves:

- Considering uncertain tax treatments either individually or collectively, depending on which approach better predicts the resolution of the uncertainty;
- Assuming full examination by the relevant tax authorities with complete knowledge of all related facts and circumstances;
- If it is probable that the tax authority will accept the treatment, the entity determines taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates consistently with that treatment;
- If it is not probable, the Group reflects the uncertainty using either the most likely amount or the expected value method, depending on which is the most predictive.

Judgements and estimates under IFRIC 23 are applied consistently to both current and deferred tax. The Group reassesses these judgements and estimates whenever there is a change in facts and circumstances that might affect the outcome of the tax treatment.

(f) Dividends

Equity dividends are recognised when they become legally payable. The Company may pay an interim dividend each year. The final dividend becomes legally payable when approved by the shareholders at the next annual general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2 Material accounting policies (continued)***(g) Property, plant and equipment*

Plantations comprise of the cost of planting and development of oil palm and other plantation crops. Costs of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity. The costs of immature plantations consist mainly of the accumulated cost of land clearing, planting, fertilising and maintaining the plantation and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. Oil palm plantations are considered mature within three to four years after planting and generating average annual CPO of four to six metric tons per hectare. Immature plantations are not depreciated as they are not yet available for use.

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. The land rights are usually renewed without significant cost subject to compliance with the laws and regulations of Indonesia therefore, the Group has classified the land rights as leasehold land. The leasehold land is recognised at cost initially and is not depreciated except the leasehold land in Malaysia which is depreciated over the term of the lease as its renewal cannot be guaranteed. Costs include the initial cost of obtaining the location permits and subsequent payments to compensate existing land owners plus any legal costs incurred to acquire the necessary land exploitation rights.

Construction in progress is stated at cost. The accumulated costs will be reclassified to the appropriate class of assets when construction is completed and the asset is ready for its intended use. Construction in progress is also not depreciated until such time when the asset is available for use.

Social infrastructure assets, including public-benefit facilities such as schools and other public buildings, are classified as part of the buildings category.

Plantations, buildings and oil mills are depreciated using the straight-line method. The yearly rates of depreciation are as follows:

Leasehold land in Malaysia - over the term of the lease

Plantations: 5% per annum

Buildings: 5% to 10% per annum

Oil Mill: 5% per annum

Estate plant, equipment & vehicles: 12.5% to 50% per annum

Office plant, equipment & vehicles: 25% to 50% per annum

Although fruit yield varies annually, the straight-line method for plantations is considered appropriate as it reflects a consistent pattern of economic benefits over the productive life of the trees and provides a systematic allocation of cost in accordance with IAS 16.

Plantation development costs are capitalised and depreciated over a 20-year useful life, commencing from maturity. As of the reporting date, some plantations have reached the end of their depreciable lives and are fully depreciated, yet remain in use as replanting has not commenced. These plantations continue to generate economic benefits but are carried at nil net book value in accordance with IAS 16 *Property, Plant and Equipment*, until replanting or disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)

(h) Intangible assets

Intangible assets (other than goodwill) are stated at historical cost less accumulated amortisation and any impairment losses. Intangible assets are capitalized and amortized using the straight-line method over their useful life. Estimated useful lives are reviewed at each balance-sheet date. Amortisation on intangible assets under development commences when the assets are ready for their intended use.

(i) Leases

Land rights are recognised at historical cost without depreciation at the balance sheet date except for leasehold land in Malaysia where it is recognised at historical cost and depreciated over the term of the lease.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, mainly for office premises in Malaysia and Indonesia, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life, whichever is shorter. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2 Material accounting policies (continued)***(i) Leases (continued)*

Right-of-Use Assets (continued)

The right-of-use assets are presented together in property, plant and equipment in the consolidated statement of financial position.

Lease Income - Lessor

PT United Kingdom Indonesia Plantations, a subsidiary of the Group, acts as a lessor under various operating lease arrangements, including those related to the use of biogas facilities. Lease income from these operating leases is recognised as part of "Other Income" on a straight-line basis over the lease term, in accordance with IFRS 16.

Due to the immaterial nature of the income generated from these leases, it is not presented separately in the consolidated statement of profit or loss.

In addition, PT Tasik Raja and PT Bina Pitri Jaya, subsidiaries of the Group, have entered into operating lease arrangements for the use of certain biogas-related facilities. These contracts do not include any minimum lease payments and consist entirely of variable lease payments, which are determined based on output or usage metrics. Accordingly, no fixed lease receivables are recognised. Lease income from these arrangements is recognised in the period in which the related output or usage occurs.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of CPO and PK is determined on a weighted average basis and comprises the fair value of FFB at the point of harvest and the related processing costs incurred at the mills.

FFB harvested from the Group's biological assets are measured at fair value less costs to sell at the point of harvest, which becomes the cost of inventories in accordance with IAS 2 Inventories. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(k) Biological assets

Biological assets comprise an estimation of the fair value less costs to sell of unharvested FFB. The fair value of biological assets is classified as Level 3 in the fair value hierarchy. Net movement in the fair value of biological assets is recognised in the income statement as changes in fair value of biological assets.

(l) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

Investments which are held for strategic gain are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of income statement in gain or loss arising from fair value. This includes quoted bonds and treasury bills managed under a trading business model, where performance is evaluated on a fair value basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)

(l) *Financial assets (continued)*

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. All the Group's receivables and loans are non-derivative financial assets with cash flows that are solely payments of principal and interest. They are recognised at fair value at inception and subsequently at amortised cost as this is what the Group considers to be most representative of the business model for these assets.

Cash and cash equivalents consist of cash in hand and short-term deposits at banks with an original maturity not exceeding three months.

The Group considers a trade receivable or other receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. Trade and other receivables are written off when there is no expectation of recovery based on the assessment performed. If the receivables are subsequently recovered, these are recognised in the income statement.

The Group use three categories for those receivables which reflect their credit risk and how the loss provision is determined for those categories. These include trade receivables using the simplified approach and debt instruments at amortised costs other than trade receivables and financial guarantee contracts using the three-stage approach.

(m) *Financial liabilities*

All the Group's financial liabilities are non-derivative financial liabilities.

Trade and other payables are shown at fair value at recognition and subsequently at amortised cost.

(n) *Deferred tax*

Deferred tax is the expected tax payable or recoverable on temporary differences which arise between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit and is provided for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. The Group recognises deferred tax liabilities arising from taxable temporary differences on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences, and it is probable that the temporary difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is possible that taxable profit will be available against which the difference can be utilised. Deferred tax assets arising from unused tax losses are recognised only when it is probable that future taxable profits will be available to utilise those losses, with the critical judgment applied as described in note 2(q).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)*(o) Retirement benefits*

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated income statement in the year to which they relate.

Defined benefit schemes

The Group operates a number of defined benefit schemes which include other long-term employee benefits in respect of its Indonesian operations. The schemes' surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on Indonesian Government bonds that have maturity dates approximating to the terms of the liabilities; plus
- Past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined benefit obligation are recognised in other comprehensive income. The remeasurements include:

- Actuarial gains and losses;
- Return on plan assets (interest exclusive); and
- Any asset ceiling effects (interest inclusive).

Service costs are recognised in the income statement and include current and past service costs as well as gains and losses on curtailments.

Net interest expense/(income) is recognised in the income statement, and is calculated by applying the discount rate used to measure the defined benefit obligation/(asset) at the beginning of the annual period to the balance of the net defined benefit obligation/(asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in the income statement. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

The Group has agreed funding arrangements with the trustees to address the defined benefit scheme deficit, primarily through cash contributions, and actuarial valuations are conducted annually, with the most recent valuation performed as of 31 December 2025.

(p) Financial guarantee contracts

Where the Company and its subsidiaries enter into financial guarantee contracts and guarantee the indebtedness of other companies within the Group and/or third-party entities, these are accounted for under IFRS 9. The details of financial guarantee contracts are disclosed in note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)

(q) Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

- Assessment of de-facto control of cooperatives under Plasma scheme (see note 2(a) and note 15).
- Determination of functional currency (see note 2(c)).
- Classification of land as leasehold with no depreciation charged (see note 11).
- Carrying value of income tax receivables - determination of historic recovery rates (see note 8).
- Measurement of plasma receivables (see note 15).
- Income taxes and deferred tax - provisions for income taxes in various jurisdictions (see note 8 and note 16).
- Recognition of deferred tax on losses - estimate of future profitability of respective entities (see note 16).

Estimates and assumptions

- Impairment of plantation assets – market value of the assets (see note 11).
- Retirement benefits - actuarial assumptions (see note 23).

(r) Fair Value Measurement

Fair value measurement - a number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2 Material accounting policies (continued)***(r) Fair Value Measurement (continued)*

The Group measures the following assets at fair value:

- Biological assets (note 18).
- Investment (note 14).

3 Revenue*Disaggregation of Revenue*

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount and uncertainty of revenue and cash flows are affected by timing of revenue recognition; and
- enable users to understand the relationship with revenue segment information provided in note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
3 Revenue (continued)

Year to 31 December 2025	CPO and palm kernel \$000	FFB \$000	Rubber \$000	Shell nut \$000	Biogas products \$000	Others \$000	Total \$000
Contract counterparties							
Government	-	-	-	-	495	-	495
Non-government							
- Wholesalers	437,976	21,446	-	5,288	-	6	464,716
	437,976	21,446	-	5,288	495	6	465,211
Timing of transfer of goods							
Delivery to customer premises	-	21,446	-	-	-	-	21,446
Delivery to port of departure	83,113	-	-	-	-	-	83,113
Customers collect from our mills/estates	354,863	-	-	5,288	-	-	360,151
Upon generation/others	-	-	-	-	495	6	501
	437,976	21,446	-	5,288	495	6	465,211
Year to 31 December 2024							
Contract counterparties	-	-	-	-	637	-	637
Government							
Non-government							
- Wholesalers	358,745	8,923	112	3,840	-	6	371,626
	358,745	8,923	112	3,840	637	6	372,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3 Revenue (continued)

Disaggregation of Revenue (continued)

	CPO and palm kernel \$000	FFB \$000	Rubber \$000	Shell nut \$000	Biogas products \$000	Others \$000	Total \$000
Year to 31 December 2024 (continued)							
<i>Timing of transfer of goods</i>							
Delivery to customer premises	-	8,923	112	-	-	-	9,035
Delivery to port of departure	74,767	-	-	-	-	-	74,767
Customers collect from our mills/estates	283,978	-	-	3,840	-	-	287,818
Upon generation/ others	-	-	-	-	637	6	643
	358,745	8,923	112	3,840	637	6	372,263

The Group recognised contract liabilities of \$4,637,000 as disclosed in Note 21 at the beginning of the period. These contract liabilities primarily relate to advance payments received from customers for goods and services to be delivered in future periods.

During the period, these contract liabilities were subsequently recognised as revenue as the Group satisfied the related performance obligations. The Group applies the practical expedient under IFRS 15 and does not disclose remaining performance obligations as contracts are short-term.

4 Finance income and expense

	2025 \$000	2024 \$000
<u>Finance income</u>		
Interest receivable on:		
Credit bank balances and time deposits	7,997	5,365
<u>Finance expense</u>		
Interest payable on:		
Interest expense in lease liabilities (note 22)	(44)	(65)
Net finance income recognised in income statement	7,953	5,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
5 Profit before tax

	2025	2024
	\$000	\$000
Profit before tax is stated after charging:		
Purchase of FFB	224,355	174,022
Depreciation (note 11)	18,958	18,986
(Reversal of impairment)/impairment losses (note 11)	(710)	133
Reversal for expected credit loss (note 19)	(85)	(9)
Exchange loss/(gains)	176	(1,056)
Staff costs (note 7)	66,290	59,266
Remuneration received by the Group's auditor or associates of the Group's auditor:		
- Audit of parent company	5	5
- Audit of consolidated financial statements	444	289
- Audit of consolidated financial statements (previous auditor in prior year)	409	-
- Audit of UK subsidiaries	13	13
Subtotal - audit services (Group auditor)	871	307
Non-audit service		
- Audit related assurance service (interim review)	-	13
Subtotal - non-audit service	-	13
Audit of overseas subsidiaries		
- Malaysia	36	27
- Indonesia	182	150
- Indonesia (prior year)	28	-
Subtotal - overseas audit services	246	177
Total auditor's remuneration	1,117	497
Administrative expense		
Legal and professional fees	1,406	1,371
Auditor's remuneration	1,117	497
Property, plant and equipment written off	904	451
Indonesian operations	8,442	5,297
Malaysia operations	287	276
Head office	2,030	1,468
	14,186	9,360

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Segment information

Description of the types of products and services from which each reportable segment derives its revenues

In the opinion of the Directors, the operations of the Group comprise one class of business which is the cultivation of plantations in Indonesia and Malaysia. From the cultivation of plantations, the Group produced the crude palm oil and associated products such as palm kernel, biogas products and rubber.

Factors that management used to identify reportable segments in the Group

The reportable segments in the Group are strategic business units based on the geographical spread. Operating segments are consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing the performance of the operating segments. The Board's decisions are implemented by both Executive and Management Committee. The Executive Committee consists of the Chairman, the Executive Director, and the Group CEO. The Management Committee includes the Group CEO, the Chief Corporate Planning & ESG Officer, the Group Finance Manager, Group Legal Counsel in Malaysia, and senior management in Indonesia. The Indonesian senior management team comprises the CEO, Plantation Director, Finance Director, and Head of Mill & Engineering.

The Management Committee functions as the main executive body responsible for implementing the Board's strategic directives. It also provides the Board with operational reports segmented by geographical regions, which serve as the basis for resource allocation and performance evaluation.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss before tax calculated in accordance with IFRS.

Inter-segment transactions are made based on terms mutually agreed by the parties to maximise the utilisation of Group's resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

The Group's assets are allocated to segments based on geographical location. Inter-segment revenue and transactions are eliminated at the segment level and are not included in the total segment revenue presented above. Accordingly, the segment revenue disclosed represents external revenue and reconciles directly to the consolidated revenue in the financial statements. There are no material reconciling items.

