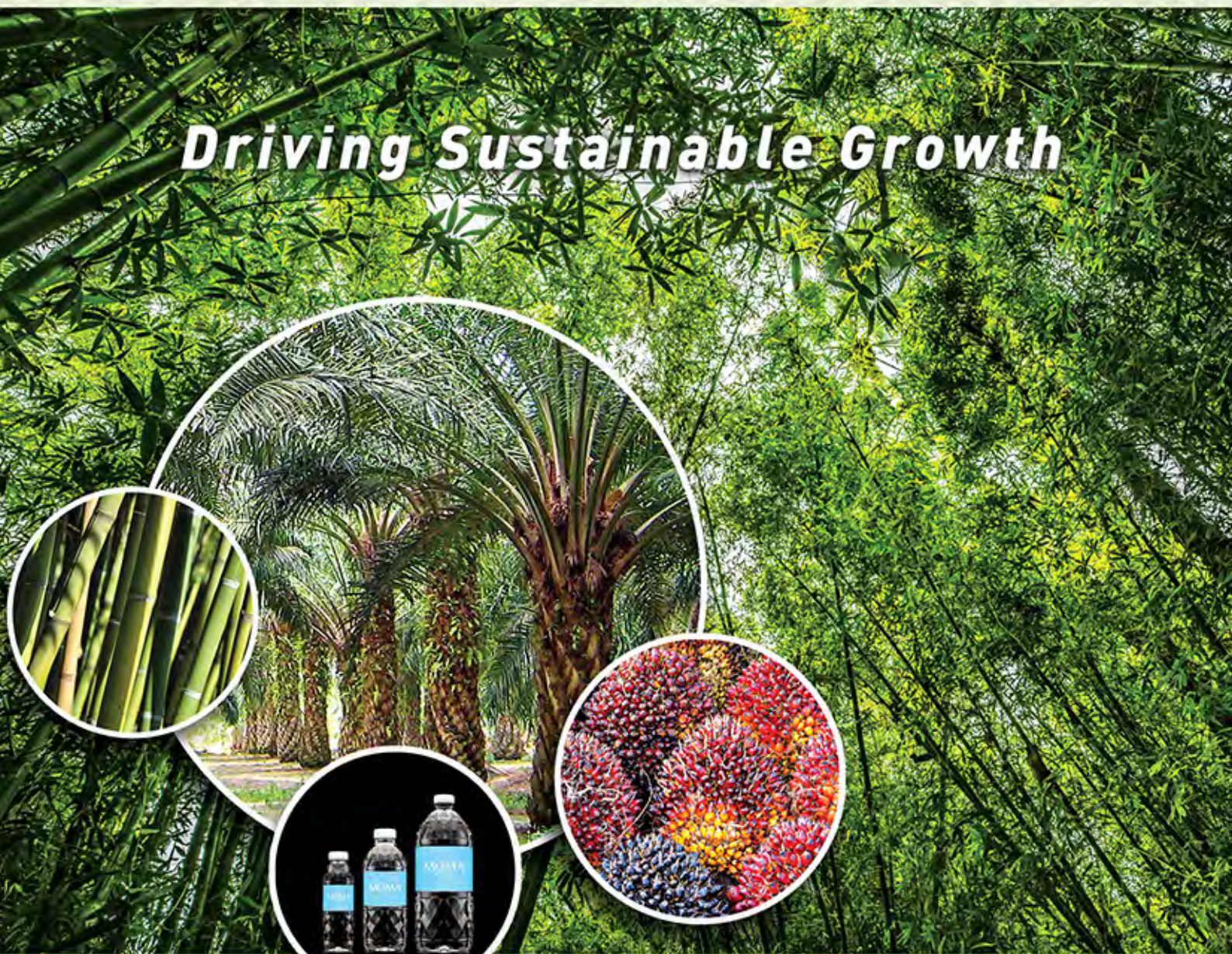


*Driving Sustainable Growth*





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Auditorium Room,  
Ground Floor, No. 66-78,  
Pusat Suria Permata,  
Jalan Upper Lanang,  
C.D.T. 123, 96000 Sibuluan,  
Sarawak



Tuesday,  
30 May 2023  
11.30 a.m.

## CORPORATE INFORMATION



### Board of Directors

#### YBHG. DATUK TIONG THAI KING

*Chairman, Non-Independent Non-Executive Director*

#### YBHG. DATO' TIONG ING

*Managing Director*

#### MDM. NGU YING PING

*Senior Independent Director*

#### MR. TIONG ING MING

*Independent Director*

#### MR. POH KEE ENG

*Independent Director*

### Audit Committee

Mdm. Ngu Ying Ping (*Chairperson*)  
Mr. Tiong Ing Ming  
Mr. Poh Kee Eng

### Nomination Committee

Mdm. Ngu Ying Ping (*Chairperson*)  
Mr. Tiong Ing Ming  
Mr. Poh Kee Eng

### Remuneration Committee

Mdm. Ngu Ying Ping (*Chairperson*)  
Mr. Tiong Ing Ming  
Mr. Poh Kee Eng

### Company Secretaries

Mr. Kelvin Chung Vui Yeng (MIA 47542)  
SSM Practicing Certificate No. 202208000128  
Ms. Voon Jan Moi (MAICSA 7021367)  
SSM Practicing Certificate No. 202008001906

### Registered Office

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang  
C.D.T. 123, 96000 Sibul, Sarawak  
Tel : 084-211 555  
Fax : 084-211 545  
E-mail : info@suburtiasa.com  
Website : www.suburtiasa.com

### Share Registrar

Boardroom Share Registrars Sdn. Bhd.  
Registration No 199601006647 (378993-D)  
11<sup>th</sup> Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13  
46200 Petaling Jaya, Selangor, Malaysia  
Tel : 03-7890 4700  
Fax : 03-7890 4670

### Principal Bankers

Affin Bank Berhad  
Ambank (M) Berhad  
Bank of China (Malaysia) Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
United Overseas Bank (Malaysia) Berhad

### Auditors

Crowe Malaysia PLT (LLP0018817-LCA & AF 1018)  
Chartered Accountants  
1<sup>st</sup> Floor No. 1  
Lorong Pahlawan 7A2  
Jalan Pahlawan  
96000 Sibul, Sarawak  
Tel : 084-211 777  
Fax : 084-216 622

### Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

### Stock name

SUBUR

### Stock Code

6904

## PROFILE OF DIRECTORS

YBhg. Datuk Tiong Thai King was appointed to the Board of Directors (“Board”) of Subur Tiasa Holdings Berhad and appointed as Chairman of the Board on 13 October 2021.

YBhg. Datuk Tiong Thai King has more than 50 years of managerial experience in the oil palm and timber industry. He is also the Group Managing Director of Rimbunan Hijau Group of Companies and Executive Chairman/Founder of Mafrika Group of Companies.

Presently, YBhg. Datuk Tiong Thai King holds key posts in several non-government organisations. Among them, he is the Chairman of Sibul Agape Centre, Deputy Chairman of Persatuan Klan Zhang Negeri Sarawak and Deputy Chairman of The United Association of Private Chinese Secondary School, Board of Management Sibul.



### YBHG. DATUK TIONG THAI KING

Chairman  
Non-Independent Non-Executive Director

Age	78
Nationality	Malaysian
Gender	Male

YBhg. Dato’ Tiong Ing was first appointed to the Board of Subur Tiasa Holdings Berhad on 25 July 2001 and was subsequently appointed as the Managing Director on 1 October 2003.

YBhg. Dato’ Tiong Ing holds a Bachelor of Arts Degree in Business Administration from University of Winnipeg, Manitoba, Canada. She has more than 41 years hands on experience, in-depth knowledge and extensive market network in the timber industry and more than 15 years exposure in the oil palm plantation industry.

On 19 July 2007, YBhg. Dato’ Tiong Ing was conferred with Darjah Sultan Ahmad Shah Pahang (D.S.A.P) which carries the title “Dato’”. Between 2009 and 2011, YBhg. Dato’ Tiong Ing was appointed as director of EON Bank Berhad and sat on the Bank’s Board Group Credit Committee. YBhg. Dato’ Tiong Ing is actively involved as a Council member of Sarawak Timber Association (“STA”) which has more than 400 members from companies involved in timber, timber related industries and trades. She also acts as Chairperson of STA Log Marketing Committee for 2018 and 2019. YBhg. Dato’ Tiong Ing has been an Industry Advisory Council member of University College Technology Sarawak since April 2016.

### YBHG. DATO’ TIONG ING

Managing Director

Age	66
Nationality	Malaysian
Gender	Female



## PROFILE OF DIRECTORS (CONT'D)

Mdm. Ngu Ying Ping joined the Board of Subur Tiasa Holdings Berhad on 29 June 2009. She was subsequently appointed as the Chairperson of Audit, Nomination and Remuneration Committees of the Company on 19 March 2013.

Mdm. Ngu Ying Ping graduated with Bachelor of Economics (Major in Accounting) from Monash University, Melbourne, Australia. She is a member of the Malaysian Institute of Accountants, Fellow Member of the Malaysian Institute of Taxation, Fellow Member of the CPAs Australia and Affiliate of Malaysian Institute of Chartered Secretaries and Administrators. She does not hold directorship in any other public company.