Inter-segment revenues of \$35,086,000 (2024: \$39,200,000) are eliminated at the segment level and are excluded from segment revenue totals above. There are no other reconciling items between segment totals and the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
6 Segment information (continued)

2025	North		Total				Total \$000		
	Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Indonesia \$000		Malaysia \$000	UK \$000
Total sales revenue (all external)	172,049	137,421	60,179	-	68,327	437,976	-	-	437,976
- CPO and palm kernel	102	-	-	6,602	11,286	17,990	3,456	-	21,446
- FFB	2,421	1,416	1,412	-	39	5,288	-	-	5,288
- Shell nut	3	133	-	-	359	495	-	-	495
- Biogas products	-	-	-	-	-	-	6	-	6
- Others	-	-	-	-	-	-	-	-	-
Total revenue	174,575	138,970	61,591	6,602	80,011	461,749	3,462	-	465,211
Profit/(loss) before tax for the year per consolidated income statement	54,534	25,427	13,372	1,671	27,339	122,343	(1,086)	(1,927)	119,330
Interest income	5,070	1,247	926	2	249	7,494	26	477	7,997
Interest expense	(8)	-	-	-	-	(8)	(19)	(17)	(44)
Depreciation	(7,114)	(3,634)	(841)	(561)	(6,349)	(18,499)	(336)	(123)	(18,958)
Reversal of impairment / (impairment losses)	-	-	-	-	711	711	(1)	-	710
Reversal/(Provision) for expected credit loss	92	(3)	-	-	(4)	85	-	-	85
Inter-segment transactions	5,835	(2,678)	(1,000)	(448)	(3,024)	(1,315)	1,040	275	-
Inter-segmental revenue (eliminated within segments)	25,292	2,439	-	-	7,355	35,086	-	-	35,086
Tax expense	(15,181)	(4,954)	(3,005)	(249)	(5,276)	(28,665)	(179)	(4,171)	(33,015)
Total assets	270,277	104,340	63,272	19,832	152,042	609,763	21,536	4,610	635,909
Non-current assets	76,011	56,699	8,515	16,669	105,799	263,693	8,469	385	272,547
Non-current assets - additions	6,070	10,272	1,589	1,022	10,478	29,431	404	55	29,890
Total liabilities	(18,736)	(13,459)	(5,760)	(590)	(10,812)	(49,357)	(802)	(823)	(50,982)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Segment information (continued)

	North		Total				UK \$000	Total \$000
	Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Indonesia \$000		
2024								
Total sales revenue (all external)	134,013	96,639	59,405	-	68,688	358,745	-	358,745
- CPO and palm kernel	-	-	-	3,212	2,821	6,033	2,890	8,923
- FFB	112	-	-	-	-	112	-	112
- Rubber	1,281	1,148	1,368	-	43	3,840	-	3,840
- Shell nut	87	216	-	-	334	637	-	637
- Biogas products	-	-	-	-	-	-	6	6
- Others	-	-	-	-	-	-	-	-
Total revenue	135,493	98,003	60,773	3,212	71,886	369,367	2,896	372,263
Profit/(loss) before tax for the year per consolidated income statement	43,663	11,281	13,351	(731)	22,941	90,505	(857)	88,090
Interest income	3,569	877	792	3	70	5,311	49	5,365
Interest expense	(22)	-	-	-	-	(22)	(23)	(65)
Depreciation	(7,281)	(3,703)	(831)	(598)	(6,200)	(18,613)	(277)	(18,986)
Impairment losses	-	-	-	-	-	-	(133)	(133)
(Provision)/Reversal for expected credit loss	(4)	1	-	(1)	13	9	-	9
Inter-segment transactions	6,354	(2,804)	(802)	(455)	(3,059)	(766)	715	-
Inter-segmental revenue (eliminated within segments)	23,812	2,489	-	-	12,899	39,200	-	39,200
Tax (expense)/credit	(11,607)	(1,723)	(3,066)	268	(4,180)	(20,308)	(167)	(20,478)
Total assets	251,963	113,498	40,488	20,079	145,586	571,614	25,259	600,632
Non-current assets	80,473	52,375	8,171	16,838	105,239	263,096	7,621	271,170
Non-current assets - additions	7,021	9,823	1,199	1,576	9,009	28,628	287	29,123
Total liabilities	(16,097)	(11,222)	(5,164)	(534)	(7,624)	(40,641)	(865)	(42,174)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
6 Segment information (continued)

The following table represents the revenue from the Group's top four customers. In accordance with IFRS 8.34, revenue from Customer 1 exceeded 10% of the Group's total external revenue in both 2025 and 2024, and is therefore mandatorily disclosed. Customers 2 to 4 are disclosed voluntarily as supplementary information on the Group's major buyer relationships. There was no over-reliance on any single customer, as procurement by buyers is conducted through a competitive weekly tendering process involving numerous market participants. Three of the top four customers were the same as in the prior year.

	North					Total			
	Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Indonesia \$000	Malaysia \$000	UK \$000	Total \$000
2025									
Customer 1	12,715	35,498	13,774	-	29,397	91,384	-	-	91,384
Customer 2	21,371	-	15,682	-	-	37,053	-	-	37,053
Customer 3	-	34,859	-	-	-	34,859	-	-	34,859
Customer 4	29,771	-	-	-	-	29,771	-	-	29,771
	63,857	70,357	29,456	-	29,397	193,067	-	-	193,067
	North Sumatera \$000	Bengkulu \$000	Riau \$000	Bangka \$000	Kalimantan \$000	Indonesia \$000	Malaysia \$000	UK \$000	Total \$000
2024									
Customer 1	14,772	19,944	20,968	-	28,948	84,632	-	-	84,632
Customer 2	-	31,809	-	-	-	31,809	-	-	31,809
Customer 3	26,392	6	-	-	-	26,398	-	-	26,398
Customer 4	14,943	-	7,973	-	-	22,916	-	-	22,916
	56,107	51,759	28,941	-	28,948	165,755	-	-	165,755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Segment information (continued)

	North					Total			Total
	Sumatera	Bengkulu	Riau	Bangka	Kalimantan	Indonesia	Malaysia	UK	
	%	%	%	%	%	%	%	%	%
2025									
Customer 1	2.7	7.6	3.0	-	6.3	19.6	-	-	19.6
Customer 2	4.6	-	3.4	-	-	8.0	-	-	8.0
Customer 3	-	7.5	-	-	-	7.5	-	-	7.5
Customer 4	6.4	-	-	-	-	6.4	-	-	6.4
	13.7	15.1	6.4	-	6.3	41.5	-	-	41.5
2024									
Customer 1	4.0	5.4	5.6	-	7.8	22.8	-	-	22.8
Customer 2	-	8.5	-	-	-	8.5	-	-	8.5
Customer 3	7.1	-	-	-	-	7.1	-	-	7.1
Customer 4	4.0	-	2.1	-	-	6.1	-	-	6.1
	15.1	13.9	7.7	-	7.8	44.5	-	-	44.5

Save for a small amount of rubber, all the Group's operations are devoted to oil palm and associated byproducts. The Group's report is by geographical area, as each area tends to have different agricultural conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
7 Employees' and Directors' Remuneration

	2025	2024
	Number	Number
Average numbers employed (primarily overseas) during the year:		
- full-time	7,407	7,486
- part-time field workers	7,807	7,954
	15,214	15,440

	2025	2024
	\$000	\$000
Staff costs comprise:		
Wages and salaries	59,604	53,622
Social security costs	4,025	3,798
Retirement benefit costs		
- United Kingdom	-	-
- Indonesia	2,528	1,776
- Malaysia	133	70
	66,290	59,266

The information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 contained in the Directors' Remuneration Report on page 132 and the labelled information on page 131 has also been audited.

	2025	2024
	\$000	\$000
Directors' emoluments	710	444

	2025	2024
	\$000	\$000
Remuneration expense for key management personnel comprise:		
Short-term employee benefits	2,571	2,478
Post-employment benefits	-	-
	2,571	2,478

The Executive Director, Non-Executive Directors and senior management (general managers and above) are considered to be the key management personnel. The remuneration of Executive Director and Non-Executive Directors is shown on page 131. No short-term employee benefits have been provided to the Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Tax expense

	2025 \$000	2024 \$000
Foreign corporation tax - current year	29,932	18,163
Foreign corporation tax - prior year	1,821	828
Deferred tax adjustment - reversal of temporary differences (note 16)	1,044	1,628
Deferred tax - prior year (note 16)	218	(141)
Total tax charge for year	33,015	20,478

Corporation tax rate in Indonesia is at 22% (2024: 22%) whereas Malaysia is at 24% (2024: 24%). The standard rate of corporation tax in the UK for the current year is 25% (2024: 25%). The Group's charge for the year differs from the standard Indonesian rate of corporation tax as explained below:

	2025 \$000	2024 \$000
Profit before tax	119,330	88,090
Profit before tax multiplied by standard rate of Indonesia corporation tax of 22% (2024: 22%)	26,253	19,380
Effects of:		
Irrecoverable withholding tax	4,765	782
Group accounting adjustments not subject to tax	1,315	(136)
Expenses not allowable for tax	100	860
Deferred tax assets not recognised	53	89
Income not subject to tax	(1,510)	(1,184)
Under provision of prior year income tax	1,821	828
Under/(over) provision of prior year deferred tax	218	(141)
Total tax charge for year	33,015	20,478

The above reconciliation has been prepared by reference to the Indonesian tax rate rather than the UK tax rate as, in accordance with IAS 12, this is the applicable tax rate that provides the most meaningful information, given this is the country in which the majority of tax arises.

The tax receivables represent the corporate income tax ("CIT") and value added tax ("VAT") that have yet to be refunded by the Indonesia tax authority. The tax receivables relating to CIT arose due to over payment of tax. The tax receivables relating to VAT as shown in the table below under other taxes arose because the majority of the Groups' CPO was sold to bonded zones which do not attract output VAT whilst input VAT on purchases is claimable. Upon submission of a tax return (for CIT) or a request letter (for VAT refund), a tax audit will be conducted by the tax authority and whilst every effort is made to resolve this quickly, the process can sometimes take more than 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Tax expense (continued)

The breakdown of the tax receivables and tax liabilities is as follows:

	2025	2024
	\$000	\$000
Tax Receivables		
Income tax	4,992	18,316
Other taxes	41,863	43,749
	46,855	62,065
Tax Liabilities		
Income tax	(10,173)	(5,466)
Other taxes	(814)	(1,201)
	(10,987)	(6,667)

The classification of other tax receivables is based on management's assessment of the expected timing of recovery from the tax authorities. Based on this assessment, the majority of the balances are expected to be recovered within the normal operating timeframe, although the exact timing of recovery is subject to the tax authorities' processes.

Critical judgement on carrying value of income tax receivables and provision for income taxes
 Management has exercised significant judgement in determining the recoverability of income tax receivables, which mainly comprise claims from the Indonesian tax authority. Given the prolonged settlement timeline and uncertainty around the outcome, the Group assessed these balances based on historical recovery trends, legal interpretations, and advice from local tax advisors. Where recovery is uncertain, a provision has been made. Judgement is also applied in estimating provisions for income tax liabilities, reflecting potential exposures from differing interpretations of tax laws in various jurisdictions. Changes in assumptions or tax developments could materially impact these balances.

9 Earnings per ordinary share ("EPS")

	2025	2024
	\$000	\$000
Earnings used in basic and diluted EPS	90,882	67,514
	2025	2024
	Number	Number
	'000	'000
Weighted average number of shares in issue in the year		
- used in basic EPS	39,272	39,510
- dilutive effect of outstanding share options	-	-
- used in diluted EPS	39,272	39,510
Basic and diluted EPS	231.42cts	170.88cts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Dividends

	2025 \$000	2024 \$000
Paid during the year		
Final dividend of 51.0cts per ordinary share for the year ended 31 December 2024 (2023: 15.0cts)	20,091	5,923
Interim dividend of 37.3cts per ordinary share for the year ended 31 December 2025 (2024: 0cts)	14,558	-
Proposed final dividend of 43.7cts per ordinary share for the year ended 31 December 2025 (2024: 51.0cts)	16,802	20,139

The proposed dividend for 2025 is subject to shareholders' approval at the forthcoming annual general meeting and has not been included as a liability in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
11 Property, plant and equipment

	Plantations \$000	Mill \$000	Leasehold land \$000	Buildings \$000	Estate plant, equipment & vehicle \$000	Office plant, equipment & vehicle \$000	Right- of-use assets# \$000	Construction in progress \$000	Total \$000
Cost									
At 1 January 2024	198,766	79,254	53,123	63,971	17,262	2,121	1,572	23,846	439,915
Exchange translations	(8,628)	(4,111)	(1,770)	(2,977)	(692)	(57)	(4)	(719)	(18,958)
Reclassification	-	21,757	-	5,793	47	-	-	(27,597)	-
Additions	348	3,964	2,641	477	1,644	464	82	8,039	17,659
Development costs capitalised	11,464	-	-	-	-	-	-	-	11,464
Disposals	(1,344)	(1,352)	-	-	(121)	(26)	-	-	(2,843)
Written off	(2,431)	(1,150)	(3)	(528)	(984)	(81)	-	-	(5,177)
At 31 December 2024	198,175	98,362	53,991	66,736	17,156	2,421	1,650	3,569	442,060
Exchange translations	(6,097)	(3,675)	(594)	(2,377)	(440)	23	63	(222)	(13,319)
Reclassification	-	1,893	-	4,652	22	-	-	(6,567)	-
Additions	175	2,983	1,109	130	1,966	485	49	11,427	18,324
Development costs capitalised	11,566	-	-	-	-	-	-	-	11,566
Disposals	-	(1,507)	-	-	(103)	(80)	-	-	(1,690)
Written off	(2,539)	(1,325)	-	(192)	(650)	(707)	(94)	-	(5,507)
At 31 December 2025	201,280	96,731	54,506	68,949	17,951	2,142	1,668	8,207	451,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Property, plant and equipment (continued)