### MDM. NGU YING PING

Senior Independent Director

Age	63
Nationality	Malaysian
Gender	Female

Mr. Tiong Ing Ming joined the Board of Subur Tiasa Holdings Berhad on 19 March 2013 and he is a member of the Audit, Nomination and Remuneration Committees of the Company.

Mr. Tiong Ing Ming graduated with a Bachelor of Building (Hons) from University of Melbourne, Australia in 1982 and began his career in a consulting quantity surveying practice since 1994. He is a registered quantity surveyor of the Board of Quantity Surveyors, Malaysia and a member of the Institution of Surveyors Malaysia. He also sits on the Board of a public listed company, Rimbunan Sawit Berhad.



### MR. TIONG ING MING

Independent Director

Age	66
Nationality	Malaysian
Gender	Male

## PROFILE OF DIRECTORS (CONT'D)

Mr. Poh Kee Eng joined the Board of Subur Tiasa Holdings Berhad on 14 September 2015 and he is a member of the Audit, Remuneration and Nomination Committees of the Company.

Mr. Poh Kee Eng graduated with a Bachelor of Science (Hons) and Diploma in Education from University of Malaya in 1975 and began his career as a teacher, and subsequently as a School Inspector of Sarawak Education Department Kuching and then a School Principal from 1976 to 2005. He joined Subur Tiasa Holdings Berhad as a Human Resources Manager in 2005. He then served as Senior Manager, Administration and Human Resources Department and was also in charge of Corporate Social Responsibility from 2007 to 2014. He had extensive exposure to logging, manufacturing and oil palm operations. He also has vast experience in management and training. He does not hold directorship in any other public company.



### MR. POH KEE ENG

Independent Director

Age	74
Nationality	Malaysian
Gender	Male



### OTHER INFORMATION OF DIRECTORS:

- (i) **Family Relationship**  
None of the Directors have any family relationship with each other or the major shareholders of the Company, except as disclosed below:
- YBhg. Datuk Tiong Thai King is brother of YBhg. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, a major shareholder of the Company and uncle to YBhg. Dato Tiong Ing, who is the Managing Director of the Company.
  - YBhg. Dato' Tiong Ing is the daughter of YBhg. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, a major shareholder of the Company and a niece to YBhg. Datuk Tiong Thai King who is also a Director of the Company.
- (ii) **Conflict of Interest**  
None of the Directors has been involved in situation that will create a conflict of interest with the Company.
- (iii) **List of Convictions for Offences**  
None of the Directors has been convicted of any offence, other than traffic offences within the past five (5) years except for the following during the financial year under review:
- On 14 July 2021, Securities Commission Malaysia reprimanded and directed Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") and its persons acting in concert ("PACs") to undertake unconditional mandatory takeover offer on Subur Tiasa Holdings Berhad, which has been completed on 13 April 2022. YBhg. Datuk Tiong Thai King and YBhg. Dato' Tiong Ing are one of the parties to the PACs.
- (iv) **Attendance of Directors at Board Meetings**  
There were five (5) Board Meetings held during the financial year ended 31 December 2022. Details of attendance of each Director at Board Meetings are as stipulated in the Corporate Governance Overview Statement set out on page 31 of this annual report.
- (v) **Securities holdings in the Company and its subsidiaries**  
The Directors' shareholdings as at 31 March 2023 are as disclosed on pag 153 of this annual report.

## CORPORATE STRUCTURE



### SUBUR TIASA HOLDINGS BERHAD

[Registration No.: 199501012590 (341792-W)]



#### TIMBER OPERATIONS AND REFORESTATION

<b>100%</b>	AA Plywood Sdn. Bhd.
<b>100%</b>	Borneo Lumber Industries Sdn. Bhd.
<b>100%</b>	Diamond Biowood Sdn. Bhd.
<b>100%</b>	Excel Logging Sdn. Bhd.
<b>100%</b>	Exelle Timber Sdn. Bhd.
<b>100%</b>	Grace Million Sdn. Bhd.
<b>100%</b>	Homet Raya Sdn. Bhd.
<b>100%</b>	JPH Logging Sdn. Bhd.
<b>100%</b>	R H Timber Processing Industries Sdn. Bhd.
<b>100%</b>	Saraju Holding Sdn. Bhd.
<b>100%</b>	Sarawak Plywood (M) Sdn. Bhd.
<b>100%</b>	Subur Tiasa Forestry Sdn. Bhd.
<b>100%</b>	Subur Tiasa Particleboard Sdn. Bhd.
<b>100%</b>	Subur Tiasa Plywood Sdn. Bhd.
<b>100%</b>	Trimogreen Sdn. Bhd.



#### OIL PALM OPERATIONS

<b>100%</b>	Blessings Palm Sdn. Bhd.
<b>100%</b>	Bountiful Palm Sdn. Bhd.
<b>100%</b>	Fruitful Palm Sdn. Bhd.
<b>100%</b>	Infrapalm Sdn. Bhd.
<b>100%</b>	Palmlyn Sdn. Bhd.
<b>100%</b>	Tiasa Mesra Sdn. Bhd.
<b>100%</b>	Tiasa Palm Sdn. Bhd.
<b>100%</b>	United Superland Sdn. Bhd.
<b>100%</b>	Victory Round Sdn. Bhd.
<b>60%</b>	Victory Pelita Kabah Sdn. Bhd.
<b>75%</b>	Hahn Fert Sdn. Bhd.



#### OTHERS

<b>100%</b>	Allied Asiatic Sdn. Bhd.
<b>100%</b>	Blessings Realty Sdn. Bhd.
<b>100%</b>	Dchord Sdn. Bhd.
<b>100%</b>	DMG Commercial Sdn. Bhd.
<b>100%</b>	DMG Marketing Sdn. Bhd.
<b>100%</b>	Enerrich Sdn. Bhd.
<b>100%</b>	Powerpuff Alliance Sdn. Bhd.
<b>100%</b>	Honeybrix Sdn. Bhd.
<b>100%</b>	Joyful Realty Sdn. Bhd.
<b>100%</b>	JPH Enterprise Sdn. Bhd.
<b>100%</b>	Krah Grande Borneo Sdn. Bhd.
<b>100%</b>	LX Photonics Sdn. Bhd.
<b>100%</b>	Mamo Sdn. Bhd.
<b>100%</b>	Momaspace Sdn. Bhd.
<b>100%</b>	Momaworld Sdn. Bhd.
<b>100%</b>	Momawater Sdn. Bhd.
<b>100%</b>	MOMA Marketing Pte. Ltd.
<b>100%</b>	Subur Global Pte. Ltd.
<b>100%</b>	Subur Properties Sdn. Bhd.
<b>100%</b>	Tiasa Heights Sdn. Bhd.
<b>100%</b>	Prestige Superland Sdn. Bhd.
<b>100%</b>	Subur Tiasa R&D Sdn. Bhd.
<b>100%</b>	Supreme Standard Development Sdn. Bhd.
<b>100%</b>	Tiasa Cergas Sdn. Bhd.
<b>100%</b>	T. Q. Oriental Sdn. Bhd.

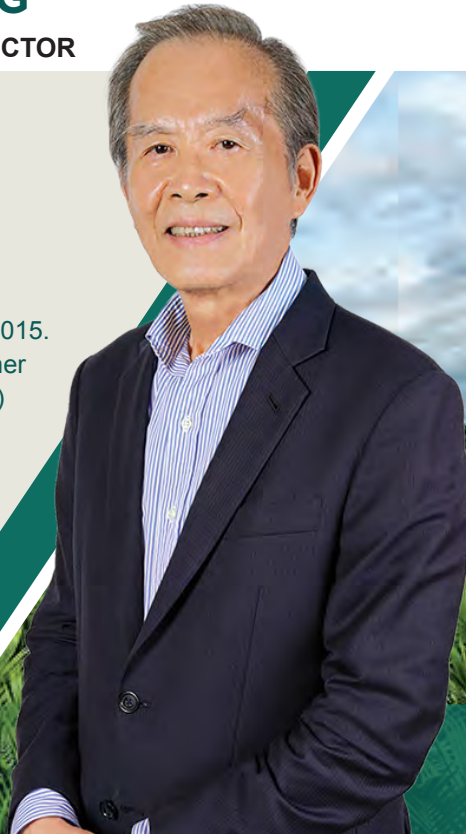
## CHAIRMAN'S STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### YBHG. DATUK TIONG THAI KING

CHAIRMAN / NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

#### Dear Stakeholders,

Our Revenue of RM585.0 million is the highest since 2015. Our Fresh Fruit Bunches ("FFB") production hit another new milestone bringing in 345,488 metric tonnes ("MT") – signifying twelve consecutive years of sustainable growth. As these figures speak for themselves, I am pleased to report the Annual Report and Audited Financial Statements of Subur Tiasa Holdings Berhad ("the Group") for the financial year ended 31 December 2022 ("FY2022")



#### A RECAP OF FY2022

The market faced another challenging year due to the lingering impacts of the post-COVID-19 pandemic and rising geopolitical tensions. Supply chain disruptions have led to volatility in commodity prices while monetary policies across the globe have been tightened to battle rising inflation rate.

Despite these multi-faceted external headwinds, the Group demonstrated resilience and achieved another strong financial performance with Pre-tax Profit ("PBT") of RM68.2 million and Profit after Tax ("PAT") of RM44.7 million. In fact, the Group's revenue increased by 37% or RM156.8 million as compared to financial period ended 31 December 2021 ("FP2021"), which was on 12-month annualised basis ("annualised") of RM428.2 million. This growth was supported by a rise in crude palm oil prices and a 10% increase in the Group's fresh fruit bunch production.

The price of crude palm oil (CPO) reached an all-time high in March 2022, surpassing RM8,000 per MT, due to Indonesia's export ban on CPO and the ongoing conflict between Russia and Ukraine. However, the price declined significantly from June 2022 onwards, hitting a low of less than RM3,300 per MT in September 2022, as Indonesia lifted its export ban and central banks worldwide implemented multiple interest rate hikes, which dampened the market demand. Despite the volatile price swings and inflationary pressure on operating supply costs, the Group's earnings before interest, taxation, depreciation, and amortization ("EBITDA") remained strong, at RM143.7 million, on par with FP2021 on an annualised basis.

More detailed information on the Group's segmental performance will be provided in the Management Discussion and Analysis section. This section will provide a more in-depth understanding of the Group's financial performance and the key drivers behind it.



## CHAIRMAN'S STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022



During FP2021, the Group began to streamline its timber segment by focusing on cost-rationalisation measures for its manufacturing operations, including the reshuffling of manpower resources, improving operational efficiency, enhancing productivity, and liquidating non-productive assets. As a result of these efforts, the segment has managed to reduce its losses by more than 90% in FY2022 as compared to FP2021 on an annualised basis. This initiative is still ongoing and the Group remains committed to turning around the segment by continuing to focus on cost reduction measures and improving operational efficiency. By doing so, the Group aims to further improve the performance of the timber segment and enhance its overall financial performance.

In addition, the Group has made significant strides in diversifying its business portfolio by venturing into new industries and services. The construction of the Krah Pipe Manufacturing plant, which is owned by the Group's wholly-owned subsidiary Krah Grande Borneo Sdn. Bhd., is almost completed and is scheduled to commence operations in the first half of 2023. The HDPE pipe systems with integrated electrofusion joints produced by the plant can be used for various applications including sewer, drainage, storm drain, and ventilation. Furthermore, the Group's wholly-owned subsidiary DMG Commercial Sdn Bhd has established its first vehicle sales and service center, marking the Group's entry into this new sector.

### MOVING FORWARD INTO 2023

The Group will continue to focus on executing its strategic initiatives to drive sustainable growth and create long-term value for its stakeholders. This includes expanding its core business segments, exploring new growth opportunities, investing in technology and innovation, while maintaining a strong commitment to sustainability and corporate social responsibility.

With worldwide economic growth expected to slow down, It is imperative to maintain a high level of operational efficiency to sustain the Group's positive returns and achieve sustainable growth. The Group must remain proactive in transforming and streamlining its operations to adapt to changing market conditions and capitalize on emerging opportunities.

### APPRECIATION

My sincere gratitude to fellow directors for providing unwavering supports, valuable inputs, guidance, and collaborative efforts throughout my second year as Chairman of the Group.

On behalf of the Board, our utmost appreciation to the management team led by YBhg. Dato' Tiong Ing, our Managing Director, who has steered the Group exceptionally well during these challenging times. I would like to sincerely thank all our employees for their hard work, dedication, and relentless support to the Group.

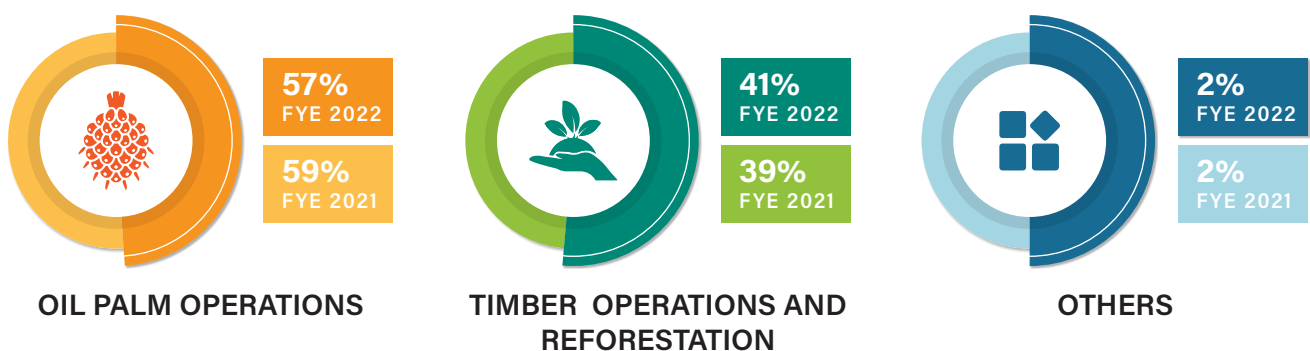
We would like to extend our gratitude to our esteemed shareholders, trade partners, financiers, regulators, customers, and suppliers. We appreciate your unwavering support and partnership during these challenging times. We value your continued trust and confidence in the Group and look forward to working together towards mutual success.

**YBhg. Datuk Tiong Thai King**  
Chairman / Non-Independent Non-Executive Director

## FINANCIAL HIGHLIGHTS



## BREAKDOWN OF REVENUE BY SEGMENT



## MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

### ABOUT US

Subur Tiasa Holdings Berhad was established on 26 April 1995. The Group started off as a timber company involving in logging and the production of plywood, particleboard, and sawn timber. The Group went public on 27 November 1997, and its shares were listed on the Main Board of Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange). Gradually, the Group expanded its business activities to include reforestation (tree planting) and oil palm plantation beginning in 2004. In 2012, the Group diversified into manufacturing charcoal. The Group's presence in the oil palm plantation sector was strengthened from 2014 onwards through joint ventures and acquisitions of new estates. Today, the Group's primary business operations are focused on oil palm cultivation and timber operations.

In FY2022, the Group's wholly-owned subsidiary, DMG Commercial Sdn. Bhd., began operations in Kuching, Sarawak, offering 2S and 3S services for Mercedes-Benz trucks and FUSO commercial vehicles. In addition, with the near-completion of the Krah Pipe Manufacturing plant under the Group's wholly-owned subsidiary, Krah Grande Borneo Sdn. Bhd., the Group is targeting to produce its first batch of HDPE pipes for internal usage by first half of 2023.



Revenue

**RM585 million**



Profit Before Tax

**RM68 million**



Equity Attributable to  
Owners of the Company

**RM664 million**



Net Asset per Share

**RM3.55**



**HOW DID WE PERFORM IN FY2022?**

The Group experienced a significant surge in revenue, rising by 37% from the annualised FP2021 revenue of RM428.2 million to RM585.0 million. This growth was driven by the higher price of FFB and an improvement in FFB production volume. FFB price rose by 18% from RM874 per MT to RM1,032 per MT as compared to the annualised FP2021, following higher CPO price. Additionally, FFB production volume grew by 10% compared to 2021's 313,945 MT, resulting in the oil palm segment remains as major revenue contributor to the Group at 57%.

In FY2022, the Group's PBT amounted to RM68.2 million, representing an 13% decrease compared to the annualised FP2021 PBT of RM78.2 million. This decline was primarily due to higher costs of sales, including operating supplies such as fertilisers, fuel, oil, and lubricants. Similarly, the Group's PAT fell by 13% to RM44.7 million compared to annualised FP2021 PAT of RM51.5 million. However, the Group's EBITDA remained strong, recording only a marginal reduction of 2% to RM143.7 million compared to annualised FP2021 of RM146.5 million.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D) BY GROUP MANAGING DIRECTOR

The Group experienced an increase in non-current assets of RM52.7 million from RM1,294.0 million to RM1,346.7 million, mainly due to the addition of property, plant, and equipment. Additionally, current assets increased by RM24.6 million or 16% to RM176.3 million, attributable to higher trade receivable resulting from an increase in FFB sales value to palm oil mills in line with higher FFB selling price.

In FY2022, the Group's operations generated positive cash flows of RM96.9 million, which were utilized for financing oil palm plantation development and repaying bank borrowings. The Group is committed to maintaining a healthy financial position to ensure its ability to fund operations and capital requirements.

Equity attributable to owners of the Company increased by 8% or RM48.4 million to RM664.3 million in FY2022. Consequently, the Group's gearing ratio improved to 0.96 compared to the previous financial period of 1.01. The net assets per share also increased to RM3.55 in FY2022 from RM3.30 in FP2021.

### FIVE-YEAR FINANCIAL SNAPSHOT

	2018	2019	2020	2021	2022
	12 Months	12 Months	12 Months	17 Months	12 Months
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	322,163	314,569	329,946	606,645	585,027
EBITDA	49,193	32,720	54,154	207,544	143,703
Profit/(Loss) Before Tax	(9,449)	(28,313)	(10,784)	110,789	68,179
Profit/(Loss) After Tax	(21,086)	(35,840)	(25,635)	72,953	44,703
Equity Attributable to Equity Holders	598,366	555,825	535,779	615,897	664,259
Total Assets	1,318,180	1,466,114	1,419,329	1,445,684	1,522,963
Net Assets Per Share (RM)	3.20	2.98	2.87	3.30	3.55
Basic Earnings/(Loss) per share (sen)	(8.90)	(19.03)	(13.33)	38.56	24.61
Debt-to-equity ratio (times)	0.88	1.28	1.31	1.01	0.96
Share Price- High (RM)	1.36	0.92	0.91	1.73	2.44
Share Price- Low (RM)	0.87	0.40	0.38	0.46	0.75

### Oil Palm Segment

The Group began its oil palm plantation venture in 2004 with a landbank of around 5,000 hectares. Over time, as the Group expanded its oil palm operations, the landbank has grown to over 44,500 hectares. These oil palm estates are spread across various regions in Sarawak, namely Sibul, Mukah, Samarahan, and Kapit. To comply with sustainability measures, all of the Group's oil palm estates have obtained full certification under the Malaysian Sustainable Palm Oil ("MSPO") certification.