	Plantations \$000	Mill \$000	Leasehold land \$000	Buildings \$000	Estate plant, equipment & vehicle \$000	Office plant, equipment & vehicle \$000	Right- of-use assets* \$000	Construction in progress \$000	Total \$000
<i>Accumulated depreciation and impairment</i>									
At 1 January 2024	82,534	34,880	3,810	29,511	13,218	970	610	-	165,533
Exchange translations	(3,196)	(1,682)	52	(1,339)	(503)	(17)	-	-	(6,685)
Reclassification	-	(18)	-	4	14	-	-	-	-
Charge for the year	7,761	6,092	113	3,146	1,308	267	299	-	18,986
Impairment losses	-	-	-	67	1	-	65	-	133
Disposal	(882)	(1,327)	-	-	(120)	(22)	-	-	(2,351)
Written off	(2,289)	(1,037)	-	(381)	(941)	(78)	-	-	(4,726)
At 31 December 2024	83,928	36,908	3,975	31,008	12,977	1,120	974	-	170,890
Exchange translations	(1,800)	(1,432)	325	(1,047)	(290)	14	42	-	(4,188)
Reclassification	-	-	-	-	-	-	-	-	-
Charge for the year	7,567	6,091	121	3,299	1,310	283	287	-	18,958
Impairment loss/ (reversal)	-	-	(711)	-	1	-	-	-	(710)
Disposal	-	(1,320)	-	-	(84)	(56)	-	-	(1,460)
Written off	(2,351)	(1,248)	-	(142)	(627)	(108)	(127)	-	(4,603)
At 31 December 2025	87,344	38,999	3,710	33,118	13,287	1,253	1,176	-	178,887
<i>Carrying amount</i>									
At 31 December 2023	116,232	44,374	49,313	34,460	4,044	1,151	962	23,846	274,382
At 31 December 2024	114,247	61,454	50,016	35,728	4,179	1,301	676	3,569	271,170
At 31 December 2025	113,936	57,732	50,796	35,831	4,664	889	492	8,207	272,547

Right-of-use assets have been disclosed in note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Property, plant and equipment (continued)

The average capitalisation rate of borrowing costs was 0% (2024: 0%) as there were no borrowings in either 2025 or 2024 from which borrowing costs could be capitalised. The estates included \$nil (2024: \$nil) of interest and \$2,864,000 (2024: \$2,458,000) of overheads capitalised during the year in respect of expenditure on estates under development.

The Indonesian authorities have granted certain land exploitation rights and operating permits for the estates. In the case of established estates in North Sumatera, these rights and permits expire between 2026 and 2060 with rights of renewal thereafter. As of estates in Bengkulu land titles were issued between 1994 and 2016 and the titles expire between 2028 and 2051 with rights of renewal thereafter for two consecutive periods of 25 and 35 years respectively. In Riau, land titles were issued in 2003 and expire in 2033 with rights of renewal thereafter. In Kalimantan, land titles were issued between 2015 and 2019 and expire between 2049 and 2054 with rights of renewal thereafter. In Bangka, land titles were issued in 2018 and expire in 2053.

Critical judgement on classification of land as leasehold with no depreciation charge

Subject to compliance with the laws and regulations of Indonesia, land rights are usually renewed. The cost of renewing the land rights is not significant. On the basis that the Group has an indefinite right to renew, leasehold land is not depreciated except leasehold land in Malaysia. The land title of the estate in Malaysia is a long-term lease expiring in 2084.

Critical estimate on impairment of plantation assets

In accordance with IAS 36, management assesses indicators of impairment at each reporting date. These indicators include historical production levels, comparisons between historical and forecasted CPO and FFB prices, average historical and forecasted EBITA, environmental factors and the expected recovery period of the CGU's carrying amount.

An impairment loss of \$1,000 (2024: \$133,000) related to building and right-of-use asset in Malaysia was provided for 2025 as the recoverable amounts based on its value-in-use were lower than the carrying amounts and the reason of acquisition of the plant and equipment was for corporate social responsibility purposes. The recoverable amounts are \$nil (2024: \$nil) as the subsidiary in Malaysia is making losses.

A reversal of impairment of \$711,000 was recognised in 2025 in respect of land in Indonesia (2024: \$nil). The reversal was due to an increase in the recoverable amount of the land following improvements in market conditions. The recoverable amount was determined based on fair value less costs of disposal, using market comparable transactions for similar plantations and land. Following the reversal, the carrying amount of the land does not exceed the amount that would have been determined had no impairment been recognised previously.

Impairment for cash generating units ("CGUs") is measured by comparing their carrying amount with their recoverable amount, which is the higher of the fair value less cost to sell or their value in use. The impairment assessment is performed against the combined cost of PPE and other working capital for each company, which represents the CGUs. This is because the plantations within each company are located in close proximity and share similar soil and climate conditions, as well as interdependent assets, thereby operating as a single cash-generating unit. The recoverable amount has been determined based on fair value less costs of disposal, using a price per hectare approach. For this purpose, management engaged an external expert to assist in the valuation.

Based on the assessment carried out by management, no impairment has been recognised in 2025 in respect of land and plantations in Indonesia (2024: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**11 Property, plant and equipment (continued)**

Valuations were performed for certain CGUs, including CPA, BML and KAP, using the market approach based on comparable transactions of similar oil palm estates in Indonesia. Management engaged an independent external valuer, MV Valuers, to assist in determining the fair value. The recoverable amounts were determined based on fair value less costs of disposal. The valuation utilised observable market data, including recent transaction prices of comparable estates, adjusted for differences in factors such as land size, maturity profile of oil palms, production yields and prevailing market conditions. The valuation also applied a price per hectare methodology, with differential weighting assigned to planted and unplanted areas. As significant inputs are not directly observable in the market, the fair value measurement is categorised within Level 3 of the fair value hierarchy.

The key unobservable inputs used in the fair value measurements include assumptions relating to price per hectare and projected yields. These inputs are not directly observable in the market and are based on management's best estimates, taking into account external valuation reports and available industry data.

Changes in these unobservable inputs could have a significant impact on the fair value of the assets. In particular, a decrease in projected yields or market price per hectare would result in a lower fair value measurement, while increases in these inputs would increase the fair value. Management considers the current assumptions to be reasonable and reflective of prevailing market conditions.

In 2024, the recoverable amounts for certain CGUs, including Alno and HPP, were determined based on value in use using a discounted cash flow ("DCF") model. Projected future cash flows were estimated over the expected economic life of the assets, ranging from 13 to 25 years, and discounted using a pre-tax discount rate of 12.2%. No discounted cash flow model was applied in 2025, as the recoverable amounts of the relevant CGUs were determined based on fair value less costs of disposal. The projections used in 2024 were based on historical performance, industry trends, prevailing economic conditions and other available information, including the potential impact of climate change.

Compliance with changing regulations, changes in buyer preferences, development of new products and use of lower emission sources of energy will affect the FFB production, CPO price and its growth. Heavy rainfall & flooding, droughts and fires will have an effect on company specific risk within the calculation of our discount rate as well as potential impacts on the ability of our plants to produce FFB. Pests & disease will impact the upkeeping cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 Intangible assets

	2025
	\$000
Beginning of year	-
Additions	262
End of year	262
Amortisation:	
Beginning/end of year	-
Carrying amount:	
At 31 December 2025	262
At 31 December 2024	-

Intangible assets are development expenditure on computer software that is not integral to an item of PPE and is therefore recognised separately as an intangible asset and costs of easements.

13 Investments in associates

The Group hold 20% equity interests in two solar energy companies incorporated in Malaysia. The investments are accounted for using the equity method. These associates are not individually material to the Group. There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of dividends or repayments, and the Group does not have any material commitments or contingent liabilities relating to its investments in associates.

	2025
	\$000
Acquisition during the year	1
Share of profit for the year	-
	1

Details of the associated undertakings as at 31 December 2025 are as follows:

Unlisted	Issued fully-paid up capital	% held	Country of incorporation and principal place of business	Principal activities
Re Kemaman Sdn Bhd	RM 10,000	20	Malaysia	Operation of generation facilities that produce electric energy
Re Kemaman II Sdn Bhd	RM 10,000	20	Malaysia	Operation of generation facilities that produce electric energy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Investment

Investment analysed as:

	2025 \$000	2024 \$000
Non- current	45	5,111
Current	22,000	23,976
	22,045	29,087

The movement of the fair value through profit and loss investment is:

	2025 \$000	2024 \$000
1 January	29,087	10,035
Additions	29,068	45,990
Disposal	(36,003)	(28,069)
Change in fair value recognised in profit and loss	(107)	1,131
31 December	22,045	29,087

Fair value through profit and loss financial assets includes the following:

	2025 \$000	2024 \$000
Quoted:		
Equity securities - United Kingdom	45	27
Bonds - Indonesia	18,000	18,014
Bond - Singapore	4,000	-
Treasury Bills - United States	-	5,962
Unquoted:		
Investment portfolio - Luxembourg	-	5,084
	22,045	29,087

Fair value through profit and loss financial assets are denominated in the following currencies:

	2025 \$000	2024 \$000
Currency		
Sterling	45	27
US Dollar	22,000	29,060
	22,045	29,087

The quoted bonds have an average remaining maturity of less than one year, reflecting the Group's short-term trading strategy. The fair value of quoted investments, including listed equity securities, bonds and treasury bills, is classified as Level 1 in the fair value hierarchy, as they are traded in active markets and valued based on quoted market prices at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Investment (continued)

The fair value of unquoted investment portfolio, which comprises capital-protected investments, is classified as Level 2 in the fair value hierarchy and is determined based on valuations provided by the custodian bank, using observable market inputs including quoted prices of similar instruments and market interest rates. Where the fair value was below the original cost, the Group had historically recognised these investments at cost, taking into consideration the capital protection feature. In 2025, the Group disposed of the investment portfolio.

15 Receivables: non-current

	2025 \$000	2024 \$000
Due from cooperatives under Plasma scheme		
Current (note 19)	2,220	2,278
Non-current	17,800	19,363
	20,020	21,641

Critical judgement on de-facto control of cooperative under Plasma scheme

Plasma scheme is an initiative by the Indonesian Government that mandated plantation owners to allocate a percentage of their land acquired to the surrounding community and to further provide financial and technical assistance to cultivate oil palm on that land to improve the income and welfare of the community or cooperatives. The Group does not have de facto control or significant influence over the decision-making processes of the cooperatives. Refer to Note 2(a) for further details.

The Group makes finance available to its associated co-operatives under Plasma scheme, covering both the immature stage of initial plantings and working capital needs for mature areas. Furthermore, the Group provides financial guarantees for certain bank loans outstanding amounting to \$0.2 million (2024: \$0.3 million), as disclosed in Note 28.

Throughout the year, certain subsidiary companies collectively funded Plasma with a gross amount of \$20,377,000 (2024: \$22,105,000) before ECL, recoverable from the cooperatives. Details on ECL are provided in note 19. The Group made additional advances of \$2,181,000 in FY2025 (2024: \$5,010,000) and received repayments of \$3,110,000 in 2025 through the sale of FFB from the cooperative (2024: \$2,689,000).

Critical judgement on measurement of plasma receivables

All balances due from cooperatives under the Plasma scheme, including those related to immature areas, are repayable on demand as there are no formal terms in place, although the Group may grant extended financing periods at its discretion.

The amounts are classified between current and non-current portions, based on expected recovery. The non-current portion comprises amounts not expected to be recovered within 12 months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Deferred tax

The movement on the deferred tax account as shown below:

	2025 \$000	2024 \$000
At 1 January	(325)	1,313
Recognised in income statement	(1,262)	(1,487)
Recognised in other comprehensive income	(522)	(95)
Exchange differences	21	(56)
At 31 December	(2,088)	(325)

The deferred tax asset and liability, together with the amounts recognised in income statement and other comprehensive income are detailed as follows:

	Asset \$000	Liability \$000	Net \$000	(Charged)/ credited to income statement \$000	(Charged)/ credited to equity \$000
2025					
Impairment of land	-	-	-	(212)	-
Retirement benefits	1,452	-	1,452	(4)	(522)
Biological assets	-	(1,407)	(1,407)	308	-
Unutilised tax losses	528	-	528	(601)	-
Unremitted earnings	-	(2,107)	(2,107)	(746)	-
Other temporary differences	1,116	(1,670)	(554)	(7)	-
Tax assets/(liabilities)	3,096	(5,184)	(2,088)	(1,262)	(522)
Set off of tax	(2,122)	2,122	-	-	-
Net tax assets/(liabilities)	974	(3,062)	(2,088)	(1,262)	(522)
2024					
Impairment of land	159	-	159	-	-
Retirement benefits	2,036	-	2,036	299	(95)
Biological assets	-	(1,757)	(1,757)	(630)	-
Unutilised tax losses	1,152	-	1,152	417	-
Unremitted earnings	-	(1,360)	(1,360)	-	-
Other temporary differences	638	(1,193)	(555)	(1,573)	-
Tax assets/(liabilities)	3,985	(4,310)	(325)	(1,487)	(95)
Set off of tax	(2,085)	2,085	-	-	-
Net tax assets/(liabilities)	1,900	(2,225)	(325)	(1,487)	(95)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Deferred tax (continued)

	2025 \$000	2024 \$000
A deferred tax asset has not been recognised for the following items:		
Unutilised tax losses	41,132	30,721

Critical judgement on deferred tax on losses

The Group had recognised tax assets arising from the unutilised tax losses of certain subsidiaries as the Group believes that the tax assets of these subsidiaries can be realised in the future periods based on their budget, as their respective plantation assets becoming more mature and historically resulting in the companies becoming profitable. However, the Group does not recognise the tax losses in certain companies within the Group as tax assets in UK and Malaysia as the future recoverability of losses of these companies cannot be certain and there are insufficient forecast future taxable profits. The time limit on utilisation of tax losses is subject to the tax laws in various countries. As of 31 December 2025, the relevant time limits are 5 years in Indonesia, 7 years in Malaysia and unlimited in UK.