More than 47% of the Group's landbank has been planted and approximately 23% of the planted area is in the immature to young mature cluster, while the rest has reached the prime mature stage. Therefore, the weighted palm age of our plantation is 10.2 years old.

In FY2022, the segment's revenue was RM330.3 million, which was mainly attributed to sustained FFB production volume and higher Crude Palm Oil ("CPO") prices, which increased from RM4,421 per MT in FY2021 to RM5,131 per MT in FY2022. This represents a significant increase of 31% compared to the annualised FP2021 revenue of RM253.0 million

### Group

**57%**

Contribution to Group Revenue

**> 20MT**

FFB Yield (Per Hectare)

**> 21,000**

Total Planted Area (Hectares)

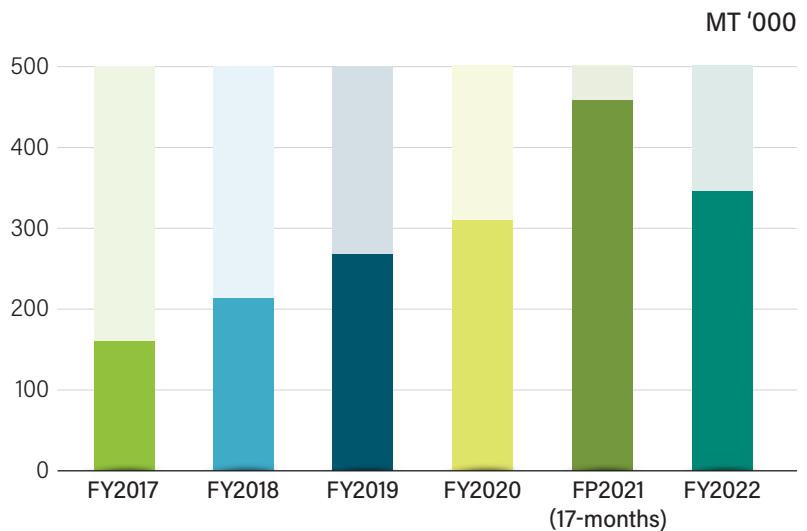
**345,488**

Total FFB Production (Metric)

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D) BY GROUP MANAGING DIRECTOR

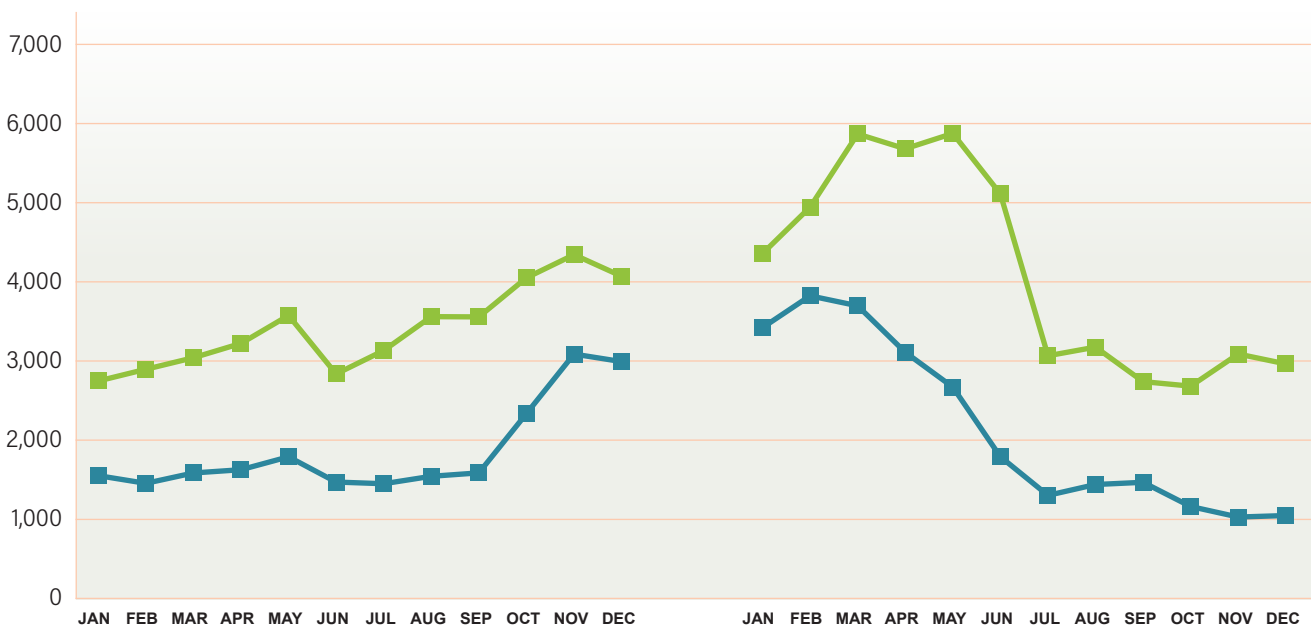
In spite of challenges faced by the segment including rising costs of fertilizers and fuel, shortage of manpower, and adverse weather conditions that led to flooding in some of our estates towards the end of FY2022, the segment continued to generate a positive return with a PBT of RM76.9 million. This was made possible by our commitment to disciplined management of estate operations, good agricultural practices, and effective implementation of mechanization initiatives, which resulted in a solid FFB production of 345,488MT. As a result, our FFB yield per hectare remained above 20MT for the fifth consecutive year, making us one of the top performers in the Sarawak region.

### FRESH FRUIT BUNCHES PRODUCTION (MT)



### CPO PRICE AND PK PRICE TREND

RM/MT



FY 2021

■ Average CPO Price **RM4,421/MT**  
■ Average PK Price **RM2,874/MT**

FY 2022

■ Average CPO Price **RM5,131/MT**  
■ Average PK Price **RM3,165/MT**

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D) BY GROUP MANAGING DIRECTOR

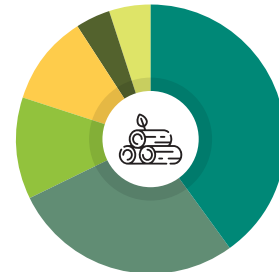
### Timber Segment

The Group's timber operations are located in various regions of Sarawak, with upstream activities situated in Sibu, Bintulu, and Kapit and downstream activities in Sibu and Bintulu. Additionally, the Group carries out reforestation activities under five different Licences for Planted Forest ("LPFs") located in Miri, Bintulu, Kapit, and Sibu. These LPFs are planted with a range of indigenous and extraneous species, such as Acacia Mangium, Eucalyptus Pellita, Teak, and Bamboo. The reforestation activities aim to sustain timber supply and preserve the ecology in the long run

The Mujong-Melinau Forest Management Unit is certified under the Malaysia Timber Certification Scheme - Program for the Endorsement of Forest Certification Schemes (MTCS-PEFC) Forest Management Certification (FMC) for sustainable forest management. Apart from Mujong-Melinau, our Oya-Balingian Forest Management Unit has completed second stage audit and is expected to be certified under FMC by first half of 2023. Additionally, The Group has embarked on third FMU certification and will pursue FMC for its remaining FMUs.

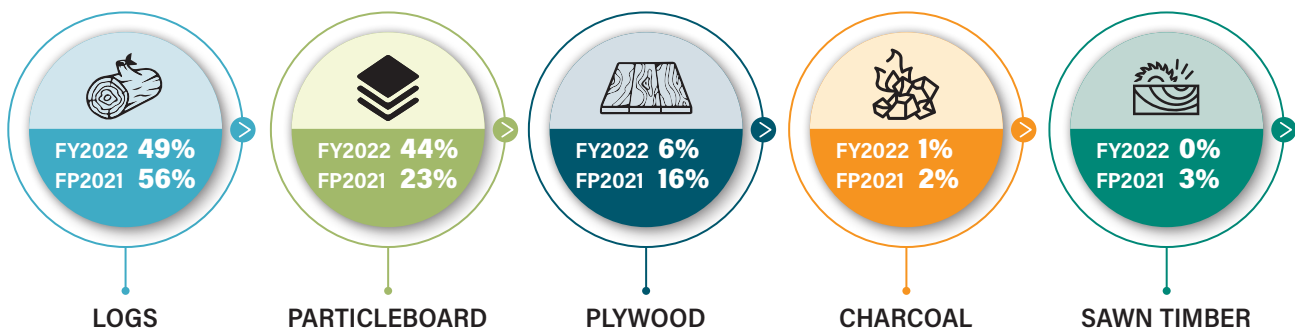
The majority of our logs are exported to India, while our timber panel products are primarily sold to Japan, Philippines, and Indonesia. In the fiscal year 2022, the segment saw a substantial reduction in losses to RM1.2 million, which was achieved through streamlining operations and cost-rationalization initiatives implemented since 2021. The Group remains committed to improving operational efficiency and productivity in this segment in order to continue its turnaround efforts..

### TIMBER AND TIMBER PRODUCTS KEY EXPORT MARKETS

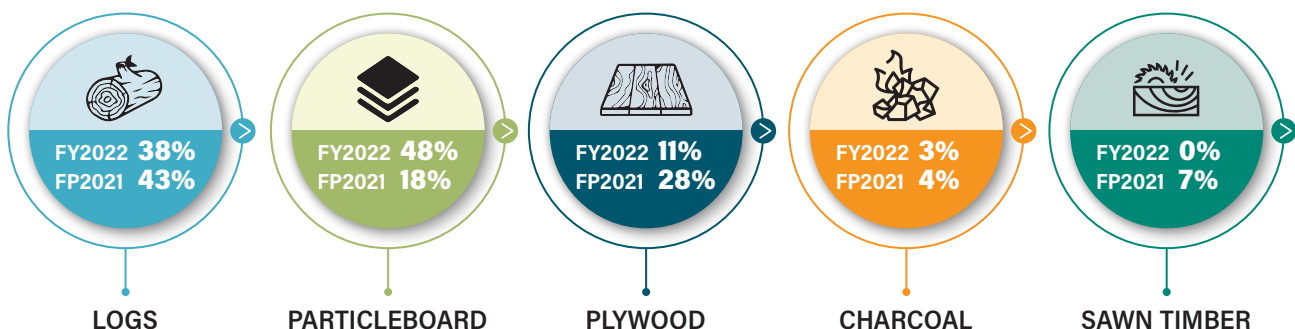


INDIA	40%
JAPAN	28%
PHILIPPINES	12%
INDONESIA	11%
TAIWAN	4%
OTHERS	5%

### EXPORT VOLUME IN %



### EXPORT VALUE IN %



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D) BY GROUP MANAGING DIRECTOR



### DIVIDEND

The Board of Directors has decided not to recommend any dividend for FY2022, as dividend distribution is subject to a liquidity and solvency assessment based on various factors including the entity's financial position, reserves, earnings, capital requirements, and other relevant factors, as outlined in the Companies Act 2016. The Group remains committed to maintaining strong financial discipline and has prioritized cash from operations towards debt repayment, while also ensuring higher cash liquidity to protect against any pandemic-induced disruptions or threats.



### ANTICIPATED OR KNOWN RISK

The Board of Directors and management have implemented a rigorous risk management framework to manage the Group's exposure to various risks such as operational, market, regulatory, competition, and geopolitical risks. The constantly evolving business environment presents varying degrees of risks and challenges to the Group's sustainability.

The labor-intensive nature of our oil palm segment makes manpower crucial. However, the COVID-19 pandemic and resulting lockdowns have compounded the challenges of labor supply. To mitigate this risk, the Group has implemented an employee retention program that includes proactive reviews of remuneration packages, upgrading labor welfare and amenities, and improving workplace health and safety. Additionally, various mechanisation initiatives have been implemented to mitigate the risk of chronic manpower shortage.

Market and geopolitical risks are also present, with fluctuations in commodity prices, such as CPO and fertilisers, having a direct impact on the Group's operating margins and bottom line. Nevertheless, the Group is well-prepared to navigate these risks by robustly managing its business strategy and instilling prudent cash management practices. The Group is committed to driving higher productivity, especially in its FFB production, to alleviate these risks.



### FORWARD LOOKING

The Group is expected to perform well in FY2023, building on the success of FY2022. The oil palm segment, which played a major role in the Group's recovery in FP2021, is expected to continue driving growth with record-breaking FFB production and sustained high CPO prices. While the industry still faces challenges due to the shortage of manpower, the Group expects to see higher FFB yield as the palms mature, contributing to revenue and profit growth. The global demand for palm oil as a vital and affordable dietary oil and renewable energy source further supports this growth.

The timber segment is undergoing business reorganisation to optimise costs, innovate, and consolidate operations to achieve sustained positive returns. The Group remains focused on business sustainability, with an emphasis on Environmental, Social, and Governance factors in its business strategies. The Group is prepared for forthcoming challenges while remaining confident in its strong fundamentals and resilient team to navigate the unpredictable business ecosystem.



## SUSTAINABILITY STATEMENT

Subur Tiasa Holdings Berhad (“Subur Tiasa” or “the Group”) continues to uphold our commitments in maintaining a progressive and continuous sustainability journey. We link our economic goals to social and environmental responsibilities in tandem with our pillars of sustainability on all aspects of Environmental, Social and Governance (“ESG”). We strive to embed the ESG principles across our businesses to create a sustainable, tangible and practical plan that delivers effective solutions and outcomes.

It has been a challenging year as we are still recovering from the impacts of the COVID-19 pandemic including the challenges of global supply chain disruptions, increased operational costs, and labour shortage. As we gear towards the recovery and easing of pandemic restrictions, we will continue to monitor and review our sustainability progress to set a clear direction for our business while guiding the development of strategies to drive the performance across all of our business segments.



### SCOPE

This sustainability statement reflects on our sustainability activities, initiatives, and progress for the financial year ended 31 December 2022 (“FY2022”) for Subur Tiasa and all of its subsidiaries which encompass our core businesses such as manufacturing, timber and oil palm plantations. This statement also provides insights into matters that are material to our capacity to create value for stakeholders and to deliver on our sustainability effort as determined by our Board of Directors (“BOD”) in consultation with Management to ensure that it is aligned with the United Nations Sustainability Development Goals (“SDG”) that are applicable to our businesses as benchmarks.

### SUSTAINABILITY GOVERNANCE

The Group’s sustainability governance structure ensures that sustainability development, planning and initiatives are carried out consistently including accountability to our stakeholders. The Board of Directors provides oversight and guidance for the integration of sustainability aspects into business strategies, goals, planning and material ESG factors that impact the Group’s activities.

The Group Managing Director will lead the implementation of business strategies, policies, goals established and sustainability initiatives with the support of Senior Management which consists of management personnel including the Head of business units. The business units will carry out the operational functions, sustainability initiatives and reporting of the performances to the Group Managing Director.

The roles and responsibilities of our sustainability governance are detailed in infographic below.



## SUSTAINABILITY STATEMENT (CONT'D)



### Board of Directors

- Provides oversight and guidance on the intergration of sustainability aspects into business strategy
- Ensures accountability to the stakeholders

### Group Managing Director

- Leads implementation of business strategies and sustainability initiatives
- Reports to BOD on group performance
- Approves corporate and sustainability policies

### Senior Management

- Supports and carry out business strategy and implementation of sustainability initiatives
- Reports on business performance
- Reviews inputs from all business functions and oversee daily operation



## STAKEHOLDER ENGAGEMENT











As the stakeholders are integral to the Group, we have been carrying out engagement with them to better understand their expectations, interests, and needs, and how we could respond effectively to the relevant matters. Insights gained from several engagement platforms are used to identify the Group's material ESG aspects, allowing us to stay ahead by analysing our operating framework, stakeholder concerns, risks, and opportunities.

Our stakeholder engagements were carried out consistently via both physical and non-physical engagements, which included meeting, online communication platforms, calls, and emails due to the COVID-19 restrictions in first half of FY2022. Our stakeholder's group will expand as we continue to diversify our business, and we identify the most pertinent groups based on the impact, dependence, representation, and relevance as well as our accountability to them.

## Mode of Engagement



## SUSTAINABILITY STATEMENT (CONT'D)

 Stakeholder Group	 Areas of Interest	 Outcomes	 Value Creation
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Corporate growth and expansions</li> <li>• Market diversification</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Reporting standards</li> <li>• Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>• Update on investment performance, financial position and future plans</li> <li>• Provide insight into sustainability initiatives and progress</li> <li>• Maintain good relationship</li> </ul>	Adopt and carry out sustainable development efforts to foster a positive environmental and social impact
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>• Contribution to environmental and social development</li> <li>• Job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness and support for local communities' development and social needs</li> <li>• Build rapport and maintain good relationship</li> <li>• Resolve complaints and grievances raised</li> </ul>	Engage with local communities constantly through formal and informal channels
<b>Employees / Field Workers</b> 	<ul style="list-style-type: none"> <li>• Corporate goals and directions</li> <li>• Job security</li> <li>• Remuneration and benefits</li> <li>• Workplace safety and health</li> <li>• Working environment</li> <li>• Training and development</li> <li>• Covid-19 Standard Operating Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness and understanding of company goals, policies and directions</li> <li>• Encourage teamwork and build camaraderie</li> <li>• Raise awareness on the importance of sustainability</li> <li>• Improve knowledge and job skills</li> </ul>	Engage employees regularly through formal and informal channels
<b>Government</b> 	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Security issues</li> <li>• Environmental Management</li> <li>• Labour practices</li> <li>• Directives and regulations</li> <li>• Covid-19 Standard Operating Procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness and understanding of government directions and initiatives</li> <li>• Adherence to statutory and regulatory requirements</li> </ul>	Comply with all relevant regulations and carry out continuous improvement in line with the standards of sustainability practices through on-going inspections, audits and reporting
<b>Customer</b> 	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Quality</li> <li>• Products safety</li> <li>• Branding</li> <li>• Customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness on sustainability progress and implementation</li> <li>• Increase customer retention and brand recognition</li> <li>• Enhance corporate reputation</li> </ul>	Develops long-term relationships with customers and strives to deliver the highest quality products and services in line with ethical marketing practices
<b>Suppliers &amp; Contractors</b> 	<ul style="list-style-type: none"> <li>• Legal and sustainability requirements</li> <li>• Payment schedule</li> <li>• Pricing of services</li> <li>• Supply commitment</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness on compliance to legal and sustainability requirements</li> <li>• On-time delivery and completion of job</li> </ul>	Build long-term relationships with suppliers and contractors in procuring high quality resources and services in an ethical manner