At 31 December 2025, all unutilised tax losses were recognised in Indonesia. The unutilised tax losses will expire as per below:

Year	\$000
2027	321
2029	207
	528

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was \$899,449,000 (2024: \$839,135,000). No liability has been recognised in respect of these differences because either the Group is in a position to control the timing of the reversal of the temporary differences and does not expect such a reversal to occur in the foreseeable future, or such a reversal would not give rise to an additional tax liability. The deferred tax liability on unremitted earnings recognised at the balance sheet date was related to the estimated dividend declared for 2025 by the subsidiaries.

17 Inventories

	2025 \$000	2024 \$000
Estate and mill consumables	9,048	6,902
Processed produce for sale	18,604	11,865
	27,652	18,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17 Inventories (continued)

The movement on the inventories as shown below:

	2025 \$000	2024 \$000
As at 1 Jan	18,767	16,684
Purchase of FFB	224,355	174,022
Labour and production overheads	125,376	115,468
Total purchase production cost	349,731	289,490
Less: cost of sales recognised in income statement	(339,982)	(286,583)
Exchange differences	(864)	(824)
	27,652	18,767

During the financial year, inventories recognised as an expense amounted to \$339,982,000 (2024: \$286,583,000).

This includes the cost of raw materials (including purchases of Fresh Fruit Bunches), direct labour, and production overheads related to inventories sold during the year.

No write-down of inventories to net realisable value nor reversal of such write-down was recognised during the financial year (2024: \$nil).

18 Biological assets

	2025 \$000	2024 \$000
At 1 January	8,057	5,419
Changes in fair value less cost to sell	155,386	165,924
Decreases due to harvest	(156,794)	(162,982)
Fair value (loss)/gain recognised in the income statement	(1,408)	2,942
Exchange differences	(266)	(304)
At 31 December	6,383	8,057

The fair value of biological assets is classified as Level 3 in the fair value hierarchy. During the year, all of the opening balance of biological assets was harvested while all of the closing balance arose in the year due to movements in fair value less costs to sell. The gain or loss recognised in the income statement represents the net movement in the fair value of biological assets during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 Biological assets (continued)

The estimation in respect of FFB prior to harvest is based on the market price of FFB in each of the Group's locations on 31 December, less the cost of harvesting and transport to mill. The market price is applied to a weight of FFB. This weight derives from the assumption that value accrues exponentially to FFB from the increase in oil content in the two weeks prior to harvest.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of biological assets, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Item	Valuation approach	Inputs used	Inter-relationship between key unobservable inputs and fair value
Biological assets - Unharvested produce	Based on FFB weight multiplied by the sum of FFB selling price less harvesting cost	FFB weight: approximately 40,190 mt (2024: 41,957 mt)	The higher the weight, the higher the fair value
		FFB selling price: USD 150 - USD 233/mt (2024: \$157 - \$244/mt)	The higher the selling price, the higher the fair value
		Harvesting costs: \$10 - \$74/mt (2024: \$9 - \$61/mt)	The higher the harvesting cost, the lower the fair value

The Group's biological assets are not subject to any material restrictions on title and are not pledged as security for liabilities. There are no material commitments for the development or acquisition of biological assets as at the reporting date.

The Group manages financial risks relating to agricultural activity, including fluctuations in FFB prices and production yields, through continuous monitoring of market conditions and operational performance.

The assumptions applied in determining the fair value of fresh fruit bunches ("FFB") include the estimated oil content of FFB, which is based on relevant research studies, the expected selling price net of harvesting costs, and forecast FFB production volumes. A decrease of 1% in any of these assumptions would reduce the valuation by approximately \$64,000.

19 Trade and other receivables

	2025 \$000	2024 \$000
Trade receivables	764	458
Other receivables	3,637	852
Prepayments	2,424	3,474
Due from cooperatives under Plasma scheme (note 15)	2,220	2,278
	9,045	7,062

The carrying amount of trade and other receivables classified as amortised cost approximates fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**19 Trade and other receivables***Trade receivables*

The Group applies the IFRS 9 simplified approach to measure ECL using a lifetime ECL provision for trade receivables. To measure ECL on a collective basis, trade receivables are grouped based on similar credit risk and age.

The expected loss rate is based on a combination of the Group's historical credit losses experienced over the 5-year period prior to the year end and forward-looking information on macroeconomic factors affecting the Group's customers. The ECL has been calculated at 1% on trade receivables balances.

Other receivables

The Group assesses the ECL associated with its debt instruments carried at amortised cost on a forward-looking basis using the three-stage approach. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group considers the probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an on-going basis at each reporting date. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers available, reasonable and supportable forward-looking information, such as:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance or behaviour of the debtor, including changes in the payment status of the debtor.

There has not been a significant increase in credit risk since initial recognition on any of the group's financial assets therefore 12-month ECL have continued to be recognised on all balances other than trade receivables which are discussed above.

The Group assesses the ECL on amounts due from cooperatives under Plasma scheme by considering various probability weighted outcomes. The possible outcome is considered to be:

- recovery is limited to the future cashflows of the cooperative, being the FFB revenue less development costs; and
- recovery in full via bank financing obtained by the cooperative.
- partial recovery arising from lower-than-expected FFB production or prices, which may result in extended recovery periods or shortfall in repayment.

The amounts due from cooperative under plasma scheme are classified between the portions that are current and non-current. The non-current portion relates to the amounts that are not expected to be recovered within 12 months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
19 Trade and other receivables (continued)

Movements on the Group's loss provision on current, non-current other receivables and financial guarantee contracts are as follows:

	2025	2024
	\$000	\$000
At 1 January	476	508
Reversal of loss provision during the year	(85)	(9)
Exchange difference	(17)	(23)
At 31 December	374	476

At 31 December 2025, the expected loss provision for receivables is as follows:

	Gross carrying amount	Loss provision	Net carrying amount
	\$000	\$000	\$000
2025			
Trade receivable	771	(7)	764
Other receivables	3,645	(8)	3,637
Receivables: non-current (note 15)			
- Due from cooperatives under Plasma scheme	20,377	(357)	20,020
	24,793	(372)	24,421
Financial guarantee contracts (note 28)	-	(2)	(2)
	24,793	(374)	24,419
	Gross carrying amount	Loss provision	Net carrying amount
	\$000	\$000	\$000
2024			
Trade receivables	462	(4)	458
Other receivables	857	(5)	852
Receivables: non-current (note 15)			
- Due from cooperatives under Plasma scheme	22,105	(464)	21,641
	23,424	(473)	22,951
Financial guarantee contracts (note 28)	-	(3)	(3)
	23,424	(476)	22,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprised:

	2025	2024
	\$000	\$000
Cash at bank available on demand	166,637	103,866
Short-term deposits	65,196	77,988
Cash in hand	12	54
As reported in statement of financial position	231,845	181,908
Short-term investments	500	1,253
	232,345	183,161

Cash and cash equivalents include investments in a USD-denominated liquidity fund which is highly liquid, maintains a stable net asset value, and is redeemable on demand with no significant risk of changes in value. The fund is held for short-term cash management purposes.

The short-term investments refer to the fixed deposits with original maturity of more than three months but less than one year.

An amount of \$104,000, included within cash and cash equivalents, has been pledged as collateral for a loan facility granted to a cooperative under the Plasma scheme, and is secured by Bank Syariah Mandiri, as disclosed in Note 28. While the amount remains classified as cash and cash equivalents, it is subject to a pledge and is not freely available for use.

Significant non-cash transactions from investing activities are as follows:

	2025	2024
	\$000	\$000
Property, plant and equipment purchased but not yet paid at year end	-	81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
20 Notes supporting statement of cash flows (continued)

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions as follows:

	Non-current lease liabilities \$000	Current lease liabilities \$000	Total \$000
At 1 January 2025	(453)	(307)	(760)
Cash Flows	-	365	365
Non-cash flows			
- Effect of foreign exchange	(24)	(28)	(52)
- New lease	(25)	(24)	(49)
- Lease liabilities classified as non-current at 31 December 2024 becoming current during 2025	164	(164)	-
- Interest accruing during the year	-	(44)	(44)
	(338)	(202)	(540)

	Non-current lease liabilities \$000	Current lease liabilities \$000	Total \$000
At 1 January 2024	(709)	(300)	(1,009)
Cash Flows	-	405	405
Non-cash flows			
- Effect of foreign exchange	-	(9)	(9)
- New lease	(25)	(57)	(82)
- Lease liabilities classified as non-current at 31 December 2023 becoming current during 2024	281	(281)	-
- Interest accruing during the year	-	(65)	(65)
	(453)	(307)	(760)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Trade and other payables

	2025	2024
	\$000	\$000
Trade payables	8,938	6,900
Other payables	833	442
Contract liabilities	5,032	4,637
Accruals	13,553	9,424
	28,356	21,403

The carrying amount of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value. Contract liabilities to customers are expected to be recognised in full as revenue in the subsequent year. The contract liabilities at 31 December 2024 have been recognised in revenue in the current period.

22 Leases

	2025	2024
	\$000	\$000
Lease liabilities analysed as:		
Non-current	338	453
Current	202	307
	540	760

The weighted average incremental borrowing rate per annum was 7.0% (2024: 7.6%).

Maturity analysis for the lease liabilities has been given in note 29.

Amounts recognised in income statement:

	2025	2024
	\$000	\$000
Depreciation expense on right-of-use assets (note 11)	(287)	(299)
Interest expense on lease liabilities (note 4)	(44)	(65)
Expense relating to short-term leases	(12)	(12)
Expense relating to leases of low value assets	-	(4)
	(343)	(380)

At 31 December 2025, the Group was committed to \$0.01 million (2024: \$0.01 million) for short-term leases.

All the leases are fixed payments. The total cash outflow for leases amount to \$0.38 million (2024: \$0.42 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
22 Leases (continued)

The Group leases a piece of land and office under the right-of-use assets. The remaining lease term is between 1 to 5 years. (2024: 1 to 5 years). On expiry the Group has the option to renew based on mutually agreed future rental. In determining the lease term, management has assessed whether it is reasonably certain that renewal options will be exercised. Based on this assessment, renewal options have not been included in the lease term as they are subject to future negotiations and are not considered reasonably certain at the reporting date. The right-of-use assets is classified as part of property, plant and equipment in note 11.

Right-of-Use assets

	Land \$000	Building \$000	Total \$000
At 1 January 2025	-	676	676
Additions	-	49	49
Amortisation	-	(287)	(287)
Written off	-	33	33
Effect of foreign exchange	-	21	21
At 31 December 2025	-	492	492

	Land \$000	Building \$000	Total \$000
At 1 January 2024	-	962	962
Additions	82	-	82
Amortisation	(16)	(283)	(299)
Impairment losses	(65)	-	(65)
Effect of foreign exchange	(1)	(3)	(4)
At 31 December 2024	-	676	676

Lease liabilities

	Land \$000	Building \$000	Total \$000
At 1 January 2025	(42)	(718)	(760)
Additions	-	(49)	(49)
Interest expense	(2)	(42)	(44)
Lease payments	21	344	365
Effect of foreign exchange	(5)	(47)	(52)
At 31 December 2025	(28)	(512)	(540)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Leases (continued)

	Land \$000	Building \$000	Total \$000
At 1 January 2024	(30)	(979)	(1,009)
Additions	(82)	-	(82)
Interest expense	(2)	(63)	(65)
Lease payments	75	330	405
Effect of foreign exchange	(3)	(6)	(9)
At 31 December 2024	(42)	(718)	(760)

The tables above relates to a right of use asset and is presented in note 11.

23 Retirement benefits

The Group provides Post-Employment Benefit plans to its employees in Indonesia in accordance with Job Creation Law No.11/2020, Government Regulation No.35/2021 effective since February 2021 and Collective Labour Agreements. These are defined benefit plans and provide lump sum benefits to employees on retirement, death, disability and voluntary resignation. There is no requirement for the Group to advance fund these benefits.

The Group has set up a separate fund with PT Asuransi Allianz Life Indonesia to fund the Post-Employment Benefit plan obligation for Staff employees. The assets in the fund can only be used to pay the employees' benefits.

The defined contribution plan is managed by Dana Pension Lembaga Keuangan AIA Financial ("DPLK AIAF") and allocated to the individual participants. From 2020 onwards, these employees will receive the higher of the benefit from DPLK AIAF and the Post-Employment Benefit plan. The DPLK AIAF plan covers a smaller proportion of the overall Post-Employment Benefit obligation.

The Group provides other long-term employee benefits in the form of Long Service Awards for Staff and Non-Staff employees in Indonesia. The Long Service Awards are for amounts of up to 2 months of basic salary, paid on completion of 10 or 20 years' continuous service (Staff) and on completion of 25, 30, 35, and 40 years' continuous service (Non-Staff). These benefits are unfunded.