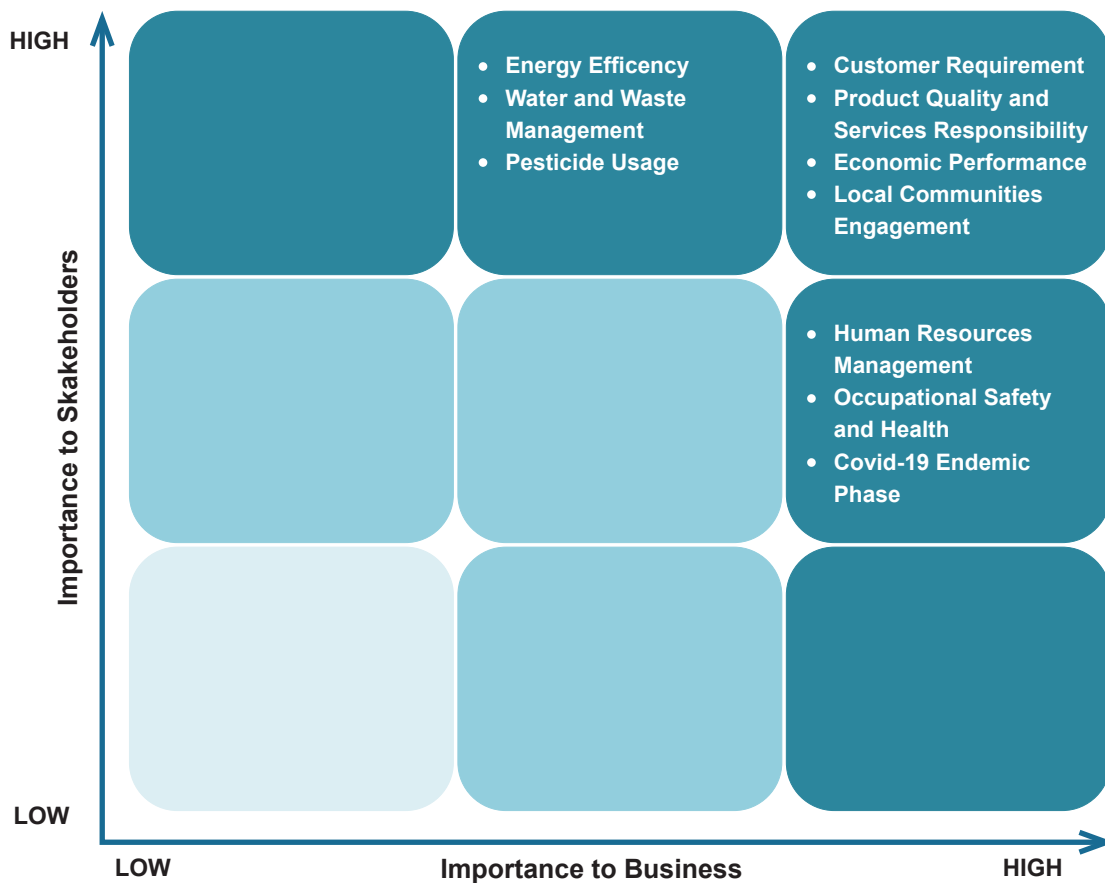
## SUSTAINABILITY STATEMENT (CONT'D)



### MATERIALITY MATRIX

We have re-assessed the material sustainability matters that we have reported in the prior year and confirmed that they remain relevant based on factors such as impact on businesses, evaluation of the internal and external factors, and inputs from our stakeholder engagements. In our materiality assessment, we also took into account emerging significant issues based on the ESG factors and ensure that it is incorporated into the materiality matrix. It is important for the Group to understand that the key material issues may have significant financial and non-financial impact on our business operations including any correlated issues that may directly or indirectly affect us.

The relevant material topics have been realigned according the priority for the sustainability issues that are critical to the Group and only significant matters are highlighted in the chart below.



### ECONOMIC

Given that Malaysia is one of the world's major producers and exporters of palm oil, the oil palm sector continues to be one of the pillars of our economy. It is crucial that we develop and implement sustainable business strategies to enable us to achieve excellent economic performance, business expansion, and continuous innovation in this industry. The Group's economic performance is vital for the sustainability of our businesses as we seek to operate efficiently and responsibly with ethical financial management, cost effective operations, and sustainable agriculture practices.



### Customer Requirement

We are committed to total customer satisfaction through providing consistently high quality products to our customers to help the growth of our businesses. Thus, we have carried out regular engagements with our customers as we believe that

## SUSTAINABILITY STATEMENT (CONT'D)

listening to the feedbacks from customers is vital in fulfilling their expectations and needs. The engagement provides insights for continual improvement in the delivery of our products to build long term and trusting customer relationship.

In line with our Group's vision, it is always our goal to deliver quality products that meet our customer's demand and expectation. The consumer satisfaction and manufacturing of good quality products are some of our top priorities in tandem with the Group's visions. We understand that non-compliance and poor quality products will not only tarnish our Group's reputation but also will impact the trust from our customers and community. Therefore, we are committed toward attaining high standard quality of our products via ISO 9001 certification, environmental management system, advanced testing laboratories to ensure we continuously add value to our customer by consistently providing them with quality products. In global market, we are in compliance with prevailing laws and regulations governing the respective products in the various countries in which they are sold and exported to.

Besides manufacturing high quality of products, we are also committed to deliver on time and provide good after sales service. Although we cover the local and global markets, we have managed to maintain good relationship with them by utilizing various platforms such as through direct inquiry, dedicated customer service, company's website and trade exhibitions which we had participated in. Although we face challenges in our customer's engagements due to the spread of COVID-19 and travel restrictions imposed by many countries in FY2022, we still maintain close relationship with our customers via phone calls, digital platforms such as whatapps, wechat and emails. In order to continually improve our service, we conduct annual customer survey with our major customers to ensure customers' satisfaction is monitored and tracked closely.



### Product Quality and Services Responsibility

The Group regularly carries out awareness training for ISO 9001:2015 Quality Management System to emphasize on importance of quality management towards business continuity. As the ISO 9001:2015 system promotes risk based thinking approach with focus on customers and stakeholders, it is one of the strategic planning in building a sustainable management framework for the Group's manufacturing operations.

Our Mujong Melinau forest management unit was certified and comply to the Malaysian Criteria and Indicators for Sustainable Forest Management while similar efforts has been carried out for the rest of our timber concessions. The timber certification scheme by the Malaysian Timber Certification Council (MTCC) to promote sustainable forest management through forest management certification enables the timber industry to produce and export certified timber products to meet international market's standards and requirements.

Our oil palm plantations operation is certified under the Malaysian Sustainable Palm Oil ("MSPO") Certification Scheme and we have maintained our MSPO certification consistently. This endorsement assures that our palm oil plantations are managed in a transparent and sustainable manner. In line with our persistent efforts towards sustainability, we established the MSPO Committee to oversee the compliance with MSPO standards at our oil palm plantations and to facilitate annual surveillance audit carried out by external certification bodies. We also conduct internal audits annually to ensure our estate operations are in line with MSPO best practices.



### Economic Performance

In FY2022, the Malaysian palm oil sector has gradually overcome the labour shortages as the COVID-19 movement restrictions have been eased to mitigate the Fresh Fruit Bunches ("FFB") production losses across the industry. The slowdown of FFB production had limited the capacity of our country to export palm oil and other palm-based products despite stable demand from importing countries. Major export markets included countries such as India, China, the European Union, and Turkey. The Group's FY2022 financial performance have improved in terms of revenue while net profit has been maintained due to higher average prices for Crude Palm Oil ("CPO"), FFB and Palm Kernel ("PK"). Moving forward, we are working towards reducing dependency on labour through the mechanization of our oil palm plantation operations.

For more comprehensive details on the Group's economic performance, please refer Management Discussion and Analysis section of this Annual Report.



### COVID-19 Endemic Phase

As COVID-19 enters its endemic phase in April 2022, business operations and consumer spending are anticipated to improve gradually including the social normalcy. However, there remain much economic uncertainties and risks to our businesses as the COVID-19 infection rate is still reported in high numbers globally. Although our Government has eased the restrictions during the latter half of the year, we continue to remain vigilant by maintaining necessary COVID-19 precautionary measures to ensure that our business operations are carried out in a safe and sustainable manner.

## SUSTAINABILITY STATEMENT (CONT'D)

In our role as an employer and a part of the community, the Group will continue to exercise caution in the conduct of our business activities and ensuring adherence to the prerequisite health and safety requirements issued by the Government. The Group has carried out necessary proactive measures to ensure the health and safety of our employees and local communities are our priorities while fulfilling our commitments to our customers and business partners.

Our efforts to mitigate the impacts of COVID19 include:

- Ensure compliance with the directives and regulatory requirements issued by the government
- Revise, monitor and enforce the standard operating procedures within the business premises and for visitors to our operational sites
- Conduct awareness and briefing to employee on health and safety issues relating to COVID-19
- Provide employees travelling to operation sites and those who are unwell with self-test kits
- Provision of hand-sanitizers, soaps and masks to the operational sites as well as maintaining the hand-washing facilities to ensure it is available to employees and visitors



### ENVIRONMENT

Subur Tiasa ensure that the Group plantations and logging operations are carried out in an environmentally responsible manner and adequate measures are taken to protect with prevention on any risk that may adversely impact the surrounding environment and communities. The Group proactively manages wastes, reduce the usage of fuel consumption by minimizing wastage and encourage the reuse, reduce and recycle of materials such as paper, plastic and aluminum items.

Our Environmental Sustainability Policy Statement governs how we manage environmental, waste management and biodiversity issues amongst others as highlighted below;

- Comply with prevailing statutory environmental legislations and other related applicable law
- Implement and maintain an environmental management system conforming to certification standards and requirements, related standard operating procedures, and best practices
- Manage High Conservation Value Areas (“HCVA”) with internal monitoring and control mechanisms, as well as working closely with the relevant authorities to provide the resources
- Practice zero-burning in all operation sites development activities and waste disposal
- Minimize environmental pollution by our operation through resource conservation, waste reduction, gradual reduction in chemicals, and proper waste disposal in every area of activity
- Manage disposal of waste (scheduled and other solid waste) generated from operation sites activities in accordance with the local regulations and requirements
- Inculcate, educate, and train employees to promote the awareness for environmental protection through our sustainable policies and practices

We prohibit all forms of hunting and fishing of protected species with clear signage installed to enforce the regulation within the Group’s area of operations and only allow sustainable hunting by local communities for subsistence purposes in protecting the local species populations. We also work together with government agencies such as the Forest Department Sarawak in raising awareness to protect natural biodiversity and ecosystems through visits to local communities including our workers at the operational sites.

The Group will continue to carry out Social Impact Assessment (“SIA”) and Environmental Impact Assessment (“EIA”) accordingly for all our oil palm plantations and Forest Management Unit (FMU). In addition, our palm oil plantations are managed according to Good Agricultural Practice (“GAP”) guidelines where field operations and transportation are handled in ways that minimize environmental impact and comply with occupational safety and health requirements besides carrying out replanting only on degraded and logged-out forests. We have been carrying out regular High Conservation Value (“HCV”) monitoring and protection of HCVA identified in the operation sites by training our workers and local communities to assist the Honorary Wildlife Rangers in carrying out these tasks.



### Water and Waste Management

Water management is crucial for oil palm plantations and the current unpredictable climate change increases the intensity and frequency of natural disasters such as extreme rainfall, flash floods and droughts. In resolving the future challenges related to climate requires a thorough assessment of how the water resources are managed on our estates, and how this

## SUSTAINABILITY STATEMENT (CONT'D)

can be improved over the time to achieve effective management. In line with our efforts to conserve water in our oil palm plantations, we plant cover crops wherever suitable during replanting to reduce vaporization and conserve soil moisture.

The operation sites will monitor and maintain riparian boundaries along both sides of a river that acts as a buffer between our plantations and the water source to prevent contamination. The riparian buffer zone areas within our oil palm plantations ensure that the native wildlife and plant species are protected from any land use activities. We monitor the quality of the water in the river and water sources on the oil palm plantations by carrying out water quality analysis annually. The water sample taken from our rivers is sent to the laboratory where assessments of the river water are carried out and analysed to ensure that the water quality is within environmentally accepted limits and safe to use.

The Group complies with the disposal requirements for scheduled wastes generated from our operations under the Environmental Quality (Scheduled Waste) Regulations 2005. The generated scheduled waste will be collected and stored in clearly labelled containers at the designated scheduled waste store. We will ensure that only the waste management contractors approved by the authorities will be appointed to collect the containers and sent to a disposal centre. Nevertheless, proper handling and disposal of scheduled waste generated by our plantation and forestry activities will reduce the environmental impact from our operations.

### Pesticide Usage

In our efforts to reduce our environmental footprint, we monitor and use the agricultural chemicals sparingly and only when necessary. This effort is supported by our implementation of Integrated Pest Management system which uses biological alternative to control the pests and disease in our plantations. Some the efforts carried out for ensuring effective management of pest at the plantations are listed below;

- Cultivating plants to attract predators that naturally feed on leaf eating insects which damage our palm trees to control and reduce the pest population
- Usage of both chemical and non-chemical methods such as using environmentally friendly chemical and mouse trap in eliminating and manage the rat population
- Set up of netting trap to eliminate the rhinoceros beetles which attack the palm trees and cause serious damage to the palm roots
- Carry out control measures such as using alternative, less harmful chemicals as well as careful management of chemical concentration to avoid over-dosing in minimizing the potential health hazard and ecological impacts of toxic chemicals

We have implemented various measures to keep workers safe such as providing appropriate personal protective equipment ("PPE") to cover all potentially hazardous tasks as identified in the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") assessment. The workers who carry out the spraying work using chemicals are provided with the necessary personal protective equipment such as gloves, apron, safety boots, eye's protector and face mask to prevent chemical contamination. These safety measures are assessed periodically to ensure compliance with regulatory requirements and alignment with industry best practices.

We have established standard operating procedures ("SOP") to ensure that safe handling and storage of chemicals for our operations in the plantation. Regular training on safe working practices has been conducted for all workers handling pesticides and chemicals. Besides, safety induction and briefing on accident and emergency procedures for all workers to ensure that they are aware of these procedures. In addition, we also conduct internal first aid training to the workers and provide first aid box to field workers and offices.

### Energy Efficiency

As one of the Group's efforts in reducing the environmental impact, we seek ways to reduce our energy consumption across our business operations. We are aware that optimizing energy consumption within the Group will not only result in cost savings, but also reduce damage to the environment. As such, we are committed to ensure energy is not wasted and the consumption is at its optimum level for our operations. In addition to closely monitoring our energy consumption, we implement simple measures in our operations, such as encouraging the use of natural light, turning off light and air condition during lunchtime. The Group remains focused on educating staff about energy savings, as we believe that even a small energy saving effort will ultimately make a significant difference to our environmental footprint.

We actively advocate practical methods to reduce greenhouse gas emissions and carbon foot print as the economic and population growth has contributed to higher greenhouse gas emission which leads to global warming and climate change. The Group is concerned on the severity of the greenhouse impact on global warming. In order to reduce the consumption of electricity at operation sites, we have installed solar-powered lighting at estates and logging camps. With the utilization of

## SUSTAINABILITY STATEMENT (CONT'D)

solar power, we aim to save on utilities cost and at the same time contribute towards a more sustainable and lower carbon footprints. We have also installed ventilation system to enhance the air filtration and improve the air quality in the staff living quarter as necessary to reduce workers exposure to airborne contaminants.



### SOCIAL

The Group recognises that human capital is a key asset to business operations' sustainable growth. We value the contributions of our employees and are committed to equal opportunity and fair compensation according to their skills, performance, and current market standards. The Group provides training and professional development consistently to our employee. Besides that, we have established grievance procedures and whistle blowing mechanism to ensure that any suspected infringements will be reported and investigated thoroughly. We have zero tolerance on harassment of any kind in the workplace to ensure that all employees have a safe working environment.



### Human Resources Management

Employees are our most important asset in achieving the Group's goals and objectives, ensuring our businesses long-term sustainability, and growth. The nature of our operations is very labour intensive, and the demand for the human capital is particularly competitive in the industry. We understand the value of upholding our commitment as a fair and preferred employer. Industry and market benchmarking are used to assess and revise the salary scale of our employees periodically to ensure the Group can attract and retain highly skilled employees. We also provide conducive learning environment and work-culture for all level of employees to equip them with the knowledge and skills to effectively perform and overcome the challenges in their workplace.

Our human resource management is driven by the principle of fairness and equal opportunity. It regulates how we conduct ourselves as employers in a multicultural environment and our efforts to reward performance regardless of gender, age, ethnicity, or religious belief. The Group understands that recreational activities are equally important to employee wellbeing and morale. We regularly engage with employees through a variety of recreational activities and celebrations carried out throughout the year. However, as precautions in mitigating the risk of COVID-19 infection, we have postponed some of our planned activities in FY2022 to avoid mass gatherings for the safety of our employees.

The Group provides a various benefits to enhance the welfare of our workers especially those staying in our plantations and logging camps. These benefits include physical facilities such as staff living quarter, sports facilities, treated water supply, and food boards. We have been consistently carrying out the upgrading and maintenance works on our existing housing while constructing new houses to meet the growing number of workers recruited. Other non-physical benefits include insurance coverage and medical benefits offered for all level of employees.