Critical estimates on actuarial assumptions on retirement benefits

The defined benefit plans are valued by an actuary at the end of each financial year. The major assumptions used by the actuary were:

	2025	2024
Rate of increase in wages	6.5%	8.0%
Discount rate	6.5%	7.3%
Mortality rate*	100% TMI4	100% TMI4
Disability rate	10% TMI4	10% TMI4

* Mortality Table used in this calculation is Tabel Mortalita Indonesia IV (TMI IV) which was released in December 2019. This is the latest table which reflects the mortality rate of Indonesia's population. The mortality rate in the table differs by age and gender.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
23 Retirement benefits (continued)

	2025	2024
	\$000	\$000
Service cost		
Current service cost	1,655	1,703
Past service cost	69	473
Net interest expense	686	664
Remeasurements on net defined benefit liability	(163)	(76)
Total employee benefits expense	2,247	2,764

The reconciliation on the remeasurement of retirement benefit plan as shown below:

	2025	2024
	\$000	\$000
Included in other comprehensive income:		
Remeasurement of retirement benefit plan	(2,374)	(473)
Deferred tax on retirement benefits	522	95
Remeasurement of retirement benefit plan, net of tax recognised in other comprehensive income	(1,852)	(378)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Retirement benefits (continued)

(i) Reconciliation of defined benefit obligation and fair value of scheme assets

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability		
	Funded scheme \$000	Unfunded scheme \$000	Funded scheme \$000	Unfunded scheme \$000	Funded scheme \$000	Unfunded scheme \$000	Total \$000
At 1 January 2024	(7,379)	(5,699)	1,780	-	(5,599)	(5,699)	(11,298)
Service cost - current	(1,131)	(572)	-	-	(1,131)	(572)	(1,703)
Service cost - past	(291)	(182)	-	-	(291)	(182)	(473)
Adjustment due to change in attribution method	(3,014)	3,014	-	-	(3,014)	3,014	-
Interest (cost)/income	(607)	(189)	132	-	(475)	(189)	(664)
Remeasurements on net defined benefit liability	-	76	-	-	-	76	76
Included in income statement	(5,043)	2,147	132	-	(4,911)	2,147	(2,764)
Remeasurement (loss)/gain							
Actuarial (loss)/gain from:							
Adjustments (experience)	3	120	-	-	3	120	123
Financial assumptions	403	(20)	-	-	403	(20)	383
Return on plan assets (exclude interest)	-	-	(33)	-	(33)	-	(33)
Included in other comprehensive income	406	100	(33)	-	373	100	473
Effect of movements in exchange rates	419	217	(107)	-	312	217	529
Employer contribution	-	-	1,562	-	1,562	-	1,562
Benefits paid	644	121	(343)	-	301	121	422
Other	223	(239)	19	-	242	(239)	3
Other movements	1,286	99	1,131	-	2,417	99	2,516
At 31 December 2024	(10,730)	(3,553)	3,010	-	(7,720)	(3,353)	(11,073)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
23 Retirement benefits (continued)

(i) Reconciliation of defined benefit obligation and fair value of scheme assets (continued)

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability		
	Funded scheme \$000	Unfunded scheme \$000	Funded scheme \$000	Unfunded scheme \$000	Funded scheme \$000	Unfunded scheme \$000	Total \$000
At 1 January 2025	(10,730)	(3,353)	3,010	-	(7,720)	(3,353)	(11,073)
Service cost - current	(1,385)	(270)	-	-	(1,385)	(270)	(1,655)
Service cost - past	-	(69)	-	-	-	(69)	(69)
Adjustment due to change in attribution method	(1,464)	1,464	-	-	(1,464)	1,464	-
Interest (cost)/income	(791)	(135)	240	-	(551)	(135)	(686)
Remeasurements on net defined benefit liability	-	163	-	-	-	163	163
Included in income statement	(3,640)	1,153	240	-	(3,400)	1,153	(2,247)
Remeasurement (loss)/gain							
Actuarial (loss)/gain from:							
Adjustments (experience)	904	123	-	-	904	123	1,027
Demographic assumptions	317	69	-	-	317	69	386
Financial assumptions	734	191	-	-	734	191	925
Return on plan assets (exclude interest)	-	-	36	-	36	-	36
Included in other comprehensive income	1,955	383	36	-	1,991	383	2,374
Effect of movements in exchange rates	410	94	(146)	-	264	94	358
Employer contribution	-	-	2,322	-	2,322	-	2,322
Benefits paid	915	79	(700)	-	215	79	294
Other movements	1,325	173	1,476	-	2,801	173	2,974
At 31 December 2025	(11,090)	(1,644)	4,762	-	(6,328)	(1,644)	(7,972)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Retirement benefits (continued)

(ii) Disaggregation of defined benefit scheme assets

The fair value of the funded assets is analysed as follows:

	2025	2024
	\$000	\$000
Bonds		
- Government bonds	2,083	1,529
	2,083	1,529
Cash/deposits	2,679	1,481
	4,762	3,010

None of the plan assets are invested in the Group's own financial instruments, property or other assets used by the Group. All plan assets invested in bonds which have a quoted market price in an active market.

(iii) Defined benefit obligation - sensitivity analysis

The following table exhibits the sensitivity of the Group's retirement benefits to the fluctuation in the discount rate, wages and mortality rate:

	Reasonably Possible Change	Defined benefit obligation Increase \$000	Decrease \$000
Discount rate	(+/- 1%)	(932)	1,032
Growth in wages	(+/- 1%)	1,076	(986)

The weighted average duration of the defined benefit obligation is 8.51 years (2024: 8.61 years).

The total contribution paid into the defined contribution plan in 2025 amounted to \$221,000 (2024: \$224,000). The Group expects to pay contributions of \$442,000 to the funded plans in 2026.

The expected maturity profile of the retirement benefits is as follows:

	2025
	\$000
Within 1 year	117
Between 2 - 5 years	562
Between 6 - 10 years	1,085
Beyond 10 years	6,208
Total	7,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24 Share capital and treasury shares

	Authorised Number	Issued and fully paid Number	Authorised £000	Issued and fully paid £000	Authorised \$000	Issued and fully paid \$000
Ordinary shares of 25p each						
Beginning and end of year	60,000,000	39,976,272	15,000	9,994	23,865	15,504
	2025 Number	2024 Number			Cost 2025 \$000	Cost 2024 \$000
Treasury shares:						
Beginning of year	487,678	415,826			(2,487)	(1,847)
Share buy back	707,762	71,852			(11,353)	(640)
End of year	1,195,440	487,678			(13,840)	(2,487)
Market value of treasury shares:						\$000
Beginning of year (654.0p/share)						3,996
End of year (1,370.0p/share)						22,029

707,762 treasury share was purchased in 2025 (2024: 71,852).

All fully paid ordinary shares have full voting rights, as well as to receive the distribution of dividends and repayment of capital upon winding up of company.

25 Ultimate controlling shareholder

At 31 December 2025, Genton International Limited (“Genton”), a company registered in Hong Kong, held 20,247,814 (2024: 20,247,814) shares of the Company representing 52.2% (2024: 51.3%) of the Company’s issued share capital, excluding treasury shares. Together with other deemed interested parties, Genton’s shareholding totals 20,551,914 or 53.0%. The ultimate beneficial shareholders of Genton International Limited are vested in the estates of Madam Lim Siew Kim with the application for probate in progress.

26 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

An office premises lease agreement was entered with Infra Sari Sdn Bhd, a company controlled by the late Madam Lim Siew Kim. The rental paid during the year was \$178,192 (2024: \$166,800). There was no balance outstanding at the year end (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26 Related party transactions (continued)

In 2025, the final dividend paid to Genton International Limited, a company controlled by the Estate of the late Madam Lim Siew Kim, was \$10,326,385 for the year ended 31 December 2024 (2024: \$3,037,172 for the year ended 31 December 2023) and an interim dividend was paid to Genton International Limited was \$7,552,435 for the year ended 31 December 2025 (2024: nil). The final dividend paid to other companies controlled by the late Madam Lim Siew Kim was \$155,091 for the year ended 31 December 2024 (2024: \$45,615 for the year ended 31 December 2023). There was no balance outstanding at the year end (2024: Nil). The interim dividend paid to other companies controlled by the late Madam Lim Siew Kim was \$113,429 for the year ended 31 December 2025 (2024: nil for the year ended 31 December 2024).

27 Reserves

Nature and purpose of each reserve:

Share capital	Amount of shares subscribed at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Treasury shares	Cost of own shares held in treasury.
Exchange reserves	Gains/losses arising from translating the net assets of overseas operations into US Dollar.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

28 Guarantees and other financial commitments

	2025 \$000	2024 \$000
Capital commitments at 31 December		
Contracted but not provided - normal estate operations	-	184
Contracted but not provided - mill development	878	-
Authorised but not contracted - plantation and mill development	34,251	45,790

On 3 February 2017, a subsidiary company, PT Alno Agro Utama and Koperasi Perkebunan Plasma Maju Sejahtera (“KPPM”) signed a Refinancing Agreement with PT Bank Syariah Mandiri (“BSM”) to fund its plasma development. The Agreement provides a loan of Rp 8.75 billion (\$0.5 million) (2024: Rp8.75 billion, \$0.5 million), with 10 (Ten) years maturity period effective from 24 July 2017 with an interest rate of 13.25% per annum and in 2021 decreased to 12.5% per annum. This loan is collateralized by 125.4 hectares of KPPM’s land located in Desa Serami Baru, Kecamatan Malin Deman, Kabupaten Mukomuko, Bengkulu and its plantation with a carrying amount of \$0.6 million as at 31 December 2025 (31 December 2024: \$0.6 million) as security under the agreement while the Company provides corporate guarantee amounting to Rp 8.75 billion (\$0.5 million). As of 31 December 2025, the outstanding bank loans amounted to \$0.2 million, compared to \$0.3 million in 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28 Guarantees and other financial commitments (continued)

The Group's loss provision on these financial guarantee contracts was immaterial for 2024 and 2025.

29 Disclosure of financial instruments and other risks

The Group's principal financial instruments comprised investment, cash, short and long-term bank loans, trade receivables excluding prepayments and payables excluding contract liabilities and receivables from local partners in respect of their investments.

The Group's accounting classification of each class of financial asset and liability at 31 December 2025 and 2024 were:

	Fair value through profit and loss \$000	Financial assets at amortised cost \$000	Financial liabilities at amortised cost \$000	Total carrying value \$000
2025				
Investments	22,045	-	-	22,045
Non-current receivables	-	17,800	-	17,800
Trade and other receivables	-	6,621	-	6,621
Short-term investments	-	500	-	500
Cash and cash equivalents	-	231,845	-	231,845
Trade and other payables	-	-	(23,324)	(23,324)
	22,045	256,766	(23,324)	255,487

	Fair value through profit and loss \$000	Financial assets at amortised cost \$000	Financial liabilities at amortised cost \$000	Total carrying value \$000
2024				
Investments	29,087	-	-	29,087
Non-current receivables	-	19,363	-	19,363
Trade and other receivables	-	3,588	-	3,588
Short-term investments	-	1,253	-	1,253
Cash and cash equivalents	-	181,908	-	181,908
Trade and other payables	-	-	(16,766)	(16,766)
	29,087	206,112	(16,766)	218,433

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**29 Disclosure of financial instruments and other risks***Financial instruments not measured at fair value*

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, borrowings due within one year and non-current receivables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value. The non-current receivables were measured at cost less ECL.

The principal financial risks to which the Group is exposed are:

- commodity price risk; and
- currency risk;

which, in turn, can affect financial instruments and/or operating performance.

The Company does not hedge any of its risks. Its trade credit risks are low. Financial assets that are held at fair value through the profit or loss include investment to generate higher return.

The Board is directly responsible for setting policies in relation to financial risk management and monitors the levels of the main risks through review of regular operational reports.

Commodity price risk

The Group is exposed to fluctuations in the market prices of palm produce, which directly affect the revenue. The Group does not normally contract to sell produce more than one month ahead.

Currency risk

Most of the Group's operations are in Indonesia. The Company and Group accounts are prepared in US Dollar which is not the functional currency of the operating subsidiaries. The Group does not hedge its net investment in its overseas subsidiaries and is therefore exposed to a currency risk on that investment. The historical cost of investment (including intercompany loans) by the parent in its subsidiaries amounted to \$12,641,000 (2024: \$10,808,000), while the statement of financial position value of the Group's share of underlying assets at 31 December 2025 amounted to \$580,689,000 (2024: \$551,031,000).

All the Group's sales are made in local currency and any trade receivables are therefore denominated in local currency. No hedging is therefore necessary.

Selling prices of the Group's produce are directly related to the US Dollar denominated world prices. Appreciation of local currencies, therefore, reduces profits and cash flow of the Indonesian and Malaysian subsidiaries in US Dollar terms and vice versa.

There are no borrowings in the Group and therefore there is no longer any currency risk for the Group in respect of this. The average interest rate on local currency deposits was 0.12% higher (2024: 0.12% higher) than on US Dollar deposits. The unmatched balance at 31 December 2025 was represented by the \$99,329,000 shown in the table below (2024: \$33,435,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Disclosure of financial instruments and other risks (continued)

Currency risk (continued)

The table below shows the net monetary assets and liabilities of the Group as at 31 December 2025 and 2024 that were not denominated in the operating or functional currency of the operating unit involved.

Functional currency of Group operation	Net foreign currency assets/(liabilities)		
	US Dollar \$000	Sterling \$000	Total \$000
2025			
Rupiah	91,801	-	91,801
US Dollar	-	873	873
Ringgit	7,528	-	7,528
Total	99,329	873	100,202
2024			
Rupiah	17,853	-	17,853
US Dollar	-	2,621	2,621
Ringgit	15,582	-	15,582
Total	33,435	2,621	36,056

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign exchange risk. The impact on equity if Ringgit or Rupiah strengthen or weaken by 10% against US Dollar:

	2025			2024		
	Carrying Amount US\$ \$000	-10% in Rp : \$ and RM : \$ \$000	+10% in Rp : \$ and RM : \$ \$000	Carrying Amount US\$ \$000	-10% in Rp : \$ and RM : \$ \$000	+10% in Rp : \$ and RM : \$ \$000
<u>Financial Assets</u>						
Non-current receivables	17,800	(1,618)	1,978	19,363	(1,760)	2,151
Trade and other receivables	6,621	(547)	669	3,588	(320)	391
Short-term investments	500	(45)	56	1,253	-	-
Cash and cash equivalents	231,845	(20,751)	25,363	181,908	(16,359)	19,995
<u>Financial Liabilities</u>						
Trade and other payables	(23,324)	2,073	(2,533)	(16,766)	1,493	(1,825)
Total (decrease)/ increase		(20,888)	25,533		(16,946)	20,712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Disclosure of financial instruments and other risks (continued)

Liquidity risk

Profitability of new sizable plantations normally requires a period of between six and seven years before cash flow turns positive. Because oil palms do not begin yielding significantly until four years after planting, this development period and the cash requirement is affected by changes in commodity prices.

The Group attempts to ensure that it is likely to have either self-generated funds or further loan/equity capital to complete its development plans and to meet loan repayments. Long-term forecasts are updated twice a year for review by the Board. In the event that falling commodity prices reduce self-generated funds below expectations and to a level where Group resources may be insufficient, further new planting may be restricted. Consideration is given to the funds required to bring existing immature plantings to maturity.

The Group's trade and tax payables are all due for settlement within a year. At 31 December 2025, the Group had no external loans and facilities.

The following table sets out the undiscounted contractual cashflows of financial liabilities:

	Less than 1 year \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	More than 5 years \$000	Total \$000
At 31 December 2025					
Trade and other payables	(9,771)	-	-	-	(9,771)
Accruals	(13,553)	-	-	-	(13,553)
Lease liabilities	(229)	(218)	(137)	-	(584)
	(23,553)	(218)	(137)	-	(23,908)
At 31 December 2024					
Trade and other payables	(7,342)	-	-	-	(7,342)
Accruals	(9,424)	-	-	-	(9,424)
Lease liabilities	(347)	(199)	(291)	-	(837)
	(17,113)	(199)	(291)	-	(17,603)

The figures for trade and other payables exclude accruals and contract liabilities.

The Group does not face a significant liquidity risk with regard to its financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Disclosure of financial instruments and other risks (continued)

Interest rate risk

The Group's surplus cash is subject to variable interest rates. The Group had net cash throughout 2025. A 1% change in the deposit interest rate would not have a significant impact on the Group's reported results as shown in the table below.

	2025			2024		
	Carrying amount \$000	-1% in interest rate \$000	+1% in interest rate \$000	Carrying amount \$000	-1% in interest rate \$000	+1% in interest rate \$000
<u>Financial Assets</u>						
Short-term investments	500	(5)	5	1,253	(10)	6
Cash and cash equivalents	231,845	(2,259)	2,336	181,908	(1,681)	1,799
Total (decrease)/increase		(2,264)	2,341		(1,691)	1,805

There is no policy to hedge interest rates, partly because of the net cash position and the net interest income position of the Group.

Average US Dollar deposit rate in 2025 was 4.42% (2024: 4.72%) and Rupiah deposit rate was 4.54% (2024: 4.60%).

Credit risk

The Group has two types of financial assets that are subject to the ECL model:

- trade receivables for sales of goods and services; and
- current and non-current receivables carried at amortised cost.

The Group also has financial guarantee contracts for which the ECL model is also applicable.

While cash and cash equivalents are also subject to the impairment requirements as set out in IFRS 9, there is no impairment loss identified given the financial strength of the financial institutions in which the Group have a relationship with. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Group has taken necessary steps and precautions in minimising the credit risk by lodging cash and cash equivalents only with reputable licensed banks, and particularly in Indonesia, independently rated banks with a minimum rating of "A". The cash and cash equivalents are in US dollars, Rupiah, Ringgit and Sterling according to the requirements of the Group.

The Group use three categories for those receivables which reflect their credit risk and how the loss provision is determined for those categories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**29 Disclosure of financial instruments and other risks (continued)***Credit risk (continued)*

(i) Trade receivables using the simplified approach

The Group applies the simplified approach under IFRS 9 to measure ECL, which uses a lifetime expected loss provision for all trade receivables. To measure the expected losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced during these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as palm product prices and crude oil price) affecting the ability of the customers to settle the receivables. The historical loss rates will be adjusted based on the expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

In determining the expected loss rates, the Group also takes into consideration the collateral or payments received in advance, as set out below:

Receivables are generally collected within the credit term and therefore there is minimal exposure to doubtful debts. Upfront payments are also collected for certain sales made by the Group's subsidiaries in Indonesia.

The Group's maximum exposure to credit risk and loss provision recognised as at 31 December 2025 is disclosed in note 19. The ECL has been calculated at 1% on trade receivables balances while the remaining amount on which no ECL provision was recognised is deemed to be recoverable, with low probability of default. Default is defined by the management as the non-repayment of the balance.

(ii) Other receivables at amortised costs other than trade receivables using the three-stage approach

All of the Group's debt instruments at amortised cost other than trade receivables are considered to have low credit risk, except for amounts due from cooperatives under the Plasma scheme. Plasma receivables are assessed separately due to their longer recovery profile; however, they are considered to be performing, with no significant increase in credit risk since initial recognition and no significant history of default. Accordingly, these balances are classified within Stage 1.

The 12-month ECL for other receivables is calculated using a simplified rate of approximately 1% on the majority of balances, unless assessed to be immaterial. For amounts due from cooperatives under the Plasma scheme, the ECL is determined using probability-weighted scenarios. These include recovery from future cash flows of the cooperatives, based on FFB revenue less development costs, recovery in full via bank financing obtained by the cooperatives, and a downside scenario reflecting potential partial recovery arising from adverse changes in operating conditions. Downside scenarios were assessed based on a reduction of approximately 10% in FFB selling prices and 10% in production yields, reflecting reasonably possible adverse changes in market and operating conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Disclosure of financial instruments and other risks (continued)

Credit risk (continued)

- (ii) Other receivables at amortised costs other than trade receivables using the three-stage approach (continued)

The Group determines expected credit losses using a probability-weighted approach, taking into account possible recovery scenarios and the time value of money where applicable. The key inputs in the assessment include expected future cash flows from cooperatives, FFB selling prices, production yields and development costs. Forward-looking information is incorporated into the assessment by considering reasonably possible changes in market conditions and operational factors, including fluctuations in FFB prices, weather conditions and crop yields. There have been no significant changes in the estimation techniques or key assumptions used in determining expected credit losses during the financial year.

The maximum exposure to credit risks for debt instruments at amortised cost other than trade receivables are represented by the carrying amounts recognised in the statements of financial position.

- (iii) Financial guarantee contracts using the three-stage approach

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued.

Information regarding other non-current assets and trade and other receivables is disclosed in notes 15 and 19 respectively.

Deposits with banks and other financial institutions and investment securities are placed, or entered into, with reputable financial institutions or companies with high credit ratings and no history of default.

Capital

The Group defines its Capital as Share capital and Reserves, shown in the statement of financial position as “Issued capital attributable to owners of the parent” and amounting to \$580,689,000 at 31 December 2025 (2024: \$551,031,000).

Group policy presently attempts to fund development from self-generated funds and loans and not from the issue of new share capital. At 31 December 2025, the Group had no borrowings (2024: nil), excluding lease liabilities recognised under IFRS 16. However, depending on market conditions, the Board is prepared for the Group to obtain borrowings.

Plantation industry risk Please refer to pages 42 to 51.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 Subsidiary companies

The principal subsidiaries of the Company all of which have been included in these consolidated financial statements are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December		Non-controlling interests ownership/ voting interest at 31 December	
		2025	2024	2025	2024
Principal sub-holding company					
Anglo-Indonesian Oil Palms Limited*	United Kingdom	100%	100%	-	-
Management company					
AEP Plantations Management Sdn Bhd*	Malaysia	100%	100%	-	-
PT Anglo Eastern Plantations Management Indonesia	Indonesia	100%	100%	-	-
Operating companies					
AEP Plantations (M) Sdn Bhd*	Malaysia	55%	55%	45%	45%
All For You Sdn Bhd	Malaysia	100%	100%	-	-
PT Alno Agro Utama	Indonesia	100%	100%	-	-
PT Anak Tasik	Indonesia	100%	100%	-	-
PT Bangka Malindo Lestari	Indonesia	100%	100%	-	-
PT Bina Pitri Jaya	Indonesia	100%	100%	-	-
PT Cahaya Pelita Andhika	Indonesia	100%	100%	-	-
PT Hijau Pryan Perdana	Indonesia	100%	100%	-	-
PT Kahayan Agro Plantation	Indonesia	100%	100%	-	-
PT Mitra Puding Mas	Indonesia	100%	100%	-	-
PT Musam Utjing	Indonesia	100%	100%	-	-
PT AEP Nusantara Plantations Tbk	Indonesia	100%	100%	-	-
PT Simpang Ampat	Indonesia	100%	100%	-	-
PT Tasik Raja	Indonesia	100%	100%	-	-
PT United Kingdom Indonesia Plantations	Indonesia	100%	100%	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 Subsidiary companies (continued)

The principal subsidiaries of the Company all of which have been included in these consolidated financial statements are as follows: (continued)

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December		Non-controlling interests ownership/ voting interest at 31 December		
		2025	2024	2025	2024	
Dormant companies						
The Ampat (Sumatra) Rubber Estate (1913) Limited	United Kingdom	100%	100%	-	-	
Gadek Indonesia (1975) Limited	United Kingdom	100%	100%	-	-	
Mergerset (1980) Limited	United Kingdom	100%	100%	-	-	
Musam Indonesia Limited	United Kingdom	100%	100%	-	-	
Indopalm Services Limited*	United Kingdom	100%	100%	-	-	
AEP Strategic Investments Sdn Bhd#	Malaysia	100%	-	-	-	
AEP Nusantara Holdings Limited#	Hong Kong	100%	-	-	-	
AEP Sumatra Holdings Limited#	Hong Kong	100%	-	-	-	

* Direct subsidiaries of the Company

Direct subsidiaries of the Company and newly incorporated in FY2025

The principal United Kingdom sub-holding company, and UK dormant companies are registered in England and Wales. The Malaysian operating companies and management company are incorporated in Malaysia. The Indonesian operating companies and management company are incorporated in Indonesia. The Hong Kong dormant companies are incorporated in Hong Kong. The principal activity of the operating companies is plantation agriculture. The registered office of the principal subsidiaries is disclosed below:

Subsidiaries by country	Registered address
UK registered subsidiaries	Quadrant House, 6th Floor 4 Thomas More Square London E1W 1YW United Kingdom
Malaysia registered subsidiaries	7 th Floor, Wisma Equity 150 Jalan Ampang 50450 Kuala Lumpur Malaysia
Indonesia registered subsidiaries	Sinar Mas Land Plaza, 3 rd Floor #301, Jl. Pangeran Diponegoro No. 18 Kelurahan Madras Hulu, Kecamatan Medan Polonia Medan 20152, North Sumatera Indonesia

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 Subsidiary companies (continued)

Hong Kong registered subsidiaries Unit D, 17/F, Nathan Commercial Building,
430-436 Nathan Road,
Kowloon,
Hong Kong

31 Non-controlling interests

In 2025 and 2024, none of the subsidiaries which have non-controlling interests (“NCI”) contributed more than 10% of the Group’s total assets or profits.

32 Acquisition of non-controlling interests

In October 2024, the Group acquired some additional 5% of the issued share capital of PT Bangka Malindo Lestari (“BML”) and 0.5% of the issued share capital of PT Kahayan Agro Plantation (“KAP”) for a total consideration of \$0.4mil, increasing the Group ownership interest to 100%.

The following is the schedule of additional interest:

	2024
	\$000
Consideration paid to non-controlling shareholders	400
Carrying value of the additional net liability	257
Difference recognised in retained earnings (Consolidated Statement of Changes in Equity)	657

33 Events after the reporting period

The following events occurred after the reporting period and are classified as non-adjusting events under IAS 10 Events after the Reporting Period, as they do not give evidence of conditions that existed at the end of the reporting period.

Share buyback programme

The Company on 6 January 2026, announced that it has entered into an irrevocable commitment with Panmure to manage a programme to repurchase up to 3,963,637 ordinary shares of 25 pence each in the capital of the Company representing approximately 10% of the Ordinary Shares in issued. This authority expires on 30 June 2026, or if earlier, at the conclusion of the forthcoming annual general meeting. All such purchases will be market purchases made through the London Stock Exchange. Companies can hold their own shares which have been purchased in this way in treasury rather than having to cancel them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33 Events after the reporting period (continued)

Proposed acquisition of Admiral Potential Sdn Bhd

As announced on 14 October 2025, the Group has entered into a conditional agreement to acquire Admiral Potential Sdn Bhd, which owns PT Jaya Jadi Utama in Central Kalimantan, for a total consideration of Rp150 billion (approximately USD 9.0 million).

Progress on the proposed acquisition continues and remains subject to the satisfactory completion of due diligence and conditions precedent. A further announcement will be made on completion.

Proposed Initial Public Offering (“IPO”) of PT AEP Nusantara Plantations Tbk

As announced on 16 April 2026, the Company is exploring a proposed IPO of its Indonesian subsidiary, PT AEP Nusantara Plantations Tbk, on the Indonesia Stock Exchange, subject to regulatory approvals and market conditions. The IPO is expected to involve the issuance of approximately 15% of shares and aims to fund capital expenditure, including infrastructure and a new palm oil mill. Completion is anticipated by mid-2026.

COMPANY STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2025**

COMPANY NUMBER: 01884630

	Note	2025 \$000	2024 \$000
Non-current assets			
Property, plant & equipment	4	385	453
Investments in subsidiaries	5	12,641	10,808
Investments		45	27
		13,071	11,288
Current assets			
Receivables	6	69,087	84,689
Short-term investments		-	1,253
Cash at bank and in hand		3,582	1,956
		72,669	87,898
Current liabilities			
Other payables	7	(587)	(383)
Lease liabilities	8	(84)	(71)
		(671)	(454)
Net current assets		71,998	87,444
Non-current liabilities			
Lease liabilities	8	(152)	(214)
		(152)	(214)
Net assets		84,917	98,518
Capital and reserves			
Share capital	9	15,504	15,504
Treasury shares	9	(13,840)	(2,487)
Share premium		23,935	23,935
Capital redemption reserve		1,087	1,087
Exchange reserves		3,872	3,872
Retained earnings		54,359	56,607
Shareholders' funds		84,917	98,518

The profit after tax for the year for the Company in the consolidated financial statements was \$32,401,000 (2024: profit after tax \$33,633,000).