### Occupational Safety and Health

Subur Tiasa strives to adopt good practices from industry players to ensure the continuous improvement of the group's Occupational Safety and Health ("OSH") management. The Department of Occupational Safety and Health ("DOSH") is also consistently engaged to provide updates on the national OSH goals and programs. Our dedication is further demonstrated through the group's participation in DOSH Malaysia's recently launched SOLVE4SME (Stepwise OSH Level Verification Enhancement for Small and Medium Enterprise) program. This program is designed under the OSH Master Plan (OSHMP) 2025. It is the second program under the fifth strategy outlined in the OSHMP25. Its goal is to improve OSH compliance in the SME sector. Participating SME are evaluated at the end of the program, and the level of achievements are divided into five. The five level of achievement are Level 1 (Basic), Level 2 (Bronze), Level 3 (Silver), Level 4 (Gold), and Level 5 (Platinum). The group's participation in the program is in line with the theme of the OSHMP25, "Inclusive OSH—Togetherness and Commitment."

Recognizing the opportunity to improve the group's OSH management, Subur Tiasa has voluntarily sent two subsidiaries in Sibul to participate in the inaugural program. The nine-months program (March 2022 - November 2022) has aided in the improvement of occupational safety and health management at the two participating subsidiaries, Subur Tiasa Plywood Sdn. Bhd. and Momawater Sdn. Bhd. Both subsidiaries achieved Level 4 (Gold). Throughout the program, Sibul DOSH officers have consistently provided feedback to improve the group's current OSH management practices. DOSH also organized workshops to prepare participating companies for upcoming legal and regulatory changes related to occupational safety and health. The workshop on Risk Management Regulations and the briefing on Occupational Safety and Health (Amendment) Act 2022 are among the preparatory programs. The briefing on Occupational Safety and Health (Amendment) Act 2022 are among the preparatory programs.

## SUSTAINABILITY STATEMENT (CONT'D)

The experiences gained from the SOLVE4SME program were incorporated into our oil palm and logging divisions. Among the good practices that have been incorporated is the ergonomic management program. The programs included ergonomics awareness training and ergonomics screening. It is also one of the proactive measures taken to mitigate the work-related musculoskeletal disorders (“WMSD”) cases within the group. Similarly, the Group hopes to contribute to the reduction of WMSD cases in line with DOSH’s target. The implementation of the ergonomics program has resulted in the increment of worker awareness on ergonomics hazards and management.

The workers awareness and understanding were measured through evaluations given during the training. Overall, 166 workers from two oil palm estates and one logging camp have participated in this ergonomics training program. At the end of the program, it was identified that 33% of the workers had shown improvement in their understanding of ergonomics while 61% of the workers gained new understanding of ergonomics. This percentage indirectly reflects the efficiency of the ergonomics training program, which has helped the workers increase and enhance their understanding of ergonomics in the workplace.

In addition to the above, the group has ensured OSH programs are effectively implemented through quarterly inspections and Safety and Health Committee (“SHC”) meetings carried out at the sites. Adequate resources were also provided to run internal trainings to increase staff awareness of OSH. The OSH personnel were also sent to attend external training and seminars, to network, and to gain insights into best practices to promote continuous improvement in the OSH culture within the group.

Chemical Exposure Monitoring (CEM), medical monitoring, and Noise Risk Assessment (“NRA”) were also performed on employees who were exposed to chemical and noise hazards. It is to ensure that our employees are not overexposed to potentially harmful chemical and noise hazards. This is consistent with the group’s commitment to prioritizing occupational safety and health as one of the pillars for sustaining our business operations. Furthermore, the group’s commitment to



*Group photo with SibU DOSH Officers after receiving the agreement of participating in the inaugural SOLVE4SME program*



*Attending the hybrid SOLVE4SME briefing at SibU DOSH Office. The briefing was organized by DOSH Sarawak, and was joined by all SOLVE4SME participants from Kuching, Bintulu, SibU, and Miri.*



*Conducting briefing for the practical training session at logging camp*



*Safety and Health Committee Meeting*



## SUSTAINABILITY STATEMENT (CONT'D)

OSH reflects the group's desire to achieve the Sustainable Development Goals. Internally, the group has aligned the OSH program with the following Sustainable Development Goals:

### Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Periodic inspection to ensure that the workplace is safe for everyone

Training programs to increase and enhance employees knowledge on OSH

Empowering workers to promote inclusive and proactive safety practices to create a generative safety culture

### Goal 3: Ensure healthy lives and promote well-being

Action taken: Carried out CEM, NRA, and medical surveillance to ensure the health and well-being of the employees



*Internal first aider training conducted by the internal trainer, to provide basic first aid knowledge to the workers*



*Practical training on the use of fire extinguishers*

It is the group's goal to ensure continuous improvement in the OSH program's implementation and monitoring. As a result, the company is fully committed to establishing a "generative safety culture" and aspires to go above and beyond legal requirements in order to provide a safe and healthy working environment for its employees and other stakeholders.



#### Local Communities Engagement

Despite the restrictions and challenges brought by the COVID-19 pandemic this year, we continue to provide support and assistance to the local community surrounding our operations, as well as the community at large. Our corporate social responsibility ("CSR") efforts include monetary and essential items donation made to fire victims, providing construction materials to local schools, and distributing sanitizing products to schools and front liners amongst others. We believe that supporting and contributing to our local communities through volunteering and philanthropy efforts is an important part of what we can offer as part of the community where we operate.

In these challenging years due to health crisis such as COVID-19 pandemic, it is commendable that the Group continued to provide much needed contributions to the community as and when they are required. These efforts help to build goodwill among our employees and other stakeholders while promoting inclusiveness in the community. The Group had always endeavoured to play their part in making the communities a better place to live and work in. Even in the midst of a recovering from pandemic impacts, the Group continued to provide essential items and sponsored to other disaster relief efforts and non-profit organisations.

# SUSTAINABILITY STATEMENT (CONT'D)



Donation of drinking water and cash to fire victim at RH Jungan



Sponsorship for school perfect's necktie and vests at Sekolah Kebangsaan Sungai Arau, Selangau



Donation of drinking water and cash for fire victims at RH Sambop



Company annual badminton competition



Company Basketball competition



Annual blood donation drive with Sibul Hospital



Company Christmas Gathering



Company Board Game competition

## AWARDS & RECOGNITIONS



### AWARDS

#### SUBUR TIASA HOLDINGS BERHAD

- ☉ Achieving the target of At Least 30 Percent Women on Board in Public Listed Companies (2016)
- ☉ Diploma Best Enterprise Award 2012
- ☉ Century International Diamond Quality Era Award 2012
- ☉ 2<sup>nd</sup> Malaysia Independence Award 2010
- ☉ International Diamond Star For Quality Award (Geneva 2010)
- ☉ World Quality Commitment (WQC) International Gold Star For Quality Award (Paris 2007)
- ☉ Business Summit Award 2007

#### SUBUR TIASA PLYWOOD SDN. BHD.

- ☉ Celebrity Brand Award 2011 Celebrity Brand Center @ The Nomad Pavilion
- ☉ Quality Summit Platinum Award For Excellence & Business Prestige (New York 2009)
- ☉ World Quality Commitment (WQC) International Gold Star For Quality Award (Paris 2008)
- ☉ Platinum Technology Award For Quality & Best Trade Name (Rome 2008)

#### SUBUR TIASA PARTICLEBOARD SDN. BHD.

- ☉ The Sarawak Chief Minister's Environmental Award 2015/2016
- ☉ Product Excellence Award In Industry Excellence Awards 2009
- ☉ The Majestic Five Continents Award For Quality & Excellence (GENEVA 2008)
- ☉ Diamond Eye Award 2007 For Quality Commitment & Excellence
- ☉ The Top Quality Customer Satisfaction Aptitude Seal For High Quality Performance & Best Customer Satisfaction 2007
- ☉ 32<sup>nd</sup> International Award For The Best Trade Name 2007 (New Millennium Award)

#### MOMAWATER SDN. BHD.

- ☉ Superbrands Malaysia's Choice 2018
- ☉ Malaysia Health and Wellness Brand Awards 2018 in the Home Healthcare Category
- ☉ The Sarawak Chief Minister's Industry's Excellence Awards (CMIEA) 2021



### RECOGNITIONS

#### SUBUR TIASA HOLDINGS BERHAD

- ☉ Forest Management Certification for Mujong-Melinau Forest Management Unit
- ☉ Forest Management Certification for Oya-Balingian Forest Management Unit

#### SUBUR TIASA PLYWOOD SDN. BHD.

- ☉ Wood Packaging Material Treatment Providers Certification
- ☉ ISO 9001:2015 Certification

#### SUBUR TIASA PARTICLEBOARD SDN. BHD.

- ☉ Japan Ministry Certification
- ☉ California Air Resources Board (CARB) Certification
- ☉ ISO 9001:2015 Certification
- ☉ Japanese Industrial Standard JIS A 5908:2015

#### MOMAWATER SDN. BHD.

- ☉ Certificate of Authentication Healthier Choice Logo (HCL)
- ☉ Certificate of Hazard Analysis and Critical Control Point (HACCP)
- ☉ Certificate of Good Manufacturing Practice (GMP)
- ☉ Certificate of Halal Authentication
- ☉ MeSTI Certificate (Makanan Selamat Tanggungjawab Industri)

#### PALMLYN SDN. BHD.

#### VICTORY PELITA KABAH SDN. BHD.

#### TIASA PALM SDN. BHD.

#### TIASA MESRA SDN. BHD.

#### INFRAPALM SDN. BHD.

#### BLESSINGS PALM SDN. BHD.

- ☉ Malaysian Sustainable Palm Oil (MSPO) Certification