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2026 and were signed on its behalf by:

Marcus Chan Jau Chwen
Executive Director of Corporate Affairs

The accompanying notes are an integral part of this statement of financial position.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital \$000	Treasury shares \$000	Share premium \$000	Capital redemption reserve \$000	Exchange reserves \$000	Retained earnings \$000	Total \$000
Balance at 31 December 2023	15,504	(1,847)	23,935	1,087	3,872	28,897	71,448
Comprehensive profit for the year	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	33,633	33,633
Total comprehensive profit for the year	-	-	-	-	-	33,633	33,633
Share buy back	-	(640)	-	-	-	-	(640)
Dividends paid	-	-	-	-	-	(5,923)	(5,923)
Balance at 31 December 2024	15,504	(2,487)	23,935	1,087	3,872	56,607	98,518
Comprehensive profit for the year	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	32,401	32,401
Total comprehensive profit for the year	-	-	-	-	-	32,401	32,401
Share buy back	-	(11,353)	-	-	-	-	(11,353)
Dividends paid	-	-	-	-	-	(34,649)	(34,649)
Balance at 31 December 2025	15,504	(13,840)	23,935	1,087	3,872	54,359	84,917

The accompanying notes are an integral part of this statement of changes in equity.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements (“FRS 100”) and Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- *certain comparative information as otherwise required by IFRS;*
- *certain disclosures regarding the Company’s capital;*
- *a statement of cash flows;*
- *the effect of future accounting standards not yet adopted;*
- *the disclosure of the remuneration of key management personnel; and*
- *disclosure of related party transactions with other wholly owned members of AEP Plantations Plc group of companies.*
- *certain disclosures required by IAS 36 Impairment of Assets in respect of assets where the recoverable amount is determined based on fair value less costs of disposal.*

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company’s consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); or
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

2 Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

(a) *Basis of accounting*

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention. The presentation currency used is US Dollar and amounts have been presented in thousands (“\$000”). The principal accounting policies are summarised below.

(b) *Foreign currency*

The Company’s functional currency is the US Dollar, as it reflects the primary currency that influences its financing activities, cost structure, and cash flows. Both dividends and management fees, being the Company’s sources of income, are received in US Dollar, further supporting the determination of US Dollar as the functional currency.

Foreign currency transactions are translated into US Dollar at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date. Exchange differences are recognised in the income statement.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2 Material accounting policies (continued)

(c) Investments

Investments in subsidiaries are stated at cost less provision for any impairment.

(d) Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. After initial recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Office plant and equipment is depreciated using the straight-line method. The yearly rate of depreciation is as follows:

Office plant, equipment & vehicles: 20% per annum

(e) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset which is 5 years. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented together in property, plant and equipment in the consolidated statement of financial position.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)**2 Material accounting policies (continued)***(f) Dividends*

Equity dividends are recognised when they become legally payable. The Company may pay an interim dividend each year. The final dividend becomes legally payable when approved by the shareholders at the next annual general meeting.

(g) Deferred taxation

A deferred tax asset has not been recognised in relation to brought forward tax losses of \$14.7 million (2024: \$13.7 million) because it is not certain those losses can be utilised in the foreseeable future.

(h) Treasury shares

Consideration paid or received for the purchase or sale of the Company's own shares for holding in treasury is recognised directly in equity, where the cost is presented as the treasury shares. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of shares sold is taken to the share premium account. Any shares held in treasury are treated as cancelled for the purpose of calculating earnings per share.

(i) Financial guarantee contracts

Where the Company enters into financial guarantee contracts and guarantees the indebtedness of other companies within the Group, these are accounted for under IFRS 9. The details of financial guarantee contracts are disclosed in note 28 of the consolidated financial statements.

(j) Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

- Recoverability of investments – estimate based on fair value less cost of disposal method (note 5).

3 Income statement

As permitted by section 408 of the Companies Act 2006, a separate income statement dealing with the results of the Company has not been presented. The profit before tax for the year for the Company in the consolidated financial statements of the Company was \$32,404,000 (2024: profit before tax \$33,636,000) and profit after tax for the year was \$32,401,000 (2024: profit after tax \$33,633,000).

The remuneration of the directors of the Company is disclosed in note 7 to the consolidated financial statements. Auditor's remuneration is disclosed in note 5 to the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
4 Property, plant & equipment

	Office plant, equipment & vehicle \$000	Right- of-use assets* \$000	Total \$000
<u>Cost</u>			
At 1 January 2024	3	362	365
Additions	208	-	208
At 31 December 2024	211	362	573
Additions	55	-	55
At 31 December 2025	266	362	628
<u>Accumulated depreciation and impairment</u>			
At 1 January 2024	0	24	24
Charge for the year	24	72	96
At 31 December 2024	24	96	120
Charge for the year	50	73	123
At 31 December 2025	74	169	243
<u>Carrying amount</u>			
At 31 December 2023	3	338	341
At 31 December 2024	187	266	453
At 31 December 2025	192	193	385

* Right-of-use assets has been disclosed in Note 8.

5 Investments in subsidiaries

	2025 \$000	2024 \$000
Investments in subsidiary undertakings	13,716	13,716
Impairment loss	(1,075)	(2,908)
Net carrying amount	12,641	10,808

The Company's impairment loss on subsidiaries were as follows:

	2025 \$000	2024 \$000
At 1 January	2,908	2,908
Reversal of impairment loss	(1,833)	-
At 31 December	1,075	2,908

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

5 Investments in subsidiaries (continued)

The Company recognised a reversal of impairment loss of \$1.8 million on its investment in AEP Plantations (M) Sdn Bhd. The reversal was driven by an increase in the valuation of the subsidiary based on a market approach, using comparable company multiples.

The recoverable amount as at 31 December 2025 was \$10.3 million determined based on fair value less costs of disposal (Level 3). The reversal resulted in an increase in net assets and equity, with no impact on cash flows.

The details of the subsidiaries are disclosed in note 30 of the consolidated financial statements.

6 Receivables

	2025 \$000	2024 \$000
Amounts owed by group undertakings:		
AEP Plantations Management Sdn Bhd (formerly known as Anglo-Eastern Plantations Management Sdn Bhd)	10,907	16,128
Anglo-Indonesian Oil Palms Limited	57,582	68,477
PT Anglo Eastern Plantations Management Indonesia	-	14
	68,489	84,619
Other receivables	598	70
	69,087	84,689

The amounts owed by group undertakings arise as a result of advances made to subsidiary companies and expenses paid on their behalf by the Company. These amounts are repayable on demand and do not have fixed repayment terms. These advances are different to normal intercompany loans as the advances are unsecured amounts, interest-free and they do not represent formal loan arrangements.

Other receivables comprise non-trade amounts due from third parties, deposits, and advances, which are measured at amortised cost and are expected to be recovered within twelve months, unless otherwise stated.

A receivable is considered in default when it is over 90 days past due or there is evidence of significant financial difficulty or unlikelihood of payment by the counterparty, triggering recognition of lifetime expected credit losses ("ECL") under IFRS 9. The Group applies the simplified ECL approach, including for intercompany balances repayable on demand, where ECL is minimal if the borrower can repay in full or recovery is expected over time. Receivables are written off when recovery is no longer expected, with write-offs derecognised under IFRS 9 and any recoveries recognised in profit or loss.

In accordance with IFRS 9, the Company assesses ECL on intercompany balances, including those classified as repayable on demand. The ECL assessment follows a prudent, forward-looking approach and considers the financial condition and liquidity of the counterparty at the reporting date.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

6 Receivables (continued)

The following key assumptions are applied in assessing ECL:

- If the borrower has sufficient accessible highly liquid assets to settle the balance in full if demanded, the ECL is assessed as immaterial.
- If the borrower cannot repay on demand in full, the Company evaluates recovery strategies (e.g. repayment over time or fire sale of less liquid assets).
- Where recovery is expected to be full under a reasonable timeframe, the ECL is considered minimal.

As of the reporting date, based on an assessment of subsidiaries' cash positions and financial health, the Company concluded that all intercompany balances are fully recoverable. Accordingly, only an ECL provision of \$0.5 million (2024: \$0.7 million) has been recognised in the year which is deemed to be immaterial.

The details of other receivables related to ECL were disclosed in note 19 and note 29 of the consolidated financial statements.

Movements on the Company's loss provision on other receivables were as follows:

	2025	2024
	\$000	\$000
At 1 January	3,286	2,587
Loss provision during the year	545	699
At 31 December	3,831	3,286

At 31 December 2025, the expected loss provision for receivables was as follows:

	Gross carrying amount	Loss provision	Net carrying amount
	\$000	\$000	\$000
2025			
Amounts owed by group undertakings	72,320	(3,831)	68,489
Other receivables	598	-	598
	72,918	(3,831)	69,087
2024			
Amounts owed by group undertakings:	87,905	(3,286)	84,619
Other receivables	70	-	70
	87,975	(3,286)	84,689

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

7 Other payables

	2025 \$000	2024 \$000
Accruals	587	383
	587	383

The amounts owed to group undertakings arise as a result of advances from subsidiary companies and expenses paid on our behalf. The amounts are unsecured, interest free and do not have fixed repayment terms.

8 Leases

Lease liabilities analysed as:

	2025 \$000	2024 \$000
Non-current	(152)	(214)
Current	(83)	(71)
	(235)	(285)

The weighted average incremental borrowing rate per annum was 6.6%.

Maturity analysis for the lease liabilities has been given. The following table sets out the undiscounted contractual cashflows of lease liabilities:

	2025 \$000	2024 \$000
Less than 1 year	(96)	(87)
Between 1 and 2 years	(96)	(87)
Between 2 and 5 years	(64)	(145)
Lease liabilities	(256)	(319)

Amounts recognised in income statement:

	2025 \$000	2024 \$000
Depreciation expense on right-of-use assets (note 4)	(73)	(72)
Interest expense on lease liabilities	(17)	(20)
	(90)	(92)

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
8 Leases (continued)

At 31 December 2025, the Company has no short-term lease commitment (2024: nil).

All the leases are fixed payments. The total cash outflow for leases amount to \$89,000 (2024: \$86,000).

The Company leases office premises. The remaining non-cancellable lease term is 8 months. The lease includes an option to extend for a further 5 years, subject to mutually agreed rental terms. This extension option has not been included in the lease term as it is not considered reasonably certain to be exercised.

Right-of-Use assets

	Building \$000	Total \$000
At 1 January 2025	266	266
Amortisation	(73)	(73)
At 31 December 2025	193	193

	Building \$000	Total \$000
At 1 January 2024	338	338
Amortisation	(72)	(72)
At 31 December 2024	266	266

Lease liabilities

	Building \$000	Total \$000
At 1 January 2025	(285)	(285)
Interest expense	(17)	(17)
Lease payments	89	89
Effect of foreign exchange	(22)	(22)
At 31 December 2025	(235)	(235)

	Building \$000	Total \$000
At 1 January 2024	(342)	(342)
Interest expense	(20)	(20)
Lease payments	86	86
Effect of foreign exchange	(9)	(9)
At 31 December 2024	(285)	(285)

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)**9 Share capital and treasury shares**

The details of the share capital and treasury shares are disclosed in note 24 of the consolidated financial statements.

10 Related party transactions

An office premises lease agreement was entered with Infra Sari Sdn Bhd, a company controlled by late Madam Lim Siew Kim. The rental paid during the year was \$89,000 (2024: \$86,000). There was no balance outstanding at the year end (2024: nil).

The details of the dividend payment to the related parties controlled by late Madam Lim Siew Kim are disclosed in note 26 of the consolidated financial statements.

Transactions between the Company and its subsidiaries are disclosed below:

Nature of transactions	Name	2025 \$000	2024 \$000
Management fees from	AEP Plantations Management Sdn Bhd (formerly known as Anglo-Eastern Plantations Management Sdn Bhd)	42	37
Commissioner services income	PT Anglo Eastern Plantations Management Indonesia	-	14
Receivable from	Subsidiaries (note 6)	68,965	84,619

The details of the intercompany receivables and payables are disclosed in note 6 and note 7 of the Company financial statements respectively.

11 Employees' and Directors' remuneration

There are no other employees in the company other than directors. The Directors' Remuneration Report is presented on pages 122-134 of which pages 131 and 133 are audited.

12 Dividends

In 2025, the Company received ordinary dividends totalling \$33,000,000 from its subsidiaries (2024: \$35,000,000). The details of the dividends declared by the Company are disclosed in note 10 of the consolidated financial statements.

13 Guarantees and other financial commitments

The Company has provided nil guarantees for loans to subsidiaries (2024: nil) as set out in note 28 of the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

14 Ultimate controlling shareholder

At 31 December 2025, Genton International Limited (“Genton”), a company registered in Hong Kong, held 20,247,814 (2024: 20,247,814) shares of the Company representing 52.2% (2024: 51.3%) of the Company’s issued share capital, excluding treasury shares. Together with other deemed interested parties, Genton’s shareholding totals 20,551,914 or 53.0%. The ultimate beneficial shareholders of Genton International Limited are vested in the estates of Madam Lim with the application for probate in progress.

15 Events after the reporting period

The Company on 6 January 2026, announced that it has entered into an irrevocable commitment with Panmure to manage a programme to repurchase up to 3,963,637 ordinary shares of 25 pence each in the capital of the Company representing approximately 10% of the Ordinary Shares in issued. This authority expires on 30 June 2026, or if earlier, at the conclusion of the forthcoming annual general meeting. All such purchases will be market purchases made through the London Stock Exchange. Companies can hold their own shares which have been purchased in this way in treasury rather than having to cancel them.

Details of other subsequent events affecting the Group as a whole, including the parent company and its subsidiaries, are disclosed in Note 33 of the consolidated financial statements.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st AGM of AEP Plantations Plc will be held at UHY Hacker Young LLP, 6th floor Quadrant House, 4 Thomas More Square, London E1W 1YW on Monday 15 June 2026 at 11.00am (UK time).

AS ORDINARY RESOLUTIONS

Resolution	Details
1	To receive and consider the accounts and the reports of the directors and auditor for the year ended 31 December 2025.
2	To receive and consider the Directors' Remuneration Report as set out in the annual report and accounts for the year ended 31 December 2025.
3	To approve the Directors' Remuneration Policy set out on pages 123 to 130 of the Annual Report to take effect from the conclusion of the AGM.
4	To increase the maximum aggregate fees payable to the Directors (other than Directors holding executive office) from £250,000 per annum to £600,000 per annum in accordance with Article 98 of the Company's Articles of Association.
5	To re-elect Jonathan Law Ngee Song as a director.
6	To re-elect Marcus Chan Jau Chwen as a director.
7	To re-elect Michael Henry Stainer as a director.
8	To re-elect Farah Suhanah Tun Ahmad Sarji as a director.
9	To re-elect Onn Kien Hoe as a director.
10	To declare a final dividend.
11	To approve that each of the ordinary shares of 25p each in the capital of the Company be sub-divided into 10 ordinary shares of 2.5p each, and that the Directors be authorised to take all such steps as they consider necessary or appropriate to give effect to the sub-division, including the treatment of any fractional entitlements.
12	To re-appoint MHA Audit Services LLP ("MHA") as auditors of the Company and to authorise the Directors to determine their remuneration.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

AS SPECIAL RESOLUTIONS

Resolution	Details
13	<p>That the Company is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693 of the Companies Act 2006 (“Act”)) of its ordinary shares of 25p each (or, if Resolution 11 is passed, ordinary shares of 2.5p each) in the capital of the Company to be held as treasury shares, provided that:</p> <ul style="list-style-type: none"> a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 3,997,627 (or, if Resolution 11 is passed, 39,976,272); b) the minimum price (exclusive of expenses) which may be paid for each share is 25p (or 2.5p if Resolution 11 is passed); c) the maximum price (exclusive of expenses) which may be paid for each share may not exceed the higher of: <ul style="list-style-type: none"> i. 105% of the average of the middle-market quotations for such shares as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day of purchase; ii. an amount equal to the price of the last independent trade; and iii. the highest current independent purchase bid on the London Stock Exchange; d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 30 June 2027 whichever shall be the earlier, save that the Company may, before the expiry of this authority, make a contract of purchase which will or may be executed wholly or partly after such expiry and may make a purchase of shares pursuant to any such contract.
14	<p>That a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days’ notice.</p>

By order of the Board.

CETC (Nominees) Limited
 Company Secretary
 30 April 2026

Notes:

- Voting at the AGM will be conducted by way of a poll. This means that each shareholder present or represented (in person or electronically) will be able to exercise one vote for each share held.
- Resolution 3 seeks shareholder approval for the Directors’ Remuneration Policy as set out on pages 123 to 130 of the Annual Report. This is a binding vote. If approved, the policy will take effect from the conclusion of the AGM and will apply for a period of up to three (3) years, unless a revised policy is approved earlier. The Remuneration Committee has reviewed the policy to ensure it remains aligned with the Company’s strategy, promotes long-term sustainable success and reflects current best practice. Payments to Directors may only be made in accordance with an approved policy.
- Under Article 98 of the Company’s Articles of Association, the aggregate annual fees payable to Directors who do not hold executive office are currently capped at £250,000, unless increased by ordinary resolution of shareholders. This limit was last set in 2023. Resolution 4 seeks shareholder approval to increase this limit to £600,000 per annum. The Board considers it appropriate to increase this limit to provide flexibility to support the Company’s current and future Board composition, including the potential appointment of additional Non-Executive Directors, and to ensure that fees remain competitive with FTSE 250 market practice. The proposed increase represents a maximum aggregate limit only and there is no intention to utilise the full amount immediately.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders on the register of members of the Company at close of business on 11 June 2026 shall be entitled to vote in respect of the number of shares registered in their name at that time. Changes to the register of members after 11 June 2026 or, if the meeting is adjourned, in the register of members at close of business on the date which is two days before the day of the adjourned meeting shall be disregarded in determining the rights of any person to vote at the meeting by proxy.
5. As at 20 April 2026 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital comprised 39,976,272 Ordinary Shares of 25p each. Each share carries one vote except 1,526,031 shares held as treasury shares and therefore the total number of voting rights in the Company as at 6:00pm (UK Time) on 20 April 2026 is 38,450,241.
6. A member of the Company may appoint one or more proxies to vote at the meeting. Where more than one proxy is appointed in relation to the meeting, each proxy must be appointed to exercise rights attaching to a different share or shares. You may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. Members are encouraged to appoint the Chairman of the meeting as their proxy.
7. The instrument appointing a proxy must be deposited at the office of the Registrar by 11.00am (UK time) on 11 June 2026 not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 15 June 2026 and any adjournment thereof by using the procedures described in the CREST Manual on the Euroclear website at <http://www.euroclear.com/CREST>. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Computershare Investor Services PLC [CREST ID: 3RA50] by 11.00am on 11 June 2026. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. You will receive hard copy or electronic copy via email of the proxy form for the 2026 AGM. You may submit your proxy electronically using the link <https://www.eproxyappointment.com>. If not already registered, you will need your Shareholder Reference Number ("SRN") which is detailed on your share certificates.
11. Shareholders will also be able to vote electronically by visiting <http://www.investorcentre.co.uk/eproxy>. Login details such as Control Number and Pin can be located on the Proxy Form included with this Notice. Shareholders who have elected for electronic communication will receive their login details via email. Proxy votes must be received no later than 11am (UK time) on Thursday, 11 June 2026. Holders receiving electronic communication and those with deemed consent can request to receive physical copies by contacting the Company's Registrar.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

12. The statement of the rights of shareholders in relation to the appointment of proxies does not apply to a person who receives this notice of general meeting as a person nominated to enjoy “information rights” under section 146 of the Companies Act 2006. If you have been sent this notice of meeting because you are such a nominated person the following statements apply: (i) you may have a right under an agreement between you and the registered shareholder by whom you were nominated to be appointed (or to have someone else appointed) as a proxy for this general meeting and (ii) if you have no such a right, or do not wish to exercise it, you may have a right under such an agreement to give instructions to that registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
13. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
14. Members satisfying the requirements of section 527 of the Companies Act 2006 may require the Company to publish on a website a statement by them (at the Company’s cost) relating to the audit of the Company’s accounts which are being laid before this meeting (including the auditor’s report and the conduct of the audit) or, where applicable, any circumstances connected with an auditor of the Company ceasing to hold office since the previous general meeting at which accounts were laid. Should such a statement be received, it will be published on the Company’s website at <https://www.aeplantations.com/>. In those circumstances the Company would be under an obligation to forward a copy of the statement to the auditor forthwith and the statement would form part of the business which may be dealt with at this meeting.
15. Shareholders are welcomed to submit questions to the Board by email to stakeholder.relations@aeplantations.com by 1 June 2026 and they will be answered after the AGM or at the AGM for those shareholders who are in attendance. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
16. A copy of this notice and the other information required by section 311A of the Companies Act 2006 can be found at <http://www.aeplantations.com/>.
17. If you are in any doubt as to any aspect of Resolutions or as to the action you should take, you are recommended to seek your own independent advice from a stockbroker, solicitor, accountant or other appropriately authorised independent financial advisor. The Board believes that these Resolutions are in the best interests of the Company and shareholders as a whole.
18. If you have sold or otherwise transferred all your shares in the Company, please hand this document and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of existing shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.
19. Copies of the Directors’ service contracts and Company’s Articles of Association will be available for inspection at the registered office of the Company during normal business hours and at the place of the meeting from 15 minutes prior to the meeting until its conclusion. The documents can also be obtained by email to stakeholder.relations@aeplantations.com.

SHAREHOLDER INFORMATION

Website

<http://www.aeplantations.com/>

contains various details and information on AEP and its operations, together with all the key historical financial and regulatory information on our Company. The website is updated on a continuing basis incorporating all Company announcements and other relevant developments, including Environmental, Social and Governance and share price movements. The website allows shareholders and investors to select and receive e-mail alerts from AEP on selected regulatory news. Shareholders are encouraged to use e-mail alerts to follow the development of AEP.

Investor Relations

Investors requiring further information on AEP are invited to contact:

Stakeholder Relations

Email: stakeholder.relations@aeplantations.com

Amalgamation Of Accounts

Shareholders receiving multiple copies of our Company mailings as a result of several accounts being maintained in their name are invited to write to the Company's Registrar at the above address to request that their accounts be amalgamated.

Payment Of Dividends

While the dividend is declared in US Dollars, shareholders can elect to receive their dividends in Pounds Sterling. In the absence of any specific instruction up to the date of closing of the register on 19 June 2026, shareholders with addresses in the UK will be deemed to have elected to receive their dividends in Pounds Sterling and those with addresses outside the UK will be deemed to have elected to receive their dividends in US Dollars.

For shareholders opting to receive their dividends in Pounds Sterling, the final dividend of 43.7 cents will be converted at the exchange rate prevailing on 19 June 2026 (the record date). For illustration, based on the exchange rate at 14 April 2026 of \$1.359/£, the equivalent dividend per share would be 32.16p. Shareholders wishing to change their currency election must do so by 19 June 2026.

Dividends will be paid electronically either through the CREST system for participating members or by direct bank transfer pursuant to a dividend mandate provided by the shareholder or custodian. In line with market practice, international dividend cheque payments in USD will be discontinued from 31 March 2026. Shareholders are encouraged to update their payment instructions and banking details through the Computershare Investor Services website to facilitate efficient and secure dividend payments. Shareholders are encouraged to ensure their payment instructions and banking details are up to date through the Computershare Investor Services website to facilitate efficient and secure dividend payments. The use of electronic payment methods, including CREST where applicable, improves operational efficiency and supports AEP's sustainability commitments to shareholders, investors and the wider market.

Electronic Communications

Computershare Investor Services PLC offers AEP shareholders the opportunity to manage their shareholding online, through the Investor Centre.

Registration is free and can be used to manage shareholdings quickly and securely. To register for this service, please go to <https://www-uk.computershare.com/investor/> and follow the instructions.

OUR OFFICES AND ADVISERS

SECRETARY AND REGISTERED OFFICE

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Registrar

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Email: web.corres@computershare.co.uk

Shareholders can view and update their
 account details via the Computershare
 website, details of which can be found at

<https://www-uk.computershare.com/investor/>

Stockbroker

Cavendish Capital Markets Limited
 One Bartholomew Close
 London EC1A 7BL
 United Kingdom

GLOSSARY

Terms	Meaning
£/GBP	British Pound Sterling
¢	Cents
\$/USD	United States Dollar
AEP/ Company	AEP Plantations Plc
AGM	Annual General Meeting
BioCNG	Bio Compressed Natural Gas
CPO	Crude Palm Oil
CSA	Climate Scenario Analysis
CSR	Corporate Social Responsibility
DTR4	Disclosure And Transparency Rules 4
EFB	Empty Fruit Bunches
EHS	Environment Health and Safety
EIA	Environmental Impact Assessment
EPS	Earnings Per Share
ERMF	Environmental Risk Management Framework
ESG	Environmental, Social and Governance
EU	European Union
EUDR	European Union Deforestation Regulation
FCA	Financial Conduct Authority
FFB	Fresh Fruit Bunches
FPIC	Free, Prior and Informed Consent
FRC	Financial Reporting Council
GHG	Greenhouse Gas
Group	AEP group of companies
ha	Hectare
HCSA	High Carbon Stock Approach
HCV	High Conservation Value
IAS	International Accounting Standards

Terms	Meaning
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability and Carbon Certification
ISPO	Indonesian Sustainable Palm Oil
MSPO	Malaysian Sustainable Palm Oil
mt	Metric Tonne
MPM	PT Mitra Puding Mas
NDPE	No Deforestation, No Peat, and No Exploitation
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organisation
OER	Oil Extraction Rate
p	pence
PK	Palm Kernel
Plasma	Smallholders cooperative plasma scheme
PLN	Perusahaan Listrik Negara
POME	Palm Oil Mill Effluent
PROPER	Program for Pollution Control Evaluation and Rating
RM	Ringgit Malaysia
Rp	Indonesian Rupiah
RSPO	Roundtable on Sustainable Palm Oil
SECR	UK Streamlined Energy and Carbon Reporting
SPOTT	Sustainability Transparency Toolkit
TCFD	Taskforce on Climate Related Financial Disclosure
TNFD	Taskforce for Nature-related Financial Disclosures
UK	United Kingdom
WRI	World Resource Institute
WWF	World Wide Fund for Nature

GLOSSARY (CONTINUED)

Region	Plantation	Also referred to as
Terengganu, Malaysia	AEP Plantations (M) Sdn Bhd	Cenderung
North Sumatra	PT. Musam Utjing	Sungei Musam
North Sumatra	PT. United Kingdom Indonesia Plantation	Blankahan
North Sumatra	PT. Simpang Ampat	Rambung
North Sumatra	PT. Tasik Raja	Tasik
North Sumatra	PT. Anak Tasik	Anak Tasik
North Sumatra	PT. Cahaya Pelita Andhika	CPA
North Sumatra	PT. Hijau Pryan Perdana	HPP
Bangka	PT Bangka Malindo Lestari	BML
Riau	PT. Bina Pitri Jaya	BPJ
Bengkulu	PT. Mitra Puding Mas	MPM
Bengkulu	PT. Alno Agro Utama	Alno
Kalimantan	PT. AEP Nusantara Tbk	AEPN
Kalimantan	PT. Kahayan Agro Plantation	KAP

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Palm Estate



Mill



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